



**Marin Clean Energy
Board of Directors Meeting
Thursday, August 20, 2015
7:00 P.M.**

Kathrin Sears, Chair
County of Marin

Tom Butt, Vice Chair
City of Richmond

Bob McCaskill
City of Belvedere

Alan Schwartzman
City of Benicia

Sloan C. Bailey
Town of Corte Madera

Greg Lyman
City of El Cerrito

Barbara Coler
Town of Fairfax

Kevin Haroff
City of Larkspur

Garry Lion
City of Mill Valley

Brad Wagenknecht
County of Napa

Denise Athas
City of Novato

Carla Small
Town of Ross

Ford Greene
Town of San Anselmo

Genoveva Calloway
City of San Pablo

Andrew McCullough
City of San Rafael

Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

1125 Tamalpais Avenue
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org

**The Charles F. McGlashan Board Room
1125 Tamalpais Avenue, San Rafael, CA 94901**

Agenda Page 1 of 2

1. Board Announcements (Discussion)
2. Public Open Time (Discussion)
3. Report from Chief Executive Officer (Discussion)
4. Consent Calendar (Discussion/Action)
 - C.1 6.18.15 Meeting Minutes
 - C.2 Approved Contracts Update
 - C.3 First Agreement with Community Media Center of Marin
 - C.4 Second Addendum to Third Agreement with Association for Energy Affordability
5. Monthly Budget Report and Audited Financial Statements for FY 2014-15 (Discussion)
6. Resolution 2015-04 Approving Non-Revolving Credit Agreement with River City Bank (Discussion/Action)
7. MCE Rate Tariff Schedule E-19 and E-20 Option R (Discussion/Action)



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Agenda Page 2 of 2

8. Authorization to File Petition for Rulemaking with the California Public Utilities Commission regarding Power Charge Indifference Adjustment (PCIA) Charges to Customers (Discussion/Action)
9. MCE Staff Positions (Discussion/Action)
10. Energy Efficiency Update and Approval of Program Implementation Plans for 2016 Cycle (Discussion/Action)
11. Communications Update (Discussion)
12. Board Member & Staff Matters (Discussion)
13. Adjourn



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MARIN CLEAN ENERGY

BOARD MEETING MINUTES

Thursday, June 18, 2015

7:00 P.M.

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

Roll Call: Chair Sears called the regular Board meeting to order at 7:05 p.m. An established quorum was met.

Present: Sloan Bailey, Town of Corte Madera
Barbara Coler, Town of Fairfax
Tom Butt, Vice Chair, City of Richmond
Genoveva Calloway, City of San Pablo
Andrew McCullough, City of San Rafael
Ford Greene, Town of San Anselmo
Kevin Haroff, City of Larkspur
Gary Lion, City of Mill Valley
Bob McCaskill, City of Belvedere
Emmett O'Donnell, Town of Tiburon
Kate Sears, County of Marin
Carla Small, Town of Ross
Brad Wagenknect, County of Napa (arrived late)
Ray Withy, City of Sausalito
Alan Schwartzman, City of Benicia
Greg Lyman, City of El Cerrito

Absent: Denise Athas, City of Novato

Staff: Dawn Weisz, Chief Executive Officer
Beckie Menten, Director of Energy Efficiency
Greg Brehm, Director of Power Resources
Nick Shah, Power Supply Contracts Manager
Michael Maher, Maher Accountancy
Kirby Dusel, Technical Consultant
John Dalessi, Technical Consultant
Jennifer Dowdell, Consultant
Rafael Silberblatt, Program Specialist

Katie Gaier, Human Resources Coordinator
Jose Perez, Administrative Assistant
LaWanda Hill, Administrative Assistant
Darlene Jackson, Board Clerk

1. Board Announcements (Discussion)

There were no Board announcements.

2. Public Open Time (Discussion):

There were no public comments.

3. Report from Executive Officer (Discussion)

Dawn Weisz, Executive Officer gave the following suggestions for future Board discussion at its retreat:

- Holding a session on accomplishments;
- Strategic planning for the coming year;
- A dialogue on PACE programs;
- MCE expansion;
- Staffing and use of contracting;
- Power purchase strategies;
- CCA agreement; and
- Presentations from other outside parties regarding emerging technologies

Chair Sears asked that staff circulate the list to all Board Members for their input, and Ms. Weisz continued her report:

- Staff is working internally on changes to MCE's Deep Green portfolio, including a transition to use more in-state supply, more renewable technologies beyond wind with solar and shifting to a flat monthly premium. She said this had been discussed by the Technical Committee meeting and will be discussed again during the rate-setting process for next year.

4. Consent Calendar (Discussion/Action):

C.1 5.21.15 Meeting Minutes

C.2 Approved Contracts Update

C.3 Policy 012: Dogs in the Workplace

Board Member Lion requested the following amendment to Item C.1:

- Page 15, "...way to use the Tesla car battery to feedback ..."

ACTION: It was M/S/C (Greene/Haroff) to approve the Consent Calendar consisting of Items C.1, as amended, and Item C.2 through C.3. Motion carried by unanimous roll call vote: (Absent: Athos and Wagenknecht; Abstain on C.1: Coler, O'Donnell, and Small).

5. Budget Reports (Discussion)

A. Preliminary Year End Budget for Fiscal Year FY 2014/15

Michael Maher, Maher Accountancy, said the operating budget numbers are preliminary and overall MCE came close to its budget expectations. He reported an increase in the fund balance of \$2.4 million.

The biggest revenue item is electricity sales which came in close to their estimations and about \$255,000 under budget.

He reviewed various revenue items, stating the costs of energy came in just slightly over budget, staffing under budget, legal and communications which vary, and their loan item came in slightly over budget due to the costs to move which was anticipated. Operating expenses were where they believed they would end up.

Regarding capital outlay, most costs relate to improvements in the new building. Termination funds from the old lease were intended to cover most of these costs, and debt service was paid on schedule with no variance.

Regarding the energy efficient budget, it has historically been a reimbursement grant. There is a deficit where some of the costs this year were towards granting writing activities which funds can be used for. The local energy development fund is also under budget.

B. Monthly Budget Report for April 2015

Mr. Maher reported that this will be the first month where they have the rate increase beginning in April, with anticipated new targets for revenue. They are close to budget numbers and are currently at 98% of their budget revenues with construction-related expenses which are tapering off.

Regarding debt service, MCE paid off its existing debt ahead of maturity, to which Board Members gave a round of applause.

6. Master Agreement and Confirmation Letter with East Bay Municipal Utilities District (Discussion/Action)

Greg Brehm, MCE Director of Power Resources said in January EBMUD sent to MCE a request for expression of interest in the purchase of renewable energy from two California RPS qualified small hydroelectric facilities for a total of 40 megawatts of capacity. Staff responded to that request and MCE was shortlisted by EBMUD. The item was discussed by the Ad-Hoc Contracts Committee in April and was included in their evaluation of open season offers received. Subsequently, they got approval from the Ad-Hoc Committee to continue with negotiations, which were successfully completed.

Mr. Brehm explained that the contract was based upon an EEI master agreement and renewable energy confirmation letter and that an additional confirmation letter for resource adequacy capacity is still under consideration and may be executed in July. He introduced the newest member of the procurement team; Nick Shah who he said comes from PG&E.

Nick Shah, MCE Power Supply Contracts Manager gave a brief overview of the Pardee Power Plant and Camanche Power Plant purchase details. The Pardee Power Plant's location is within 100 miles of MCE's service territory and the capacity is up to 30 MWs. Expected annual production is between 30,000 and 180,000 MWhs. They expect a dry season this year and because of the generation variability, there is a price differential which he briefly explained noting that anything above 90,000 MWhs will be paid at a reduced renewable energy premium.

Key strengths are that EBMUD has been around since 1923, and this resource adds technological diversity to MCE's portfolio. Mr. Shah said the EEI master agreement is an industry standard contract. The Camanche Power Plant is very similar to the Pardee Power Plant. It is within 100 miles of MCE's service territory, and is not dispatchable, is 10.6 MWs and the annual energy fluctuates with actual water runoff conditions. The pricing is the same and the term is the same 10 years.

Mr. Shah said MCE will have the option of extending up to 6 additional years depending on market conditions and what MCE's portfolio needs are at the time. He then referred to the first graph which shows that they can assume an average of 60,000 MWhs they expect going forward; however, this will vary according to actual precipitation and runoff.

Chair Sears asked Mr. Shah to talk about the chart on the bottom; hydro generation by EBMUD facilities for various years. Mr. Shah said the Board Members will see 12 bars for each facility which indicates each month's generation. There is a huge amount of fluctuation but on average, they can anticipate about 60,000 MWhs.

Chair Sears pointed out that they are in Year 4 of a California drought yet the fluctuation and availability of hydropower is still dramatic. She asked for an explanation of why this is a good resource. Mr. Shah explained there are large capacity reservoirs upstream of these power plants and their operations have an impact on the EBMUD projects. Greg Brehm, Director of Power Resources, added that because these reservoirs have some regulatory constraints on water flows for fish hatcheries and certain requirements for flows. EBMUD also has the ability to operate the plants to take advantage of market prices. Their best forecast will come in March and April of each year and this is when MCE staff will make decisions on taking additional volumes to fill its power portfolio for the year.

Board Member Greene said assuming that the drought continues, in terms of snow melt there was almost none. The 10 year contract is a long time, and he asked to discuss how the contract addresses cost allocation if there is not the water to drive it. He recognized the range of between 30,000 and 180,000 MWhs, but said this is assuming water is going to be present.

Board Member Greene said his other question is that they talk about the percentage of which their overall portfolio will align on this agreement and asked if there is a backup plan in the event they have a lack of available water problems.

Mr. Brehm explained that in their open position with the 30,000 MWhs and they are assuming this is the worst case production even in the driest period. In an average year they get 45,000 to 60,000 MWhs. They are also going out for another 30,000 MWhs from a solar project so this provides a backup plan to the contract. He said there is no cost to MCE if there is no production and MCE simply passes any CAISO revenues generate through the market to EBMUD. The only actual cost is the renewable premium on top of the CAISO revenues so if there is no generation, there is no cost to MCE.

Board Member Lyman said one of the things that came out of the Ad-Hoc Committee was that last year there was a cap on how much they must buy. He asked if Mr. Shah could expand on this. Secondly, he recalled that hydroelectric delivers a specific time of year and he asked if this is when their highest demand is.

Mr. Brehm pointed to the top chart and said the average year of the actual production aligns well with their Marin load profiles. With the addition of Napa, they have a somewhat flatter profile but typically for Marin customers this will match their generation profile.

Regarding the cap, Mr. Brehm said they are concerned with the fluctuation. They specifically negotiated the renewable premium, which is the lowest renewable premium paid to date. When production gets above the 90,000 MWhs mark MCE pays a reduced REC premium on anything above the 90,000 MWhs.

Mr. Brehm added that under the RPS rules, a 10-year contract or longer is considered a long-term contract. They also were afforded some banking flexibility with regard to renewable energy under this contract. So if there are low deliveries one year and then a peak volume the following year with unexpected rainfall, they could have the opportunity to hold the RECs and use them in future years which are the additional benefits of having the contract set up in a 10-year term.

Board Member O'Donnell asked for an explanation of the market index pricing point rule. Mr. Brehm said it is actually tied to a specific nodal price in the ISO, so they are just passing through the revenue which shifts every 15 minutes. MCE holds the revenue for one month because it is variable, and then they pass the revenue on to EBMUD.

Mr. Shah said one other feature not covered in the presentation is any renewable generation that is in excess of 120,000 MWhs per year. He explained that MCE has the option of whether they want to take it or not. This is another way of mitigating the risk of being stuck with too much renewable energy.

Noted Present:

Board Member Wagenknecht arrived and was noted present at 7:30 p.m.

Board Member McCullough asked if "run of river" hydropower is more environmentally preferred as a matter of policy. Mr. Shah said typically a run of river hydro facility would not have the flexibility in terms of real time dispatch or any other services bought from a facility that can respond to real time pricing to dispatch. He would think the dispatch would have more value, but from a green perspective, when getting less than 30 MWs from a hydro facility in California, it is considered RPS eligible, so there is not a distinction there.

Mr. Shah said if the agreement is approved by the Board tonight, EBMUD will sign on Tuesday, June 23, 2015. They are looking to bridge the existing contract, create a seamless transition and continue operating by July 1st.

Chair Sears called for public comment and there were no speakers.

ACTION: It was M/S/C (Lion/Bailey) to approve the Master Agreement and Confirmation Letter with East Bay Municipal Utilities District. Motion carried by unanimous roll call vote: (Absent: Athas; Abstain: Wagenknecht).

7. MCE Pilot Residential Battery Storage Program and Electric Schedule PBST: Pilot Battery Storage Tariff (Discussion/Action)

Rafael Silberblatt, Program Specialist, gave a PowerPoint presentation and displayed the new Tesla Powerwall residential battery system which Tesla introduced to the market in April. He said this is big

news because traditionally batteries of this kind have not been marketed to the residential sector. Two batteries will be offered; one is a 7kWh battery and the other is a 10kWh battery. The big distinction between the two is how often power can be drawn down from them. The 7kWh battery is warranted for 10 years and one can charge and discharge it every day. The 10kWh battery is meant for a battery backup in the event of a major outage.

The cost of the battery is approximately \$3,000 and customers will need an inverter which will cost about \$1,500 as well as installation costs. Therefore, the cost will be approximately \$7,000 for customers who don't already have a compatible inverter.

Mr. Silberblatt discussed use of the battery and its ability to power various items. For example, a solar customer could keep themselves powered in the event of a blackout. The battery might be of interest to people who live in remote areas, people who want to go off the grid or people who are concerned about earthquakes or disasters. If someone not in the MCE territory wanted to buy a battery they would need to go through a retailer. This is a value to existing customers where they can purchase batteries at cost with no overhead.

Mr. Silberblatt indicated that MCE staff will alert customers of the availability of the battery, ask for a non-refundable deposit and then once they have at least 20 batteries they would place the order with Tesla. They will also offer customers financing and installation services, and a battery storage tariff wherein the customer will receive either a \$5/month or \$10/month credit depending on how much of the battery they allow MCE to remotely dispatch. They will operate the battery in certain parameters so as not to violate the warranty and they will be working with third parties to optimize dispatches for MCE's benefit and the customer's benefit.

Regarding next steps, they are working with Tesla on the contract and, once in place, will conduct marketing outreach to customers. Depending on the update they may then target specific demographics.

Chair Sears asked when the batteries might be available from Tesla. Mr. Silberblatt replied that Tesla has indicated the batteries will be available this fall.

Board Member Lion asked if there is anything financially that can be done to better support the program. Mr. Silberblatt said the only solar Time of Use customers are likely to pay back the cost of the battery – assuming they dispatch the battery when rates would be most beneficial to do so. Tesla has estimated it will be a 10-year payback for solar Time of Use customers and they tout the non-economic benefits of the battery for other types of customers.

Board Member Lion asked if MCE dispatch energy from the battery. Mr. Silberblatt said they would work with a third party optimizer within certain parameters but would not use the battery if there was an expected storm that might down power lines or when the grid is down.

Board Member Lion asked if it is possible for people to have an 85kWh battery to use it as an alternative source of energy. Mr. Silberblatt said he was unsure if someone would want to do that because it might drain the battery faster than it was worth and commented that this is 'V to G' or vehicle to grid which is a technology that may be available within the next few years.

Board Member Lion asked if it is the intent to drain the batteries by MCE constantly or only in the event that MCE was running short of power delivery to its customers. Mr. Silberblatt said it is MCE's intent to follow the price and drain them when the grid needs extra power and is willing to pay for it.

Ms. Weisz added that one of the things important to recognize is that this is a pilot and something MCE intends to learn from over the next year. Ultimately, there is going to be a need for flexibility. As more renewables get added to the grid there is sometimes too much power on the grid during the middle of the day but it varies from month to month and day to day. It is not possible for customers to keep up with when are the right time is to use and not use power. If MCE can automate that for them, they will be able to provide real value to the grid, screen out gas emissions, and also provide a small amount of revenue stream for MCE.

Board Member Butt said it is his understanding that they are not intimately connected with an individual user. He asked why it wouldn't make sense to put many together and manage them like that instead of having them located in individual structures. Ms. Weisz said creating a battery system not behind the meter is a different exercise altogether and something they want to explore further.

Board Member Lion asked if there was a limit on the number of orders that can be placed. Mr. Silberblatt noted that at this time there is a limit per the tariff to the first 20 on a first come, first served basis.

Board Member Small asked what would be the case if someone initially allowed MCE to access their battery for 6 months or up to a year and then they decide they would forego the \$5/month benefit. Mr. Silberblatt said they would not need to lock into any long-term deal, and he believes it can be month to month. If customers did not like the way it was working they would simply withdraw their request.

Chair Sears said this is exciting pilot program, new technology and a great way for MCE to be able to participate in energy storage. She asked if there were any public comments and there were no speakers.

ACTION: It was M/S/C (Greene/Wagenknecht) to approve the MCE Pilot Residential Battery Storage Program and Electric Schedule PBST: Pilot Battery Storage Tariff. Motion carried by unanimous roll call vote: (Absent: Athas).

8. New MCE Staff Position: MCE Community Power Organizer (Discussion/Action)

Ms. Weisz said in early June 2015, MCE applied the San Francisco Foundation or funding to support a part-time community organizer to help further MCE Community Power's mission. She said the grant was awarded and at the last Board meeting, the Board voted to accept this award. Since that time, staff developed a job description for the position. In doing an internal review of the job description and developing the proposed compensation range, they realized the description was very similar to another part-time job description to provide support to the Community Outreach staff. An internal decision was made to put these two positions together and create one full-time position.

The proposal before the Board is to create a new staff position called "Community Power Organizer". The position would be in place for a year but MCE would advertise it as a temporary, one-year position knowing they need to evaluate it and whether there is a continued need for the position, as well as continued funding for it. This was discussed in their Executive Committee meeting last month and she was available to answer questions.

Katie Gaier, Human Resources Coordinator, commented that one requirement of the position is to be able to speak both Spanish and English which are languages within MCE's service areas and will better serve these communities.

Board Member Greene asked to expand on the increase in pay rate from the \$20-\$25/hour which the Executive Committee approved and the \$27 to \$40/hour advertised.

Ms. Weisz said over the last 6 months staff had been seeing a trend that compensation ranges are well below the market. As a result, staff has had to make adjustments and bring people in towards the top of the range. For that reason, they discussed a comprehensive compensation analysis for the agency on a parallel track which is under review currently. In the interim, they want to be sure they are attracting the right candidates for the positions they need to fill so they do not have too much disconnect between positions recruited for on staff and new positions. They looked at the market and existing levels to determine the right range and said the higher end of the range will allow them to bring on a candidate with more experience.

Board Member Coler noted that the San Francisco Community Foundation grant award is only for a year for roughly half of the position. She said MCE has been adding many positions and while she realizes it is only a one-year position it is also hard to let someone go at the end of the year. She questioned if there has been any consideration of hiring a contractor instead.

Ms. Weisz said because this position would be working day to day in the office there are some legal parameters they must follow so it does not appear they are taking advantage of wages, benefits, or not providing overtime for a person who is acting as a staff person. The other thing they have seen is that typically those people working on a contract basis do have to charge a bit higher than staff salaries because they must pay their own taxes and benefits so it is not necessarily a savings. We must make sure it is clearly communicated to the candidate that it is a temporary position and is not planned to continue after the first year.

Chair Sears said she thinks this is a good step forward. It is true that MCE has been adding staff which is positive as this organization was so lean for so long. Adding this position and some of the newer hires is a reflection of how far this organization has come with maturation of their business model. She suggested assessment in a year to determine where they are.

ACTION: It was M/S/C (Greene/Butt) to approve the new MCE Staff Position: MCE Community Power Organizer. Motion carried by unanimous roll call vote: (Absent: Athas).

9. Adjustment to MCE Retirement Plans (Discussion/Action)

Jennifer Dowdell, Consultant, gave a brief staff report, stating that at the last Board meeting, adjustments to MCE's retirement plan, which consists of both a 401(a) defined employer contribution plan, and a 457(b) voluntary employee contribution plan, were discussed. Together the retirement plans total roughly \$900,000 and have grown significantly since MCE's launch.

Plan asset growth creates an opportunity to review the plan features and management to determine if MCE is getting the most value from their structure, investments offered to employees, and the administrative platform on which the plans are delivered.

Ms. Dowdell conducted outreach to various large plan providers such as Schwab, Fidelity and Vanguard. Because plans are still individually under \$1 million in assets, and because MCE uses a 401(a) plan, the number of options at a reasonable cost, providing the desired level of service, including advisory and educational meetings with employees and management, individual account maintenance, and on-going compliance support is limited.

Staff is recommending that the Board direct the Executive Director to negotiate final contracts with two providers; Genovese, Burford & Brothers to provide financial advisory services and PenServ Administrative Plan Services to provide administrative services. Additionally, staff is recommending that MCE take on the administrative costs of the plan, given it is fairly common for plan sponsors to pay these costs as an added benefit to employees as these costs are relatively small. Ms. Dowdell confirmed with an industry contact, having experience with mid-sized companies and smaller public utilities, that company-paid administration fees are common, but not universal. She added this may be the case because plan asset forfeitures do offset some of these costs, and that based on historical MCE data, forfeitures would have fully covered MCE's administrative costs if the agency had chosen to pay these in the past.

In the packet is a summary of costs and benefits. The recommended administrator, PenServ, has an annual cost of \$5,850 and they dropped this cost in the first year to \$4,950. Ms. Dowdell completed discussion of the report and asked for Board questions.

Board Member Lion asked if Ms. Dowdell looked at more than two administrators and two investors. Ms. Dowdell said yes. However in terms of receiving proposals, one factor was the small size and the 401(a) plan, as many administrators deal primarily with large 401(k) plans. One of the three administrators she found who manage non-401k plans deals primarily with schools. The second one, Admin Partners, provided a proposal but did not respond when asked to confirm that pricing was still valid. PenServ was the first choice of both fiduciary advisors MCE considered. PenServ is a national organization focused only on administration. Their platform is very flexible, allowing funds from any institution or broker/dealer to be offered.

Board Member Lion noted that Admin Partners proposal was significantly less expensive than PenServ's. Ms. Dowdell responded that Admin Partners was not responsive to request to confirm their pricing. In addition, Ms. Dowdell indicated she was concerned that all costs may not have been reflected in their proposal. Since they were not responsive when she tried to validate their proposal, she was reluctant to recommend them. She indicated she was most comfortable with the PenServ as they responded each time they were called, 'sharpened their pencil' when requested to reduce costs, and was the first choice of the fiduciaries she spoke with.

Board Member Schwartzman asked if staff contacted any references. Ms. Dowdell said she has a list, but has not gone through them as she was awaiting Board approval and to go through the final contracts process.

Chair Sears asked for public comment and there was none. She thanked Ms. Dowdell for her work on the matter.

Board Member Coler said one of the things the contract is missing are insurance requirements and suggested requiring General Liability and Errors and Omissions, which is not standard in the contract.

Were the Board to approve this, she asked staff to include this provision. Ms. Weisz agreed that staff will follow up and require these insurance provisions.

Board Member Schwartzman questioned administrative costs, and Ms. Dowdell said MCE's cost will increase approximately \$3,600 for the financial advisor. Currently, MCE is operating a plan without a third party financial advisor so this is an additional amount for these services. At a certain plan size, over \$1 million, the larger plan providers waive administration fees given significant assets. Under the current recommendation as assets increase MCE will pay more fees because MCE does not have \$1 million in assets per plan.

Board Member Coler asked if at a time when MCE grows, a clause in the contract could be inserted such that fees would not be charged. Ms. Dowdell said once they get to \$1 million, they could look to move to a bundled plan to provide the highest level of service at the lowest cost.

ACTION: It was M/S/C (Coler/Greene) to negotiate agreements retaining two firms to provide administrative and fiduciary services to MCE's retirement plans: Genovese Buford & Brothers as an investment advisor and PenServ Plan Services as administrator. Motion carried by unanimous roll call vote: (Absent: Athas).

10. Energy Efficiency Update and Approval of Energy Efficiency Business Plan (Discussion/Action)
(Discussion)

Beckie Menten, Energy Efficiency Director, asked for a moment of silence from everyone to acknowledge the recent tragic events in South Carolina. She said she presented at a CPUC hearing on the MCE low income proposal which was well received at the CPUC.

Ms. Menten updated the Board on energy efficiency, stating that the Business Plan is the result of a lot of work, discussion with the public and staff and advisors of the CPUC. She said MCE has been administering over \$5 million worth of programs in its service territory since 2012 and main programs in MCE's Energy Efficient portfolio include multi-family, small commercial, single family utility demand reduction pilot program and four financing pilot programs. Within the small commercial program, MCE is exploring collaborating with the San Rafael Chamber of Commerce and the team plans to provide outreach to other Chamber of Commerce offices, as well.

Ms. Menten discussed MCE's new mobile app which is a feature to save energy; Ms. Menten encouraged Board Members to provide feedback on the tool to ensure that the mobile app can be functional and useful. Their action plan informs people what they can do in their home as well as financing products like PACE programs. It allows customers to also determine which areas of their plans are eligible for financing. They are also excited about an upcoming equipment marketplace in the Action Plan. They can compare things like refrigerator models on line and determine their energy output and identify rebates.

Moving into Energy Efficiency 2.0, she said MCE currently has authorization for \$5.6 million for energy efficiency funding programs between 2012 and 2015. However, the CPUC traditionally offers programs on a 2-3 year basis and they are considering dramatic changes and switching to a 10-year funding cycle. This requires a different review and instead of approving each single program they would rather see utilities and administrators come to them with a Business Plan which articulates their long-term vision,

strategy and common objectives throughout all programs. The Business Plan is the document that the Commission would vote on. Separately, there are implementation plan documents, as well.

Ms. Menten discussed the need to achieve cost-effectiveness and staff determined it is not possible to achieve cost effectiveness in the small, largely residential service territory as compared to investor utilities unless they have the opportunity to select the most cost-effective programs to combine with the less cost-effective programs first to meet the CPUC guidance.

She presented the Business Plan to Board Members and acknowledged the Potrero Group representatives who assisted in development of the plan. They drafted the content and MCE completed its final formatting.

Ms. Menten said the document will be submitted formally to the CPUC for review and approval which would approve MCE's Energy Efficiency program for the 10-year cycle, and she briefly described components in the Business Plan which seeks to achieve greater integration in energy services delivery. She discussed feedback and lessons learned from workshops held in individual customer regions. In looking at various programs, energy efficiency is often treated as a subsidy based program. Customers want well designed programs and MCE needs to articulate their strategies toward energy efficiency, understand the value proposition of the customer. What MCE found important is a single point of contact or an energy advocate. They serve to recommend a suite of services to customers and facilitate access to programs. MCE has recommended that incentives per measure decline as participation increases and as the program meets certain targets. If the program does not meet targets, MCE can review participation levels and adjust the program goals and costs.

The single point of contact also allows access to multiple program offerings, which Ms. Menten briefly described, stating they want to build on this to offer a suite of opportunities for resource conservation strategies, given the fact that over 10 years they will see dramatic changes.

Ms. Menten said the Business Plan includes a budget break out the first two years and then the third and fourth year, and then the five year summary. For tonight's presentation, she provided the 10-year summary, noting that it averages out to \$8 million a year which is a significant increase of what they are offering, but they are also offering a significant increase in the suite of programs offered. Instead of just focusing on multi-family, commercial and single family web based tools, they would like to have a rebate offering for any customer in their service territory.

Chair Sears asked and confirmed that numbers presented in the draft Business Plan do not correctly add up, but they do total correctly in the Business Plan distributed to Board Members.

Ms. Menten described residential programs and the need for MCE to capture cost-effective programs to balance the service territory. She described agriculture programs which though a small proportion of accounts, is very important to the local character. She also noted that building infrastructure is aging and it pre-dates building energy standards, and this serves as an opportunity to focus on building retrofits.

Board Member Coler commented that Western Propane offers many rebates for switching out, and she noted water districts were offering rebates as well. She asked if the single point of contact would provide more opportunities to partner for additional rebates. Ms. Menten said they envision developing this for the programs and finding all funding streams to facilitate access for customers.

Ms. Menten then discussed integration of homes and services and they believe web-based technologies will provide opportunities for this. Regarding multi-family, they want to be able to integrate more with solar providers and electric vehicles.

Board Member Coler suggested staff work to meet with HOA organizations to reach the single homeowners. Ms. Menten said staff currently works with HOAs and individuals where they can.

Ms. Menten said they also want to get as many people on high efficiency electrical equipment so people are not reliant on natural gas. They are looking at heat pump water meters that could be integrated for demand response which can be an alternative to lithium ion batteries. She then discussed key offerings in commercial buildings and said they want to incorporate on-going strategic management with retro-commissioning. Regarding agriculture, they need to tailor offerings by industry and understand individual markets. In order to get an agricultural rate, 70% of on-site use needs to be only agriculture. For vineyards they may have one set of solutions but wineries may have another set, as well as dairies, and this is an area where they see a lot of combination with their commercial industrial programs. They also want to look into offering support for farmworker housing efficiency and transportation benefits.

Regarding the industrial program there are much smaller numbers of these customers but they get much larger savings for these single customers. What is key is a highly customized approach and pay for performance programs will be worked towards their advantage.

Lastly is workforce development. She said they envision a program that helps provide meaningful opportunities for the local community. It helps people get back in the sense of working a full day and staff training and continuing education opportunities that provide a path for people. They also must do demand activities which markets the value of a licensed contractor or a green contractor, codes and standards and it may involve working with jurisdictions and ordinances.

Ms. Menten stated they would like approval of the Business Plan tonight. Following approval, they will move into Implementation Plan development. A draft is currently in place which will be reviewed by the Technical and Executive Committee in early July. After the Implementation Plan is vetted and approved by MCE's Technical Committee and Executive Committee, staff anticipates developing a Motion for Consideration which would request resolution of several outstanding issues MCE raised in a Petition for Modification to the CCA Energy Efficiency Decision which the Commission has yet to consider. Staff requests that the Board delegate authority to approve the Implementation Plans to the Executive Committee. Staff will bring draft plans for review in early July and provide MCE service territories with the opportunity to comment. Comments will be incorporated into final drafts expected in early August.

Chair Sears asked how the Board will know it has fulfilled its Business Plan, and Ms. Menten said the Implementation Plans will provide additional metrics focused on some of the more quantitative and qualitative things they cannot measure, as opposed to energy savings. Participation targets are set in the E3 calculators. They are tied to specific measures and the output of calculators can be reviewed. The calculators help them define participation targets for individual measures which are tied to the incentive levels.

Board Member O'Donnell said an overriding concern of his is whether MCE is reaching for too much. There are extremely ambitious tasks in all categories as well as statements about social justice and workforce integration. He said he would rather see energy efficiency find one avenue it is good at and

exploit what it does well over doing a variety of things that does not add up to the level of quality he would rather see.

Ms. Menten said in a very short time, they built a great Energy Efficiency department, have seen a very sharp uptrend in savings they have been able to achieve and strengthened their ability to identify departments to work with to accomplish this work. There is an equal share of internal staff time in external contracting with other stakeholders, as well as ramp up anticipated. This provides a chance to build as they go and get increasing partnerships with high levels of participation. This also allows them to identify a track record and address new areas they have not had much experience in, such as industrial energy programs.

Chair Sears said possibly one of the challenges here is this is a 10-year plan and it is looking at many great ideas. If the Board comes back to the Implementation Plan staff is working on, she asked and confirmed that the plan will have priorities for each year to better focus, given Board Member O'Donnell's concerns. Ms. Menten said the Implementation Plan spells out more specificity and they are avoiding focusing in on one strategy too extensively because customers cannot navigate easily on many programs. Instead, they want to offer measures and focus customers into a strategy that would make the most sense for the customer.

Chair Sears asked Ms. Menten to discuss responsibilities among staff in the department moving forward. Ms. Menten said they have an organization chart contained in the plan for the first two years of the program and the appendix contains subsequent years as they anticipate ramping up. They are also considering contracting externally like a call center that can support certain roles. What is not articulated but would show up in the budget level are the external contracting levels for each program. They also plan to be contracting with community outreach partners as participation increases. They also have a budget for education and training partnerships, with feedback and satisfaction surveys, which she briefly described.

Board Member Coler said placemats are talking about estimated direct implementation incentives and electric savings, etc. She thinks these are broad and she suggested having specific metrics in the Implementation Plan in Year 1. Rather than delegating the Implementation Plans to the Committees, there may be an opportunity for the Board to review this to ensure MCE is meeting those targets. Ms. Menten clarified the Board would see the line item budget details as well as qualitative and quantitative measures. Board Member Coler suggested presenting the metrics at the August meeting and said she thinks the Business Plan has been done very well.

Ms. Weisz said they are at a point where their interests in taking this program to a full scale and much more comprehensive offering is happening to coincide with the CPUC's interest in shifting to a 10-year cycle. It is a unique opportunity and the CPUC is also re-thinking about how they want to think about energy efficiency and demand side services and functions like energy efficiency, battery storage, EV's, and this is very new. Therefore, MCE is in an extremely rare and fortunate position to take advantage of this new thinking of the CPUC. The CPUC is looking for something bold and comprehensive and MCE is ready to take on the programs, even if they are things that PG&E has offered in the past. Their track record has proven MCE can do this and she thinks they have demonstrated they are in a very good position. She would caution against taking a piece meal approach or one step at a time approach because this is not what the CPUC is looking for. She likened the situation to a grocery store that does not only offer a produce section but a variety of things for people to choose from.

Board Member O'Donnell returned to discussion about pro forma evaluation. He understood Ms. Menten's comments to indicate that the way they contemplate the measurement taking place is on a measure by measure basis. There are large numbers of items that are implemented and individual items will be tracked. Ms. Menten clarified that within this document what they see is a high level demonstration of the declining incentives by participation level in a sector by sector way, but this is not actually how they plan on tracking it. They plan on being more aware and looking at measures or bundles of measures and pitting participation targets to those.

Board Member O'Donnell said after the meeting on Monday, Sustainable Marin circulated a suggestion of ten ways they can improve implementation. He asked if these suggestions would be considered in the Implementation Plan. Ms. Menten said yes; some relate to high level strategies for tracking and reporting, but there are many specific strategy items they are already doing.

Board Member McCullough asked if there are any opportunities behind the architecture to find economies or efficiencies in some fashion to partner with PG&E. Ms. Weisz said they have partnered with PG&E in their small commercial program and their goal was to create some efficiency and simplify things for the customer. There are difficulties with that but in her experience in another CCA in Massachusetts there are a lot of inefficiencies and customer confusion that come from doing that and ultimately they ended up taking up all EE functions in the community and found more success that way. She said in their experience in partnering with PG&E in the past, there has not been an alignment in goals, as they tend to be interested in thinking of less expensive measures rather than measures that should be done at the same time.

Ms. Menten agreed there are challenges in partnering with PG&E, given the incredible number of programs they have in their portfolio. Part of the problem in achieving the deep retrofit programs is PG&E would refer out their HVAC program, or a separate energy management system to a separate program and it goes on and on. So it is difficult to achieve penetration with them that MCE is looking to get at because they have so many silos within their existing portfolio. They are being encouraged by the CPUC in the direction MCE is moving with consolidation on a sector level basis, but she thinks it will be painful to them given their size.

That said there are programs MCE has not proposed to take on that do not make as much sense on a regional level, such as upstream lighting programs, where the investor utility has a consortium that will work directly with the manufacturer to provide a rebate before the light even hits the market. This is more difficult to do in a service territory as discrete as MCE's. She is also waiting to see if they can achieve economies of scale on financing programs and thinks that working with credit driven organizations, better interest rates can be achieved.

Another important component of the draft Business Plan is the opportunity to re-evaluate frequently to determine whether they need to adjust their targets and approach. There is a lot of flexibility that can be made along the way and they may decide on new components or take away components.

Board Member Green asked to define the term "silo". Ms. Menten said the way she envisions silos as having different funding streams, program proceedings and everything that are managed in a completely separate place.

Board Member Haroff expressed appreciation on all of the work done on this. MCE has a real opportunity to do something very bold and that asserts this organization into a leadership role which is

an important part of MCE's mission. Prior to making a motion, he cautioned all Board Members to not focus on quantitative metrics and measurements. They are in an early stage and they do not know what those quantitative measurements will be until they actually get into it. They will look to staff to provide guidance on what makes sense going forward and it is the Board's job to provide an oversight role.

Board Member Coler concurred with Board Member Haroff's comments and she suggested staff check in every six months to let the Board know how it is proceeding. Ms. Menten said lastly, they have worked hard to present monthly updates with metrics to the Board and will be providing this on their website and this will continue.

ACTION: It was M/S/C (Haroff/Greene) to approve the 2016 Energy Efficiency Business Plan for submission to the CPUC. Motion carried by unanimous roll call vote: (Absent: Athas).

11. Electric Schedules COM-19-R and COM-20-R (Discussion/Action)

Chair Sears announced that this item will be deferred to a later date.

12. Creation of Ad Hoc Committee on Expansion Guidelines (Discussion/Action)

Ms. Weisz introduced the item, stating this matter was discussed briefly and staff felt it important to have a subcommittee of the Board created to discuss expansion, as they did not want the planned Retreat to dominate the subject. She expects that the committee will meet 2-3 times between now and September, with the meetings lasting 1.5 hours on average at MCE offices and they plan to fit the meetings around Board Member schedules. They cannot have a quorum of the Board or a quorum of any existing committee on the ad-hoc committee. Also, to the extent possible, they would like to offer seats to new members that are not currently on a committee and she suggested nominations.

Board Member Coler asked and confirmed with Ms. Weisz that the Expansion Guidelines Ad-Hoc Committee will discuss if MCE will want to increase its service territory. Yolo County and the City of Davis are both requesting consideration of membership. In addition, there has been a lot of activity in Napa County and a couple of cities received staff presentations and are talking about doing a joint request to keep costs down for their individual communities. They do have an expansion policy in place which states the Board is supportive of incremental expansion to increase the amount of GHG reductions that can be accomplished within some parameters. The policy delineates two types of membership types; the affiliate membership which are communities with a customer base of 40,000 or less and are within 30 miles of the existing jurisdiction. There is an affiliate member process, as well, which new members went through. Also to be discussed is a process for agencies further than 30 miles outside their jurisdiction or with a customer base of more than 40,000 customers.

Chair Sears asked for nominations and Board Members Coler, Wagenknecht, McCullough, Lion, and Withy all volunteered to serve on the Ad Hoc Expansion Committee.

ACTION: It was M/S/C (Wagenknecht/Greene) to appoint Board Members Coler, Wagenknecht, McCullough, Lion and Withy to the Expansion Guidelines Ad Hoc Committee. Motion carried by unanimous roll call vote: (Absent: Athas).

13. Board Member & Staff Matters (Discussion)

Chair Sears called attention to the Board packet which contains a regulatory summary which has great graphics and a legislative summary, the format of which is very helpful.

Ms. Weisz reminded the Board that July's Board meeting is canceled. She said the Technical and Executive Committee July meeting agendas will only contain a discussion on energy efficiency and in August the committees will consider approving Energy Efficiency Implementation Plans, along with a couple of other items. The Board will reconvene together in August on the 20th, and the Retreat will be held on September 17, 2015.

Board Member Butt announced that he spent the afternoon at a pre-U.S. Conference of Mayors' Session called the City's Climate Action Dialogue. He bestowed the virtues of CCA's in general and MCE in particular which was well received.

14. Adjournment:

The Board of Directors adjourned the meeting at 9:41 p.m. to the next regular Board meeting on August 20, 2015.

Kate Sears, Chair

Attest:

Dawn Weisz, Secretary



August 20, 2015

TO: Marin Clean Energy Board

FROM: Sarah Estes-Smith, Internal Operations Coordinator

RE: Report on Approved Contracts (Agenda Item #04 – C.2)

Dear Board Members:

SUMMARY:

In March 2013 your Board adopted Resolution 2013-04 which authorized the Chief Executive Officer to enter into and execute agreements for an amount not to exceed \$25,000 within a fiscal year consistent with the Board approved budget, the Joint Powers Agreement, and the Operating Rules and Regulations.

In November 2012 your Board approved the MCE Integrated Resource Plan authorizing the Chief Executive Officer to enter into and execute short term power purchase agreements for energy, capacity and renewable energy for less than or equal to 12 months, as well as medium-term contracts for energy, capacity and renewable energy for terms of greater than 12 months and less than or equal to 5 years in conjunction with the MCE Board Chair. Short and medium term power purchase agreements must be pursuant to a MCE Board approved Integrated Resource Plan. A committee of the MCE Board is consulted prior to execution of any medium-term contract by the Chief Executive Officer and MCE Board Chair.

The following chart summarizes agreements of this nature which have been entered into during the previous month:

Month	Purpose	Contractor	Maximum Annual Contract Amount	Term of Contract
June	MCE website content development, editing and updates	Marketing Machine	\$7,100	10 months
June	Special Property Insurance Program Renewal	Alliant Insurance Services, Inc.	\$648.46	12 months
June	Legal services pertaining to contractual and regulatory matters	Davis Wright Tremaine LLP	\$25,000	10 months
June	Insulation installation above second floor ceiling at MCE office	CK Interiors	\$3,600	9 months
June	MOU for outdoor cleaning services and peer-to-peer outreach at MCE office	Downtown Streets Team	\$1,800	12 months

June	Two replacement photocopiers and document shredders	Pacific Office Automation	\$24,960	60 months
July	Compensation analysis for MCE staff positions	Linda L. Daube	\$8,850	9 months
July	Outdoor patio and walkway construction at MCE office	J. Green Landscape Construction	\$7,500	9 months
July	General legal support services	Katie Porter Law	\$8,000	9 months
July	Legal services related to the development and completion of MCE financing agreements	Nixon Peabody	\$7,000	9 months
July	68 MW System Resource Adequacy October-December 2015	CalPeak Power, LLC	\$40,800	3 months
August	Time-lapse video of MCE construction site	REP Energy	\$16,000	8 months

Recommendation: Information only. No action required.



August 20, 2015

TO: Marin Clean Energy Executive Committee

FROM: Sarah Estes-Smith, Internal Operations Coordinator

RE: First Agreement with Community Media Center of Marin (Agenda Item #04 – C.3)

ATTACHMENTS:

- A. Community Media Center of Marin Video Proposal
- B. First Agreement with Community Media Center of Marin

Dear Board Members:

SUMMARY:

Community Media Center of Marin (CMCM) provides MCE with video recording and editing services for its monthly Board meetings. Prior to relocating to the new MCE office, meetings were held in the San Rafael Corporate Center's Tamalpais Room and the space was configured such that only one video camera, operated manually by one technician, was needed to capture all activity. The fee for this monthly service, which included post-production editing and varied based upon meeting length, was approximately \$375, totaling \$4,500 annually.

Since moving to the new office, due to the configuration of the Charles McGlashan Room, MCE staff and CMCM determined that one video camera was not sufficient to capture the dialogue of all meeting attendees. The fee for monthly service increased to approximately \$525 due to the need for two video cameras and the time necessary to edit the footage into one seamless video. If MCE were to maintain this arrangement, the approximate annual cost would be around \$6,300. However, with only one technician operating both cameras, the quality of the recording has not significantly improved.

MCE now has the ability to create a high-tech, professional meeting room that will not only serve as a space for internal meetings, but also for external entities to utilize. This would include permanently-installed video recording and editing equipment, as well as live streaming capabilities that would allow the public to watch the meeting via the internet and local cable TV, and provide meeting attendees with the opportunity to view the meeting from a "green room" within the MCE office.

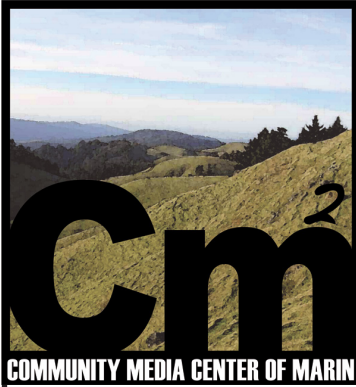
MCE has drafted the attached contract with CMCM to install the aforementioned equipment. As outlined in the attached proposal, a CMCM videographer would be present at the MCE office, in an adjacent room, operating four wall-mounted cameras. This would allow all meeting attendees to be seen on camera, and for smooth transitions to occur when switching between speakers. The video would automatically stream to the

web as well as to the green room. The video would also be played on local cable TV, day and time dependent upon availability. The new equipment would allow electronic media to be directly fed into the production instead of relying on a camera positioned in front of the presentation screen. The total contract amount for high definition equipment purchase and installation, and cabling installation by an electrician is \$31,923.70, as reflected in the proposal. An additional budget of \$1,000 will allow for the construction of a secure, aesthetically pleasing cabinet that will be located in a room adjacent to the Board room and serve as the technician's work station. The web streaming and cable spot would both be provided at no cost to MCE. The contract will not exceed \$32,923.70.

CMCM would continue to bill MCE hourly for meeting set-up, camera operation during the meeting, and a small amount of post-production video editing and file preparation for the web and cablecast. Dependent upon meeting length, the estimated monthly cost would be \$375, or \$4,500 annually. These ongoing video production services would be included in a separate agreement with CMCM.

This proposal was presented at the regular August meeting of the Executive Committee and recommended for approval by the full Board.

Recommendation: Approve the First Agreement with Community Media Center of Marin.



Video Proposal
Marin Clean Energy
July 2015

Michael Eisenmenger
Executive Director



CMCM Is pleased to submit this proposal for MCE for improved video acquisition for the cablecast/webcast of MCE meetings. The proposed equipment will vastly improve the quality of current meeting recordings. This document outlines details and includes price ranges.

Video Equipment

Camera Placement

We have attached a diagram showing suggested camera placements. The camera positions can be altered somewhat but their location is intended to ensure that board members/staff and public speakers within the current seating arrangement can be seen without obstacles.

We typically install four cameras at approx 7', especially for seating arrangements of this type. Cameras are intended to take as much of the 360 degree seating arrangement as possible. The goal is to ensure that the person speaking can always be visible on camera.

Video Console

The video switching equipment or console can be located in the adjacent closet off the smaller conference room. All wiring would be pulled through the soffit in the conference room and through the wall to the closet. Additional cabling would be pulled from the built-in audio system to acquire audio and projector output. Additional cable pulls to supply video feeds to the upstairs conference room and adjacent rooms are also possible. The majority of cable would be cat5e. A 36-42 inch counter would also be needed for a workspace as well as a chair and equipment cabinet located below the counter. The video console typically includes a video switcher with a camera controller, encoders for web streaming and cablecasting and a recording device. There are also various distribution amplifiers and other control equipment. Power requirements are minor, an available 15A circuit easily accommodates the power needs of this equipment.

Cable Path

As noted above, cameras would be wall mounted, and the most unobtrusive cable path would be through the ceiling. CMCM contracts with a licensed electrical contractor for the cable pulls to ensure it is certified. The use of exposed raceway will be avoided if possible.



Lighting considerations

The existing overhead lighting should suffice as cameras are selected for their low light capabilities. We do advise that lighting not be completely dimmed during presentation projections to allow for adequate lighting for speakers. There may need to be some consideration to using shades on the windows should excessive daylight pose exposure problems during daytime hours. This is best determined once equipment is in place.

Video Format Options (SD and HD)

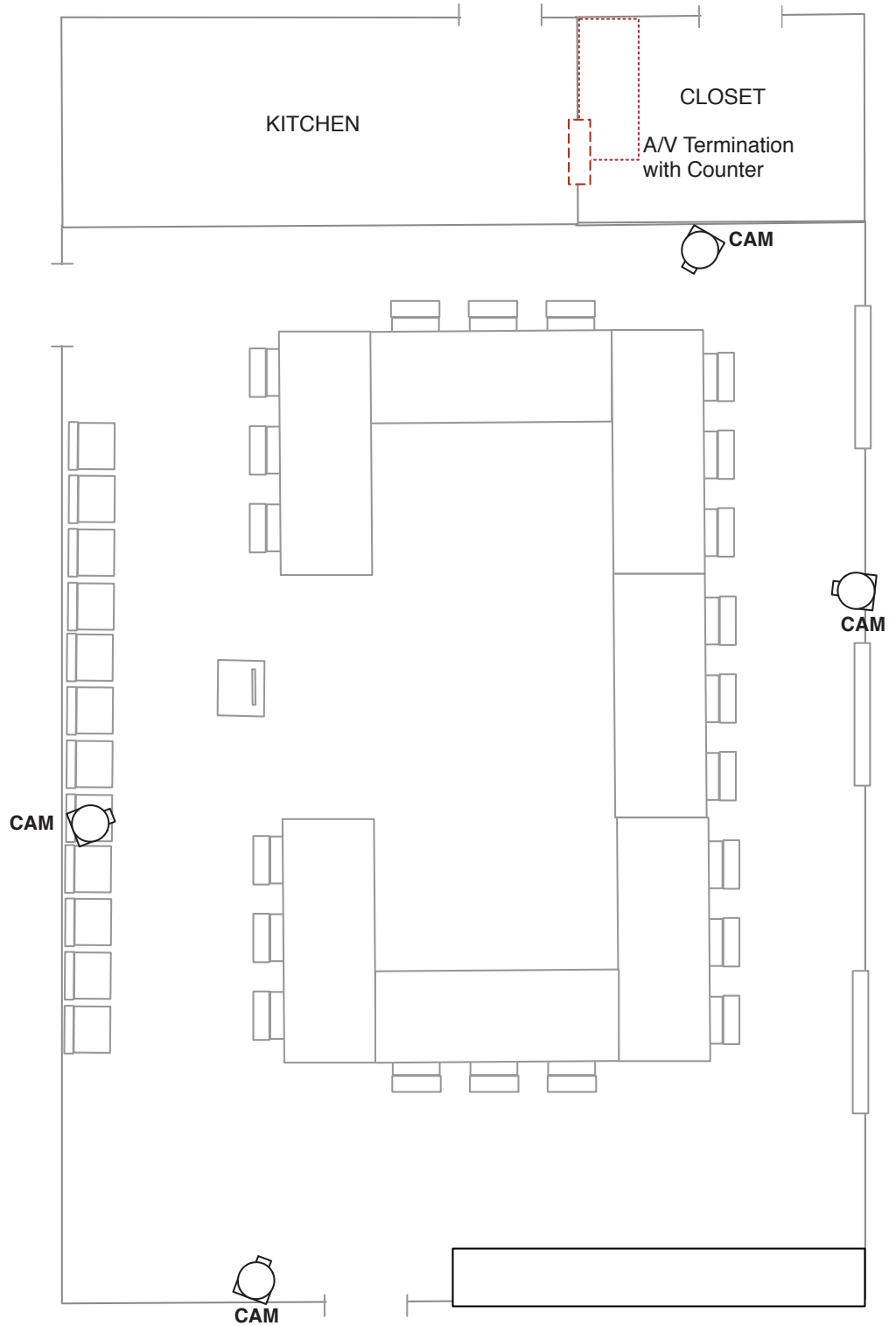
CMCM has primarily been providing standard definition (SD) video installations to the cities we work with. However, HD equipment costs for this type of conference equipment has dropped recently and we would recommend a high definition installation. This also makes use of the chamber by other organizations more attractive, perhaps even for rentals.

CMCM could do a partial installation that includes all cameras wiring, etc. but excluding the video switcher and recording devices. Instead, CMCM would bring this equipment as needed as part of our usual production services. This would make for a smaller initial investment, but the overall difference in price would be quite minor (see quotes).

Live Cablecasting

Live cablecasting can be made possible via the iNet (Midas) or other existing high bandwidth connections. A vBrick video encoder would be located at MCE which sends the video in data form to a decoder at CMCM. CMCM could then schedule and program the meetings live on the Government Channel (27) which simultaneously streams live on the web. Availability for live cablecasts is subject to scheduling factors, not all meetings can be carried live and may be replayed at a later date.

The amount of dedicated bandwidth necessary for broadcast quality video ranges from 5-8 Mb (by contrast only 800 Kb is necessary for internet streaming). We also recommend at minimum the inclusion of live web-casting capability which may be useful to board members unable to attend the meeting in person.



**MCE Chambers
Camera Placement
(SCALE APPROXIMATE)**



Equipment and Installation Estimate

Below are base prices for a High Definition setup, including installation costs. This also includes the equipment needed for live cablecasting and webcasting.

High Definition Installation - Four robotic camera with video switcher and encoders

QTY	Manufacturer	Description	
4	Vaddio	RoboSHOT 12 QUSB System Camera/Control	
1	Vaddio	ProductionVIEW Precision Camera Control	
1	BlackMagic	ATEM Switcher	
1	BlackMagic	Recorder Hyperdeck 2	
2	SanDisk	240GB Extreme Pro Solid State Drive	
1		Cabling Installation	
1		Mutiview monitor	
1		Black Magic adapter	
1		Laptop Controller	
1		Equipment Installation and Testing Labor	
1		Video Stream Hardware - Videu	
			TOTAL \$31,923.70

Alternative: Cameras and Installation without switching hardware (portable)

QTY	Manufacturer	Description	
4	Vaddio	RoboSHOT 12 QUSB System Camera/Control	
1	Vaddio	ProductionVIEW Precision Camera Control	
1		Cabling Installation	
1		Mutiview monitor	
1		Black Magic adapter	
1		Equipment Installation and Testing Labor	
1		Video Stream Hardware - Videu	
			TOTAL \$27,888.00

**MARIN CLEAN ENERGY
STANDARD SHORT FORM CONTRACT**

**FIRST AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND COMMUNITY MEDIA CENTER OF MARIN (CMCM)**

THIS FIRST AGREEMENT ("Agreement") is made and entered into this day **August 20, 2015** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and COMMUNITY MEDIA CENTER OF MARIN (CMCM), hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MCE desires to retain a person or firm to provide the following services: installation of permanent video recording equipment for the Charles McGlashan Room at the MCE office;

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by MCE, the parties agree to the following:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:

MCE agrees to make available all pertinent data and records for review, subject to MCE Policy 001 - Confidentiality.

3. FEES AND PAYMENT SCHEDULE; INVOICING:

The fees and payment schedule for furnishing services under this Agreement shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Agreement. Contractor shall provide MCE with his/her/its Federal Tax I.D. number prior to submitting the first invoice. Contractor is responsible for billing MCE in a timely and accurate manner. Contractor shall invoice MCE on a monthly basis for any services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond 90 days will not be reimbursable. The final invoice must be submitted within 30 days of completion of the stated scope of services or termination of this Agreement.

4. MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **\$32,923.70**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **August 20, 2015**, and shall terminate on **December 15, 2015**. Certificate(s) of Insurance must be current on the day the Agreement commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor.

6. INSURANCE AND SAFETY:

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MCE. The general liability policy shall be endorsed naming Marin Clean Energy and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to MCE prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to MCE of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only, except those required by paragraph 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Contractor's obligations under paragraph 16 of this Agreement to indemnify, defend and hold MCE harmless from any and all liabilities arising from the Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement. MCE agrees to timely notify the Contractor of any negligence claim.

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach of the agreement. In addition to any other available remedies, MCE may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

6.1 GENERAL LIABILITY

The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than one million dollars (\$1,000,000) with a two million dollar (\$2,000,000) aggregate limit. MCE shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page. (see sample form: ISO - CG 20 10 11 85).

6.2 AUTO LIABILITY

Where the services to be provided under this Agreement involve or require the use of any type of vehicle by Contractor in order to perform said services, Contractor shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit (\$1,000,000.00).

6.3 WORKERS' COMPENSATION

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to MCE prior to commencement of work.

6.4 PROFESSIONAL LIABILITY INSURANCE

Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Agreement or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Agreement effective date, the contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Contractor shall maintain a policy limit of not less than \$1,000,000 per incident. If the deductible or self-insured retention amount exceeds \$100,000, MCE may ask for evidence that contractor has segregated amounts in a special insurance reserve fund or contractor's general insurance reserves are adequate to provide the necessary coverage and MCE may conclusively rely thereon.

Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Agreement. Contractor shall monitor the safety of the job site(s) during the project to comply with all applicable federal, state, and local laws, and to follow safe work practices.

7. NONDISCRIMINATORY EMPLOYMENT:

Contractor and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of MCE except for any subcontract work identified herein. If Contractor hires a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Agreement and shall require subcontractor to name Contractor as additional insured under this Agreement. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to MCE evidence of same.

9. ASSIGNMENT:

The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of MCE.

10. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor and any subcontractors authorized by the terms of this Agreement shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Agreement. Such records shall include, but not be limited to, documents supporting all income and all expenditures. MCE shall have the right, during regular business hours, to review and audit all records relating to this Agreement during the Contract period and for at least five (5) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at MCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MCE. Contractor shall refund any monies erroneously charged.

11. WORK PRODUCT:

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of MCE upon payment to Contractor for such work. MCE shall have the exclusive right to use such materials in its sole discretion without further compensation to Contractor or to any other party. Contractor shall, at MCE's expense, provide such reports, plans, studies, documents and writings to MCE or any party MCE may designate, upon written request. Contractor may keep file reference copies of all documents prepared for MCE.

12. TERMINATION:

- A. If the Contractor fails to provide in any manner the services required under this Agreement or otherwise fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, MCE may terminate this Agreement by giving five (5) calendar days written notice to the party involved.
- B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- C. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s).

13. AMENDMENT:

This Agreement may be amended or modified only by written agreement of all parties.

14. ASSIGNMENT OF PERSONNEL:

The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MCE, as is evidenced in writing.

15. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

16. INDEMNIFICATION:

Contractor agrees to indemnify, defend, and hold MCE, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this Agreement.

17. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MCE:

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE's constituent members in connection with this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS:

The Contractor shall comply with any and all Federal, State and local laws and resolutions (including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Resolution #2005-97 of the Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Agreement.

19. NOTICES

This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted and approved by this Agreement Manager and all notices shall be given to MCE at the following location:

Contract Manager:	Sarah Estes-Smith
MCE Address:	1125 Tamalpais Avenue
	San Rafael, CA 94901
Email Address:	invoices@mcecleanenergy.org
Telephone No.:	(415) 464-6028

Notices shall be given to Contractor at the following address:

Contractor:	Michael Eisenmenger
Address:	819 A Street, Suite 21
	San Rafael, CA 94901
Email Address:	michael@cmcm.tv
Telephone No.:	(415) 721-0636 ext. 16

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	
<u>EXHIBIT C.</u>	<input checked="" type="checkbox"/>	Proposal	

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

APPROVED BY

Marin Clean Energy:

By: _____
CEO

Date: _____

By: _____
Chairperson

Date: _____

CONTRACTOR:

By: _____

Name: _____

Date: _____

MCE COUNSEL REVIEW AND APPROVAL (Only required if any of the noted reason(s) applies)

REASON(S) REVIEW:

- ☐ **Standard Short Form Content Has Been Modified**
- ☐ **Optional Review by MCE Counsel at Marin Clean Energy's Request**

MCE Counsel: _____

Date: _____

EXHIBIT A
SCOPE OF SERVICES (required)

Contractor will provide the following video recording equipment purchase and installation services as requested and directed by MCE staff, up to the maximum time/fees allowed under this Agreement:

High Definition Installation – Four robotic cameras with video switcher and encoders

<u>QTY</u>	<u>Manufacturer/Description</u>
4	Vaddio RoboSHOT 12 QUSB System Camera/Control
1	Vaddio Production VIEW Precision Camera Control
1	BlackMagic ATEM Switcher
1	BlackMagic Recorder Hyperdeck 2
2	SanDisk 240GB Extreme Pro Solid State Drive
1	Cabling Installation
1	BlackMagic adapter
1	Laptop Controller
1	Equipment Installation and Testing Labor
1	Video Stream Hardware – Videu
1	Custom Built Cabinet

EXHIBIT B
FEES AND PAYMENT SCHEDULE

For services provided under this agreement, MCE shall pay the Contractor upon completion of installation and testing of all equipment.

In no event shall the total cost to MCE for the service provided herein exceed the maximum sum of **\$32,923.70** for the term of the agreement.



August 20, 2015

TO: Marin Clean Energy Board of Directors

FROM: Beckie Menten, Energy Efficiency Director

RE: Second Addendum to Third Agreement with Association for Energy Affordability (Agenda Item #04 – C.4)

ATTACHMENTS:

- A. Fully Executed Third Agreement with Association for Energy Affordability.
- B. Fully Executed First Addendum to Third Agreement with Association for Energy Affordability
- C. Draft Second Addendum to Third Agreement with Association for Energy Affordability

Dear Board Members:

SUMMARY:

The proposed contract with the Association for Energy Affordability (AEA) would allow for AEA to continue serving as the primary technical assistance consultant to MCE in support of the MCE multifamily energy efficiency program.

Background

Energy efficiency has always been an integral component of the MCE vision. In July of 2012, MCE submitted an application for funding under the 2013 -2014 Energy Efficiency Funding Cycle (A. 12-11-007). The application was based on the initial Energy Efficiency Plan, and included the following proposed sub-programs:

1. Multifamily
2. Single family utility demand reduction pilot program
3. Small commercial and
4. Four financing pilot programs: On Bill Repayment for multifamily, small commercial, and single family, and a standard offer pilot.

This application was approved on the 9th of November, 2012, allocating over \$4 million to MCE for the implementation of energy efficiency programs. In November of 2014, the California Public Utilities Commission vote to extend the funding at annual levels through 2025, or until the CPUC moves otherwise.

The multifamily energy efficiency program is one of four program elements approved by the CPUC, and is funded at a total of \$430,486. The program is designed to serve hard to reach multifamily properties and encourage property owners to invest in both common areas and tenant units.

The Association for Energy Affordability (AEA) is uniquely experienced and well suited to provide high quality services in the multi-family sector in our region. AEA is a non-profit organization dedicated to improving the efficiency of new and existing multifamily buildings. In addition to having decades of experience working in multifamily buildings, AEA played an instrumental role in the development of the Building Performance Institute standards for multifamily energy efficiency improvements. The BPI standards for multifamily buildings are the pre-eminent standards for building performance in multifamily buildings, and are likely to be relied upon in the statewide investor owned utility whole building multifamily program.

On October 4th, 2012 your Board approved the first contract with AEA to provide services to the multifamily sector. On February 7th, 2013 your Board approved a Second Agreement with AEA to provide multifamily program services. On November 7th, 2013, your Board approved a Third agreement with AEA. On December 4, 2014, your Board approved the First Addendum to the Third Agreement with AEA. AEA has supported MCE by serving as technical consultants and program implementers to the multifamily program. Their assistance has been instrumental in developing program guidelines, including audit procedures, report templates, quality assurance and quality control policies. AEA has assisted MCE staff in developing incentive structures that will support the greatest success in achieving the specific desired outcomes of the program. Additionally, AEA has represented MCE well in the field by conducting the audits on multifamily properties. They have proven themselves as effective and professional program partners. In the time AEA has been supporting the MCE program, the program has accomplished energy assessments in 193 multifamily buildings, provided direct install services to 919 units, and saved 105,350 kWh and 26,512 therms¹. This equates to removing nearly 45 vehicles from the road².

MCE staff requests approval of the Second Addendum, which would reflect an increase in contract amount by \$45,000 for a total not exceed amount of \$247,000. The proposed Addendum to the Third Agreement includes support for AEA to continue in their role as technical consultant for the program. AEA would continue to provide energy audits on behalf of the program, and would interface with property owners and managers to explain the opportunities represented in the audit report. AEA has also been working closely with the Marin City Community Development Corporation (MCCDC) to identify workforce development opportunities in this program and to utilize locally trained workers where possible. Finally, AEA would continue to provide the oversight for the installation of energy efficiency measures to ensure property owners, managers, and the MCE program are getting the highest quality work products that will deliver the estimated energy savings.

Recommendation: Approve Second Addendum to Third Agreement with Association for Energy Affordability (AEA).

¹ As of June 30th, 2015.

² Calculated using the Environmental Protection agency Greenhouse Gas Equivalencies calculator: <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>.

**MARIN ENERGY AUTHORITY
STANDARD SHORT FORM CONTRACT**

**THIRD AGREEMENT
BY AND BETWEEN
MARIN ENERGY AUTHORITY AND THE ASSOCIATION FOR ENERGY AFFORDABILITY (AEA)**

THIS THIRD AGREEMENT ("Agreement") is made and entered into this day **November 7, 2013** by and between the MARIN ENERGY AUTHORITY, hereinafter referred to as "MEA" and the **Association for Energy Affordability (AEA)**, hereinafter referred to as "Contractor."

RECITALS:

WHEREAS, MEA desires to retain a person or firm to provide technical consulting services for the multi-family energy efficiency program.

WHEREAS, Contractor warrants that it is qualified and competent to render the aforesaid services;

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by MEA, the parties agree to the following:

1. SCOPE OF SERVICES:

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES:

The MEA agrees to make available all pertinent data and records for review, subject to MEA Policy 001 - Confidentiality.

3. FEES AND PAYMENT SCHEDULE:

The fees and payment schedule for furnishing services under this Contract shall be based on the rate schedule which is attached hereto as **Exhibit B** and by this reference incorporated herein. Said fees shall remain in effect for the entire term of the Contract. Contractor shall provide MEA with his/her/its Federal Tax I.D. number prior to submitting the first invoice. Contractor shall invoice MEA within 90 days of any services rendered or expenses incurred hereunder. Fees and expenses invoiced beyond 90 days will not be reimbursable.

4. MAXIMUM COST TO MEA:

In no event will the cost to MEA for the services to be provided herein exceed the maximum sum of **\$106,000**.

5. TIME OF AGREEMENT:

This Agreement shall commence on **January 1, 2014**, and shall terminate on **December 31, 2014**. Certificate(s) of Insurance must be current on day Contract commences and if scheduled to lapse prior to termination date, must be automatically updated before final payment may be made to Contractor. The final invoice must be submitted within 30 days of completion of the stated scope of services.

6. INSURANCE:

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to MEA. The general liability policy shall be endorsed naming the Marin Energy Authority and its employees, officers and agents as additional insureds. The certificate(s) of insurance and required endorsement shall be furnished to the MEA prior to commencement of work. Each certificate shall provide for thirty (30) days advance written notice to MEA of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Contract and shall be payable on a per occurrence basis only, except those required by paragraph 6.4 which may be provided on a claims-made basis consistent with the criteria noted therein.

Nothing herein shall be construed as a limitation on Contractor's obligations under Section 17 of this Contract to indemnify, defend and hold the MEA harmless from any and all liabilities arising from the Contractor's negligence, recklessness or willful misconduct in the performance of this Contract. MEA agrees to timely notify Contractor of any negligence claim.

Failure to provide and maintain the insurance required by this Contract will constitute a material breach of the agreement. In addition to any other available remedies, MEA may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

6.1 GENERAL LIABILITY

The Contractor shall maintain a commercial general liability insurance policy in an amount of no less than one million dollars (\$1,000,000) with a two million dollar (\$2,000,000) aggregate limit. The MEA shall be named as an additional insured on the commercial general liability policy and the Certificate of Insurance shall include an additional endorsement page. (see sample form: ISO - CG 20 10 11 85).

6.2 AUTO LIABILITY

Where the services to be provided under this Contract involve or require the use of any type of vehicle by Contractor in order to perform said services, Contractor shall also provide comprehensive business or commercial automobile liability coverage including non-owned and hired automobile liability in the amount of one million dollars combined single limit (\$1,000,000.00).

6.3 WORKERS' COMPENSATION

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to MEA prior to commencement of work.

6.4 PROFESSIONAL LIABILITY INSURANCE

Coverages required by this paragraph may be provided on a claims-made basis with a "Retroactive Date" either prior to the date of the Contract or the beginning of the contract work. If the policy is on a claims-made basis, coverage must extend to a minimum of twelve (12) months beyond completion of contract work. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Contract effective date, the contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of contract work. Contractor shall maintain a policy limit of not less than \$1,000,000 per incident. If the deductible or self-insured retention amount exceeds \$100,000, the MEA may ask for evidence that contractor has segregated amounts in a special insurance reserve fund or contractor's general insurance reserves are adequate to provide the necessary coverage and the MEA of Marin may conclusively rely thereon.

7. NONDISCRIMINATORY EMPLOYMENT:

Contractor and/or any permitted subcontractor, shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

8. SUBCONTRACTING:

The Contractor shall not subcontract nor assign any portion of the work required by this Contract without prior written approval of the MEA except for any subcontract work identified herein. If Contractor hires a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor under this Agreement and shall require subcontractor to name Contractor as additional insured under this Agreement. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and shall forward to the MEA evidence of same.

9. ASSIGNMENT:

The rights, responsibilities and duties under this Contract are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the MEA.

10. RETENTION OF RECORDS AND AUDIT PROVISION:

Contractor and any subcontractors authorized by the terms of this Contract shall keep and maintain on a current basis full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this Contract. Such records shall include, but not be limited to, documents supporting all income and all expenditures. MEA shall have the right, during regular business hours, to review and audit all records relating to this Contract during the Contract period and for at least five (5) years from the date of the completion or termination of this Contract. Any review or audit may be conducted on Contractor's premises or, at MEA's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written notice from MEA. Contractor shall refund any monies erroneously charged.

11. WORK PRODUCT:

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of the MEA upon payment to Contractor for such work. The MEA shall have the exclusive right to use such materials in its sole discretion without further compensation to Contractor or to any other party. Contractor shall, at the MEA's expense, provide such reports, plans, studies, documents and writings

to the MEA or any party the MEA may designate, upon written request. Contractor may keep file reference copies of all documents prepared for the MEA.

12. TERMINATION:

- A. If the Contractor fails to provide in any manner the services required under this Contract or otherwise fails to comply with the terms of this Contract or violates any ordinance, regulation or other law which applies to its performance herein, the MEA may terminate this Contract by giving five (5) calendar days written notice to the party involved.
- B. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- C. Either party hereto may terminate this Contract for any reason by giving thirty (30) calendar days written notice to the other parties. Notice of termination shall be by written notice to the other parties and be sent by registered mail.
- D. In the event of termination not the fault of the Contractor, the Contractor shall be paid for services performed to the date of termination in accordance with the terms of this Contract so long as proof of required insurance is provided for the periods covered in the Contract or Amendment(s).

13. AMENDMENT:

This Contract may be amended or modified only by written agreement of all parties.

14. ASSIGNMENT OF PERSONNEL:

The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to MEA, as is evidenced in writing.

15. JURISDICTION AND VENUE:

This Contract shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Marin County, California.

16. INDEMNIFICATION:

Contractor agrees to indemnify, defend, and hold MEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Contractor's negligence, recklessness or willful misconduct in the performance of this contract..

17. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF MEA:

MEA is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MEA shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MEA's constituent members in connection with this Agreement.

18. COMPLIANCE WITH APPLICABLE LAWS:

The Contractor shall comply with any and all Federal, State and local laws and resolutions (including, but not limited to the County of Marin Nuclear Free Zone, Living Wage Ordinance, and Resolution #2005-97 of the Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Contract. Copies of any of the above-referenced local laws and resolutions may be secured from the MEA's contact person referenced in paragraph 20.

NOTICES below.

19. NOTICES

This Contract shall be managed and administered on MEA's behalf by the Contract Manager named below. All invoices shall be submitted and approved by this Contract Manager and all notices shall be given to MEA at the following location:

Contract Manager: Sarah Gardner

MEA Address: 781 Lincoln Ave., Suite 320

San Rafael, CA 94901

Telephone No.: (415) 464-6028

Notices shall be given to Contractor at the following address:

Contractor: Andrew Brooks

Address: 1900 Powell Street, Suite #420

Emeryville, CA 94608

Telephone No.: (510) 431-1791

20. ACKNOWLEDGEMENT OF EXHIBITS

	<input checked="" type="checkbox"/>	<u>Check applicable Exhibits</u>	<u>CONTRACTOR'S INITIALS</u>
<u>EXHIBIT A.</u>	<input checked="" type="checkbox"/>	Scope of Services	
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	

IN WITNESS WHEREOF, the parties have executed this Contract on the date first above written.

APPROVED BY

Marin Energy Authority:

By: [Signature]
Executive Officer

By: [Signature]
Chairman

CONTRACTOR:

By: _____
Name: Andrew Brooks, Director - West Coast Operations

MEA COUNSEL REVIEW AND APPROVAL (Only required if any of the noted reason(s) applies)

REASON(S) REVIEW:

- ☐ Standard Short Form Content Has Been Modified
- ☐ Optional Review by MEA Counsel at Marin Energy Authority's Request

MEA Counsel: _____

Date: _____

EXHIBIT A
SCOPE OF SERVICES (required)

Marin Energy Authority's Multifamily Energy Efficiency Project

PROPOSED SCOPE OF SERVICES	
Scope Item #1:	Program scoping & design process
Scope Item #2:	Building information & utility data analysis
Scope Item #3:	Energy Audits (ASHRAE Level I & II)
Scope Item #4	Measure Implementation
Scope Item #5	Data Management for EM&V process

SCOPE ITEM #1: PROGRAM SCOPING PROCESS:

In conjunction with MEA staff AEA will review the current MFEED Program Implementation Plan and will help determine the best way to proceed with implementation in order to achieve the program energy savings targets in the timeliest fashion possible. AEA will work with MEA to craft a long-term sustainable program implementation plan that can be applied to 2013-2014 transition period.

SCOPE ITEM #2: BUILDING INFORMATION & UTILITY DATA ANALYSIS

AEA will work with MEA and its program partners to develop a list of candidate buildings to retrofit. AEA will analyze the building characteristics, systems and energy usage data of those buildings to identify those with the highest potential for deep energy savings.

SCOPE ITEM #3: BUILDING LEVEL ENERGY AUDITS:

AEA will determine which buildings in MEA's pipeline are best served by ASHRAE Level I Energy Audits and which are better served by ASHRAE Level II Energy Audits. AEA will begin to perform audits on buildings coming into the program as the budget allows. AEA may also begin to train other individuals, whom MEA will select, to help perform energy audits going forward.

SCOPE ITEM #4: ENERGY EFFICIENCY MEASURE (EEM) IMPLEMENTATION:

AEA will facilitate the implementation of the energy efficiency measures. For any complex measures that warrant it, such as boiler or HVAC replacements or retrofits, AEA will develop design specifications to be used in the bid process. The design specifications may include equipment sizing, equipment selection, piping diagrams, controls sequences and other detailed engineering components. For measures that require more basic performance based specifications, such as wall or attic insulation, AEA will develop specifications that will enable the project to achieve the pre-determined performance goals set by the program.

AEA will also perform post installation Quality Assurance and Verification inspections to ensure that the measures were installed in such a manner that they will achieve the projected energy savings.

SCOPE ITEM #5: DATA MANAGEMENT FOR EM&V PROCESS:

AEA will work with MEA to help identify which data points should be collected and tracked for every project. AEA can help develop the tools necessary for collected, tracking and analyzing the data that will be required for the EM&V process.

EXHIBIT B
FEES AND PAYMENT SCHEDULE (required)

Hourly wages shall be billed based on employee classification per table 1. The contractor shall bill in 0.25 hour increments for his or her services.

In no event will the total cost to MEA for the services to be provided herein exceed the maximum sum of \$106,000.

Table 1. Hourly Wages per Employee Classification	
Director or Senior Energy Analyst	\$150
Energy Analyst	\$130
Administrative Support	\$90

**FIRST ADDENDUM TO THIRD AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND ASSOCIATION FOR ENERGY AFFORDABILITY**

This FIRST ADDENDUM is made and entered into on December 4, 2014 by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and ASSOCIATION FOR ENERGY AFFORDABILITY (AEA) (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, MCE and the Contractor entered into an agreement to provide technical consulting services for the multi-family energy efficiency program as directed by MCE staff dated November 7, 2013 ("Agreement"); and

WHEREAS, Section 4 and Exhibit B to the agreement obligated Contractor to be compensated an amount not to exceed \$106,000 for the technical consulting services described within the scope therein; and

WHEREAS, Section 5 states the agreement shall terminate on December 31, 2014; and

WHEREAS the parties desire to amend the agreement to increase the contract amount by \$106,000 for a total not to exceed \$212,000; and

WHEREAS the parties desire to amend the agreement termination date to December 31, 2015.

NOW, THEREFORE, the parties agree to modify Sections 4 and 5, and Exhibit B as set forth below.

AGREEMENT

1. Section 4 is hereby amended to read as follows:

MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **\$212,000**.

2. The first sentence of Section 5 is hereby amended to read as follows:

This Agreement shall commence on **January 1, 2014**, and shall terminate on **December 31, 2015**.

3. The second sentence of the second paragraph of Exhibit B is hereby amended to read as follows:

In no event shall the total cost to MCE for the services provided herein exceed the maximum sum of \$212,000 for the term of the agreement.

4. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum on the day first written above.

CONTRACTOR:

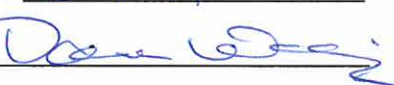
By: _____

Date: 12/5/2014

MARIN CLEAN ENERGY:

By: 

Date: 12-4-14

By: 

Date: 12-4-14

**SECOND ADDENDUM TO THIRD AGREEMENT
BY AND BETWEEN
MARIN CLEAN ENERGY AND ASSOCIATION FOR ENERGY AFFORDABILITY**

This SECOND ADDENDUM is made and entered into on August 20, 2015 by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and ASSOCIATION FOR ENERGY AFFORDABILITY (AEA) (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, MCE and the Contractor entered into the Third Agreement to provide technical consulting services for the multi-family energy efficiency program as directed by MCE staff dated November 7, 2013 ("Agreement"); and

WHEREAS, Section 4 and Exhibit B to the agreement obligated Contractor to be compensated an amount not to exceed \$212,000 for the technical consulting services described within the scope therein; and

WHEREAS the parties desire to amend the agreement to increase the contract amount by \$45,000 for a total not to exceed \$247,000.

NOW, THEREFORE, the parties agree to modify Sections 4 and 5 as set forth below.

AGREEMENT

1. Section 4 is hereby amended to read as follows:

MAXIMUM COST TO MCE:

In no event will the cost to MCE for the services to be provided herein exceed the maximum sum of **\$247,000**.

2. The second sentence of the second paragraph of Exhibit B is hereby amended to read as follows:

In no event shall the total cost to MCE for the services provided herein exceed the maximum sum of \$247,000 for the term of the agreement.

3. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Addendum on the day first written above.

CONTRACTOR:

By: _____

Date: _____

MARIN CLEAN ENERGY:

By: _____

Date: _____

By: _____

Date: _____



August 20, 2015

TO: Marin Clean Energy Board
FROM: John Dalessi
RE: Monthly FY 15/16 Budget Report (Agenda Item #05)
ATTACHMENT: MCE Budget Reports 2015-04 (Unaudited)

Dear Board Members:

SUMMARY:

The attached budget update compares the FY 2015/16 budget to the unaudited revenue and expenses of MCE for the month ending June 2015.

OPERATING BUDGET:

Year-to-date revenues and cost of energy continue at levels slightly under budget, with the driving factor being lower volume than expected. Operating expenditures are generally below anticipated year-to-date levels, but much of this will be smoothed as the year continues.

Overall, MCE continues to spend near projections, as reflected in year-to-date figures.

ENERGY EFFICIENCY PROGRAM BUDGET:

The Energy Efficiency Program is entirely funded by the California Public Utilities Commission. For financial reporting purposes, MCE treats funds received from this program as a reimbursable grant. The result is that program expenses are mostly offset by revenue. Certain planning and grant writing activities are not reimbursable under this grant. A deferred asset is recorded for funds received by the CPUC that have yet to be expended by MCE.

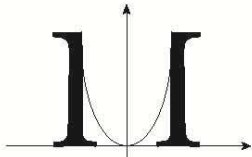
LOCAL DEVELOPMENT RENEWABLE ENERGY BUDGET:

This program is funded through a portion of the Deep Green service provided to customers. To date, expenses primarily relate to legal costs associated with establishing a local renewable energy project.

RENEWABLE ENERGY RESERVE BUDGET:

This fund is intended for the procurement or development of renewable energy not planned for in the operating funds. Resources may accumulate from year to year and be expended as management determines.

Recommendation: No action needed. Informational only.



MAHER ACCOUNTANCY

1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

Financial Plumline

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Marin Clean Energy

We have compiled the accompanying budgetary comparison schedules of Marin Clean Energy (a California Joint Powers Authority) for the period ended June 30, 2015. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements with undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

Certain accounting functions provided by Maher Accountancy are considered management functions by the American Institute of Certified Public Accountants. Accordingly, we are not independent with respect to Marin Clean Energy.

Maher Accountancy

July 17, 2015

TEL 415.459.1249
FAX 415.459.5406
WEB www.mahercpa.com



MARIN CLEAN ENERGY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through June 30, 2015

	2014/15 YTD Actual	2015/16 YTD Amended Budget	2015/16 YTD Actual	2015/16 YTD Budget Variance (Under) Over	2015/16 YTD Actual/Budget %	2015/16 Annual Budget	2015/16 Budget Remaining
REVENUE AND OTHER SOURCES:							
Revenue - Electricity (net of allowance)	\$ 24,086,017	34,208,263	\$ 33,590,450	\$ (617,813)	98.19%	\$ 145,933,098	\$ 112,342,648
Other revenues	12,715	-	189,391	189,391	-	-	-
Total sources	<u>24,098,732</u>	<u>34,208,263</u>	<u>33,779,841</u>	<u>(428,422)</u>	<u>23.15%</u>	<u>145,933,098</u>	<u>112,342,648</u>
EXPENDITURES AND OTHER USES:							
CURRENT EXPENDITURES							
Cost of energy	19,525,314	29,136,734	28,428,945	(707,789)	97.57%	129,522,715	101,093,770
Staffing	465,049	711,360	661,529	(49,831)	92.99%	2,964,000	2,302,471
Technical consultants	127,278	147,444	151,146	3,702	102.51%	629,000	477,854
Legal counsel	74,873	90,000	44,446	(45,554)	49.38%	360,000	315,554
Communications consultants and related expenses	142,653	187,750	202,717	14,967	107.97%	751,000	548,283
Data manager	659,857	715,500	689,370	(26,130)	96.35%	2,862,000	2,172,630
Service fees- PG&E	175,286	230,250	124,605	(105,645)	54.12%	921,000	796,395
Other services	66,459	104,500	99,527	(4,973)	95.24%	418,000	318,473
General and administration	88,330	82,250	69,030	(13,220)	83.93%	329,000	259,970
Occupancy	-	65,000	8,548	(56,452)	0.00%	260,000	251,452
Integrated Demand side pilot programs	-	12,500	3,750	(8,750)	0.00%	50,000	46,250
Marin County green business program	-	-	-	-	0.00%	10,000	10,000
Solar rebates	-	-	-	-	0.00%	35,000	35,000
Total current expenditures	<u>21,325,099</u>	<u>31,483,288</u>	<u>30,483,613</u>	<u>(999,675)</u>	<u>96.82%</u>	<u>139,066,715</u>	<u>108,583,102</u>
CAPITAL OUTLAY	9,260	109,500	93,647	(15,853)	85.52%	150,000	56,353
DEBT SERVICE	298,470	2,080,000	2,054,975	(25,025)	98.80%	2,080,000	25,025
INTERFUND TRANSFER TO:							
Renewable Energy Reserve Fund	-	1,000,000	1,000,000	-	100.00%	1,000,000	-
Local Renewable Energy Development Fund	109,994	151,383	151,383	-	100.00%	151,383	-
Total expenditures	<u>21,742,823</u>	<u>34,824,171</u>	<u>33,783,618</u>	<u>\$ (1,040,553)</u>	<u>97.01%</u>	<u>142,493,098</u>	<u>\$ 108,709,480</u>
Net increase (decrease) in available fund balance	<u>\$ 2,355,909</u>	<u>\$ (615,908)</u>	<u>\$ (3,777)</u>	<u>\$ 612,131</u>		<u>\$ 3,440,000</u>	<u>\$ 3,633,168</u>

**MARIN CLEAN ENERGY
ENERGY EFFICIENCY PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Public purpose energy efficiency program	\$ 1,505,702	\$ 206,093	\$ 1,299,609	13.69%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Public purpose energy efficiency program	<u>1,505,702</u>	<u>284,682</u>	<u>1,221,020</u>	<u>18.91%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (78,589)</u>		

**LOCAL RENEWABLE ENERGY DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	\$ 151,383	\$ 151,383	\$ -	100.00%
EXPENDITURES AND OTHER USES:				
Capital Outlay	<u>151,383</u>	<u>62,080</u>	<u>89,303</u>	<u>41.01%</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ 89,303</u>		

**RENEWABLE ENERGY RESERVE FUND
BUDGETARY COMPARISON SCHEDULE
April 1, 2015 through June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Budget Remaining</u>	<u>Actual/ Budget</u>
REVENUE AND OTHER SOURCES:				
Transfer from Operating Fund	\$ 1,000,000	\$ 1,000,000	\$ -	100.00%
EXPENDITURES AND OTHER USES:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in fund balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>		

See accountants' compilation report.

MARIN CLEAN ENERGY
BUDGETARY SUPPLEMENTAL SCHEDULE
April 1, 2014 through June 30, 2015

	<u>Actual</u>
Other services	
Accounting	\$ 36,000
IT Consulting	19,323
Human resources & payroll fees	2,363
Legislative consulting	22,500
Miscellaneous professional fees	19,341
	<u> </u>
Other services	<u><u>\$ 99,527</u></u>
 General and administration	
Data and telephone service	\$ 5,724
Insurance	3,317
Office and meeting rentals	740
Office equipment lease	1,314
Dues and subscriptions	13,526
Conferences and professional education	7,317
Travel	7,301
Business meals	857
Office supplies and postage	28,934
	<u> </u>
General and administration	<u><u>\$ 69,030</u></u>



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

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To the Board of Directors
Marin Clean Energy

We have audited the financial statements of Marin Clean Energy for the year ended March 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marin Clean Energy are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended March 31, 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting Marin Clean Energy's financial statements include allowance for uncollectible accounts and estimated useful lives of the capital assets and related depreciation expense. We evaluate the key factors and assumptions used to develop the above listed estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. One of the most sensitive disclosures in Marin Clean Energy's financial statements is included in footnote 9 as commitments and contingencies.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 27, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide an assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Marin Clean Energy and is not intended to be, and should not be, used by anyone other than these specified parties.

Varrinet, Trine, Day & Co., LLP.

Pleasanton, California
July 27, 2015



FINANCIAL STATEMENTS

Years Ended March 31, 2015 & 2014
with Report of Independent Auditors



MARIN CLEAN ENERGY
YEARS ENDED MARCH 31, 2015 AND 2014

TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	11



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& COMPANY, LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Marin Clean Energy
San Rafael, California

We have audited the accompanying financial statements of Marin Clean Energy ("MCE"), as of and for the years ended March 31, 2015 and 2014, which collectively comprise MCE's basic financial statements, including the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Marin Clean Energy, as of March 31, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Varrinck, Trine, Day & Co., LLP.

Pleasanton, California

July 27, 2015

MARIN CLEAN ENERGY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis provides an overview of Marin Clean Energy's (MCE) financial activities for the fiscal years ended March 31, 2015 and 2014. The information presented here should be considered in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

MCE began providing electrical power to customers in May 2010 and continues to experience increases in its number of customers. In 2014-15, the County of Napa, and the cities of Benicia, El Cerrito, and San Pablo joined MCE. MCE began servicing customers in the County of Napa in late 2014-15. Service to the cities of Benicia, El Cerrito, and San Pablo began in May 2015. Despite the growing volume of sales, MCE continues to put a priority on the efficient use of financial resources to meet the goal of providing competitive pricing to its entire customer base. During the year we were able to align our costs closely with revenues. This enabled us to keep margins at reasonably low levels as demonstrated by a change in net position from the prior year of \$3,698,000, or approximately 3.7% of revenues. This increase caused net position to climb from approximately \$9,558,000 to \$13,256,000, providing reserves to weather future uncertainties.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to MCE's basic financial statements. MCE's basic financial statements comprise two components: (1) government-wide financial statements and (2) notes to the financial statements.

MCE is a single-purpose entity that reports as an enterprise fund under governmental accounting standards. The financial statements are designed to provide readers with a broad overview of MCE's finances, similar to a private-sector business.

The Statements of Net Position present information on all of MCE's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MCE is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position present information showing how MCE's net position changed during the fiscal period. All changes in net position are recognized at the date the underlying event that gives rise to the change occurs, regardless of the timing of the related cash flows.

The Statements of Cash Flows present information about MCE's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. These statements show the sources and uses of cash, as well as the change in the cash balances during the fiscal years.

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The following table is a summary of MCE's assets, liabilities, and net position.

	2015	2014	2013
Current and other assets	\$ 27,579,728	\$ 22,433,441	\$ 18,007,926
Capital assets	407,626	58,807	68,679
Total assets	<u>27,987,354</u>	<u>22,492,248</u>	<u>18,076,605</u>
Current liabilities	13,742,408	10,909,904	7,079,985
Noncurrent liabilities	988,627	2,024,308	3,083,746
Total liabilities	<u>14,731,035</u>	<u>12,934,212</u>	<u>10,163,731</u>
Net position:			
Net investment in capital assets	407,626	58,807	68,679
Restricted	598,200	598,200	598,200
Unrestricted	12,250,493	8,901,029	7,245,995
Total net position	<u><u>\$ 13,256,319</u></u>	<u><u>\$ 9,558,036</u></u>	<u><u>\$ 7,912,874</u></u>

During 2014-2015, MCE continued to expand its territory beyond Marin County and the City of Richmond when it began servicing the County of Napa in February 2015. The number of active customer accounts grew from approximately 130,000 to 143,000 during the year. This increased customer base resulted in a growing level of accounts receivable and accrued revenue over the prior year. Related to this rise in demand for electricity from our customers, we have procured additional energy, resulting in the increase in trade liabilities.

The increase in capital assets from 2014 seen above is largely the result of capital improvements made at MCE's office.

Long term debt from two promissory notes decreased from 2014 as a result of scheduled payments.

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

MCE's results of operations are summarized as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues	\$ 100,654,696	\$ 85,561,759	\$ 52,579,310
Contributions received	-	-	20,000
Interest income	3,716	8,965	900
Total income	<u>100,658,412</u>	<u>85,570,724</u>	<u>52,600,210</u>
Operating expenses	96,835,644	83,749,875	48,429,076
Interest expense	124,485	175,687	176,185
Total expenses	<u>96,960,129</u>	<u>83,925,562</u>	<u>48,605,261</u>
Increase in net position	<u>\$ 3,698,283</u>	<u>\$ 1,645,162</u>	<u>\$ 3,994,949</u>

MCE's expansion into the County of Napa, combined with servicing the City of Richmond for its first full fiscal year, resulted in an increase in electricity sales, which was accompanied by increases in costs directly related to acquiring energy and servicing customer accounts. Despite the growing customer base and the associated costs of serving them, MCE experienced a greater increase in net position in 2015 than the prior year.

DEBT AND CAPITAL ASSET ADMINISTRATION

MCE continued to make payments on its existing debt. No new debt was incurred by MCE in 2014-15. Shortly after the fiscal year, MCE retired all of its debt ahead of schedule. Note 6 to the financial statements provides details on debt activity.

MCE relocated its office during 2014-15, and capitalized costs to furnish and make leasehold improvements. Note 4 to the financial statements provides details on capital asset activity.

ECONOMIC OUTLOOK

Since commencing service to customers in 2010, MCE has entered into multiple power purchase agreements with various providers to serve MCE's projected power supply need. This process allows for price certainty as MCE continues to serve customers. In addition to increasing its customer base from approximately 130,000 to 143,000 in 2014-15, MCE will be serving several new territories in early 2015-16. Management intends to continue its conservative use of financial resources and expects ongoing operating surpluses.

MARIN CLEAN ENERGY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

REQUESTS FOR INFORMATION

This financial report is designed to provide MCE's customers and creditors with a general overview of the Organization's finances and to demonstrate MCE's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 1125 Tamalpais Avenue, San Rafael, CA 94901.

BASIC FINANCIAL STATEMENTS

MARIN CLEAN ENERGY
STATEMENTS OF NET POSITION
AS OF MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,173,815	\$ 8,248,488
Accounts receivable, net of allowance	10,528,880	9,096,571
Other receivables	583,185	55,916
Accrued revenue	4,502,232	3,722,283
Prepaid expenses	368,152	31,485
Total current assets	<u>26,156,264</u>	<u>21,154,743</u>
Noncurrent assets		
Capital assets, net of depreciation	407,626	58,807
Restricted cash	1,145,700	1,145,700
Other assets	277,764	132,998
Total noncurrent assets	<u>1,831,090</u>	<u>1,337,505</u>
Total assets	<u>27,987,354</u>	<u>22,492,248</u>
LIABILITIES		
Current liabilities		
Accounts payable	878,967	615,131
Accrued cost of electricity	8,403,170	6,409,847
Other accrued liabilities	604,541	515,618
User taxes and energy surcharges due to other governments	611,230	566,962
Advances from grantor	2,209,091	1,733,221
Notes payable to bank	1,035,409	1,069,125
Total current liabilities	<u>13,742,408</u>	<u>10,909,904</u>
Noncurrent liabilities		
Notes payable to bank	988,627	2,024,308
Total liabilities	<u>14,731,035</u>	<u>12,934,212</u>
NET POSITION		
Net position		
Net investment in capital assets	407,626	58,807
Restricted for debt service	598,200	598,200
Unrestricted	12,250,493	8,901,029
Total net position	<u>\$ 13,256,319</u>	<u>\$ 9,558,036</u>

MARIN CLEAN ENERGY

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

YEARS ENDED MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating revenues		
Electricity sales	\$ 98,840,861	\$ 84,605,751
Grant revenue for Energy Efficiency Program	1,125,344	917,947
Other revenue	688,491	38,061
Total operating revenues	<u>100,654,696</u>	<u>85,561,759</u>
Operating expenses		
Cost of electricity	87,996,399	76,088,268
Contract services	5,769,008	5,533,964
Staff compensation	2,216,199	1,660,945
General and administration	854,038	466,698
Total operating expenses	<u>96,835,644</u>	<u>83,749,875</u>
Operating income	<u>3,819,052</u>	<u>1,811,884</u>
Nonoperating revenues (expenses)		
Interest income	3,716	8,965
Interest expense	(124,485)	(175,687)
Total nonoperating revenues (expenses)	<u>(120,769)</u>	<u>(166,722)</u>
Changes in net position	3,698,283	1,645,162
Net position at beginning of period	9,558,036	7,912,874
Net position at end of period	<u>\$ 13,256,319</u>	<u>\$ 9,558,036</u>

The accompanying notes are an integral part of these financial statements

MARIN CLEAN ENERGY

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 96,757,280	\$ 79,507,265
Grant received from Energy Efficiency Program	1,505,702	2,007,602
Cash received from other revenue sources	142,297	35,283
Cash payments to purchase electricity	(86,282,436)	(73,790,444)
Cash payments for contract services	(5,864,212)	(5,462,356)
Cash payments for staff compensation	(2,179,654)	(1,642,623)
Cash payments for general and administration	(795,836)	(428,344)
Net cash provided by operating activities	<u>3,283,141</u>	<u>226,383</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Deposit for financing reserve	-	(547,500)
Principal payments of notes payable to bank	(1,069,397)	(1,063,407)
Interest expense	(124,485)	(186,097)
Net cash provided (used) by non-capital financing activities	<u>(1,193,882)</u>	<u>(1,797,004)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	<u>(167,648)</u>	<u>(7,015)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>3,716</u>	<u>8,965</u>
Net change in cash and cash equivalents	1,925,327	(1,568,671)
Cash and cash equivalents at beginning of year	<u>8,248,488</u>	<u>9,817,159</u>
Cash and cash equivalents at end of year	<u>\$ 10,173,815</u>	<u>\$ 8,248,488</u>

MARIN CLEAN ENERGY

STATEMENTS OF CASH FLOWS

(CONTINUED)

YEARS ENDED MARCH 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 3,819,052	\$ 1,811,884
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	28,528	16,887
(Increase) decrease in net accounts receivable	(1,432,309)	(4,523,775)
(Increase) decrease in other receivables	(527,269)	(55,916)
(Increase) decrease in accrued revenue	(779,949)	(865,071)
(Increase) decrease in prepaid expenses	(336,667)	(1,924)
(Increase) decrease in deposits	(144,766)	-
Increase (decrease) in accounts payable	54,137	83,386
Increase (decrease) in accrued cost of electricity	1,993,323	1,735,828
Increase (decrease) in other accrued liabilities	88,923	373,433
Increase (decrease) in user taxes due to other governments	44,268	561,996
Increase (decrease) in advances from grantor	475,870	1,089,655
Net cash provided by operating activities	<u>\$ 3,283,141</u>	<u>\$ 226,383</u>

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Marin Clean Energy (MCE) is a California joint powers authority created on December 19, 2008 and its members consist of the following parties: the Counties of Marin and Napa, the cities of Belvedere, Benicia, El Cerrito, Larkspur, Mill Valley, Novato, Richmond, San Pablo, San Rafael, and Sausalito and the towns of Corte Madera, Fairfax, Ross, San Anselmo, and Tiburon (collectively, “the parties”). It is governed by a seventeen member Board of Directors appointed by each of the parties.

MCE was formed to reduce energy related greenhouse gas emissions and promote the development and use of a wide range of renewable energy sources and energy efficiency programs, and to exercise all other powers necessary and incidental to accomplishing these objectives. A core function of MCE is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

MCE began its energy delivery operations in May 2010. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by the California Independent System Operator and Pacific Gas and Electric Company.

ACCOUNTING POLICIES

MCE’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

The Organization's operations are accounted for as a governmental enterprise fund, and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned and expenses are recognized at the time liabilities are incurred.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purpose of the statement of cash flows, MCE has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments. Amounts restricted for debt service and collateral for energy efficiency loan program are not included. These restricted balances are presented separately in the statement of net position.

CAPITAL ASSETS AND DEPRECIATION

MCE's policy is to capitalize furniture and equipment valued over \$500 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture. Leasehold improvements are depreciated over 10 years.

OPERATING AND NON-OPERATING REVENUE

Revenue from the sale of electricity to customers and grant revenue related to the Energy Efficiency Program (EE) are considered "operating" revenue. The EE program supports the development, implementation and coordination of energy efficiency activities in and around MCE's service area. Other revenues predominately consist of consideration from the cancellation of an operating lease and damages revenue from energy suppliers. Investment income is classified as "non-operating revenue."

REVENUE RECOGNITION

MCE recognizes revenue on the accrual basis. This includes invoices issued to customers during the period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will not be collected. Accordingly, an allowance has been recorded.

MARIN CLEAN ENERGY

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ELECTRICAL POWER PURCHASED

Electrical power sold to customers was purchased through numerous suppliers, with the primary supplier being Shell Energy North America. As part of the agreement with Shell Energy, MCE is required to maintain a cash balance of \$1,350,000 to ensure funds are available to purchase electrical power. This cash balance is included in cash and cash equivalents as presented in the statement of net position. MCE has been steadily increasing its energy purchases from other sources to reduce its market exposure. The cost of power and related delivery costs have been recognized as “cost of electricity” in the statement of revenues, expenses and changes in net position.

MCE purchases Renewable Energy Certificates (REC) from a variety of sources to comply with external mandates and self-imposed benchmarks. MCE procures RECs with the intent to retire them, and neither engages in the activity of selling RECs or building a surplus of RECs. An expense is recognized at the point that the cost of the REC is due and payable to the supplier. MCE is in compliance with external mandates and self-imposed benchmarks.

STAFFING COSTS

MCE pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. MCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements.

INCOME TAXES

MCE is a joint powers authority under the provision of the California Government Code. As such it is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements.

MARIN CLEAN ENERGY**NOTES TO THE FINANCIAL STATEMENTS****YEARS ENDED MARCH 31, 2015 AND 2014****2. CASH AND CASH EQUIVALENTS**

MCE maintains its cash in both interest and non-interest-bearing accounts at River City Bank of Sacramento, California. MCE has no other investments. MCE complies with California Government Code Section 16521. This code section requires that River City Bank collateralize amounts of public funds in excess of the FDIC limit of \$250,000 by 110%. Accordingly, balances are not considered to be at risk. Risk is monitored on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Changes in accounts receivable were as follows:

	2015	2014	2013
Accounts receivable from customers	\$ 12,888,880	\$ 10,126,845	\$ 5,413,646
Allowance for uncollectible accounts	(2,360,000)	(1,030,274)	(840,850)
Net accounts receivable	<u>\$ 10,528,880</u>	<u>\$ 9,096,571</u>	<u>\$ 4,572,796</u>

The majority of account collections occur within the first few months following customer invoicing. MCE estimates that a portion of the billed accounts will not be collected. MCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, MCE continues to have some success collecting older accounts. Accordingly, accounts above *de minimis* balances are not written off. The result is that the allowance for uncollectible accounts at the end of a period includes both current and prior period allowances.

4. CAPITAL ASSETS

Changes in capital assets were as follows:

	Depreciable capital assets:			
	Furniture & Equipment	Leasehold Improvements	Accumulated Depreciation	Net
Balances at March 31, 2013	\$ 93,401	\$ 5,881	\$ (30,603)	\$ 68,679
Additions	7,015	-	(16,887)	(9,872)
Balances at March 31, 2014	100,416	5,881	(47,490)	58,807
Additions	51,836	325,511	(28,528)	348,819
Balances at March 31, 2015	<u>\$ 152,252</u>	<u>\$ 331,392</u>	<u>\$ (76,018)</u>	<u>\$407,626</u>

MARIN CLEAN ENERGY**NOTES TO THE FINANCIAL STATEMENTS****YEARS ENDED MARCH 31, 2015 AND 2014****5. ADVANCES FROM GRANTOR**

MCE receives grant funding through the Public Utilities Commission of the State of California (CPUC) for its Energy Efficiency Program. Funds are received on a quarterly schedule and are not recognized as revenue until they are expended for the designated purpose. Total grant funding received for the fiscal year 2015 was \$1,505,702, and \$1,029,832 was spent and earned. In 2014, grant funding was \$2,007,602 with \$917,947 being spent and earned. The Energy Efficiency Program receives additional grant funding under the Gas Public Purpose Program that is not received in advance. Revenue of \$95,512 was recognized under this grant in fiscal year 2015, the first year of this funding.

6. DEBT**NOTES PAYABLE TO RIVER CITY BANK**

	Note A	Note B
Date of note	January 2011	July 2012
Original note amount	\$ 2,300,000	\$ 3,000,000
Approximate monthly payment	44,000	56,000
Reserve requirements	263,200	335,000
Maturity date	January 2016	October 2017
Interest rate	5.25%	4.50%
Balance at March 31, 2015	\$ 427,481	\$ 1,596,555

Note A is subject to a fixed interest rate of 5.25%. The Note B is subject to the Federal Home Loan Bank Five Year Fixed Rate plus 1.25%. MCE has agreed to maintain revenues in excess of maintenance and operating costs of 125% of the sum of annual debt service payments.

MARIN CLEAN ENERGY**NOTES TO THE FINANCIAL STATEMENTS****YEARS ENDED MARCH 31, 2015 AND 2014****6. DEBT (continued)**

Changes in notes payable were as follows:

	<u>Beginning</u>	<u>Payments</u>	<u>Ending</u>
Year ended March 31, 2014			
Note A	\$ 1,380,712	\$ (463,948)	\$ 916,764
Note B	2,776,128	(599,459)	2,176,669
Totals	<u>\$ 4,156,840</u>	<u>\$ (1,063,407)</u>	3,093,433
Amounts due within one year			<u>(1,069,125)</u>
Amounts due after one year			<u>\$ 2,024,308</u>
Year ended March 31, 2015			
Note A	\$ 916,764	\$ (489,283)	\$ 427,481
Note B	2,176,669	(580,114)	1,596,555
Totals	<u>\$ 3,093,433</u>	<u>\$ (1,069,397)</u>	2,024,036
Amounts due within one year			<u>(1,035,409)</u>
Amounts due after one year			<u>\$ 988,627</u>

Future minimum debt service requirements were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the years ending March 31:			
2016	\$ 1,035,409	\$ 69,954	\$ 1,105,363
2017	635,992	31,515	667,507
2018	352,635	4,965	357,600
Total	<u>\$ 2,024,036</u>	<u>\$ 106,434</u>	<u>\$ 2,130,470</u>

Both notes were retired ahead of schedule in April, 2015.

MARIN CLEAN ENERGY**NOTES TO THE FINANCIAL STATEMENTS****YEARS ENDED MARCH 31, 2015 AND 2014****7. DEFINED CONTRIBUTION RETIREMENT PLAN**

The Marin Clean Energy Plan (Plan) is a defined contribution retirement plan established by MCE to provide benefits at retirement to its employees. The Plan is administered by Nationwide Retirement Solutions. At March 31, 2015, there were 20 plan members. MCE is required to contribute 10% of annual covered payroll and contributed \$177,000 and \$128,000 during the years ended March 31, 2015 and 2014, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

8. RISK MANAGEMENT

MCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, MCE purchased liability and property insurance from a commercial carrier. Coverage for property general liability, errors and omissions and non-owned automobile was \$2,000,000 with a \$1,000 deductible.

9. COMMITMENTS AND CONTINGENCIES

MCE has entered into multiple power purchase agreements to meet its near and long term needs. MCE had outstanding non-cancelable power purchase commitments of approximately \$886.5 million for energy and related services through October 31, 2041 that have not yet been provided.

The following table is the approximated obligations on existing contracts:

Year ended March 31,	
2016	\$ 118,056,805
2017	123,846,908
2018	103,491,169
2019	46,421,789
2020	32,657,163
2021-42	461,995,114
	<u>\$ 886,468,948</u>

As of March 31, 2015, MCE had outstanding non-cancelable commitments to professional service providers for services yet to be performed of \$12.8 million that continue through December 31, 2017.

MARIN CLEAN ENERGY**NOTES TO THE FINANCIAL STATEMENTS****YEARS ENDED MARCH 31, 2015 AND 2014****10. OPERATING LEASE**

Marin Clean Energy rents office space. Rental expense was \$190,000 and \$186,000 for the years ended March 31, 2015 and 2014, respectively. In 2014-15, MCE entered into a ten year non-cancelable lease for its office premises until March 8, 2025. The rental agreement includes an option to renew the lease for five additional years.

Future minimum lease payments under the lease are as follows:

Year ended March 31,	
2016	\$ 185,910
2017	329,458
2018	418,260
2019	430,818
2020	444,107
2021-25	2,499,840
	<u>\$ 4,308,393</u>



August 20, 2015

TO: Marin Clean Energy Board

FROM: John Dalessi, Pacific Energy Advisors

RE: Agreement with River City Bank for Credit Facility to Support MCE Power Purchases (Agenda Item #06)

ATTACHMENTS: A. Draft Non-Revolving Credit Agreement with River City Bank
B. Resolution No. 2015-04 Approving Non-Revolving Credit Agreement with River City Bank

Dear Board Members:

SUMMARY:

MCE Staff have negotiated the terms of a credit facility with River City Bank to provide credit backing for future power purchase contracts that will replace the power being supplied by the Shell Energy North America contract expiring in 2017. As MCE continues to expand the number of entities with which it contracts for power supply, it is becoming increasingly necessary to utilize industry standard credit terms for power purchase contracts. These credit terms typically require that MCE post cash collateral or provide a standby letter of credit issued by a qualifying bank that can be called upon by the seller in the event of a default. MCE intends to use the RCB credit facility to post collateral for certain forward power purchase contracts with deliveries commencing in the post 2017 period.

Key Terms for Agreement

The proposed RCB credit facility allows MCE to either borrow cash or to direct the issuance of standby letters of credit (SBLC) that would be used as credit support for MCE's forward purchases of energy. The negotiated credit line allows MCE to draw cash or provide SBLCs of up to fifteen million dollars in aggregate, which will meet MCE's anticipated power purchasing credit needs for the next two to three years and allow MCE to contract with multiple counterparties to meet its conventional energy needs.

MCE would have the option of directing issuance of the SBLCs by Union Bank, which has a credit rating of A+/A2 and assets of over \$114 billion, meeting the most widely accepted financial criteria for SBLC issuers. MCE may also request that the SBLCs be issued directly by RCB (unrated), and for any SBLC issued by RCB, the applicable fees would be reduced.

The term of the credit facility is one year with MCE's option to convert any principal advances to a term loan of up to five years from the end of the initial term. The SBLCs will have a term of one year from the date of issuance and will be subject to auto renewal for another year (up to five years) unless the issuing bank provides advance written notice of its intent to cancel the SBLC upon its expiry. In the event that a SBLC is draw upon by the beneficiary, MCE would have the option of repaying the amount drawn, plus interest, over a five year term.

As a condition of the financing, MCE will be required to maintain certain financial covenants. These covenants include maintenance of specified financial ratios (Fixed Charge Coverage Ratio and Total Liabilities to Tangible Unrestricted Net Position Ratio), periodic financial reporting, and establishment of a Debt Service Reserve Account representing six months of debt service based on a five year term out of the loan amount. MCE also agrees to maintain its primary depository relationship with RCB or else pay an additional fee on outstanding SBLCs.

Evaluation Process

Over the past several months, MCE staff engaged in discussions with RCB and two other major banks to explore financing options for MCE's forward power purchasing program. MCE also consulted with its financial advisor, Public Financial Management, who participated in these discussions and assisted with evaluation of options. Based on information obtained through these discussions, MCE Staff determined that the RCB offer best meets MCE's needs and that the negotiated fees are competitive with those charged in the banking industry for similar credit facilities.

Recommendation: Adopt resolution 2015-04 approving the Agreement with River City Bank for a credit facility to support MCE power purchases.

\$15,000,000

NON-REVOLVING CREDIT AGREEMENT

Dated as of August 21, 2015

by and between

**MARIN CLEAN ENERGY,
as Borrower**

and

**RIVER CITY BANK,
as Lender**

NON-REVOLVING CREDIT AGREEMENT

This NON-REVOLVING CREDIT AGREEMENT (this “*Agreement*”) is entered into as of August 21, 2015, by and between **MARIN CLEAN ENERGY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (“*Borrower*”), and **RIVER CITY BANK**, a California corporation (“*Lender*”).

W I T N E S S E T H:

WHEREAS, Borrower has requested, and Lender has agreed to make available to Borrower, a non-revolving credit facility upon and subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them on **Exhibit A**.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.”

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) Dollars and \$. All references to “dollars” or “\$” refer to United States dollars.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year”, “fiscal quarter” and “fiscal month” refer to such fiscal periods of Borrower.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Borrower and Lender agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Borrower’s financial condition will be the same after such change in GAAP as if such change had not been made.

SECTION 2. THE NON-REVOLVING CREDIT.

Section 2.1. Non-Revolving Credit. Subject to the terms and conditions hereof, Lender agrees to make a non-revolving credit facility (the “*Non-Revolving Credit*”) available to Borrower for the sole purpose of providing credit support for energy procurement contracts in an aggregate principal amount not to exceed, at any one time, the Non-Revolving Credit Commitment at any time prior to the Non-Revolving Credit Termination Date. The Non-Revolving Credit will be disbursed in one or more advances (each, an “*Advance*” and, collectively, the “*Advances*”), provided that the conditions precedent to Advances specified in Section 8 are satisfied. Subject to the Non-Revolving Credit Commitment and the other terms and conditions of this Agreement, Borrower may periodically request Advances; provided, however, that Lender will have no obligation to make Advances on or after the Termination Date, and Borrower may not re-borrow under Advances as they are repaid.

Section 2.2. Advances. Advances under this Agreement may be requested in writing by Borrower or any Authorized Representative appointed by Borrower. Borrower agrees that

Lender may rely upon any written notice given by any person Lender in good faith believes is an Authorized Representative without the necessity of independent investigation.

Section 2.3. Promissory Notes. Each Advance made under the Non-Revolving Credit will be evidenced by a promissory note (each, a “*Promissory Note*”) made, executed and delivered by Borrower and payable to the order of Lender in the form (with appropriate insertions) attached hereto as **Exhibit B** (the “*Letter of Credit Note*”), **Exhibit C** (the “*Cash Advance Note*”), or, if converted to a Term Loan as provided in Section 5, **Exhibit D** (the “*Term Note*”), as set forth herein.

(a) Letter of Credit Notes. For each Letter of Credit requested by Borrower and issued by the L/C Issuer in accordance with Section 4, Borrower will execute and deliver to Lender a Letter of Credit Note in the stated principal amount equal to the face amount of such Letter of Credit. Each Letter of Credit Note will be deemed an Advance in the full stated principal amount thereof for purposes of determining the Non-Revolving Credit Commitment; provided that each Letter of Credit Note will evidence Borrower’s obligation to repay the lesser of the stated principal amount thereof or the outstanding principal amount of any Advances actually made by Lender under the Non-Revolving Credit as a result of an unreimbursed drawing (the “*Unreimbursed Amount*”), in accordance with Section 4.3. Each Letter of Credit Note will (i) be due and payable in full on the earlier of (x) the applicable Maturity Date, or (y) the Non-Revolving Credit Termination Date, and (ii) bear interest on the Unreimbursed Amount from and after the Honor Date, payable monthly as provided in Section 3. All references to “Advances” in in Section 3 shall, with respect to a Letter of Credit Note, refer solely to the outstanding Unreimbursed Amount(s) evidenced by such Letter of Credit Note. Subject to the terms and conditions of this Agreement and provided that no Event of Default has occurred, Borrower will have a one-time option to convert the indebtedness evidenced by the Letter of Credit Notes into a Term Loan as provided in Section 5.

(b) Cash Advance Notes. Borrower may request Advances under the Non-Revolving Credit in the form of cash disbursements (each a “*Cash Advance*”) deposited by Lender into a designated account of Borrower maintained with Lender. Borrower will make each request for a Cash Advance in writing in substantially the form of **Exhibit G**. On the date of each Cash Advance, Borrower will execute a Cash Advance Note to evidence the Cash Advance. Each Cash Advance Note will (i) be due and payable in full on the Non-Revolving Credit Termination Date, and (ii) bear interest, payable monthly as provided in Section 3. Subject to the terms and conditions of this Agreement and provided that no Event of Default has occurred, Borrower will have the option to convert the indebtedness evidenced by the Cash Advance Notes into a Term Loan as provided in Section 5.

Section 2.4. Repayment on Non-Revolving Credit Termination Date. All Advances (including all outstanding principal and accrued but unpaid interest) that have not been converted to a Term Loan shall be due and payable in full on the Non-Revolving Credit Termination Date. Until the Non-Revolving Credit Termination Date, Borrower shall repay the Advances with interest as provided herein and in the applicable Promissory Notes.

SECTION 3. INTEREST, LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Borrower hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full. The determination of the Applicable Rate by Lender shall be conclusive and binding on Borrower in the absence of demonstrable error.

(b) Interest Payment Dates. Borrower will pay regular monthly payments all accrued but unpaid interest on the Advances as of each Payment Date beginning on October 1, 2015, with all subsequent interest payments due and payable on each Payment Date thereafter. Interest on the Advances will be payable monthly in arrears on each Payment Date. Interest on any installment of principal that is not paid when due (whether by lapse of time, acceleration or otherwise) will be due and payable on demand. Borrower will make all payments at the address specified in Section 3.4.

(c) Late Fees. If Borrower fails to make any payment of principal or interest under the Promissory Notes or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, Lender will be entitled at its option to impose a late charge in an amount equal to [] percent ([] .00%) of the amount of such past due payment, which charge, if imposed by Lender, shall be due and payable by Borrower immediately upon receipt of written notice thereof.

Section 3.2. Computation of Interest; Minimum and Maximum Interest Rates. All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed. In no event shall the applicable interest rate exceed than the maximum rate allowed by law (including Government Code Section 53854).

Section 3.3. Prepayments.

(a) Voluntary Prepayment. Borrower may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Borrower may prepay the principal amount of any Promissory Note together with interest accrued thereon, at its option and without premium, prior to the applicable Maturity Date or the Termination Date, as the case may be.

(b) Mandatory Prepayment. Borrower will, upon demand, prepay Advances at any time and to the extent that the outstanding principal amount of all Advances exceeds the Non-Revolving Credit Commitment.

(c) Application of Prepayments. All prepayments shall be applied in accordance with Section 3.4.

Section 3.4. Place and Application of Payments and Collections. All payments of principal, interest, fees and all other Obligations payable hereunder will be made to Lender at the following address no later than 2:00 p.m. (Pacific Standard Time) on the date any such payment is due and payable:

River City Bank
Loan Center
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833

So long as any Event of Default has occurred and is continuing, Borrower agrees that Lender, in its sole and absolute discretion, may apply any payments or collections received by Lender in respect of the Non-Revolving Credit to any of the Obligations in any manner or order as Lender desires. Lender's receipt and application of payments or collections shall not constitute a waiver or cure of any Default.

Section 3.5. Notations. All Advances made and evidenced by the Promissory Notes and the rates of interest applicable thereto will be recorded by Lender on its books and records or, at its option in any instance, endorsed on a schedule to the Promissory Notes, and the unpaid principal balance and interest rates so recorded or endorsed by Lender will be *prima facie* evidence in any court or other proceeding brought to enforce the Promissory Note of the principal amount remaining unpaid, the status of the Advances evidenced by the Promissory Note and the applicable interest rates; provided, however, that the failure of Lender to record any of the foregoing will not limit or otherwise affect the obligation of Borrower to repay the principal amount of the Promissory Note together with accrued interest thereon. Prior to any negotiation of the Promissory Note, Lender will record on a schedule thereto the status of all amounts evidenced by the Promissory Note and the rates of interest applicable thereto.

SECTION 4. LETTERS OF CREDIT.

Section 4.1. Letter of Credit Commitment.

(a) Subject to the terms and conditions set forth herein, the L/C Issuer agrees, in reliance upon the agreements of Borrower, (1) from time to time on any Business Day during the period from the date of this Agreement until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of Borrower, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; provided that after giving effect to any L/C Credit Extension, the aggregate principal amount of all Advances shall not exceed the Non-Revolving Commitment. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence and the other terms and conditions of this Agreement.

- (b) The L/C Issuer shall have no obligation to issue any Letter of Credit if:
- (i) The expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension;
 - (ii) The expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date;
 - (iii) The requested Letter of Credit requires the L/C Issuer to provide a notice of non-renewal, if any, earlier than 120 days before the expiration of the Letter of Credit;
 - (iv) The requested Letter of Credit contains terms and conditions required by the beneficiary that are deemed unacceptable to the L/C Issuer;
 - (v) Any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin the L/C Issuer from issuing such Letter of Credit, or any law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable as of the date of this Agreement and which the L/C Issuer in good faith deems material to it;
 - (vi) The issuance of such Letter of Credit would violate one or more policies of the L/C Issuer generally applicable to the issuance of letters of credit;
 - (vii) The Letter of Credit is to be denominated in a currency other than Dollars;
 - (viii) The Letter of Credit provides for automatic reinstatement or renewal of the stated amount after any drawing thereunder; or
 - (ix) The issuance of the Letter of Credit would result in an L/C Credit Extension and a deemed Advance under the corresponding Letter of Credit Note that exceeds the Non-Revolving Credit Commitment at the time of issuance.
- (c) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.
- (d) The L/C Issuer shall have no obligation to amend any Letter of Credit if (i) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (ii) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

Section 4.2. Issuance and Amendment of Letters of Credit.

(a) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Borrower delivered to Lender and the L/C Issuer in the form of a Letter of Credit Application substantially in the form of **Exhibit F**, completed to the satisfaction of Lender and the L/C Issuer and signed by a Responsible Officer of Borrower. Such Letter of Credit Application may be sent via electronic image or other electronic format, by US mail, overnight courier, or by any other means acceptable to Lender and the L/C Issuer and must be received by Lender and the L/C Issuer not later than ten (10) Business Days (or such later date as Lender and the L/C Issuer may agree in their sole discretion) before the proposed issuance date or date of amendment, as the case may be. In the case of a request for initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to Lender and the L/C Issuer: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in the case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (vii) the purpose and nature of the requested Letter of Credit; and (viii) such other matters as Lender or the L/C Issuer may require. In the case of a request for amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to Lender and the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of the amendment (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as Lender or the L/C Issuer may require. Additionally, Borrower will furnish to Lender and the L/C Issuer such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any L/C Issuing Documents, as Lender or the L/C Issuer may request.

(b) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with Lender that the Lender has received a copy of such Letter of Credit Application from Borrower and, if not, the L/C Issuer will provide Lender with a copy thereof. Unless the L/C Issuer has received written notice from Lender or Borrower, at least two (2) Business Days prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions set forth in Section 8 has not then been satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in such form as may be approved from time to time by the L/C Issuer and in accordance with the L/C Issuer's usual and customary business practices.

(c) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to the beneficiary thereof, the L/C Issuer will also deliver to Borrower and Lender a true and complete copy of such Letter of Credit or amendment.

Section 4.3. Drawings and Reimbursements of Letters of Credit.

(a) Upon the presentment of any notice of drawing under any Letter of Credit by the beneficiary thereof which the L/C Issuer determines to be in compliance with the conditions for payment thereunder, the L/C Issuer will notify Borrower and Lender of the intended date of

honor of such drawing. Not later than 5:00 p.m. (Pacific Standard Time) on the date (the “*Reimbursement Date*”) that is three (3) calendar days after any payment by the L/C Issuer under a Letter of Credit (each such date, an “*Honor Date*”), Borrower shall reimburse the L/C Issuer by making payment to Lender in an amount equal to the amount of such payment. If Borrower fails to so reimburse the L/C Issuer on or before the Reimbursement Date, Lender will make an Advance under the Letter of Credit Note to be disbursed as of the Honor Date in an amount equal to the Unreimbursed Amount, subject to the limits of the Non-Revolving Credit Commitment and the conditions precedent set forth in Section 8.

(b) With respect to any Unreimbursed Amount that is not fully refinanced by an Advance under a corresponding Letter of Credit Note for any reason, Borrower shall be deemed to have incurred an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate.

Section 4.4. Obligations Absolute.

(a) The obligation of Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

- (i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) any waiver by the L/C Issuer of any requirement that exists for the L/C Issuer’s protection and not the protection of Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;
- (v) any honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable.

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or discharge of, any party to the Loan Documents.

(b) Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will immediately notify Lender and the L/C Issuer in writing. Borrower shall be conclusively deemed to have waived any such claim it would have against Lender or the L/C Issuer and its correspondents unless such notice is given.

Section 4.5. Role of L/C Issuer. Borrower agrees that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering such document. None of the L/C Issuer, Lender, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to Borrower for (i) any action taken or omitted in connection herewith at the request of Borrower; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or L/C Issuing Document. Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither the L/C Issuer or Lender, nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in Section 4.4; provided, however, that anything in such clauses to the contrary notwithstanding, Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Borrower which Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their

face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunications (“*SWIFT*”) message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

Section 4.6. Applicability of ISP, Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer’s rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the law of any jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade – International Finance Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

Section 4.7. Letter of Credit Fees. Borrower shall pay to Lender fees for each Letter of Credit as follows:

(a) Issuance Fee. Upon issuance of any Letter of Credit, an amount equal to [] per annum of the face amount of any [] Letter of Credit or []% per annum for any RCB Letter of Credit (the “*Issuance Fee*”).

(b) Renewal Fee. Upon renewal or extension of any Letter of Credit, whether automatic, by operation of the Letter of Credit or other request by beneficiary under the Letter of Credit, the applicable Issuance Fee plus a renewal fee equal to \$[].00.

(c) Other Letter of Credit Costs and Fees. Borrower shall be subject and agrees to pay any and all fees due under a [] Letter of Credit that are imposed or charged to Lender by [] [] Bank, N.A. in connection with the [] Letter of Credit. In addition, Borrower agrees to pay Lender for any Letter of Credit amendment or other fees as quoted on Lender’s Letter of Credit Fee Schedule provided to Borrower by Lender.

Section 4.8. Conflicts and Inconsistencies with L/C Issuing Documents. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of any L/C Issuing Document, the terms and conditions of this Agreement shall control, and if any L/C Issuing Document contains provisions that impose obligations on the L/C Issuer or grant rights to Borrower beyond those imposed or granted under this Agreement, such provisions shall be of no force or effect and shall not be binding on the L/C Issuer.

SECTION 5. CONVERSION OF PROMISSORY NOTES TO TERM NOTES.

Section 5.1. Term Loans. Provided no Default or Event of Default has occurred or is continuing, Borrower shall have an option to convert outstanding balances under the Letter of Credit Notes or a Cash Advance Note to a term loan (each a “*Term Loan*”) payable in sixty (60) equal monthly amortizing payments of principal and interest at the Applicable Rate.

Section 5.2. Conversion of Letter of Credit Notes. To the extent there are any unpaid Advances under any Letter of Credit Notes due and payable on the Termination Date, Borrower, by written notice to Lender on the Termination Date, may request that the aggregate outstanding Advances and other indebtedness under the Letter of Credit Notes be converted to a single Term Loan. Borrower’s option to convert the Letter of Credit Notes may be exercised no more frequently than once and must be exercised on the Termination Date. The Term Loan described in this Section 5.2 will accrue interest from the Termination Date and will be evidenced by a single Term Note made, executed and delivered by Borrower in the form (with appropriate insertions) attached hereto **Exhibit D**.

Section 5.3. Conversion of Cash Advance Notes. At any time before the Non-Revolving Credit Termination Date, Borrower, by written notice to Lender, may request that any unpaid Advances under the Cash Advance Notes be converted to a Term Loan. Any Term Loan described in this Section 5.3 may, at Lender’s option, be evidenced by a Term Note or by a modification of the applicable Cash Advance Note.

SECTION 6. COLLATERAL.

Section 6.1. Debt Service Reserve Account. As a condition to Lender’s obligation to make any Advances hereunder, Borrower will open and establish a blocked deposit account or certificate of deposit with Lender (the “*Debt Service Reserve Account*”) with a balance of not less than \$[].00 at any time. The Debt Service Reserve Account will be held in the name of Borrower and will serve as collateral for the Obligations. Borrower will pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of the Debt Service Reserve Account.

Section 6.2. Assignment of Debt Service Reserve Account. As security for the prompt payment and performance by Borrower of all Obligations, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, transfers, delivers, and confirms unto Lender, and hereby grants to Lender a continuing security interest in the Debt Service Reserve Account and (i) all replacements, substitutions or proceeds thereof, (ii) all instruments and documents now or hereafter evidencing the Debt Service Reserve Account, (iii) all powers, options, rights, privileges and immunities pertaining to the Debt Service Reserve Account, including the right to make withdrawals therefrom, and (iv) all interest, income, profits and proceeds of the foregoing. Borrower hereby acknowledges and agrees that Lender shall have exclusive control over the Debt Service Reserve Account. Borrower hereby waives all right to withdraw funds from the Debt Service Reserve Account. If an Event of Default shall occur hereunder or under any of the Obligations, then Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including without limitation, interest) then remaining in the Debt Service Reserve Account and apply the same, after deducting all costs and expenses of

safekeeping, collection and delivery, and all reasonable attorneys' fees, costs and expenses incurred by Lender in connection with the Event of Default, to any amounts due and unpaid under this Agreement, any Promissory Note or any other Obligations in such manner and order as Lender shall deem appropriate in its sole discretion, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, and/or (C) exercise any other remedies available at law or in equity.

SECTION 7. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Lender as follows:

Section 7.1. Organization and Qualification; Authority; Consents. Borrower (a) is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) that is qualified to be a community choice aggregator pursuant to California Public Utilities Code Section 366.2 and (b) has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Borrower has the agency power to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute Promissory Notes in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Borrower is a party do not, nor does the performance or observance by Borrower of any of the matters or things herein or therein provided for, contravene any provision of law or the Joint Powers Agreement or any covenant, indenture or agreement of or affecting Borrower or any of its Properties, including the Shell Agreements. The execution, delivery, performance and observance by Borrower of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 7.2. Legal Effect. This Agreement and the other Loan Documents to which Borrower is a party constitute legal, valid and binding agreements of Borrower, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

Section 7.3. Subsidiaries. Borrower has no Subsidiaries.

Section 7.4. Use of Proceeds. Borrower will use the proceeds of the Advances solely for purposes consistent with the purpose of Borrower as set forth in the Joint Powers Agreement, including for purposes consistent with the community choice aggregation program established by Borrower pursuant to California Public Utilities Code Section 366.2.

Section 7.5. Financial Reports. Effective with the delivery to Lender of the financial statements required by Section 9.2, the statements of financial condition of Borrower as at the date of such statements delivered to Lender, and the related statements of income, retained earnings and cash flows of Borrower for the fiscal year then ended and accompanying notes thereto, which financial statements are accompanied by the audit of independent public accountants, and the unaudited interim statements of financial condition of Borrower as at the date of such statements delivered to Lender and the related statements of income and cash flows of Borrower for the period then ended, fairly present the financial condition of Borrower as at said dates and the results of its operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis. Borrower has no contingent liabilities which are material to it other than, with respect to any financial statements delivered to Lender, as indicated on said financial statements.

Section 7.6. Full Disclosure. The statements and other information furnished to Lender in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by Lender to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that Lender acknowledges that, as to any projections furnished to Lender, Borrower only represents that the same were prepared on the basis of information and estimates Borrower believed to be reasonable at the time such information was prepared.

Section 7.7. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Borrower threatened in writing, against Borrower which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Borrower.

Section 7.8. Good Title. Borrower has good and defensible title to its Properties as reflected on the most recent balance sheet of Borrower furnished to Lender, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.

Section 7.9. Members. Borrower is not a party to any contracts or agreements with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 7.10. Compliance with Laws. Borrower is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower. Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.11. Other Agreements. Borrower is not in default under the terms of any covenant, indenture or agreement of or affecting Borrower or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.12. No Default. No Default or Event of Default has occurred or is continuing.

SECTION 8. CONDITIONS PRECEDENT.

The obligation of Lender to make any Advance is subject to the following conditions precedent:

Section 8.1. All Advances. As of the time of the making of each Advance (including the initial Advance unless otherwise specified):

(a) each of the representations and warranties set forth in Section 7 hereof and in the other Loan Documents shall be true and correct as of said time, except that the representations and warranties made under Section 7.5 (except for the initial Advance) shall be deemed to refer to the most recent financial statements furnished to Lender pursuant to Section 9.2 hereof; and

(b) Borrower shall be in full compliance with all of the material terms and conditions of this Agreement, the Promissory Notes, the Assignment of Debt Service Reserve Account and all other Loan Documents, and no Default or Event of Default shall have occurred or be continuing.

Section 8.2. Initial Advance. At or prior to the making of the first Advance, the following conditions precedent must also be satisfied:

(a) Lender shall have received properly completed and executed originals of the following in form and substance approved by Lender:

(i) this Agreement;

(ii) the Request for Advance and Letter of Credit Application (if applicable);

(iii) each of the resolutions adopted by the Board of Directors of Borrower with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;

(iv) an incumbency certificate containing the name, title and genuine signatures of each of Borrower's Authorized Representatives;

(v) payment by Borrower of the Loan Fee and all payments and expenses required to be paid by Borrower pursuant to Section 11.4(a) of this Agreement;

(vi) an updated Schedule 9.7 listing all outstanding Indebtedness for Borrowed Money;

(vii) copies (executed and certified, as may be appropriate) of the organizational documents of Borrower and all legal documents or proceedings (including minutes of board meetings) taken in connection with the execution and delivery of this Agreement to the extent Lender or its counsel may reasonably request; and

(viii) the Assignment of Debt Service Reserve Account.

(b) The Debt Service Reserve Account shall have been established with Lender; and

(c) Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to Lender and its counsel.

SECTION 9. COVENANTS.

Borrower agrees that, so long as any credit is available to or in use by Borrower hereunder, except to the extent compliance in any case or cases is waived in writing by Lender:

Section 9.1. Maintenance of Business. Borrower shall preserve and maintain its existence. Borrower shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business and shall conduct its business affairs in a reasonable and prudent manner. Borrower shall maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel, and shall provide Lender with written notice of any change in executive and management personnel.

Section 9.2. Financial Reports. Borrower shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives such information respecting the business and financial condition of Borrower as Lender may reasonably request; and without any request, shall furnish to Lender:

(a) as soon as available, and in any event within forty-five (45) days after the close of each quarter, an unaudited balance sheet of Borrower as of the last day of the period then ended and the statements of income, retained earnings and cash flows of Borrower for the period then ended, prepared in accordance with GAAP and in a form acceptable to Lender;

(b) as soon as available, and in any event within six (6) months after the close of each annual accounting period of Borrower, a copy of the audited balance sheet of Borrower as of the last day of the period then ended and the statements of income, retained earnings and cash flows of Borrower for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion thereon of Borrower's independent public accountants, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the financial condition of Borrower as of the close of such fiscal year and the results of

its operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Borrower's operations and financial affairs given to it by its independent public accountants;

(d) promptly after knowledge thereof shall have come to the attention of any responsible officer of Borrower, written notice of any litigation threatened in writing or any pending litigation or governmental proceeding or labor controversy against Borrower which, if adversely determined, would materially adversely effect the financial condition, Properties, business or operations of Borrower or result in the occurrence of any Default or Event of Default hereunder; and

(e) promptly after the request therefore, all such other information as Lender may reasonably request.

Each of the financial statements furnished to Lender pursuant to subsection (b) of this Section 9.2 shall be accompanied by a written certificate signed by the chief financial officer of Borrower to the effect that to the best of such officer's knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by Borrower to remedy the same.

Section 9.3. Maintenance of Debt Service Reserve Account. Borrower shall ensure that the Debt Service Reserve Account remains pledged and assigned to Lender as collateral for the Obligations in accordance with Section 6.

Section 9.4. Primary Depository Relationship. Borrower shall maintain its primary business banking deposit account relationship with Lender for so long as any amounts under this Agreement, any Promissory Note or Letter of Credit remain outstanding. In the event that this condition is not met, as determined by Lender, the Applicable Rate (or the Default Rate, if applicable) and any commissions charge on any outstanding Letters of Credit will immediately increase by an additional [] percentage points.

Section 9.5. Fixed Charge Coverage Ratio. Borrower agrees to maintain a minimum Fixed Charge Coverage Ratio at all times greater than or equal to [], measured quarterly as of the end of each fiscal quarter. As used herein,

"Fixed Charge Coverage Ratio" is defined as EBIDAR divided by total required Debt Service plus rent expense.

"EBIDAR" is defined as Change in Net Position plus depreciation, amortization, interest expense, and rent expense.

“*Change in Net Position*” is defined as the difference between current Net Position and prior period’s Net Position.

“*Net Position*” is defined as total assets less total liabilities.

“*Cash Flow*” is defined as net profit after tax, plus depreciation, amortization and interest expense, for the twelve (12) month period ending the most recent fiscal quarter end.

“*Debt Service*” is defined as interest expense for the calculated period, plus current maturities of long term debt reported at the beginning of the calculated period, plus current maturities of capital lease payments.

Section 9.6. Total Liabilities to Tangible Unrestricted Net Position. Borrower agrees to maintain a maximum Total Liabilities to Tangible Unrestricted Net Position not at any time greater than 2.50:1.00, measured quarterly. As used herein,

“*Total Liabilities to Tangible Unrestricted Net Position*” is defined as the total of current liabilities, non-current liabilities and contingent liabilities, then divided by Tangible Unrestricted Net Position.

“*Tangible Unrestricted Net Position*” is defined as total Unrestricted Net Position less any intangible assets.

“*Unrestricted Net Position*” is defined as total assets less temporarily and permanently restricted assets, less total liabilities.

Section 9.7. Inspection. Borrower shall permit Lender and its duly authorized representatives and agents, at such times and intervals as Lender may designate, but in any event, no more than six (6) times during any twelve (12) month period so long as no Default or Event of Default has occurred and is continuing: (i) to visit and inspect any of the Properties, books and financial records of Borrower and to examine and make copies of the books of accounts and other financial records of Borrower, and (ii) to discuss the affairs, finances and accounts of Borrower with, and to be advised as to the same by, the executive officers of Borrower and other officers, employees and independent public accountants of Borrower (and by this provision Borrower each authorizes such accountants to discuss with Lender or its agents and representatives the finances and affairs of Borrower). Without limiting the generality of the foregoing, Borrower shall promptly provide all information and access requested by Lender as Lender determines is necessary or required in connection with the preparation of its own financial statements.

Section 9.8. Liens. Borrower shall not create, incur or permit to exist any Lien of any kind on any Property owned by Borrower or any Subsidiary; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker’s compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or

other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which Borrower is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not Indebtedness for Borrowed Money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, provided that the aggregate amount of liabilities of Borrower secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of \$500,000 at any one time outstanding;

(d) the Liens identified on Schedule 7.4 hereto; and

(e) the Liens of Shell Energy under the Shell Security Agreement and Shell Collateral Account Agreements.

The Liens described in clauses (a) through (e) of this Section 9.8 are collectively referred to in this Agreement as the "*Permitted Liens*."

Section 9.9. Investments, Acquisitions, Loans, Advances and Guaranties. Borrower shall not directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for travel advances and other similar cash advances made to employees in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof, or be or become liable as endorser, guarantor, surety or otherwise for any debt, obligation or undertaking of any other Person, or otherwise agree to provide funds for payment of the obligations of another, or supply funds thereto or invest therein or otherwise assure a creditor of another against loss, or apply for or become liable to the issuer of a letter of credit which supports an obligation of another, or subordinate any claim or demand it may have to the claim or demand of any other Person.

Section 9.10. Compliance with Laws. Borrower shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower or could result in a Lien upon any of its Property.

Section 9.11. Burdensome Contracts With Members. Borrower shall not enter into any contract, agreement or business arrangement with any of its members on terms and conditions

which are less favorable to Borrower than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 9.12. Notices of Claims and Litigation. Borrower shall promptly inform Lender in writing of (a) all material adverse changes in Borrower's financial condition, (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

Section 9.13. Other Agreements. Borrower shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Section 9.14. Performance. Borrower shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Promissory Notes and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any Default in connection with any Loan Document.

Section 9.15. Compliance Certificates. Borrower shall, unless waived in writing by Lender, provide Lender, at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Section 9.16. Fiscal Year. Borrower shall not change its fiscal year without the prior written consent of Lender.

Section 9.17. Indebtedness for Borrowed Money. As of the date hereof, Borrower has no outstanding Indebtedness for Borrowed Money, except as set forth on Schedule 7.4. Except as disclosed on Schedule 7.4, Borrower shall not issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money; provided, however, that the foregoing shall not restrict nor operate to prevent the Obligations of Borrower owing to Lender hereunder.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES.

Section 10.1. Events of Default. Any one or more of the following will constitute an "Event of Default" hereunder:

(a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under the Promissory Notes, or (ii) any other Obligation within five (5) days after payment or performance is due from Borrower; or

(b) any representation or warranty made by Borrower herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Letter of Credit Application or Advance (including an L/C Borrowing) made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or

(c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Borrower takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or

(d) any judgment, order, writ of attachment, writ of execution, writ of possession or any similar legal process is entered or filed against Borrower or any of Borrower's Properties and remains unvacated, unbonded and unstayed for a period of ten (10) or more calendar days; or

(e) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of any other creditor or Person that may materially affect any of Borrower's Properties, Borrower's ability to repay the Non-Revolving Credit or Borrower's ability to perform its Obligations under this Agreement or any of the other Loan Documents; or

(f) a material adverse change occurs in Borrower's financial condition, or Lender believes, in its reasonable discretion, the prospect of payment or performance of Borrower's obligations under this Agreement is materially impaired; or

(g) Borrower (i) takes any steps to effect a Winding-Up, (ii) fails to pay, or admits in writing its inability to pay, its debts generally as they become due; or

(h) a custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Borrower or any substantial part of any of its Properties, or a Winding-Up proceeding is instituted against Borrower, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Borrower becomes unable to pay or admits in writing its inability to pay its debts as they become due.

Section 10.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (g) of Section 10.1, Lender or any permitted holder of any Promissory Note may, by notice to Borrower, take any of the following actions:

(a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;

(b) declare all Advances and all indebtedness under the Promissory Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to Lender at law or in equity.

Section 10.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in Section 10.1(h), all Advances and all indebtedness under the Promissory Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, will immediately become due and payable without presentment, demand, protest or notice of any kind, and the Lender shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

SECTION 11. MISCELLANEOUS.

Section 11.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 11.2. No Waiver, Cumulative Remedies. No delay or failure on the part of Lender or on the part of the holder of any Promissory Note in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of Lender and the holder of any Promissory Note are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Borrower agrees that in the event of any breach or threatened breach by Borrower of any covenant, obligation or other provision contained in this Agreement, Lender shall be entitled (in addition to any other remedy that may be available to Lender) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Borrower further agrees that neither Lender nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 11, and Borrower irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 11.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by Borrower therefrom, will in any event be effective unless the same is in writing and signed by Lender. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in similar or other circumstances.

Section 11.4. Costs and Expenses.

(a) Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender, if any, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including, without limitation, a \$[] documentation fee.

(b) Borrower agrees to pay on demand all reasonable costs and expenses (including attorneys' fees and expert witness fees), if any, incurred by Lender or any other holder of the Obligations in connection with any Event of Default or the enforcement of this Agreement, any other Loan Document or any other instrument or document to be delivered hereunder, including without limitation any action, suit or proceeding brought against Lender by any Person which arises out of the transactions contemplated hereby or out of any action or inaction by Lender hereunder or thereunder.

Section 11.5. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Borrower shall indemnify, defend and hold harmless Lender and the L/C Issuer and their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "*Indemnified Person*") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys' costs and expert witnesses' fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any Winding-Up or appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Borrower (all the foregoing, collectively, the "*Indemnified Liabilities*"); provided that Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

No action taken by legal counsel chosen by Lender or the L/C Issuer in defending against any investigation, litigation or proceeding or requested remedial, removal or response action vitiates or in any way impairs Borrower's obligation and duty hereunder to indemnify and hold harmless Lender unless such action involved gross negligence or willful misconduct. Neither Borrower nor any other Person is entitled to rely on any inspection, observation, or audit by Lender or its representatives or agents. Lender and the L/C Issuer owe no duty of care to protect Borrower or any other Person against, or to inform Borrower or any other Person of, any adverse condition affecting any site or Property. Neither Lender nor the L/C Issuer are obligated to disclose to Borrower or any other Person any report or findings made as a result of, or in connection with, any inspection, observation or audit by Lender or the L/C Issuer or their respective representatives or agents.

The obligations of Borrower in this Section 11.5 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Borrower shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such Indemnified Person's sole discretion, at the sole cost and expense of Borrower. All amounts owing under this Section 11.5 shall be paid within thirty (30) days after demand.

Section 11.6. Right of Set Off. To the extent permitted by applicable law, Lender reserves a right of setoff in all of Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums due and owing from Borrower against any and all such accounts.

Section 11.7. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 11.8. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier or telecopy) and will be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:

To Borrower at:

Marin Clean Energy
1125 Tamalpais Ave.
San Rafael, CA 94901
Telephone: (415) 464-6010
Telecopy: (415) 499-7880
Attention: Executive Officer

With a copy (not constituting notice) to:

Richards Watson & Gershon
44 Montgomery Street, Suite 3800
San Francisco, California 94104-4811
Telephone: (415) 421-8484
Telecopy: (415) 421-8486
Attention: Greg Stepanicich

To Lender at:

River City Bank
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833
Telephone: (916) 567-2700
Telecopy: (916) 567-2780
Attention: Alice Harris
Loan Center

Each such notice, request or other communication will be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section 11.8; *provided that* any notice given pursuant to Section 2.2 hereof will be effective only upon receipt.

For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address.

Section 11.9. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 11.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.

Section 11.12. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Borrower and its permitted successors and assigns, and will inure to the benefit of Lender and the benefit of its permitted successors and assigns, including any permitted subsequent holder of the Promissory Note. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Borrower may not assign its rights hereunder without the written consent of Lender. Lender may assign its rights hereunder without the consent of Borrower, but only if after any such assignment Lender acts as the lead agent or administrative agent with respect to this Agreement.

Section 11.13. Submission to Jurisdiction; Waiver of Jury Trial. Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Eastern

District of California and of any California State court sitting in the County of Sacramento for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Borrower hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 11.14. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 11.15. Consent to Loan Participation . Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Non-Revolving Credit to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to this Agreement, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interest in the Promissory Note and will have all the rights granted under the participation agreement or agreements governing the same of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligations under this Agreement irrespective of the failure or insolvency of any holder of any interest in the Promissory Note. Borrower further agrees that the purchaser of any such participation interests may enforce the interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Section 11.16. No Recourse Against Constituent Members of Borrower. Borrower is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. Borrower shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Promissory Notes. Lender shall not make any claims, take any actions or assert any remedies against any of Borrower's constituent members in connection with any payment default by Borrower under this Agreement or any other Loan Document.

[remainder of page left intentionally blank; signature page follows]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth.

Executed and delivered in Sacramento, California, as of the first date written above.

MARIN CLEAN ENERGY

By: _____
Dawn Weisz
Executive Officer

By: _____
Chairman of the Board

RIVER CITY BANK

By: _____
Name: _____
Its: _____

SCHEDULE 7.4

Indebtedness for Borrowed Money

DRAFT

EXHIBIT A

Definitions

“*Advance*” and “*Advances*” is defined in Section 2.1.

“*Agreement*” means this Non-Revolver Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“*Applicable Rate*” means a variable rate of interest equal to the One-Month LIBOR plus [] percentage points per annum as adjusted for any maximum or minimum rate limitations as provided in the Loan Documents. The Applicable Rate is subject to increase as provided in Section 9.4.

“*Authorized Representative*” means those persons shown on the list of officers provided by Borrower pursuant to Section 8.2(a)(iv), or on any update of any such list provided by Borrower to Lender, or any further or different officer of Borrower so named by any Authorized Representative of Borrower in a written notice to Lender.

“*Borrower*” is defined in the introductory paragraph.

“*Business Day*” means a day (other than a Saturday or Sunday) on which banks are not authorized or required to be closed in Sacramento, California.

“*Capital Lease*” means at any date any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“*Capitalized Lease Obligation*” means the amount of liability as shown on the balance sheet of any Person in respect of a Capital Lease as determined at any date in accordance with GAAP.

“*Cash Advance Note*” means a Promissory Note substantially in the form of **Exhibit C** attached hereto, executed by Borrower in connection with each Cash Advance.

“*Consulting Engineer*” means the engineer, engineering firm or consulting firm retained from time to time by Borrower to provide independent analysis and planning advice regarding the business strategy and operations of Borrower.

“*Debtor Relief Laws*” means the United States Bankruptcy Code and all other liquidation, conservatorship, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Default Rate” means the Applicable Rate plus five percent (5.0%).

“Dollars and \$” mean lawful money of the United States.

“Event of Default” is defined in Section 10.1.

“GAAP” means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Borrower.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

“Honor Date” is defined in Section 4.3(a).

“Indebtedness for Borrowed Money” means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 90 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

“Indemnified Liabilities” is defined in Section 11.5.

“Indemnified Person” is defined in Section 11.5.

“Initial Rate Set Date” means the date of issuance of each Promissory Note at which time Lender will determine the One-Month LIBOR which shall be in effect until the next Rate Change Date.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or other such later version thereof as may be in effect at the time of issuance).

“Joint Powers Agreement” means the Joint Powers Agreement of Borrower effective as of December 19, 2008, and as amended from time to time.

“L/C Borrowing” means an Advance arising from a drawing under a Letter of Credit that Borrower has not reimbursed by the Reimbursement Date in accordance with Section 4.3(a).

“*L/C Credit Extension*” means, with respect to any Letter of Credit, the issuance thereof, increase in the amount thereof, or extension of the expiration date thereof.

“*L/C Issuer*” means either River City Bank or [] [] Bank, N.A. on behalf of River City Bank, as the case may be.

“*L/C Issuing Documents*” means, with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and Borrower or in favor of the L/C Issuer and relating to any such Letter of Credit.

“*Lender*” is defined in the introductory paragraph.

“*Letter of Credit*” means any letter of credit issued hereunder that provides for the payment of cash upon the honoring of a presentation thereunder.

“*Letter of Credit Application*” means a written request for a Letter of Credit substantially in the form of **Exhibit E** attached hereto.

“*Letter of Credit Expiration Date*” means the day that is thirty (30) calendar days before the Termination Date.

“*Letter of Credit Fees*” mean the fees and charges related to the issuance of a Letter of Credit as provided in Section 4.6.

“*Letter of Credit Note*” means a Promissory Note substantially in the form of **Exhibit B** attached hereto, executed by Borrower in connection with each unreimbursed drawing under a Letter of Credit in accordance with Section 2.3(a).

“*Lien*” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“*Loan Documents*” means this Agreement, the Promissory Notes, the Assignment of Debt Service Reserve Account, the Letters of Credit, the L/C Issuing Documents and all other documents, certificates, instruments and agreements relating to the foregoing or otherwise executed by Borrower in connection with the Non-Revolving Credit.

“*Loan Fee*” means [] percent ([]%) of the Non-Revolving Credit Commitment.

“*Maintenance and Operation Costs*” shall be determined in accordance with the accrual basis of accounting in accordance with GAAP and shall mean the reasonable and necessary costs paid or incurred by Borrower for maintaining and operating the System, including costs of electric energy and power generated or purchased, costs of transmission and fuel supply, and including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of Borrower that are charged

directly or apportioned to the maintenance and operation of the System, such as salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of Borrower such as fees and expenses of an independent certified public accountant and the Consulting Engineer, and including Borrower's share of the foregoing types of costs of any electric properties co-owned with others, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore and amortization of intangibles and extraordinary items computed in accordance with GAAP or other bookkeeping entries of a similar nature. Maintenance and Operation Costs shall include all amounts required to be paid by Borrower under Take or Pay Contracts.

"Maturity Date" means, for any Letter of Credit Note, the initial expiration date of the Letter of Credit corresponding to such Letter of Credit Note; and for any Cash Advance Note or Term Note, the date so specified in such Cash Advance Note or Term Note as the Maturity Date.

"Non-Revolving Credit" is defined in Section 2.1.

"Non-Revolving Credit Commitment" means, at any time of determination, an amount equal to \$15,000,000.00 less the aggregate principal amount of Advances made by Lender under the Non-Revolving Credit.

"Non-Revolving Credit Termination Date" means the earlier to occur of (a) the Termination Date, and (b) the date on which Lender's obligation to make Advances under the Non-Revolving Credit terminates pursuant to Section 10.

"Obligations" means and includes all loans, advances, debts, liabilities and obligations of Borrower to Lender, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Borrower to Lender, whether in connection with the Loan Documents or otherwise, including without limitation all interest, fees (including Letter of Credit Fees), charges, expenses, attorneys' fees and accountants' fees chargeable to Borrower or payable by Borrower thereunder.

"One-Month LIBOR" means, as of each Rate Change Date or the Initial Rate Set Date, the rate determined by Lender to be the One-Month LIBOR rate as posted on Bankrate.com (or, if such rate becomes unavailable to Lender, a substitute rate based on an index selected by Lender in its sole discretion) as in effect from time to time, which rate is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion.

"Payment Date" means, other than the Termination Date or any Maturity Date, the first day of each calendar month.

"Permitted Liens" is defined in Section 9.8.

“*Person*” means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“*Property*” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“*Rate Change Date*” means the first calendar day of each calendar month.

“*Reimbursement Date*” is defined in Section 4.3(a).

“*Related Parties*” means, with respect to any Person, such Person’s affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s affiliates.

“*Responsible Officer*” means [REDACTED] [MCE Officer].

“*RCB Letter of Credit*” means a Letter of Credit issued by River City Bank.

“*Shell Agreements*” means (i) that certain Master Power Purchase and Sale Agreement, dated as of February 5, 2010, between Shell Energy and Borrower, (ii) the Shell Security Agreement, (iii) the Shell Collateral Account Agreement, and (iv) any and all amendments, modifications, and restatements of the documents referred to in the preceding clauses (i) through (iii).

“*Shell Collateral Account Agreements*” means the “Secured Account Agreement(s)” as defined in the Shell Security Agreement.

“*Shell Energy*” means Shell Energy North America (US), L.P., a Delaware limited partnership.

“*Shell Security Agreement*” means that certain Second Amendment to and Restatement of Security Agreement, dated as of February 2, 2012, between Shell Energy and Borrower.

“*System*” means (i) all facilities, works, properties, structures and contractual rights to distribution, metering and billing services, electric power, scheduling and coordination, transmission capacity, and fuel supply of Borrower for the generation, transmission and distribution of electric power, (ii) all general plant facilities, works, properties and structures of Borrower, and (iii) all other facilities, properties and structures of Borrower, wherever located, reasonably required to carry out any lawful purpose of Borrower. The term shall include all such contractual rights, facilities, works, properties and structures now owned or hereafter acquired by Borrower.

“*Termination Date*” means August 31, 2016.

“*UCC*” means the Uniform Commercial Code as enacted in the State of California.

“*UCP*” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce (“ICC”) Publication No. 600 (or other such later version thereof as may be in effect at the time of issuance).

“[] *Letter of Credit*” means a Letter of Credit issued by [] [] Bank, N.A.

“*Winding-Up*” means, in relation to a Person, a voluntary or involuntary case or other proceeding or petition seeking dissolution, liquidation, reorganization, administration, assignment for the benefit of creditors or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official over that Person or any substantial part of that Person’s Properties.

724319.3

RESOLUTION NO. 2015-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY APPROVING NON-REVOLVING CREDIT AGREEMENT WITH RIVER CITY BANK

WHEREAS, Marin Clean Energy (MCE) is a joint powers authority established on December 19, 2008, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, Marin Clean Energy members include the following communities: the County of Marin, the City of Belvedere, the City of Benicia, the Town of Corte Madera, the City of El Cerrito, the Town of Fairfax, the City of Larkspur, the City of Mill Valley, the County of Napa, the City of Novato, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of Richmond, the Town of Ross, and the Town of Tiburon; and

WHEREAS, River City Bank has been Marin Clean Energy's primary bank since March 8, 2010; and

WHEREAS, MCE continues to expand the number of entities with which it contracts for power supply, and it is beneficial to utilize industry standard credit terms for power purchase contracts; and

WHEREAS, MCE staff have negotiated the terms of a credit facility with River City Bank to provide credit support for future power purchase contracts; and

WHEREAS, the proposed RCB credit facility allows MCE to borrow cash or to direct the issuance of standby letters of credit (SBLC) that would be used as credit support for MCE's forward purchases of energy.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Marin Clean Energy that the Marin Clean Energy Board approves the non-revolving credit agreement with River City Bank for Power Supply Collateral.

PASSED AND ADOPTED at a regular meeting of the Marin Clean Energy Board of Directors on this 20th day of August 2015, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
City of Belvedere				
City of Benicia				
Town of Corte Madera				
City of El Cerrito				
Town of Fairfax				
City of Larkspur				
County of Marin				
City of Mill Valley				
County of Napa				
City of Novato				
City of Richmond				
Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
Town of Tiburon				

CHAIR, MARIN CLEAN ENERGY BOARD

Attest:

SECRETARY, MARIN CLEAN ENERGY BOARD



August 20, 2015

TO: Marin Clean Energy Board

FROM: John Dalessi, Pacific Energy Advisors

RE: MCE Rate Tariff Schedule COM-19 and COM-20 Option R
(Agenda Item #07)

Dear Board Members:

SUMMARY:

The California Public Utilities Commission (CPUC) recently issued a decision requiring that PG&E implement an optional variant of its rate schedules for the largest commercial and industrial customers that would be more beneficial for customers that have installed or are considering solar photovoltaic systems. The so called "Option R" rate variants have been utilized in Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) service areas to compensate for certain rate design issues associated with large commercial and industrial rates that reduce the financial benefits of net energy metering (NEM).

Staff proposes to establish two new voluntary rate options, MCE COM-19-R and COM-20-R; these would be analogous to PG&E's new E-19-R and E-20-R rates. These rates would have no demand-based charges, instead using higher usage-based charges which allows for increased credit for on-site solar generation.

Staff recommends adoption of these rates as they coincide with MCE's objective to promote local solar development and will provide MCE customers with a competitive alternative to PG&E's Option R rates. Staff proposes that the MCE Option R rates be implemented immediately, as these rates have recently become available from PG&E.

BACKGROUND

E-19 and E-20 Rate Design

E-19 and E-20 are general service rates which typically serve customers with large electrical loads, with demands of over 500 kilowatts (KW) and 1,000 KW respectively. Customers who regularly exceed these thresholds are required to take service from these rates and cannot select another rate. These represent many of the largest customers served by MCE and PG&E; the average monthly bill of a typical E-19 customer is over \$32,000 per month, while E-20 customers typically have monthly charges of \$85,000 or more.

As demand-metered schedules, E-19 and E-20 customers have their maximum load measured in 15-minute intervals in addition to the typical metering of kilowatt-hours (kWh) used. The monthly bill for these customers is based on both maximum demand (KW) and total energy (kWh) consumed, by time-of-use period within the billing period. For instance, an E-20 customer with 1,500 KW of demand during a single 15-minute interval and a 0 KW demand for the rest of the month is billed, in part, based on the highest point in the month, 1,500 KW. The justification for demand based charges is that these rate structures are thought to more accurately reflect the cost of providing electric service to customers: demand charges reflect recovery for the fixed costs of electric infrastructure (poles, wires, power plants), while energy charges reflect recovery of the variable costs (fuel and purchased power expenses).

Proposal to Introduce an Option R Rate

A key issue with the demand-based rate design is that it reduces the cost efficacy of rooftop solar installations. When solar customers produce electricity they're credited with kWh-based usage credits, but the intermittency of solar limits its ability to reduce demand charges. A customer with a single 15-minute period of high demand that occurs on a cloudy day with low solar production may be assessed demand charges as if their solar installation did not exist. This makes solar less cost-effective for the largest commercial and industrial customers.

Numerous stakeholders have submitted proposals to address this issue in the context of PG&E rate design, with the most substantive from Solar Alliance and the Solar Energy Industries Association (SEIA). The Option R supported by these groups has been in use through SCE and SDG&E territories, and would "lower the various demand charges in exchange for higher energy rates, particularly during the peak and part-peak hours"¹.

IMPACTS

The proposed rates would be available to customers who change to the E-19-R or E-20-R rates for their PG&E service. These customers would no longer be assessed demand-based charges by MCE but would have higher per kWh usage rates, enabling them to receive more credit from their solar installation.

MCE's Option R rates were designed using the same methodology as applied by PG&E in the design of its Option R rates. The peak and partial-peak period demand charges from the standard COM-19 and COM-20 rates were eliminated and the corresponding energy charges were increased by an amount intended to yield a "revenue neutral" result. This means that if all COM-19 and COM-20 customers were billed using the Option R rates, the same revenue would be collected as under the standard rates. In reality, only customers that benefit from Option R would be expected to take advantage of this option, and MCE anticipates a reduction in revenue of approximately \$35,000 during the current fiscal year if the Option R rates are adopted.

Applicability

Customers qualify for PG&E's Option R if they are served by an E-19 or E-20 rate schedule and receive at least 15% of their on-site electric production from solar

¹ [Decision on a Rate Design Proposal to Adopt an Option R Tariff for Pacific Gas and Electric Company, D.14-12-080 \(December 18, 2014\).](#)

photovoltaic; other renewable technologies are not allowed unless they are supplemental to the 15% on-site solar requirement. Customers participating in E-19 on a voluntary basis (E-19V) are also eligible, although currently we would expect most such customers to opt for the more favorable A-6 rate.

Rates (Per kWh)

COM-19-R

Summer – Service from May 1 through October 31	Secondary	Primary	Transmission
Peak	\$0.21100	\$0.21500	\$0.19100
Partial-Peak	\$0.09800	\$0.09400	\$0.08800
Off-Peak	\$0.05500	\$0.05200	\$0.05400
Winter – Service from November 1 through April 30			
Partial-Peak	\$0.07400	\$0.06800	\$0.06000
Off-Peak	\$0.05200	\$0.05200	\$0.05100

Com-20-R

Summer – Service from May 1 through October 31	Secondary	Primary	Transmission
Peak	\$0.19200	\$0.20700	\$0.18900
Partial-Peak	\$0.09100	\$0.09300	\$0.08400
Off-Peak	\$0.05200	\$0.05300	\$0.04900
Winter – Service from November 1 through April 30			
Partial-Peak	\$0.06700	\$0.06600	\$0.06100
Off-Peak	\$0.04900	\$0.05200	\$0.04800

Recommendation: Adopt the proposed COM-19-R and COM-20-R rates and instruct staff to implement them as soon as practicable.



August 20, 2015

TO: Marin Clean Energy Board of Directors

FROM: Katie Gaier, Human Resources Coordinator

RE: MCE Staff Positions (Agenda Item #09)

Attachments: A. Job Description – Energy Efficiency Program Manager
B. Job Description – Finance and Project Manager

Dear Board Members:

SUMMARY:

As MCE has continued to grow in its Energy Efficiency offerings, there is a need for mid-management level staff on the Energy Efficiency Team to support the Director of Energy Efficiency in contract, budget, and program development as well as staff supervision. Additionally, MCE's growth has resulted in an increased need for a position to assist the Chief Executive Officer in support of substantive tasks and projects, particularly in the business and finance functions of MCE.

To address these needs, staff recommends the addition of two new positions as follows:

- Energy Efficiency Program Manager;
- Finance and Project Manager.

The attached draft job descriptions and compensation level recommendations have been reviewed and approved for your consideration by the Executive Committee at its August 5, 2015 meeting.

Energy Efficiency Program Manager

Due to state requirements for energy efficiency program implementation, the MCE Energy Efficiency team has realized a significant increase in its workload over the past year, resulting in an increase from two full-time positions to four full-time positions, a Regulatory Counsel assigned to the Energy Efficiency team, and an Administrative assigned half-time to the team. With the increased workload and the demand on staff, there is a need for a mid-management position to manage the development, implementation and coordination of assigned energy efficiency programs, contracts and budgets as well as technical aspects of the program. The position would also be assigned supervisory duties. The title that has been recommended for this position is Energy Efficiency Program Manager. Due to the difficulty in finding comparable positions at an appropriate level within other survey agencies, it is suggested that the

salary be set at the same level (\$77,833 - \$96,657) as other internal mid-management positions such as Community Development Manager and Manager of Business and Community Development.

Recommendation: Approve the job description for Energy Efficiency Program Manager with the salary range of \$77,833 - \$96,657 with exact compensation to be determined by the Chief Executive Officer within the Board approved budget.

Finance and Project Manager

With the increased size of the MCE service area as well as the increase in number of staff over the last year, it is clear that there is a need for a position to assist the Chief Executive Officer by undertaking and supporting substantive tasks and projects, such as planning and development in business and finance, tracking and implementing key projects, and interfacing with primary partners and stakeholders. It is suggested that the salary be set at \$91,000 – \$117,000 due to the criticality of the duties, the minimum qualifications and the high level of experience, skill, knowledge and abilities required to successfully perform the assignments of the position.

Recommendation: Approve the job description for Finance and Project Manager with the salary range of \$91,000 - \$117,000 with exact compensation to be determined by the Chief Executive Officer within the Board approved budget.



Job Description

Energy Efficiency Program Manager

Summary

Under direction of the Director of Energy Efficiency, the Energy Efficiency Program Manager manages the development, implementation and coordination of assigned energy efficiency programs, contracts, and budgets and the technical aspects of the energy efficiency program for Marin Clean Energy. The Energy Efficiency Program Manager will assist the Director of Energy Efficiency in the implementation of energy efficiency programs tailored to residential, commercial and/or municipal electricity customers. The incumbent ensures that the MCE Energy Efficiency programs achieve strategic objectives and priorities while interfacing with other partner agencies and stakeholder groups, managing activities of sub-contractors, interacting with the other MCE departments, the MCE Board of Directors and its committees, and a wide range of customer groups, and other related tasks as assigned.

The position requires knowledge of energy efficiency technologies, data collection and management, basic understanding of the construction trade and green building techniques, and integrated demand side management. It may require the ability to use metrics to validate energy efficiency impacts. Technical experience with California ratepayer funded energy efficiency programs is preferred, and experience with Advanced Metering Infrastructure (AMI) technology and/or electric vehicle infrastructure is desirable.

Class Characteristics

The Energy Efficiency Program Manager performs assignments under the direction of the Director of Energy Efficiency in energy efficiency and other demand side management programs to provide high quality electric services to MCE customers and works in close collaboration with the other team members across the agency. Incumbents in this job class manage and evaluate energy efficiency programs through engagement with customer groups including building owners and managers on MCE's behalf in the implementation and

measurement of energy savings projects that conform to the requirements of the Energy Efficiency Program Plan and related benchmarks. The Energy Efficiency Program Manager oversees the work of sub-contractors and may negotiate sub-contractor agreements. This position performs the highest level of data collection and analysis within the Energy Efficiency Program, including fiscal analysis, benchmarking of customer service and opinions, success rates of current programs, and forecasting future needs. The Energy Efficiency Program Manager position is differentiated from the Energy Efficiency Specialist positions due to its higher level of autonomy and management responsibilities, in particular in contracts and budget areas as well as data analysis.

Supervisory Responsibilities

There may be some lead worker responsibilities as well as supervision of staff for this position.

Essential Duties and Responsibilities (Illustrative Only)

Depending upon level and assignment, incumbents may perform some or all of the following:

- Designs energy efficiency and other demand-side management programs including developing metrics to gauge program success
- Manages and implements energy efficiency or other demand-side management programs.
- Supervises the formulation and implementation of program policies and procedures.
- Maintains an understanding of industry trends and innovations around energy efficiency and demand-side management programs and incorporates new ideas when appropriate.
- Tracks program metrics to understand program performance, including customer satisfaction and makes recommendations for program improvements.
- Interprets industry reports on energy efficiency technologies including emerging technologies and pricing and sales of existing technologies. Communicates important findings to Director of Energy Efficiency.
- Develops high-quality written material to communicate program objectives and outcomes, and to interface with stakeholders, partners, the media and the public.
- Makes verbal presentations to stakeholders on program elements and outcomes.
- Maintains professional and productive relationships with relevant, local industry groups and community organizations.
- Assists in the development and administration of a fiscally responsible department budget.

- Ensures that work in assigned areas complies with MCE policies, practices and procedures as well as operational standards.
- May negotiate and draft contracts for review by the Director of Energy Efficiency, the Chief Executive Officer and the Board of Directors.

Experience/Education

Any combination of education and experience that would provide the knowledge and skills required to perform the duties of the position. Typically, a Bachelor's Degree in business administration, public administration, engineering, environmental science, green building, planning, or a closely related field, and at least five (5) years of progressively responsible experience at an electric utility, local government agency or private company that provides energy efficiency program services. Management experience in the coordination and implementation of energy efficiency programs and experience in negotiating contracts are desirable. A Master's degree in a related field may be substituted for up to two (2) years of experience.

Knowledge of:

- Goals and mission of Marin Clean Energy and Community Choice Aggregation programs and state and federal energy regulations.
- Energy efficiency conservation strategies including energy efficient building construction, demand response, distributed generation, Advanced Metering Infrastructure (AMI) technology, and electric vehicle infrastructure.
- Utility or municipal energy efficiency programs.
- Principles and practices of project management in green building or energy efficiency.
- Budget development and administration and techniques and methods of financial evaluation.
- Energy management applications and programs, business and decision making processes.
- Technical understanding of industry best practices.
- Microsoft Office Suite software including Excel, Word and PowerPoint programs and Adobe Acrobat.
- Analytical tools to collect, tabulate, and analyze data related to energy efficiency.
- Economic principles of ratepayer funded energy efficiency programs, grant funding and RFP requests.
- The construction trade, local government permitting process, and regulatory bodies in California.
- Principles and practices of lead worker and supervisory best practices.

- Database construction and management, proficiency with Navicat and SQL server technology and analytical tools including E3 calculator and the DEER Database are desirable.

Ability to

- Develop innovative and practical solutions to energy efficiency issues within service areas.
- Develop and administer budgets.
- Develop and implement new and revised policies and procedures to provide effective operation in assigned areas.
- Negotiate and/or process contracts and related documents.
- Apply energy conservation principles and practices within an energy program.
- Interface with customers, subcontractors, as well as MCE Staff and Board Members to produce measurable energy efficiency results.
- Critically evaluate proposals, programs and policies and analyze data to evaluate program success.
- Use metrics to validate energy efficiency impacts including E3 calculations, DEER, and other standard industry tools
- Develop and implement trainings and workshops.
- Provide technical assistance on energy efficiency to customers and to government affiliates.
- Draft proposals for grant funding and other program revenue opportunities.
- Research and recommend measures or strategies for inclusion into the energy efficiency program.
- Understand financial incentives and recommend incentive design.
- Make presentations as required at MCE Board of Directors and committee meetings and other public and community meetings.
- Prepare written material that is clear, succinct, and error-free.
- Communicate effectively both verbally and in written form.
- Establish and maintain effective working relationships with persons encountered in the performance of duties.
- Manage multiple priorities and quickly adapt to changing priorities in a fast paced dynamic environment.
- Take responsibility and work independently, as well as participate in team efforts.
- Be thorough and detail-oriented.
- Work accurately and swiftly under pressure.
- Demonstrate patience, tact, and courtesy.

Language and Reasoning Skills

- Exercise sound judgment, creative problem solving, and commercial awareness.
- Develop high-quality writing, research and communication work products.
- Deliver clear oral and written communication.
- Interact professionally and effectively with customers, commercial partners, MCE staff team and Board of Directors.
- Apply strong analytical and problem-solving skills.
- Manage projects and time efficiently.

Mathematical Skills

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs. Depending upon the assignment, may need the ability to design and perform statistical tests and draw conclusions from the results.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is frequently required to use hands to finger, handle, or feel and reach with hands and arms. The employee is occasionally required to stand.

The employee must occasionally lift and/or move up to 20 pounds.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

The noise level in the work environment is usually moderate.

ADA Compliance

MCE will make reasonable accommodation of the known physical or mental limitations of a qualified applicant with a disability upon request.



Job Description

Finance and Project Manager

Summary

The Finance and Project Manager works under general direction of the Marin Clean Energy's Chief Executive Officer (CEO) and is responsible for undertaking and supporting substantive tasks and projects of the CEO including planning and development in the area of MCE business and finance, tracking and implementing key projects, interfacing with primary partners and stakeholders, and performing related duties as assigned.

Class Characteristics

This class requires a high level of skill, knowledge, and ability in project management and requires initiative, judgment, discretion, a strong ability to expedite and complete projects, and the ability to make recommendations within established legal and policy frameworks established by the CEO and the Board of Directors and in accordance with state and federal laws and regulatory agency procedures and orders.

Essential Functions (Illustrative Only)

- Coordinates, oversees and performs professional-level work in areas such as: budget development, financial administration and reporting, revenue allocation, and management and policy analysis in collaboration with existing MCE partners and staff.
- Collects and analyzes data, evaluates alternatives, makes recommendations and prepares reports
- Plans and conducts administrative, organizational, and operational studies related to the business and financial operations of MCE as needed.
- Prepares narrative and statistical reports, correspondence, spreadsheets and graphics to assist with decision making and policy setting.

- Organizes, and implements business and financial operations, providing guidance and leadership when needed.
- Consistently and accurately follows MCE business and financial policies and procedures, and maintains accurate records and files at all times.
- Expedites assigned projects to ensure prompt completion.
- Prepares correspondence, reports, policies, procedures and other written materials.
- In coordination with the CEO, acts as MCE's representative and liaison with financial institutions, business partners, and professional and community organizations.
- May make oral presentations to the Board of Directors, staff and the public.

Minimum Qualifications

Education/Experience

Education and experience equal to a Master's Degree in business, economics, finance, accounting, or a related field and at least 6 years' experience in one of the above fields with a focus on project management. Business and finance experience with a public agency and/or a utility company is desirable.

Knowledge of:

- Principles and practices of modern public financial services including program planning, implementation and evaluation; budget development, analysis, and controls
- State and federal laws, regulations and case law pertaining to California local government financial responsibilities and related practices
- Principles and effective practices of a broad range of financial areas
- Functions and operations of a local government public agency
- Modern office procedures and methods including records management and automation and computer applications and software related to the work
- Research methodology, policy development, report writing and basic statistical techniques
- Principles and practices program management, project management, and long-range planning
- Modern technology, systems and software designed to assist in the computerized management of information
- Regulatory agencies, including the California Public Utilities Commission
- Community Choice Aggregation (CCA) purpose and functions

Ability to:

- Coordinate and implement a range of projects and programs efficiently, successfully, and concurrently
- Develop and manage business and finance projects for a public agency
- Collect and analyze data from a wide variety of sources
- Understand and explain complex business and financial plans

- Prepare a variety of analytical and statistical reports
- Communicate effectively verbally and in writing
- Establish and maintain effective working relationships with persons encountered during the performance of duties

Mathematical Skills

Ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is frequently required to use hands to finger, handle, or feel and reach with hands and arms. The employee is occasionally required to stand.

The employee must occasionally lift and/or move up to 20 pounds.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. The noise level in the work environment is usually moderate.

ADA Compliance

MCE will make reasonable accommodation of the known physical or mental limitations of a qualified applicant with a disability upon request.



August 20, 2015

TO: Marin Clean Energy Board

FROM: Beckie Menten, Energy Efficiency Director

RE: Energy Efficiency Update and Approval of Program
Implementation Plans for 2016 and Beyond (Agenda Item #10)

ATTACHMENT: A. MCE Program Implementation Plans for 2016 and Beyond
B. MCE Program Implementation Plans (blackline)
C. Metrics for Tracking Success in the MCE Energy Efficiency
Program for 2016 and Beyond
D. Public Comment Received on MCE Program Implementation
Plans for 2016 and Beyond
E. Monthly Update on Current 2015 Program Results

Dear Board Members:

Summary

The final step in the development of MCE's application for energy efficiency funding for years 2016 and beyond is to develop program implementation plans. These plans are presented for Board approval this evening.

Discussion

Energy efficiency has always been an integral component of the MCE vision. The initial MCE Business Plan, issued in 2008, included energy efficiency, and energy efficiency was included in the MCE Implementation Plan prepared in 2009. MCE has been administering over \$5 million worth of energy efficiency programs in our service territory since 2012. Pursuant to Commission direction, these programs have focused on hard to reach market sectors and gaps within the existing programs offered by the Investor Owner Utilities (IOUs). The main programs currently in the MCE Energy Efficiency portfolio are:

- Multi-family
- Small commercial
- Single family utility demand reduction pilot program and
- Four financing pilot programs: On Bill Repayment for multi-family, small commercial, and single family, and a standard offer pilot.

In November of 2014, the CPUC issued a decision providing an extension of MCE's existing portfolio of programs. The funding authorization for these programs, as with

other independent administrators, was granted for ten years. Tables 1 and 2 demonstrate the success MCE has had in providing energy efficiency services to our community.

Table 1: Program Performance Metrics 2013 – 2015 (June)

Multi-Family Program	
Multi-Family Buildings Audited	641
Multi-Family Units Provided Free Direct Install Services	925
Total Rebates Provided	\$181,521
Commercial Program	
Commercial Facilities Audited	2,452 ¹
Total Rebates Provided	\$212,645.11
Single Family Program	
Students Reached through Schools Program	2,025
Action Plans Created on Website	1,749
Homes Receiving Utility Reports	13,286

¹This number includes facilities audited with shared funding from the Marin Energy Watch Program and the East Bay Energy Watch Program.

Table 2: Cumulative Savings Results, 2013 – 2015 (June)

Program	2013-2015 Budget	Program Expenditures	Installed Energy Savings (Gross Annual kWh)	Installed Gas Savings (Gross Annual Therms)	Number of Completed Projects
Multifamily	\$1,284,457	\$607,038	105,337	26,513	138 buildings
Small Commercial	\$1,795,940	\$852,483	1,310,090	(5,469)	137 businesses
Single Family	\$755,075	\$605,771	112,050	2,543	216,946 HURs ¹
Financing Pilots	\$1,400,000	\$1,311,303	N/A ²	N/A	1
Portfolio Total:	\$5,235,472	\$3,376,595	1,527,477	23,587	N/A

2016 and Beyond Program Application

In June of 2015, your Board approved the 2016 Business Plan for MCE's Energy Efficiency programs, concluding a 14 month process of community outreach and

¹ Home Utility Reports mailed to customers; approximately 18,000 customers in the MCE service territory receive these mailers on a monthly or quarterly basis.

² Our financing program leverages existing rebate programs, so the project savings are reported under the PG&E portfolio.

engagement. Input received throughout this outreach has helped to shape consideration of which opportunities make sense in our service territory, and which financial or personal levers can be used when marketing the energy efficiency program. This insight has been critical in shaping the sector specific program implementation plans. The sector specific program implementation plans (PIPs) are created by the program administrator to spell out detailed implementation information. This allows administrators to more quickly adapt program design to changing market conditions, such as an economic recession or a major code change, without compromising the high level vision in the Business Plan document.

MCE developed the PIPs based on public comment received throughout the 14 months of planning and development for the 2016 application. MCE also made PIPs available for public comment, posting documents on our website, alerting local sustainability groups to the availability of the documents, and sending information on our energy efficiency listserv. MCE also discussed the PIPs at the Technical and Executive Committee meetings of your Board in July and August, noticing the meetings to allow the public additional opportunities to provide comment. Through this process, MCE received public comment from nine individuals or groups on the PIPs. The public comments received, and MCE's response, can be found in Attachment 4 to this staff report. MCE is also providing for your review copies of the final PIPs and blackline versions against what was provided for public comment.

Implementing an ambitious energy efficiency program that offers services to every customer in MCE's service territory is a daunting task. MCE has thus included a clear plan for evaluating continued success, including an extensive list of metrics to track as indicators of program performance and program results. While each of these metrics are included in the PIPs, MCE has also presented this information in a summary table for your review (Attachment 3). MCE staff will include regular reporting on these metrics in Board materials and on MCE's newly unveiled EE Program Results website: <http://www.mcecleanenergy.org/program-results/>.

The Executive Committee of your Board recommended these Implementation Plans for approval at the August meeting.

Next Steps

Submission to the CPUC

MCE plans to file the Business Plan with the CPUC as a Motion for Consideration in the existing Energy Efficiency Proceeding. This Motion would not only request consideration of the Business Plan (and associated Implementation Plans), but would also request resolution of several outstanding issues MCE raised in a Petition for Modification to the CCA Energy Efficiency Decision (D. 14-11-033) that the Commission has yet to consider. The Implementation Plans would be filed on MCE's website and the location of these documents would be publicly noticed to the energy efficiency proceeding service list.

Recommendation: Approve the 2016 Energy Efficiency Program Implementation Plans and authorize MCE staff to file the 2016 and Beyond Energy Efficiency Program Application with the California Public Utilities Commission.

Summary of Metrics to Track Program Success

Tracked for all programs

1. Energy savings (kWh, kW, Therms)
2. Water savings
3. Expenses
4. Number of Participants
5. GHG Emissions Reductions
6. Awareness of MCE Energy Efficiency programs

Industrial

1. Number of comprehensive assessment reports delivered
2. Number of contractors providing leads to program
3. Number of one-off projects that lead to comprehensive assessments
4. Total amount of incentives paid out through the demand side bidding offering
5. Square footage of facilities retrofitted
6. Industrial customers in MCE service territory who report that energy efficiency is a high priority
7. Number of participants actively participating in training cohorts

Agricultural

1. Number of comprehensive assessment reports delivered
2. Number of contractors providing leads to program
3. Number of participants actively participating in training cohorts
4. Number of participants that access financing through the program
5. Number of farmworker housing units referred to the Multifamily Program
6. Increase in awareness of energy efficiency opportunities among agricultural customers in MCE's service territory

Single Family

1. Number of hard to reach customers participating in each program
2. Number of repeat participants
3. Number of projects provided with technical assistance
4. Number of projects completed with more than one demand side strategy
5. Total dollar value of incentives
6. Largest rebate amount
7. Number of referrals
8. Customer satisfaction as reported by customers
9. Number of customers in MCE service territory that are aware of MCE's energy efficiency programs.
10. Number of loan applicants for MCE financing

11. Percentage of applicants who successfully receive MCE financing.
12. Average loan amount for MCE financing
13. Default rate for MCE financing
14. Measure mix for MCE financing
15. Number of PACE financing referrals
16. Number of Action Plans created.
17. Number of HUR recipients who create Action Plans.
18. Customer satisfaction/positive feedback on web tool.
19. Number of projects initiated through web tool.
20. Number of participants in Community Engagement and Gamification competitions
21. Number of ZNE retrofits completed.
22. Number of ZNE new construction projects completed.
23. Number of online rebate applications for single measure rebates.
24. Number of single measure rebate applicants 'up-sold' to the comprehensive program.
25. Number of students provided with in-class curriculum.
26. Numbers of students reached through program outreach activities.

Commercial

1. Number of participants for each county within MCE service territory.
2. Number of hard-to-reach customers.
3. Number of repeat participants.
4. Number of projects provided with technical assistance.
5. Number of referrals.
6. Customer satisfaction as reported by customers.
7. Number of customers that implement EE projects or participate in new construction projects plus participate in DR, EV, DG, water, or other MCE or partner programs.
8. Number of projects receiving a whole building or multiple measures kicker.
9. Number of loan applicants for MCE financing
10. Percentage of applicants who successfully receive MCE financing.
11. Average loan amount for MCE financing
12. Default rate for MCE financing
13. Measure mix for MCE financing
14. Number of PACE financing referrals
15. Increase in certification of green businesses.
16. Number of green businesses that implement energy efficiency retrofits as part of their certification process.
17. Number of strategic energy management plans written.
18. Non-energy benefits of strategic energy management like increased productivity and other operational impacts.

Multifamily

1. Number of comprehensive energy assessment reports delivered
2. Number of units/buildings receiving energy upgrades
3. Number of water savings measures installed
4. Number of ZNE projects

5. Number of contractor referrals
6. Number of contractor or property manager trainings
7. Number of tenants provided with educational information

Workforce

1. Number of new certifications
 - o Building Performance Institute (BPI)
 - Building Sciences Principles
 - BPI Multifamily Building Analyst
 - Residential Air Sealing and Insulation Installer
 - Building Analyst
 - Envelope Specialist
 - Hydronic Heating System Professional
 - Multifamily Building Operator
 - Heating Professional
 - Air Conditioning and Heat Pump Professional
 - o Air Barrier Association of America Certification Training
 - o Passive House
 - o Weatherization & Direct Install Trainings
 - o US Green Building Council Professional Courses
 - Fundamentals of Building Green
 - Construction Management
 - Operations & Maintenance Essentials
 - o Green Point Rated (Rater or Advisor)
 - Green Point Rated Core
 - Green Point Rated New Home
 - Green Point Rated Existing Home
 - CA Multifamily Existing Building
2. Number of training participants
3. Contracts awarded (\$ amount) for workforce development
4. Number of Workshops/Trainings/Certifications Sponsored
5. Jobs/Paid Internships/On-the-Job Training Opportunities Created & Retained (from MCE awarded contracts)

MCE Responses to Public Comment on 2016 EE PIPs

	A	B	C	D
1	Submitter's Name	Submitter's Organization	Public Comment	MCE's Response
2	Dana Armanino	County of Marin	When do you anticipate releasing more detailed plans with timelines for bringing on programs and tools	Updated budgets with line item detail have been added to the PIPs. There are not plans to release more specific timelines, however the standing EE Update on the MCE Board agenda is a good time to hear plans on implementation. MCE also encourages interested members of the public to join the MCE Energy Efficiency listserv.
3	Dana Armanino	County of Marin	Are the proposed budgets in the PIPs just for the energy efficiency portion of the work?	Rebate dollars are intended only for energy efficiency measures. However, some of the SPOC staff time will likely be spent on other resource conservation opportunities, including water conservation, demand response, and distributed generation.
4	Dana Armanino	County of Marin	Will you go out for additional grants or use MCE funds for the other measures?	MCE intends to fundraise to supplement the energy efficiency budget.
5	Dana Armanino	County of Marin	If you are going to include non-EE measures but pull from a separate budget, you might want to include footnotes explaining that.	This application for funding is specific to the energy efficiency portfolio at the California Public Utilities Commission, and thus the funding is proposed to go specifically for energy efficiency measures. Non-resource dollars may be used to cross-promote and project manage applications for other demand side management resources, but these activities will be limited by the need to balance the total resource cost of the portfolio. MCE anticipates fundraising to identify additional funding to support the demand side management aspect of the program design.
6	Dana Armanino	County of Marin	You have posted program achievements on your website for your core programs. It would be helpful to have that data more clearly presented in the PIPs.	This information has been added to the PIPs for which it is relevant (MF, SF, Comm.)
7	Dana Armanino	County of Marin	Also, do you have data on the uptake of your other programs (e.g., financing programs, Bidgely pilot program, and school outreach program)?	This information has been added to the PIPs.
8	Dana Armanino	County of Marin	You are proposing to take on a lot of additional program areas from other implementers yet have not yet demonstrated how you have successfully implemented the pilots you already have. It would help to have that data clearly presented so that you can show how you are gaining momentum and can continue to grow that potential.	This information has been added to the PIPs for which it is relevant (MF, SF, Comm.)
9	Dana Armanino	County of Marin	Will the CRM be funded out of the proposed budgets?	Yes, the proposed budgets include funding for a CRM.
10	Dana Armanino	County of Marin	What is the timeline for bringing the CRM online?	MCE plans to issue an RFP for a CRM system immediately following approval of its application for funding. MCE anticipates this effort taking place from January - March, depending on the timing of the Commission Decision.
11	Dana Armanino	County of Marin	Will program partners have access to the CRM as PG&E allows with its implementers?	MCE will seek a CRM that easily interfaces with other types of CRMs.
12	Dana Armanino	County of Marin	How many SPOCs do you plan to bring on?	The information on anticipated staffing levels is included in the appendices to the Business Plan document.
13	Dana Armanino	County of Marin	Will SPOCs be MCE staff or will they be contract staff?	MCE may employ a combined strategy of in-house staff and consultants until program volumes reach a predictable level.
14	Dana Armanino	County of Marin	What level of training/certifications will be required for the SPOCs?	This will depend on the sector. SPOCs are not intended to be technical experts, but should have sufficient exposure to energy efficiency solutions to route customers into the appropriate strategy.
15	Dana Armanino	County of Marin	Some PIPs refer to the E3 calculator for more information – has the E3 been posted somewhere?	The E3s will be posted on the Energy Efficiency webpage; notice will be sent to the energy efficiency listserv when they are posted.
16	Dana Armanino	County of Marin	SF: What is the difference between Figures 5 and 6? And why is there no data for Marin in Figure 6? We should be able to supply that data if necessary.	Good catch; figure six was replaced by the intended figure, which depicts square footage across the service territory
17	Dana Armanino	County of Marin	SF key market actors: Contractors - What do you mean by "targeted workforce opportunities"? Sounds interesting but I am unclear what you are actually proposing.	Clarified text now reads: "targeted training opportunities"
18	Dana Armanino	County of Marin	SF key market actors: Retail Stores – What do you mean with this item? Do you mean that you won't work with retail stores and manufacturers because they are already served by upstream programs or do you have another plan? This item seems like it is missing the next sentence describing how MCE will work with this actor.	Text updated to clarify MCE's role in relationship to retail stores (key market actors)
19	Dana Armanino	County of Marin	SF: Current Status of EE Adoption - Data on EUC projects (page 7) and Rising Sun participation (page 8) appears to be just the Marin data and not for your full service territory as stated.	Considering challenge of obtaining more comprehensive data (including a data request), MCE clarified that the numbers are for Marin
20	Dana Armanino	County of Marin	SF: Are you proposing to launch a third administrative program for Home Upgrade and Advanced Upgrade projects? Would you require contractors to go through a third set of training, application processes and QA/QC protocols? The contractors are already complaining that they have to work with both PG&E and BayREN. It is an undue burden on them to bring in a third implementer when you could coordinate with the existing implementers.	Our proposal is to keep the existing program intact but take over funding and subsequently attribution for those projects in our service territory. Clarification has been added on page 10 of the PIP.

MCE Responses to Public Comment on 2016 EE PIPs

	A	B	C	D
1	Submitter's Name	Submitter's Organization	Public Comment	MCE's Response
21	Dana Armanino	County of Marin	SF: Your discussion regarding the confusion customers have with the Advanced Home Upgrade process and the need for your proposed SPOC services fails to mention that the BayREN already provides this service through the Home Upgrade Advisor (HUA) Program. Failure to reference the success of the HUA Program does a disservice to a very successful aspect of the BayREN program that has assisted many customers in your service territory.	The omission was not meant to imply that the Home Upgrade Advisor program is not working. However, the SPOC proposed in our programs is more comprehensive than the services provided by the HUA, as the SPOC will have access to customer account information and will be able to coordinate access to a variety of demand side management services. Our program currently has a good working relationship with the Home Upgrade Advisor program, and we will seek to continue that partnership in 2016.
22	Dana Armanino	County of Marin	SF: Are you proposing to replace the BayREN's HUA contact information with your SPOC contact information on marketing materials distributed in your service territory? That could be unnecessarily confusing and costly. Even PG&E refers homeowners to the HUA in their marketing materials.	MCE will seek consistency in customer facing materials in program implementation. We agree that customer confusion should be avoided at all costs.
23	Dana Armanino	County of Marin	SF: Combustion Safety Testing – you state in your QA/QC section that contractors “will be enabled to do provide test in/test out, including combustion safety testing” – how is that different from existing? They are already required to provide combustion safety testing.	MCE has revised the language referring to the Home Upgrade program to clarify the intent. (P. 10 of PIP.)
24	Dana Armanino	County of Marin	SF: Please clarify what you mean by piloting an online submittal form to verify HVAC existing conditions? For the existing Home Upgrade program, verifying existing conditions is not required. Are you proposing to add additional requirements for contractors operating in Marin County than what is required when they work anywhere else in the Bay Area? Again, this appears to be adding additional burdens to contractors for working in just one county. I am very concerned that this will result in a loss of the momentum we have built for the Home Upgrade program in Marin County through the BayREN program.	MCE has revised the language referring to the Home Upgrade program to clarify the intent. (P. 10 of PIP.)
25	Dana Armanino	County of Marin	SF: How will your rebates compare with PG&E's catalog rebates?	Rebates are set based on declining incentives; see E3s for measure-specific information
26	Dana Armanino	County of Marin	SF: Are you still proposing to start with rebates set at 75-100% of measure cost with a ramp down process as funds are expended as stated in your business plan? I was hoping to see more details on that proposal.	MCE intends to set rebates at 85% for most measures; see E3s for measure-specific information
27	Dana Armanino	County of Marin	Commercial: Your plan is not clear on how the commercial sector programs would be structured across your service territory – are you also proposing to manage all commercial rebate programs in Marin County similar to the Single Family PIP or will you coordinate with existing PG&E programs?	MCE is requesting approval to have first right of refusal in administering energy efficiency programs
28	Dana Armanino	County of Marin	Commercial: Will the “extensive audits” for larger properties (page 9) be free or low-cost? How will those services be structured? What level of audit will be provided at what cost to the customer?	MCE intends to fund small commercial audits and offer rebates for larger commercial facilities; MCE reserves the right to change program design based on market factors and need
29	Dana Armanino	County of Marin	Commercial: Currently, businesses can access PG&E's 0% interest On-Bill Financing program (OBF). Your plan states that the OBF would still be a viable leverage option (page 12) but in order to access that program, the business must complete a project via PG&E's incentive programs. Does that mean that MCE will not manage all commercial rebate programs in Marin?	Text on page X adjusted to clarify MCE's request that MCE customers qualify for OBF regardless of whether they participated in a PG&E EE programs
30	Dana Armanino	County of Marin	Commercial: New Construction Strategy (page 13-14) – will this program replace Savings by Design in Marin County? Your language also talks about performance incentive incentives but then the section goes on to list individual measure rebates. How exactly will this program operate?	MCE proposes a phased ramp up of program offerings. MCE is exploring innovative new construction strategies such as IDSM and financing projects via a ZNE rate.
31	Dana Armanino	County of Marin	MF: Current Status of EE Adoption (page 5) – I think it is important to clarify that by mutual agreement BayREN and MCE's multifamily programs did not overlap in Marin County during the 2013-14 program cycle. The way you present the two programs it sounds like they were competing which they were not.	Clarification has been added (p 4.)
32	Dana Armanino	County of Marin	Ag: Health and Safety (page 8) – Seems like this section could be stronger. I understand that the free rider issue means that you can't offer rebates to bring farms into compliance but you could use this as a leverage point. Having to get into compliance can be an overwhelming and scary prospect. If MCE could offer to assist with that process while not directly providing incentives for measures that just meet code you could leverage the opportunity to fold in more measures and higher efficiency equipment that exceeds code.	Thank you for this comment. This is a great outreach opportunity that was missing from our plan. We have updated the PIP to include this suggestion.
33	Dana Armanino	County of Marin	Ag: Health and Safety (page 8) – Section just feels like a missed opportunity. My experience with restaurants is that the Health Inspectors appreciate having information on the resources provided by the Food Technology Center because it gives them some good news to share when they are delivering the bad news that the restaurant needs to make costly upgrades.	This is a great suggestion and we have added it to the PIP.
34	Dana Armanino	County of Marin	Ag: Performance Metrics (page 11) – most of the items listed are quantifiable metrics but item 8 (“increase in awareness of energy efficiency opportunities”) seems very ambiguous. How will this be tracked/quantified?	We recognize that this is a metric that needs a baseline to compare to and will require surveys or other primary data collection efforts to measure. Our ability to track this metric will depend on the EM&V resources we have available to us. However, we still think it's an important metric to be aware of.
35	Dana Armanino	County of Marin	Workforce: This a very ambitious plan. The budget states that it is imbedded in each of the other sector PIPs but given how many training programs are included in the plan, I would be interested in seeing how much you are specifically carving out for workforce development programs. It would help to have a rough estimate of the budget for all of these training programs and clarification on what aspects MCE will fund versus where you expect partners to cover the costs.	The funding for the workforce components of the sector specific strategies is imbedded in both the marketing and outreach as well as the direct implementation dollars. Updated budgets included in each PIP give line item detail that was previously lacking. MCE is purposefully leaving funding unallocated to allow for flexibility in implementation, but will be happy to meet to discuss initial thoughts and plans for workforce related activities.

MCE Responses to Public Comment on 2016 EE PIPs

Agenda Item #10 - Att. D: Public Comments Received

	A	B	C	D
1	Submitter's Name	Submitter's Organization	Public Comment	MCE's Response
36	Ed Mainland	Sustainable Marin	Aggregate, cluster, bundle demand (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	Most of these great ideas are already part of the PIPs, for example the SPOC, industrial and ag peer-to-peer groups, and Home Upgrade Advisor
37	Ed Mainland	Sustainable Marin	Case studies and pilot projects (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	Great suggestion; we're already implementing this on our website and will continue to build upon this
38	Ed Mainland	Sustainable Marin	Standardization (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	The standardization movement is broader than MCE but SPOCs will play a role
39	Ed Mainland	Sustainable Marin	No-cost/low cost easy financing options (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	We're waiting to see what the State decides; we did explore PAYS but it is currently not an option
40	Ed Mainland	Sustainable Marin	Information communication technologies (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	ITC is an element of the commercial SEI offering
41	Ed Mainland	Sustainable Marin	Use market mechanisms for sustainability (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	The Workforce PIP addresses the use of market mechanisms
42	Ed Mainland	Sustainable Marin	Energy benchmarking: a key building block (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	Commercial and Multifamily offer benchmarking for appraisal purposes; SF offers benchmarking for peer-to-peer comparisons
43	Ed Mainland	Sustainable Marin	Engaging the local community (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	MCE absolutely intends to continue to engage the local community; this is a key value add and part of our mission
44	Ed Mainland	Sustainable Marin	Building on promising EE programs from the 2013-2014 cycle (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	MCE absolutely intends to build on promising EE programs for the 2016 and beyond cycle
45	Ed Mainland	Sustainable Marin	Leverage other funding sources (full text of comment can be found in Ed's transmittal: "Ten Ways Marin Clean Energy's 2016 EE Plan can be Improved")	While not explicitly stated in PIPs, this is an ongoing effort
46	Emily Quinton	Strategic Energy Innovations	Consider adding metrics for the schools program and to gauge effectiveness of outreach strategy.	These metrics have been added (p. 16)
47	Tamra Peters	Resilient Neighborhoods	Suggest collaboration with groups like RN	MCE has budgeted money to contract with community organizations (like RN) for outreach and marketing
48	Kate Powers	MCL	Emphasize collaboration with dairies	Ag program includes opportunities to collaborate with dairies
49	Kate Powers	MCL	Share success stories and organize projects with group purchases to increase participation and savings for commercial offerings like web-based tools and software	Great idea; MCE absolutely intends to use case studies and share success stories to garner interest and drive demand
50	Kate Powers	MCL	Ensure coordination between SPOC and existing community groups like Chambers of Commerce	Great idea
51	Kate Powers	MCL	Aggregate customers within the MF sector (consider beginning with property owners/landlords), and partner with local orgs that represent landlords (such as Marin Income Property Owners Association)	We are doing this (we have difficulty reaching owner's directly so I have been focusing on Property Managers) and we are partnering with MIPA. They will be providing information on their new website about our program.
52	Kate Powers	MCL	Consider implementing a Pay As You Save approach	MCE offers OBR
53	Kate Powers	MCL	Encourage integration of energy, water and wastewater efficiencies	MCE has a strong partnership with water districts
54	Kate Powers	MCL	Focus on reaching and educating MF building owners and renters to make EE changes as simple, reliable and cost-effective as possible	MCE has conducted and will continue to conduct presentations for both tenants and owners and when our Direct Install team is in the units they educate the tenants directly.
55	Kate Powers	MCL	Suggest neighbor-to-neighbor/peer-to-peer outreach mechanism for SF	M&O approach includes funding for local community based organizations such as Resilient Neighborhoods
56	Kate Powers	MCL	Consider a grant program to encourage, train and fun community-based groups to develop and implement (such as EPA house to house grant program)	MCE intends to use community outreach tools such as this one from DOE: http://energy.gov/eere/better-buildings-neighborhood-program/tool-kit-framework-small-town-energy-program-step
57	Emmett O'Donnell	MCE Board Member	Proposal is overly ambitious, not innovative, and overlaps current offerings from Upgrade California, PG&E and others	MCE's CEO Dawn Weisz responded
58	Emmett O'Donnell	MCE Board Member	Concern about remaining nimble and streamlined	MCE's CEO Dawn Weisz responded
59	Emmett O'Donnell	MCE Board Member	Suggest MCE partner with other public agencies in need of EE: school districts, water districts, etc. to expand benefits to public good, provide other marketing benefits (Deep Green, for example)	MCE's CEO Dawn Weisz responded
60	Constance Beutel	Benicia Community Sustainability Council	Create a glossary of acronyms	Glossary of acronyms created
61	Constance Beutel	Benicia Community Sustainability Council	Reach out to Martha Amram for input	MCE reached out to Martha Amram for input
62	Constance Beutel	Benicia Community Sustainability Council	Clarify if budgets are for 1 or 2 year periods in budget tables	Done - budget tables are broken out by each year for years 1-4 for clarity
63	Constance Beutel	Benicia Community Sustainability Council	Request to be notified with MF and SF reports are posted for public comment	MCE notified Constance and the rest of the listserv when MF and SF PIPs were posted for public comment
64	Jennifer Berg	BayREN	Suggest MCE consider coordinate with existing Home Upgrade implementers	PIP revised to incorporate this feedback
65	Jeri Gill	Sustainable Napa County	Has MCE identified the degree and scale of rebates and incentives offered to utility customers for EE upgrades? How do they compare to PG&E's rebates and incentives?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments

MCE Responses to Public Comment on 2016 EE PIPs

	A	B	C	D
1	Submitter's Name	Submitter's Organization	Public Comment	MCE's Response
66	Jeri Gill	Sustainable Napa County	Has MCE decided on which if the several programs described are most likely to begin operating in Napa County in 2016?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments
67	Jeri Gill	Sustainable Napa County	What, specifically, will be the improvement in services offered to small commercial utility customers compared to the programs already being offered? And how will any improvements be tracked and evaluated?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments
68	Jeri Gill	Sustainable Napa County	In counties such as Napa in which MCE currently has partial service coverage, how will MCE coordinate with existing PG&E programs to prevent customer confusion?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments
69	Jeri Gill	Sustainable Napa County	Specifically with reference to the wine industry, what are the services MCE plans to offer to small wineries?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments
70	Jeri Gill	Sustainable Napa County	How does MCE plan to create a SPOC in Napa County, and how will MCE propose to have that contact be readily available to and trusted by the community?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments
71	Jeri Gill	Sustainable Napa County	How does MCE plan to budget resources for outreach, education, customer support and technical assistance to Napa County?	Comments came in after the deadline for inclusion in the latest/final PIPs, but MCE will host a meeting with SNC to address their questions and comments

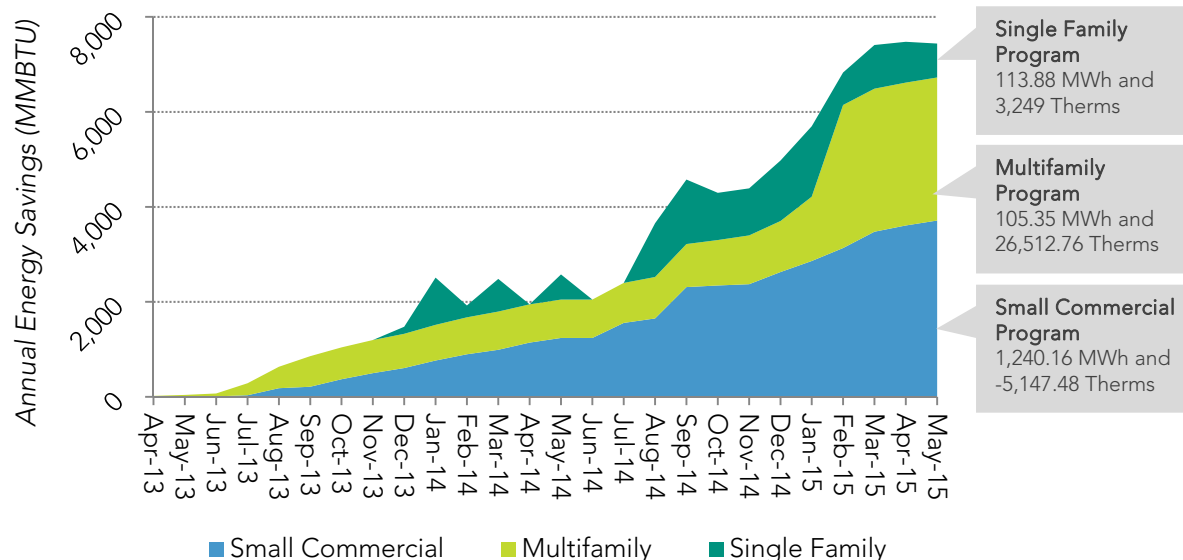


Energy Efficiency Mission Statement

MCE's Energy Efficiency program increases the efficiency of energy and water systems within existing and new buildings to reduce environmental impacts and improve health, comfort and safety.

The program empowers communities through local workforce development, and access to educational tools and financial incentives.

MCE Energy Efficiency Programs Monthly Update



Program Achievements – January 2013 to Present

Small Commercial

Small Businesses Audited
2,452*

Total Rebates Distributed
\$200,326.85

Number of Completed Projects
131

* Split between MCE, Marin Energy Watch and East Bay Energy Watch

Single Family

Number of My Energy Tool Accounts Created
2,266

Number of Action Plans Created
1,691

Total Number of Home Utility Reports Delivered
204,398

Multifamily

Multifamily Buildings Audited
193

Total Rebates Distributed
\$181,521.00

Number of Units Provided with Free Energy Saving Equipment
919

Carbon Reductions

Annual Greenhouse Gas Emissions from:
240 cars



CO₂ Emissions from:
156 Homes Annual Electricity Use



2015-16 MCE Advertising Plan

Advertising Themes

The purpose of MCE's advertising campaign is to:

- increase general brand awareness and understanding of MCE,
- increase Deep Green and Local Sol enrollments,
- educate and inform MCE's customer base about achievements (creation of new jobs, new local and in-state renewables, saving customers money and reducing greenhouse gas emissions), and,
- increase participation in MCE's energy efficiency programs, including MyEnergyTool account creation.

Advertising Venues

Outdoor

1. Bus Sides (Marin)
 - August 17 – November 8, 2015
 - 30 Golden Gate Transit bus sides (queens)
 - Ad content: Deep Green, cost savings, job creation, new renewables
2. Billboards
 - 2 Benicia (August 10 – November 29, 2015)
 - Ad content: Deep Green and jobs
 - 2 Richmond (August 10 – November 29, 2015)
 - Ad content: Deep Green and jobs
 - 1 San Pablo (September 21 – November 29, 2015)
 - Ad content: cost savings
 - 1 Napa (November 9, 2015 – January 3, 2016)
 - Ad content: TBD
3. Golden Gate Ferry (Marin)
 - 2 Larkspur shelters (October 5 – November 29, 2015)
 - Ad content: cost savings, new renewables
4. BART Ads (El Cerrito/Richmond)
 - September 7 – November 29, 2015
 - Stations: El Cerrito Plaza, El Cerrito Del Norte, Richmond
 - 6 posters in each station
 - Ad content: jobs, local projects, cost savings, GHG reductions, Deep Green

Radio Spots

1. West Marin Community Radio (August 24 – November 16, 2015)
 - KWMR 90.5 Pt. Reyes, 89.9 Bolinas
 - 14 30-second segments per week; Monday – Friday during A.M. commute
 - Ad content: Deep Green

2. Napa (August 6 – October 29, 2015)
 - The Vine 99.3 FM and KVON 1440 AM
 - 30 second spot, airs 90 times/month on each station, Mon. – Fri., 6am-12am, with guaranteed spots in morning and afternoon rush hour traffic
 - Ad content: Deep Green

Online Ads

Online ads content can be changed at any point and without limitation.

1. Static Ads
 - July 1, 2015 – June 30, 2016
 - Geographically targeted to MCE service area
 - 3 different sizes of online ads
 - Ad content: Deep Green, Local Sol, jobs, cost savings, renewables, GHG reductions
2. Video Ads
 - July 1, 2015 – June 30, 2016
 - YouTube video ads
 - Geographically targeted video ads
 - Ad content: General information about MCE program, Deep Green, energy efficiency, San Rafael Airport solar project
 - Local Sol and Solar One project (once videos are completed)
3. Sponsored Online Content
 - July 1, 2015 – June 30, 2016
 - MCE-authored articles Contra Costa Times and Marin Independent Journal
 - 2 articles per month

Social & Earned Media

1. Facebook & Twitter
 - Weekly sponsored (paid) posts
 - Content: Energy efficiency tips, Deep Green, Local Sol, cost savings, job creation, new renewable projects
2. Instagram
 - Weekly targeted content posts
 - Content: Energy efficiency tips, Deep Green, Local Sol, cost savings, job creation, new renewable projects
2. Newspaper articles and press releases
3. MCE e-newsletters

Direct Mail

1. 2 tri-fold brochures (full service area)
 - September (combine with California Energy Commission-required power content label)
 - October/November

- Cost savings, job creation, new renewable projects, greenhouse gas reductions

Sample Advertisements

Advertising content is currently being developed for the campaign. The following pages include sample ads that have already been created for outdoor and online ads. These samples are not a complete representation of the campaign.

Outdoor Ads

Marin bus-side advertisements

<p>THE FUTURE IS BRIGHT 2,400+ California Jobs</p>  <p>MCE Clean Energy My community. My choice.</p>	
<p>THE FUTURE IS BRIGHT Saving Customers \$10 Million+ in 2015</p>  <p>MCE Clean Energy My community. My choice.</p>	
<p>THE FUTURE IS BRIGHT Deep Green 100% Renewable Energy</p>  <p>MCE Clean Energy My community. My choice.</p>	
<p>THE FUTURE IS BRIGHT 9 New Local Solar Projects</p>  <p>MCE Clean Energy My community. My choice.</p>	

Richmond billboard advertisements



Benicia billboard advertisements



BART advertisements

**THE FUTURE
IS BRIGHT**

**Saving
Customers
\$10 Million+
in 2015**

**MCE** Clean Energy
My community. My choice.



**THE FUTURE
IS BRIGHT**

**Clean Energy
Means Cleaner
Air for You**

**MCE** Clean Energy
My community. My choice.



**THE FUTURE
IS BRIGHT**

**Deep Green
100%
Renewable
Energy**

**MCE** Clean Energy
My community. My choice.



BART advertisements (continued)

**THE FUTURE
IS BRIGHT**

**Supporting
2,400+
California
Jobs**

 **MCE** Clean Energy
My community. My choice.



**THE FUTURE
IS BRIGHT**

**9 New
Local Solar
Projects**

 **MCE** Clean Energy
My community. My choice.



EL CERRITO,
you're looking
BRIGHT.



It must be that
CLEAN ENERGY
you switched to.

 **MCE** Clean Energy
My community. My choice.

Online Ads

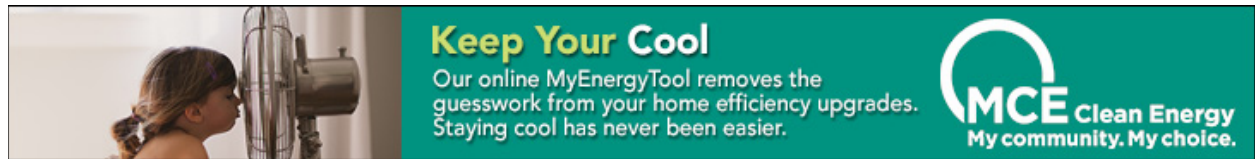


These ads all link to one of the following pages:
<http://www.mcecleanenergy.org/100-renewable/>
<http://www.mcecleanenergy.org/100-local-solar/>

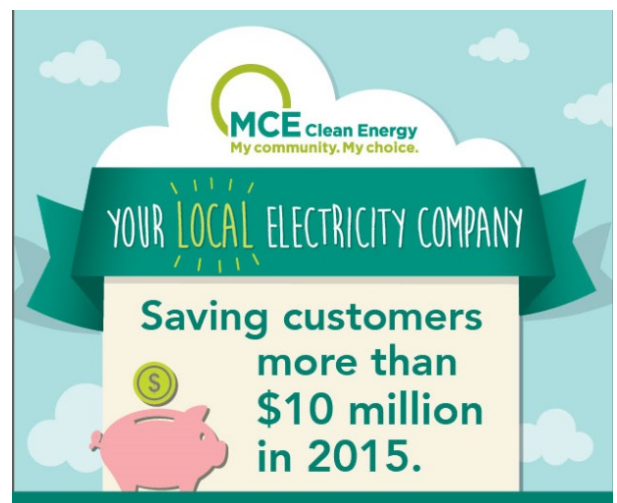
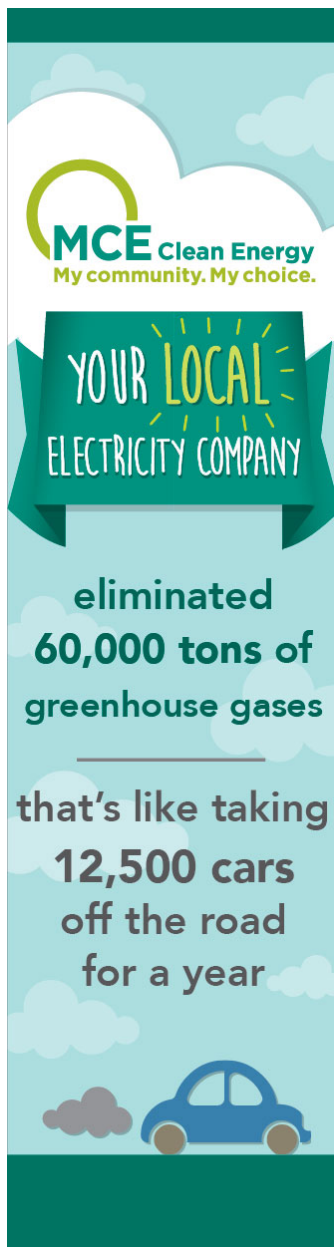
Online Ads



links to <http://www.mcecleanenergy.org/local-jobs-workforce/>



links to <http://myenergytool.mcecleanenergy.com/>



links to mcecleanenergy.org/rates



links to mcecleanenergy.org

links to www.mcecleanenergy.org

links to <http://www.mcecleanenergy.org/local-projects/>

2015 Community Events and Meetings

	Date	Event	City
1.	01/06/15	El Cerrito City Council Meeting	El Cerrito
2.	01/08/15	Richmond Chamber of Commerce West County Mixer	Richmond
3.	01/12/15	Appreciation Event Richmond Mayor McLaughlin	Richmond
4.	01/13/15	Richmond City Council Meeting	Richmond
5.	01/14/15	Napa Community Leader Advisory Group Meeting	Napa
6.	01/15/15	Mill Valley School Board Meeting	Mill Valley
7.	01/16/15	Meeting with Marin 350.org	San Rafael
8.	01/19/15	San Anselmo Quality of Life Committee Meeting	San Anselmo
9.	01/26/15	Lafayette Environmental Task Force Meeting	Lafayette
10.	01/27/15	St. Helena Rotary Presentation	St. Helena
11.	01/28/15	Berkeley Energy Commission Presentation	Berkeley
12.	01/28/15	Local Energy Aggregation Network Workshop	South San Francisco
13.	01/28/15	Local Energy Aggregation Network Workshop	Redwood City
14.	01/28/15	Rotary Club of Napa Presentation	Napa
15.	01/28/15	MCE-hosted Napa Community Meeting	Napa
16.	01/29/15	Silicon Valley Business Forum for CCA's	Sunnyvale
17.	02/02/15	Alameda County Board of Supervisors Meeting	Oakland
18.	02/02/15	El Cerrito Environmental & Community Outreach Meeting	El Cerrito
19.	02/03/15	Benicia City Council Presentation	Benicia
20.	02/03/15	El Cerrito City Council Presentation	El Cerrito
21.	02/09/15	Lafayette Environmental Task Force Meeting	Lafayette
22.	02/17/15	MCE Presentation to St. John's Senior Center	El Cerrito
23.	02/17/15	San Pablo City Council Meeting	San Pablo
24.	02/23/15	Lafayette Environmental Task Force Meeting	Lafayette
25.	02/25/15	Benicia Community Leader Advisory Group Meeting	Benicia
26.	02/26/15	MCE-hosted Contractor Sales Training	San Rafael
27.	03/03/15	Casa Adobe Presentation	San Pablo
28.	03/09/15	Christ Lutheran Senior Center Presentation	El Cerrito
29.	03/10/15	Benicia Rotary Club Presentation	Benicia
30.	03/10/15	Table at Benicia Library	Benicia
31.	03/11/15	Marin School of Environmental Leadership Breakfast	San Rafael
32.	03/16/15	Benicia Sustainability Commission Presentation	Benicia
33.	03/17/15	Table at Benicia Library	Benicia
34.	03/17/15	Benicia City Council Presentation	Benicia
35.	03/18/15	23 rd Street Merchants Association Presentation	San Pablo
36.	03/18/15	San Pablo Rotary Club Open House	San Pablo
37.	03/18/15	Benicia Unified School District Presentaton	Benicia
38.	03/18/15	Benicia Senior Center Presentation	Benicia
39.	03/18/15	Benicia Community Leader Advisory Group Meeting	Benicia
40.	03/19/15	Annual San Rafael State of the City Awards Dinner	San Rafael
41.	03/20/15	Concilio Latino Presentation (Español)	San Pablo

Agenda Item #11: Schedule of Events

	Date	Event	City
42.	03/21/15	Grid Alternatives Solar Demo/Recruitment	Richmond
43.	03/24/15	Bay View Elementary School (Español)	San Pablo
44.	03/24/15	Table at Benicia Library	Benicia
45.	03/24/15	Fairfax Chamber Mixer	Fairfax
46.	03/24/15	MCE-hosted El Cerrito Community Meeting	El Cerrito
47.	03/25/15	El Cerrito Community Leader Advisory Group Meeting	El Cerrito
48.	03/25/15	MCE-hosted Napa Community Meeting	Napa
49.	03/27/15	West Contra Costa Unified School District Staff Meeting	Richmond
50.	03/28/15	San Pablo Neighborhood Engagement Easter Egg Hunt	San Pablo
51.	03/28/15	Mini Makers Faire	Benicia
52.	03/28/15	Environmental Form of Marin Panel	Sausalito
53.	03/31/15	Table at Benicia Library	Benicia
54.	03/31/15	Main Street Moms Presentation	San Rafael
55.	04/01/15	Off The Grid Market	El Cerrito
56.	04/02/15	MCE-hosted Benicia Community Meeting	Benicia
57.	04/04/15	Fairfax Climate Action Committee Table at Good Earth	Fairfax
58.	04/06/15	Bay Bridge United State Green Building Council	San Francisco
59.	04/07/15	San Pablo Community Leader Advisory Group Meeting	San Pablo
60.	04/08/15	Clean Power SF Stakeholders Meeting	San Francisco
61.	04/08/15	San Rafael Chamber of Commerce	San Rafael
62.	04/08/15	San Rafael Chamber Green Committee	San Rafael
63.	04/08/15	San Francisco Public Utilities Workshop	San Francisco
64.	04/08/15	Benicia Mom's Presentation	Benicia
65.	04/09/15	Soroptimist Club Presentation	Benicia
66.	04/09/15	Conference Call with Californians for Energy Choice	N/A
67.	04/09/15	Conference Call with East Bay Clean Energy Alliance	N/A
68.	04/09/15	Lion's Club Presentation	Corte Madera
69.	04/09/15	Benicia Chamber Breakfast Presentation	Benicia
70.	04/13/15	MCE-hosted San Pablo Community Meeting	San Pablo
71.	04/13/15	Bay View Elementary Presentation (Español)	San Pablo
72.	04/14/15	St. Paul's Catholic Church (Español)	San Pablo
73.	04/14/15	Dover Elementary School Presentation (Español)	San Pablo
74.	04/15/15	Committee on Aging Presentation	El Cerrito
75.	04/15/15	Benicia Community Leader Advisory Group Meeting	Benicia
76.	04/15/15	Napa Sustainability Fair	Napa
77.	04/15/15	MCE-hosted El Cerrito Community Meeting	El Cerrito
78.	04/15/15	Benicia Moms Presentation	Benicia
79.	04/15/15	Lake Elementary Presentation (Español)	San Pablo
80.	04/16/15	Napa Valley Adult Education Presentation (Español)	Napa
81.	04/16/15	Committee on Aging Presentation	San Pablo
82.	04/17/15	Downer Elementary School Presentation (Español)	San Pablo
83.	04/18/15	El Cerrito Earth Day Appreciation Lunch	El Cerrito
84.	04/19/15	Benicia Education Run	Benicia

Agenda Item #11: Schedule of Events

	Date	Event	City
85.	04/20/15	Helms Middle School Presentation (Español)	San Pablo
86.	04/21/15	Senior Center Presentation	San Pablo
87.	04/22/15	Open House Senior Center	El Cerrito
88.	04/24/15	Lake Elementary Presentation (Español)	San Pablo
89.	04/24/15	Riverside Elementary School Presentation (Español)	San Pablo
90.	04/24/15	Marin Economic Forum Board Meeting	San Geronimo
91.	04/24/15	Sir Francis Drake High School Earth Day	San Anselmo
92.	04/25/15	Napa County Earth Day Festival	Napa
93.	04/28/15	El Cerrito Community Leader Advisory Group Meeting	El Cerrito
94.	04/28/15	Environmental Quality Committee Event	El Cerrito
95.	04/28/15	El Cerrito Democratic Club Presentation	El Cerrito
96.	04/29/15	San Pablo Rotary Presentation	San Pablo
97.	04/30/15	Benicia Friendship Club Presentation	Benicia
98.	04/30/15	Kiwanis Club Presentation	San Pablo & Richmond
99.	04/30/15	Benicia Farmers Market Table	Benicia
100.	04/30/15	St. Helena Public Library Table	Napa
101.	05/03/15	Cinco De Mayo Festival (Español)	Richmond
102.	05/03/15	San Pablo Flea Market Table	San Pablo
103.	05/04/15	San Mateo County Economic Development Association	South San Francisco
104.	05/04/15	Human Relations Commission Presentation	El Cerrito
105.	05/05/15	Stanford University Energy Efficiency Presentation	Palo Alto
106.	05/07/15	Benicia Farmers Market Table	Benicia
107.	05/07/15	El Cerrito Rotary Club Presentation	El Cerrito
108.	05/12/15	Lao Family Community Development Presentation	San Pablo
109.	05/14/15	Benicia Farmers Market Table	Benicia
110.	05/17/15	Hillside Festival	El Cerrito
111.	05/18/15	CCA Forum for California Local Governments	Los Angeles
112.	05/19/15	El Cerrito Chamber of Commerce	El Cerrito
113.	05/20/15	Off The Grid Market Table	El Cerrito
114.	05/20/15	Trinity Evangelical Free Church	El Cerrito
115.	05/21/15	Benicia Farmers Market Table	Benicia
116.	05/21/15	OWL Launch Event	Mill Valley
117.	05/27/15	San Anselmo Quality of Life Committee	San Anselmo
118.	05/28/15	Benicia Farmers Market Table	Benicia
119.	05/28/15	Stege Sanitary District Board Presentation	El Cerrito
120.	05/28/15	25 th Anniversary Business Environmental Awards Reception	Mountain View
121.	05/30/15	Marin Home & Garden Expo	San Rafael
122.	05/31/15	Marin Home & Garden Expo	San Rafael
123.	06/02/15	Study Session on CCAs	Walnut Creek
124.	06/02/15	First Tuesdays: Clausen Law Group and Mechanics Bank	Pt. Richmond
125.	06/03/15	Makerspace Solar Workshop Table	Benicia
126.	06/04/15	San Pablo Chamber of Commerce Presentation	San Pablo
127.	06/04/15	Benicia Farmers Market Table	Benicia

Agenda Item #11: Schedule of Events

	Date	Event	City
128.	06/09/15	San Pablo Economic Development Corp. Presentation	San Pablo
129.	06/10/15	El Cerrito Community Leader Advisory Group Meeting	El Cerrito
130.	06/10/15	Off The Grid Market Table	El Cerrito
131.	06/10/15	Sons of Retirement Presentation	El Sobrante
132.	06/10/15	Pacific's Baseball Game Table	San Rafael
133.	06/11/15	Benicia Farmers Market Table	Benicia
134.	06/13/15	Fairfax Festival & Ecofest	Fairfax
135.	06/14/15	Fairfax Festival & Ecofest	Fairfax
136.	06/18/15	Benicia Farmers Market Table	Benicia
137.	06/18/15	MCE-hosted El Cerrito Community Meeting	El Cerrito
138.	06/20/15	San Anselmo Town Solar Fair	San Anselmo
139.	06/23/15	MCE-Hosted Benicia Community Meeting	Benicia
140.	06/23/15	MCE-Hosted San Pablo Community Meeting	San Pablo
141.	06/25/15	Benicia Farmers Market Table	Benicia
142.	06/25/15	Young Energy Professionals Presentation	San Francisco
143.	06/25/15	Assembly Member Tony Thurmond Event	Richmond
144.	07/01/15	Marin County Fair	San Rafael
145.	07/02/15	Marin County Fair	San Rafael
146.	07/03/15	Marin County Fair	San Rafael
147.	07/04/15	Marin County Fair	San Rafael
148.	07/04/15	El Cerrito 4 th of July Festival	El Cerrito
149.	07/04/15	San Pablo 4 th of July Festival	San Pablo
150.	07/05/15	Marin County Fair	San Rafael
151.	07/08/15	Benicia City Council Meeting	Benicia
152.	07/08/15	Pacific's Baseball Kid's Day	San Rafael
153.	07/17/15	RichmondBUILD Graduation Ceremony	Richmond
154.	07/20/15	Assembly Member Bill Dod Event	American Canyon
155.	07/21/15	Benicia Eco Awards Event	Benicia
156.	07/21/15	California Solar Energy Industries Association Presentation	Novato
157.	07/22/15	Richmond Chamber of Commerce Breakfast Event	Richmond
158.	07/23/15	San Mateo County Advisory Committee	San Mateo
159.	07/23/15	West County Chambers Super Mega Mixer	Crockett
160.	07/28/15	San Rafael Pacifics No Litter Baseball Game	San Rafael
161.	07/28/15	St. Helena City Council Meeting	St. Helena
162.	08/04/15	Yountville City Council Meeting	Yountville
163.	08/06/15	El Cerrito Community Leader Advisory Group Meeting	El Cerrito
164.	08/09/15	Sustainable San Rafael 10 Year Anniversary	San Rafael
165.	08/10/15	Lafayette City Council Meeting	Lafayette
166.	08/12/15	Municipal Sustainability Forum Webinar	Online Webinar
167.	08/18/15	Napa City Council Meeting	Napa
168.	08/19/15	MCE Solar One Workshop	Richmond
169.	08/22/15	Richmond Out Power Festival	Richmond
170.	09/20/15	Music for Madera Festival	El Cerrito

Agenda Item #11: Schedule of Events

	Date	Event	City
171.	09/20/15	NatureBridge Hike to the Headlands	Sausalito
172.	10/20/15	Meeting of the Minds	Richmond
173.	10/21/15	Meeting of the Minds	Richmond
174.	10/22/15	Meeting of the Minds	Richmond
175.	11/12/15	Rootstock 2015	Napa



August 20, 2015

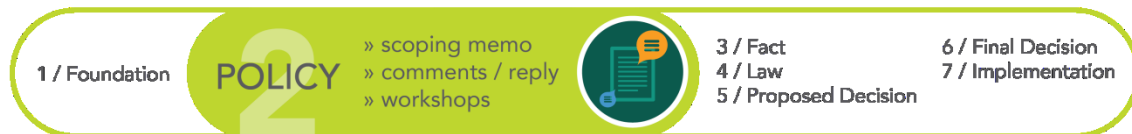
TO: Marin Clean Energy Board
FROM: Jeremy Waen, Senior Regulatory Analyst
RE: Regulatory Update for August 2015

Dear Board Members:

Executive Summary of Regulatory Affairs for August 2015

Below is a summary of the key activities at the California Public Utilities Commission (CPUC) for August 2015 impacting community choice aggregation and MCE.

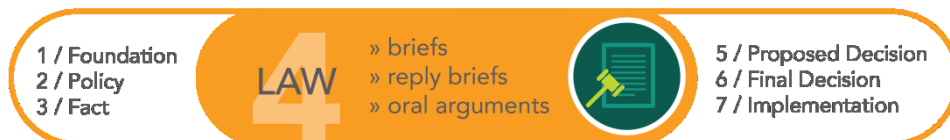
1. **MCE Promotes EE Rolling Portfolios for 2016 and Beyond (R.13-11-005)**



The Commission will soon release guidance on the desired format of Applications from EE Program Administrators for their programs beginning in 2016. Given that 2016 is the beginning of a new ten-year rolling portfolio cycle, MCE anticipates there may be some significant modifications from the current Application process, which only addressed a three-year program cycle. MCE anticipates it will soon file an Application for its EE programs in this proceeding.

2. **MCE Advocates for Low-Income Customers Interests (A.14-11-007 et al.)**

A) By Proposing an Energy Efficiency (EE) Pilot Program to Better Serve Low-Income Customers



In the testimony served in April, MCE submitted a proposal for its Low-Income Families and Tenants (LIFT) pilot program. The LIFT Pilot aims to build upon MCE's

existing EE programs to achieve deeper energy savings for income qualified customers. MCE's EE Director was cross-examined on the proposed pilot within the hearings that occurred on June 17-18. MCE staff also presented on the details of its pilot during a workshop on June 19. MCE has submitted its opening brief on July 13 and reply brief on August 4. MCE is now awaiting a Proposed Decision from the Commission on regarding this pilot program proposal and other outstanding matters within the proceeding.

B) By Calling for Protections for CARE and Medical Baseline Customers from PCIA Charges

MCE filed a Motion to Amend the Scope of the Proceeding in order to include the issue of whether CCA CARE and Medical Baseline customers should be charged the PCIA. MCE filed the motion in this proceeding as a result of having a similar motion denied in another proceeding (A.14-05-024) and being directed to raise the issue here. MCE's Motion was filed on May 18 and was summarily denied from the bench during evidentiary hearings with no analysis or explanation.

3. MCE Advocates for CCA Customer Rights in the Residential Ratemaking Rulemaking (R.12-06-013)



On July 3, the Commission reached a final Decision regarding the need for changes to residential rate structures across all three IOUs' service territories. The final Decision was a bit of a compromise between both the initial Proposed Decision and the Alternative Proposed Decision provided by Commissioner Florio. The final Decision will result in substantial changes to both default and voluntary Time-of-Use ("TOU") rates that MCE's customers participate in. Customer minimum bill charges have increased immediately, the number of tiers will be gradually decreased to two tiers from four presently, and all three of the current TOU rate schedules are being either closed or eliminated and replaced with new rate schedules with different peak time periods. These changes will have impacts for all types of residential customers; however, residential customers with roof-top solar will be more severely impacted. MCE staff is taking steps to advise its customers and communities regarding the new reality of residential rate structures created by this Decision. Tables 1 and 2 following this summary illustrate the changes occurring to both default and TOU residential rates due to this Decision.

Table 1: Glide Path for Changes to Default Residential Rates

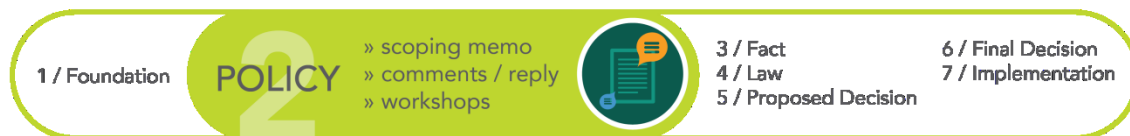
Year	2015	2016	2017	2018	2019
# of Tiers	4 tiers	3 tiers	2 tiers	2 tiers	2 tiers
Usage Covered		Baseline 101-200% BQ Over 200% BQ	Baseline > 100% BQ	Baseline > 100% BQ	Baseline > 100% BQ
Tier Differential	1:1.18:1.5:1.91	1:1.23:1.81	1:1.361	1:1.313	1:1.25
SUE Surcharge *	N/A	N/A	1:1.89	1:2.033	1:2.19

Table 2: Changes to Time-of-Use Residential Rates

MCE Rate	PG&E Rate	PG&E Peak TOU Period	Prior PG&E Rate Status	New PG&E Rate Status
N/A	E-TOU	4-9 PM*	N/A	E-TOU Approved. Peak Periods will be decided in another proceeding*
RES-6	E-6/EL-6	1-7 PM	Open to new customers	Closed to new customers on 1/1/16. Transition period toward elimination of at least five years begins on 1/1/16.
RES-7	E-7/EL-7	12-6 PM	Closed to new customers (since 2008)	Eliminated on 1/1/16. Existing customers transferred to E-TOU on that date.
RES-8	E-8/EL-8	Summer	Closed to new customers (since 1995)	

* E-TOU Peak Periods will be determined in PG&E's 2015 Rate Design Window (A.14-11-014) with a Decision expected before the end of 2015.

4. MCE Advocates for Fair Treatment regarding Energy Storage Procurement Obligations in the new Energy Storage Roadmap Rulemaking (R.15-03-011)



In response to the Scoping Memo issued within the new Energy Storage Roadmap proceeding, MCE and the City of Lancaster jointly filed opening and reply comments (on July 8 and August 3) regarding CCA-specific concerns within this proceeding. These concerns include the ability to count Energy Storage installations that leverage Self-Generation Incentive Program (SGIP) funding within CCA service territories, such as the College of Marin and Tesla project. The CCA parties also expressed concern regarding the manner in which IOU-procured Energy Storage cost may be subject to stranded cost recovery through the Power Charge Indifference Adjustment (PCIA). MCE staff both independently, and jointly with the City of Lancaster will continue to monitor and engage on these issues as the proceeding progresses.

5. MCE Works to Ensure Ratepayer and Marketing Protections in PG&E's Green Tariff Shared Renewables (GTSR) and Enhanced Community Renewables (ECR) (A.12-01-008 et al.)



In response to the protests filed by MCE and other parties on June 2 to IOUs' implementation advice letters for the GTSR and ECR programs, Energy Division staff convened a conference on June 29 to discuss parties concerns in more detail. MCE staff participated in the conference and reiterated its concerns regarding the need for all three

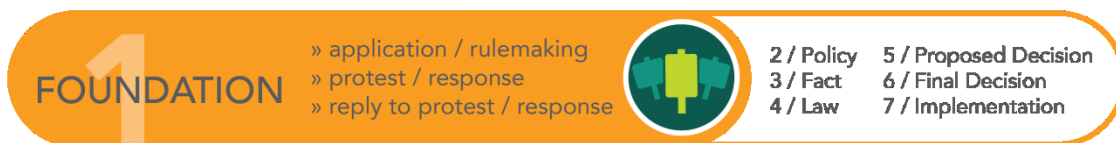
of the utilities to (i) clearly present PCIA charges on GTSR and ECR participants' bills, (ii) present more details regarding how PCIA vintages will be determined and assigned to GTSR and ECR participants, and (iii) clarify that former GTSR and ECR participants that return to bundled service are obligated to take Transitional Bundled Service (TBS), just as former CCA customers are obligated. Energy Division is continuing to review these Advice Letters in light of MCE's and other parties' protests and will ultimately issue a formal Resolution that will resolve these pending implementation matters for both the GTSR and ECR programs. Once this resolution has been issued, the IOUs will be able to take further steps towards finally launching these programs to customers.

6. MCE Proposes Revisions to the Cost Allocation Mechanism (CAM) to Reduce Procurement Costs for CCA Customers (R.14-10-010)



On June 15 MCE filed comments in support of a Proposed Decision that would direct Energy Division staff to improve upon the manner in which they communicate upcoming capacity allocations to CCAs as part of CAM. This improvement will result in more efficient procurement, and ultimately cost savings for CCA customers. On June 30 the Commission issued its Final Decision on these matters. The improvements to the capacity allocation forecast process that is part of CAM will be implemented by Energy Division staff immediately. MCE staff is continuing to look for and pursue additional regulatory opportunities to modify and lessen the cost burden imposed on CCA customers due to CAM.

7. MCE Engages in New Distributed Resource Planning Process to Represent CCA Interests and Concerns (R.14-08-013 et al.)



On July 1 the IOUs filed their individual Distributed Resource Plan (DRP) proposals as individual Applications before the CPUC. On July 27 the Commission consolidated these Applications with the related Rulemaking to consider these matters uniformly across all IOUs' service territories. The DRP is intended to be a new planning process that will evaluate the benefits and costs that result on distribution grid reliability and operations from the deployment of Distributed Energy Resources (DERs). DERs include a wide array of customer-side technologies including Demand Response (DR), Energy Efficiency (EE), Energy Storage (ES), Distributed Generation (DG) (including roof-top solar), Electric Vehicles (EV), Fuel Cells (FC), and other technologies that may emerge. MCE is primarily concerned with ensuring that this new planning process at the Commission both accounts for non-IOU Load Serving Entities (LSEs) and these LSEs customers' DERs, and rewards these non-IOU LSEs and their customers for deploying DERs that improve the cost-effective reliability of the distribution grid. MCE is advocating for a concept of "grid neutrality" within the DRP process. MCE will file its formal Response to these Applications on August 31.



August 20, 2015

TO: Marin Clean Energy Board

FROM: Shalini Swaroop, Regulatory and Legislative Counsel

RE: MCE Legislative Executive Summary

Dear Board Members:

In the past two months, MCE has been very active in lobbying against AB 1110 (Ting), a bill that changes annual customer reporting requirements for load serving entities (LSEs), including CCAs. MCE is particularly concerned that the bill calculates emissions for customer disclosures differently than emissions are calculated by national and state accounting programs, such as the Environmental Protection Agency, and that the bill is inconsistent with California's Renewable Portfolio Standard. As currently written, Category 2 and Category 3 Renewable Energy Certificates (RECs) would not have any GHG emissions reduction impact to energy procurement, contrary to overarching national and state policy. MCE has succeeded in efforts to include clear implementation and compliance dates in the proposed legislation. Other CCAs, such as Sonoma Clean Power, continue to address Category 2 REC concerns and identify inconsistencies with current reporting requirements.

In addition, as the legislative cycle comes to a close, negotiations on bills have gained an increased level of urgency. The last day for each house to pass a bill is September 11, 2015. The Governor must sign or veto bills by October 11, 2015.

As indicated previously, this particular legislative session has an abundance of energy policy bills due to the Governor's State of the State address and his ambitious energy goals to raise California's renewable portfolio standard, reduce petroleum use in vehicles, and increase energy efficiency in buildings.

Below please find the current status of all of MCE's high priority legislative items. Bills that were held in Appropriations are noted only for informational purposes, as MCE is no longer tracking them.

Summary of MCE Actions and Bill Activity:

I. Key Bills Broadly Addressing the Governor's Energy Policy Goals	
SB 350 (De León and Leno) – Implementing the Governor's 50-50-50 Benchmarks	The bill passed out of the Assembly Utilities and Commerce (U&C) Committee and the Natural Resources Committee. It will next be heard in the Appropriations Committee (Approps.).
AB 645 (Williams and Rendon) – Implementing a 50% Renewable Portfolio Standard by 2030	The bill passed out of the Senate Energy Committee and is scheduled to be heard in Senate Approps. on August 17, 2015.
AB 802 (Williams) – Expanding Energy Efficiency (EE) Measures Eligible for Ratepayer-Funded Programs	MCE submitted a letter in support of this bill on May 5, 2015. The bill passed out of the Senate Energy Committee and is scheduled to be heard in Senate Approps. on August 17, 2015.
AB 1330 (Bloom) – Energy Efficiency (EE) Resource Standard	MCE is working with the bill sponsor to alleviate MCE's concerns. The bill was heard in the Senate Energy Committee and is waiting to be referred to Senate Approps.
AB 793 (Quirk) – Home Energy Management Systems	MCE is currently evaluating the anti-competitive impacts of this bill. The bill passed the Senate Energy Committee and will next be heard in Senate Approps. MCE is working with the author to address competitive concerns.
II. Bills Affecting CCAs and CCA Customers	
AB 1110 (Ting) – Calculating Greenhouse Gas Emissions for Annual Customer Disclosures	The bill passed out of the Senate Energy Committee and will next be heard in the Senate Approps.
SB 286 (Hertzberg) – Raising the Cap on Direct Access Electricity Services	The bill passed out of the Assembly U&C Committee and has been will next be heard in the Assembly Approps.
III. Bills Addressing Reform at the California Public Utilities Commission	
SB 48 (Hill), SB 660 (Leno), and AB 825 (Rendon)	SB 48 passed the Assembly U & C committee and has been referred to the Assembly Approps. SB 660 has been heard in the Assembly U & C and will be heard in that Committee again. AB 825 passed the Judiciary Committee and has will next be heard in the Senate Approps.

Detailed Summary of Bill Policy Issues:

I. Key Bills Broadly Addressing the Governor's Energy Policy Goals

1) **SB 350 (De León and Leno) – Implementing the Governor's 50-50-50 Benchmarks**

About the Bill:

SB 350 implements the Governor's "50-50-50" benchmarks by raising California's Renewables Portfolio Standard (RPS) from 33% to 50%, striving for a 50% reduction in petroleum use, and increasing energy efficiency in buildings by 50% by the year 2030.

a. Renewables Portfolio Standard (RPS):

The 50% renewable energy standard will be implemented by the California Public Utilities Commission (CPUC) for the private utilities and by the California Energy Commission (CEC) for municipal utilities, as per current law. Unlike previous law, there will be no rulemaking at the CPUC to determine how CCAs should comply. Rather, CCAs are mandated to comply and are subject to the same terms and conditions as the IOUs. The CPUC and the CEC are responsible for tracking Renewable Energy Certificates (RECs) in the system to ensure no double-counting. The RPS standard is proposed to be modified as follows: 33% in 2020, 40% in 2024, 45% in 2027, and 50% in 2030.

Importantly, the bill as currently written applies the Cost Allocation Mechanism (CAM) to net capacity costs of renewable resources. This would result in higher fees for CCA customers for redundant procurement mechanisms administered by IOUs.

b. Vehicles:

The 50% reduction in petroleum use also will be implemented using existing laws and financial resources. Under current law, the state air board must reduce pollution in order to achieve state and federal ambient air standards. Current law (Health and Safety Code Section 42013) requires the board to adopt standards for vehicles and fuels to achieve clean air.

MCE is currently taking an active role in electric vehicle proceedings at the California Public Utilities Commission.

c. Energy Efficiency (EE):

Finally, the 50% increase in energy efficiency in buildings will be done through the use of existing energy efficiency retrofit funding and regulatory tools already available to state energy agencies under existing law. The measure mandates on or before January 1, 2017 (and every three years thereafter), the CPUC shall update the EE program to double the efficiency of buildings. This implicates a three year cycle within the rolling portfolio proceeding currently underway at the CPUC (R.13-11-005).

MCE is currently offering energy efficiency programs to customers within MCE's service territory. MCE will be increasing those offerings dramatically in the next year.

MCE is engaging on this bill to ensure protection of CCA ratepayers and to ensure fair treatment of CCAs in the adjustment to RPS and EE standards. MCE is also engaging to ensure CCAs have access to energy efficiency funding.

2) AB 645 (Williams and Rendon) – Implementing a 50% Renewable Portfolio Standard by 2030

About the Bill:

This is another of the bills aiming to achieve the Governor's goal of a 50% Renewable Portfolio Standard (RPS) for all retail electricity sellers (including CCAs) in 2030. The RPS standard will be modified as follows: 33% in 2020, 38% in 2023, 44% in 2026, and 50% in 2030.

MCE is monitoring this bill to ensure fair treatment of CCAs in the adjustment to the RPS standards.

3) AB 802 (Williams) – Expanding Energy Efficiency (EE) Measures Eligible for Ratepayer-Funded Programs

About the Bill:

Current state policy requires ratepayer-funded EE incentives and programs are cost-effective. Cost effectiveness of these programs is currently measured against the standards built into the current Building Code. With the recent enactment of the ambitious Title 24 Building Code, many existing buildings no longer meet the baseline of energy efficiency standards in the code. This has significantly limited opportunities to implement EE programs throughout the state, including in MCE's service territory, because the baseline has been raised to a level that is well above most building standards. AB 802 aims to address this gap by requiring the CPUC to consider the cost-effectiveness of EE measures by using the actual energy savings achieved for a property instead of the Title 24 Building Code. This will allow all EE program administrators in the state to expand their offerings and better achieve the Governor's EE goals.

4) AB 1330 (Bloom) – Energy Efficiency (EE) Resource Standard

About the Bill:

AB 1330 sets EE goals for investor-owned utilities (IOUs), municipal utilities, CCAs, and other electric service providers. The bill sets EE goals of 1.5% of total system consumption by 2020 and at least 2% by 2025. The bill also indicates the CPUC will set annual demand response requirements for each retail seller of electricity. Gas savings targets are set at .75% by 2020 and at least 1% by 2025. The bill mandates that the energy savings shall first come from disadvantaged communities. An annual energy savings report is also to be filed with the California Energy Commission. The California Energy Commission is also responsible for adopting a cost limitation for each retail seller to achieve these goals.

While MCE is supportive of this bill, in its current state the bill does not reflect current law regarding oversight of CCA procurement by its governing board. MCE is working with the bill sponsor to alleviate these concerns.

5) AB 793 (Quirk) – Home Energy Management Systems

About the Bill:

Low-income weatherization programs are already administered by the IOUs at the direction of the CPUC. This bill would require weatherization to include home energy management technology. However, this bill requires that these incentives are administered primarily by the IOU. MCE, as a local government agency, would be able to apply to PG&E for these incentives.

Allowing the use of home energy management systems for low-income customers would potentially increase the use of energy efficiency measures in low-income housing. Additionally, MCE's current proposed low-income energy efficiency pilot could benefit from the use of these funds.

The bill places particular emphasis on investor-owned utilities, possibly to the detriment of CCAs. MCE is currently evaluating the anti-competitive impacts of this bill.

II. Bills Affecting CCAs and CCA Customers

1) AB 1110 (Ting) – Calculating Greenhouse Gas Emissions for Annual Customer Disclosures

About the Bill:

AB 1110 (Ting) changes annual customer reporting requirements for load serving entities (LSEs), including CCAs. MCE is particularly concerned that the bill calculates emissions for customer disclosures differently than emissions are calculated by national and state accounting programs, such as the Environmental Protection Agency, and is inconsistent with California's Renewable Portfolio Standard. As currently written, Category 2 and Category 3 Renewable Energy Certificates (RECs) would not have any GHG emissions reduction impact to energy procurement, contrary to overarching national and state policy. MCE has succeeded in efforts to include clear implementation and compliance dates in the proposed legislation. Other CCAs, such as Sonoma Clean Power, continue to address Category 2 REC concerns and identify inconsistencies with current reporting requirements.

2) SB 286 (Hertzberg) – Raising the Cap on Direct Access Electricity Services

About the Bill:

This bill proposes lifting the cap on direct access service providers to 8 gigawatts above the current cap. The CPUC would be required to adopt and implement a reopening schedule by July 1, 2016.

This bill potentially has various impacts on CCAs. In terms of business revenue, an increase of the direct access market may have effects on CCA revenue for large customers within existing and potential CCA service territories.

However, if passed, eliminating the cap would also lead to a stronger competitive market to protect against cost-shifting and anti-competitive issues. Earlier concerns about the renewable content of the energy used have been addressed with a new amendment that 100% of new distributed generation resources must be from renewable energy resources.

MCE has taken no public stance on this bill. However, MCE has been monitoring this bill closely.

III. Bills Addressing Reform at the California Public Utilities Commission

About the Bills:

There are a variety of bills that address reforms to the California Public Utilities Commission. These include SB 48 (Hill), SB 660 (Leno), and AB 825 (Rendon). However, all three bills address some aspect of the rules regarding *ex parte* communications or Balgey-Keene communications between the Commissioners, given recent information concerning such communications.

MCE is monitoring all three of these bills and has not taken any action.