



MARIN COUNTY | NAPA COUNTY | UNINCORPORATED CONTRA COSTA COUNTY | UNINCORPORATED SOLANO COUNTY  
BENICIA | CONCORD | DANVILLE | EL CERRITO | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE  
PITTSBURG | RICHMOND | SAN PABLO | SAN RAMON | WALNUT CREEK

## Agenda Page 1 of 2

### Executive Committee Meeting Friday, November 6, 2020 12:15 P.M.

The Executive Committee Meeting will be conducted pursuant to the provisions of the Governor's [Executive Order](#) N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Executive Committee Members will be teleconferencing into the Executive Committee Meeting.

Members of the public who wish to observe the meeting may do so telephonically via the following teleconference call-in number and meeting ID:

Dial: 1-669-900-9128  
Webinar ID: 873 4755 8616  
Meeting Passcode: 840438

For Viewing Access Join Zoom Meeting:  
<https://us02web.zoom.us/j/87347558616?pwd=RTFyZDJJb29LZE02VkdueXJmc1J3Zz09>

#### OPEN SESSION

Roll Call/Quorum  
Public Open Time (Discussion)

#### CLOSED SESSION

Conference with Labor Negotiator  
Agency Designated Representative: Board Chair  
Unrepresented Employee: Chief Executive Officer

#### Resume OPEN SESSION

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)

## Agenda Page 2 of 2

4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
  - C.1 Approval of 10.2.20 Meeting Minutes
  - C.2 First Amendment of the First Agreement with EV Charging Pros
6. Receive Applicant Analysis and Consider Recommending Resolution 2020-03 for the Board of Directors to Approve the City of Fairfield as an MCE Member for a 2022 Enrollment (Discussion/Action)
7. CCA Joint Powers Authority (Discussion/Action)
8. Resolution No. 2020-04 Rescinding Resolution No. 2018-03 and Delegating Energy Procurement Authority (Discussion/Action)
9. Policy 016: Operating Reserve Fund (Discussion/Action)
10. Authority to Enter into Financial Security Instruments for Compliance (Discussion/Action)
11. Review Draft 11.19.20 Board Agenda (Discussion)
12. Committee Matters & Staff Matters (Discussion)
13. Adjourn

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (925) 378-6732 as soon as possible to ensure arrangements for accommodation.

**DRAFT**

**MCE EXECUTIVE COMMITTEE MEETING MINUTES**

**Friday, October 2, 2020**

**12:15 P.M.**

The Executive Committee Meeting was conducted pursuant to the provisions of the Governor's Executive Order N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Committee Members, staff and members of the public were able to participate in the Committee Meeting via teleconference.

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**Present:** Denise Athas, City of Novato  
Tom Butt, City of Richmond  
Ford Greene, Town of San Anselmo  
Kevin Haroff, City of Larkspur  
Bob McCaskill, City of Belvedere  
Elizabeth Patterson, City of Benicia  
Shanelle Scales-Preston, City of Pittsburg  
Kate Sears, County of Marin  
Renata Sos, Town of Moraga

**Absent:** Edi Birsan, City of Concord  
Lisa Blackwell, Town of Danville  
Barbara Coler, Town of Fairfax

**Staff  
& Others:** Jesica Brooks, Assistant Board Clerk  
Stephanie Chen, Senior Policy Counsel  
Alice Havenar-Daughton, Director of Customer Programs  
Darlene Jackson, Board Clerk  
Vicken Kasarjian, Chief Operating Officer  
Evelyn Reyes, Administrative Services Assistant  
Sol Phua, Administrative Services Assistant  
Dawn Weisz, Chief Executive Officer

**1. Roll Call**

Chair Butt, called the regular Executive Committee meeting to order at 12:16 p.m. with quorum established by roll call.

**2. Board Announcements (Discussion)**

Director Sears welcomed City of Pittsburg representative, Shanelle Scales-Preston as a new member to the Executive Committee.

**3. Public Open Time (Discussion)**

There were no speakers.

**4. Report from Chief Executive Officer (Discussion)**

**DRAFT**

CEO, Dawn Weisz, reported the following:

- The City of Vallejo will agendaize assignment of an MCE Board representative at their October 13, 2020 City Council meeting.
- New communities: conducting economic analysis for Fairfield to join and that item will be brought to the November Board.
- MCE continues offering free charging at our San Rafael parking lot.
- MCE's 2021 Operational Integrated Resource Plan was approved at the October Technical Committee.

**5. Consent Calendar (Discussion/Action)**

C.1 Approval of 4.3.20 Meeting Minutes

Chair Butt opened the public comment period and there were no comments.

Action: It was M/S/C (Greene/Sears) **to approve Consent Calendar**. Motion carried by unanimous roll call vote. (Absent: Directors, Birsan, Blackwell and Coler).

**6. Legislative Update (Discussion)**

Stephanie Chen, Senior Policy Counsel, presented this item and addressed questions from Committee members.

Chair Butt opened the public comment period and there were no comments.

Action: No action was required.

**7. MCEv Program Update (Discussion)**

Alice Havenar-Daughton, Director of Customer Programs, presented this item and addressed questions from Committee members.

Chair Butt opened the public comment period and there were no comments.

Action: No action was required.

**8. Super JPA Draft Agreement and Status Update (Discussion)**

Dawn Weisz, Chief Executive Officer and Vicken Kasarjian, Chief Operating Officer, presented this item and addressed questions from Committee members.

Chair Butt opened the public comment period and there were no comments.

**DRAFT**

Action: No action was required.
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9. Committee & Staff Matters (Discussion)

10. Adjournment

Chair Butt adjourned the meeting at 1:38 p.m. to the next scheduled Executive Committee Meeting on November 6, 2020.

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Tom Butt, Chair

Attest:

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Dawn Weisz, Secretary



November 6, 2020

TO: MCE Executive Committee

FROM: Brett Wiley, Customer Programs Manager

RE: First Amendment of the First Agreement with EV Charging Pros (Agenda Item #05 C.2)

ATTACHMENT: A. Proposed First Amendment of the First Agreement with EV Charging Pros  
B. First Agreement by and Between Marin Clean Energy and EV Charging Pros

Dear Executive Committee Members:

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**SUMMARY:**

The proposed First Amendment to the First Agreement with EV Charging Pros would provide MCE with ongoing technical assistance to support our customers in assessing their site, electrical system, and vendor proposals to more efficiently and effectively complete their electric vehicle (EV) charging projects.

**Background:**

Since 2018, MCE's *MCEv Charging Program* has provided rebates and customer support for the installation and hardware of EV charging at workplaces and multi-family properties. During the FY 2018/19 program, the main reason properties did not move forward with a project despite their interest and qualifications was the lack of in-house expertise to manage these projects. In launching our FY 2019/20 program, we added EV Charging Pros as the technical assistance provider because of their vast experience in this field. EV Charging Pros, a Marin County business, has provided independent consultation and technical assistance on hundreds of EV charging projects throughout the Bay Area since 2011. Their experience with commercial property owners, workplaces, multi-family property owners, and Home Owners Associations is aligned with the customers in our EV charging program.

Throughout the past year, EV Charging Pros has demonstrated their value to MCE and our customers, especially multi-family properties, public agencies, and smaller non-profits & businesses that don't have in-house experts.

The proposed First Amendment would continue EV Charging Pros service, including:

- Visiting and assessing the site to educate the customer and improve the location of EV chargers;
- Completing a load study to assess the capacity of the customer's current electric system to handle EV technology and what upgrades may be needed to move forward with their ideal project;
- Supporting the customer's review of EV charging vendors proposals so they can make a more informed decision; and
- Availability to answer technical questions that could otherwise slow or stop a project. Examples include recommending charger user fees and complying with the American Disability Act requirements.

The proposed Amendment is the result of proven value from EV Charging Pros during the past 10 months, the need for continued support with many customer projects delayed due to COVID impacts, and the demand from new program participants for the same technical assistance.

Under the proposed Amendment services would continue by EV Charging Pros until November 31, 2021. The maximum cost to MCE would be not to exceed \$290,000, \$145,000 of which has been budgeted for in the FY 2019/20 Budget and \$145,000 would be budgeted in the FY 2020/21 Electric Vehicle Charging Program budget.

**Fiscal Impact:** Half of the proposed budget of \$290,000 is budgeted for in MCE's FY 2019/20 Operating Budget and the remaining \$145,000 would be budgeted for in the FY 2020/21 Operating Budget. These funds derive from the Local Renewable Energy & Program Development Fund, which is generated from a portion of Deep Green customer revenue.

**Recommendation:** Approve the First Amendment to the First Agreement with EV Charging Pros.

## FIRST AMENDMENT TO FIRST AGREEMENT BY AND BETWEEN MARIN CLEAN ENERGY AND EV CHARGING PROS

This FIRST AMENDMENT is made and entered into on November 6, 2020, by and between MARIN CLEAN ENERGY, (hereinafter referred to as "MCE") and EV Charging Pros, (hereinafter referred to as "Contractor").

### RECITALS

WHEREAS, MCE and Contractor entered into an agreement on December 6, 2019, to provide technical support for MCE's multifamily and workplace electric vehicle ("EV") charging program ("Agreement"); and

WHEREAS, Section 4 and Exhibit B to the Agreement provided for Contractor to be compensated in an amount not to exceed \$145,000 for the technical support for MCE's multifamily and workplace EV charging program described within the scope therein; and

WHEREAS, the parties desire to amend the Agreement to increase the contract amount by \$145,000 for total consideration not to exceed \$290,000; and

WHEREAS, Section 5 of the Agreement stated the Agreement shall terminate on November 30, 2020; and

WHEREAS, the parties desire to amend the Agreement to extend the time of the Agreement; and

WHEREAS, Exhibit A to the Agreement specified the tasks Contractor will complete for the technical support for MCE's multifamily and workplace EV charging program as described in the scope therein; and

WHEREAS, some tasks in Exhibit A have not yet been completed by Contractor due to coronavirus-related delays; and

WHEREAS, the parties desire to amend the Agreement to add tasks to the scope of work of the Agreement.

NOW, THEREFORE, the parties agree to modify Sections 4 and 5 and Exhibits A and 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 **\$290,000**.

2. Section 5 is hereby amended to read as follows:

**TIME OF AGREEMENT:**

This Agreement shall commence on **December 6, 2019**, and shall terminate on **November 30, 2021**. 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.

3. Exhibit A is hereby removed and replaced in its entirety to read as follows:

Contractor will provide the following services as directed by MCE.

**Tasks for Services Provided December 2019 - November 2020:**



Contractor will provide technical support for MCE's multifamily electric vehicle ("EV") charging program. Contractor will work directly with property owners and/or authorized representatives ("Property Owners") to assist up to 40 individual multifamily properties as they plan how to deploy EV charging infrastructure.

Contractor will complete the following tasks at up to 40 properties ("Planning Project") with an expected 6 weeks, not including holidays or planned vacations, to complete Task 1-4 for each Planning Project:

Task 1 – Perform an Initial Site Visit

Contractor will perform an initial site visit at each property.

1. Contractor will review the physical property, including:
  - a. Electrical considerations
  - b. Parking layout
  - c. Potential ADA issues
2. Contractor will take site photos and request site maps and electrical bills for rate analysis
3. Contractor will provide Property Owners with educational resources approved by MCE, including:
  - a. Documents
  - b. Workshops
4. Contractor will provide Property Owners with a list of items to be gathered and shared with MCE
5. For each initial site visit, Contractor will provide MCE with a site assessment template intended to act as a guide for Contractor's on-site assessment and data collection
6. Contractor will provide site visit documentation to MCE and third-party electricians. Site visit documentation is intended to provide data, perspectives, and photos from the site visit. Site visit documentation will not include any infrastructure recommendations

Task 2 – Perform a Load Study

Contractor will work with third-party electricians to perform load studies and provide EV Ready Upgrade Estimates. Contractor will perform the following tasks for each Load Study:

1. Contractor will provide a Load Study Template to standardize load study results and EV Ready estimates
2. Contractor will manage Load Studies completed by third-party electricians. Load Studies will include:
  - a. Application and removal of a load logging device
  - b. Analysis of data collected by load logging device
  - c. Load logging devices will be left in place at each property for one week
3. Contractor will provide a report including documentation for both Load Studies and EV Ready Estimates

Contractor will make commercially reasonable efforts to perform 3-5 Load Studies per month dependent on third-party electrician availability.

Task 3 – Create an EV Charging Planning Report

1. Contractor will complete a final report that considers the site requirements, the load study and comparison of up to 3 EVSE and network vendors meeting MCE criteria
  - a. Contractor will create and provide a table/spreadsheet to assist Property Owner in comparing products and services of available EV charging and network vendor.
  - b. Contractor will not make formal recommendations to Property Owners regarding their selection of a EV charging and network vendor
2. EV Charging Planning Report will include budgets with MCE and other rebates included and consideration for costs that might be charged to drivers along with ongoing operating costs (i.e. electricity rates and usage, vendor fees, maintenance)

Task 4 – Perform a Final Site Visit or Call

Contractor will host a meeting or call with Property Owner to present and review the EV Charging Planning Report.

Task 5 – Ongoing Support and Project Review

1. Contractor will be available to answer questions, review bids and explore issues by phone with Property Owner

2. Contractor will work with MCE to review the EV Program and their performance after the completion of 5, 20, and 40 EV Charging Planning Reports

**Tasks for Services Provided November 2020 - November 2021:**

Contractor will provide technical support for MCE's multifamily EV charging program. Contractor will work directly with property owners and/or authorized representatives ("Property Owner") to assist MCE customers with their individual properties in order to deploy EV charging infrastructure.

Contractor will complete the following tasks at MCE customer properties ("Planning Project") within the expected period of time, not including holidays or planned vacations, for each Planning Project:

**Task 1** – Perform Initial Site Visit

Expected to take 10 business days or fewer after initial introduction, Contractor will perform an initial site visit at each MCE customer property.

1. Contractor will review the physical property to consider if EV charging is practical, including:
  - a. Electrical layout;
  - b. Parking layout;
  - c. Potential ADA issues.
2. Contractor will take site photos and request site maps and electrical bills for rate analysis
3. Contractor will provide Property Owners with educational resources approved by MCE, including:
  - a. Documents
  - b. Workshops
4. Contractor will provide Property Owners with a list of items to be gathered and shared with MCE
5. For each initial site visit, Contractor will provide MCE with a site assessment template intended to act as a guide for Contractor's on-site assessment and data collection
6. Contractor will provide site visit documentation to MCE and third-party electricians. Site visit documentation is intended to provide data, perspectives, and photos from the site visit. Site visit documentation will not include any infrastructure recommendations

**Task 2** – Perform a Load Study

Expected to take 20 business days or fewer after completion of Task 1, Contractor will work with third-party electricians to perform load studies and provide EV Ready Upgrade Estimates.

Contractor will perform the following tasks for each Load Study:

1. Contractor will provide a Load Study Template in order to standardize load study results and EV Ready estimates
2. Contractor will manage Load Studies completed by third-party electricians. Load Studies will include:
  - a. Application and removal of a load logging device
  - b. Analysis of data collected by load logging device
  - c. Load logging devices will be left in place at each property for one week
3. Contractor will provide a report including documentation for both Load Studies and EV Ready Estimates

Contractor will make commercially reasonable efforts to perform 3-5 Load Studies (Task 2) per month dependent upon third-party electrician availability. Task 2 is not necessary if 1) the customer has already completed a load study, or 2) if the initial site assessment determines that the site is not suited for EV charging. If Task 2 is deemed unnecessary for either reason, Contractor will move from Task 1 directly to Task 3.

**Task 3** – Create an EV Charging Planning Report

Expected to take 5 business days after completion of Task 1 (if Task 2 is not needed for a Planning Project) or Task 2.

1. Contractor will complete a final EV Charging Planning Report that considers the site requirements, the load study and comparison of up to 3 electric vehicle supply equipment ("EVSE") and network vendors meeting MCE criteria
  - a. Contractor will create and provide a table/spreadsheet to assist Property Owner in comparing products and services provided by available EVSE and network vendors

- b. Contractor will provide the same information for each EVSE and network vendor so that Property Owner can make an unbiased selection
  - c. Contractor will not make formal recommendations to Property Owners regarding their selection of a EVSE or network vendor
2. EV Charging Planning Report will include budgets with MCE and other rebates included and consideration for costs that might be charged to drivers along with ongoing operating costs (i.e. electricity rates and usage, vendor fees, maintenance)
3. Contractor uploads the EV Charging Planning Report to a shared Box folder provided by MCE

**Task 4** – Perform a Final Site Visit or Call - expected to take 5 business days after completion of Task 3

1. Contractor will host a meeting or call with Property Owner to present and review the EV Charging Planning Report

**Task 5** – Ongoing Support and Project Review

1. Contractor will be available to answer questions, review bids and explore issues by phone with Property Owner.
2. Contractor will work with MCE to review the EV Program and Contractor's performance after the completion of 5, 20, and 40 EV Charging Planning Reports.

MCE customer will provide a Planning Project Verification Form to MCE once the chargers are activated signaling Planning Project completion.

4. Exhibit B is hereby removed and replaced in its entirety to read as follows:

**Fees and Payment Schedule for Services Provided December 2019 - November 2020:**

Contractor will bill upon start and completion of each Planning Project according to the rate schedule below:

Start of Planning Project	\$1,812.50
Upon completion of Final Site Visit or Call	\$1,812.50
Total (per Planning Project)	\$3,625

**Fees and Payment Schedule for Services Provided November 2020 – November 2021**

Contractor will bill upon completion of the following Tasks depending on the need of each Planning Project according to the rate schedule below:

Upon completion of Task 1 - \$1,200 per Planning Project  
 Upon completion of Task 2 (if needed) - \$750 per Planning Project  
 Upon completion of Task 3 - \$600 per Planning Project  
 Upon customer submission and MCE's approval of Planning Project Verification Form - \$750 per Planning Project

In no event will the total cost of services included under this Agreement exceed the maximum sum of **\$290,000.**

5. 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 Amendment on the day first written above.

MARIN CLEAN ENERGY:

CONTRACTOR:

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MARIN CLEAN ENERGY  
STANDARD SHORT FORM CONTRACT**

**FIRST AGREEMENT  
BY AND BETWEEN  
MARIN CLEAN ENERGY AND EV CHARGING PROS**

**THIS FIRST AGREEMENT** ("Agreement") is made and entered into this day **December 6, 2019** by and between MARIN CLEAN ENERGY, hereinafter referred to as "MCE" and EV CHARGING PROS, hereinafter referred to as "Contractor."

**RECITALS:**

**WHEREAS**, MCE desires to retain a person or firm to provide the following services: technical support for multifamily and workplace electric vehicle 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 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 email invoices to 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. MCE will process payment for undisputed invoiced amounts within 30 days.

**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 **\$145,000**.

**5. TIME OF AGREEMENT:**

This Agreement shall commence on **December 6, 2019**, and shall terminate on **November 30, 2020**. 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 (REQUIRED IF CHECKED ☐)**

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. Nothing contained in this Agreement or otherwise stated between the parties shall create any legal or contractual relationship between MCE and any subcontractor, and no subcontract shall relieve Contractor of any of its duties or obligations under this Agreement. Contractor shall be solely responsible for ensuring its subcontractors' compliance with the terms and conditions of this Agreement. Contractor's obligation to pay its subcontractors is an independent obligation from MCE's obligation to make payments to Contractor. As a result, MCE shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

**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. Contractor shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by MCE based on undisputed audit findings.

**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 business 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 30 calendar days' written notice to the other party. Notice of termination shall be by written notice to the other parties and be sent by registered mail or by email to the email address listed in Section 19 Invoices; Notices.
- 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).
- E. MCE may terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.

**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 applicable 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 Marin County Board of Supervisors prohibiting the off-shoring of professional services involving employee/retiree medical and financial data) affecting services covered by this Agreement.

**19. INVOICES; NOTICES**

~~This Agreement shall be managed and administered on MCE's behalf by the Contract Manager named below. All invoices shall be submitted by email to:~~

Email Address: invoices@mcecleanenergy.org

All other notices shall be given to MCE at the following location:

Contract Manager: Troy Nordquist

MCE Address: 1125 Tamalpais Avenue

San Rafael, CA 94901

Email Address: contracts@mcecleanenergy.org

Telephone No.: (415) 464-6027

Notices shall be given to Contractor at the following address:

Contractor: John Kalb

Address: 2052 Shady Lane

Novato, CA 94945

Email Address: Johnk@evchargingpros.com

Telephone No.: (415) 717-5241

**20. ACKNOWLEDGEMENT OF EXHIBITS**

In the event of a conflict between the Terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement will govern.

	<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	<div>DS JK</div>
<u>EXHIBIT B.</u>	<input checked="" type="checkbox"/>	Fees and Payment	<div>DS JK</div>
<u>EXHIBIT C.</u>	<input checked="" type="checkbox"/>	Insurance Reduction/Waiver	<div>DS JK</div>

**21. SEVERABILITY**

Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provision, will continue in full force and effect and will in no way be impaired or invalidated.

**22. COMPLETE AGREEMENT**


This Agreement along with any attached Exhibits constitutes the entire Agreement between the parties. No modification or amendment shall be valid unless made in writing and signed by each party. Failure of either party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.


**23. COUNTERPARTS**

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

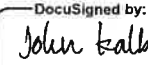
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

**APPROVED BY**  
**Marin Clean Energy:**

By:   
Title: CEO  
Date: 12-6-19

By:   
Chairperson  
Date: 12-6-2019

**CONTRACTOR:**

DocuSigned by:  
By:   
F3EAFAB16143419...  
Name: John Kalb  
Date: 12/9/2019

**MODIFICATIONS TO STANDARD SHORT FORM**

☐ Standard Short Form Content Has Been Modified

List sections affected: \_\_\_\_\_  
\_\_\_\_\_

Approved by MCE Counsel: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT A**  
**SCOPE OF SERVICES (required)**

Contractor will provide the following services as directed by MCE.

Contractor will provide technical support for MCE's multifamily and workplace electric vehicle ("EV") charging program. Contractor will work directly with property owners and/or authorized representatives ("Property Owners") to assist up to 40 individual multifamily and workplace properties as they plan how to deploy EV charging infrastructure.

Contractor will complete the following tasks at up to 40 properties ("Planning Project") with an expected 6 weeks, not including holidays or planned vacations, to complete Task 1-4 for each Planning Project:

**Task 1 – Perform an Initial Site Visit**

Contractor will perform an initial site visit at each property.

1. Contractor will review the physical property, including:
  - a. Electrical considerations
  - b. Parking layout
  - c. Potential ADA issues
2. Contractor will take site photos and request site maps and electrical bills for rate analysis
3. Contractor will provide Property Owners with educational resources approved by MCE, including:
  - a. Documents
  - b. Workshops
4. Contractor will provide Property Owners with a list of items to be gathered and shared with MCE
5. For each initial site visit, Contractor will provide MCE with a site assessment template intended to act as a guide for Contractor's on-site assessment and data collection
6. Contractor will provide site visit documentation to MCE and third-party electricians. Site visit documentation is intended to provide data, perspectives, and photos from the site visit. Site visit documentation will not include any infrastructure recommendations

**Task 2 – Perform a Load Study**

Contractor will work with third-party electricians to perform load studies and provide EV Ready Upgrade Estimates. Contractor will perform the following tasks for each Load Study:

1. Contractor will provide a Load Study Template to standardize load study results and EV Ready estimates
2. Contractor will manage Load Studies completed by third-party electricians. Load Studies will include:
  - a. Application and removal of a load logging device
  - b. Analysis of data collected by load logging device
  - c. Load logging devices will be left in place at each property for one week
3. Contractor will provide a report including documentation for both Load Studies and EV Ready Estimates

Contractor will make commercially reasonable efforts to perform 3-5 Load Studies per month dependent on third-party electrician availability.

**Task 3 – Create an EV Charging Planning Report**

1. Contractor will complete a final report that considers the site requirements, the load study and comparison of up to 3 EVSE and network vendors meeting MCE criteria
  - a. Contractor will create and provide a table/spreadsheet to assist Property Owner in comparing products and services of available EV charging and network vendor.
  - b. Contractor will not make formal recommendations to Property Owners regarding their selection of a EV charging and network vendor
2. EV Charging Planning Report will include budgets with MCE and other rebates included and consideration for costs that might be charged to drivers along with ongoing operating costs (i.e. electricity rates and usage, vendor fees, maintenance)

**Task 4 – Perform a Final Site Visit or Call**

Contractor will host a meeting or call with Property Owner to present and review the EV Charging Planning Report.

**Task 5 – Ongoing Support and Project Review**

1. Contractor will be available to answer questions, review bids and explore issues by phone with Property Owner
2. Contractor will work with MCE to review the EV Program and their performance after the completion of 5, 20, and 40 EV Charging Planning Reports

**EXHIBIT B**  
**FEES AND PAYMENT SCHEDULE**

Contractor will bill upon start and completion of each Planning Project according to the rate schedule below:

Start of Planning Project	\$1,812.50
Upon completion of Final Site Visit or Call	\$1,812.50
Total (per Planning Project)	\$3,625

In no event will the total cost of services included under this Agreement exceed the maximum sum of **\$145,000**.

**EXHIBIT C**  
**INSURANCE REDUCTION/WAIVER (if applicable)**

CONTRACTOR: EV Charging Pros

CONTRACT TITLE: 1st Agreement by and between Marin Clean Energy and EV Charging Pros

This statement shall accompany all requests for a reduction/waiver of insurance requirements. Please check the box if a waiver is requested or fill in the reduced coverage(s) where indicated below:

	Check Where Applicable	Requested Limit Amount	MCE Use Only
General Liability Insurance	<input type="checkbox"/>	\$	
Automobile Liability Insurance	<input type="checkbox"/>	\$	
Workers' Compensation Insurance* *Sole Proprietors must provide representation of their exempt status below	<input checked="" type="checkbox"/>		
Professional Liability Deductible	<input type="checkbox"/>	\$	

Please set forth the reasons for the requested reductions or waiver.

Workers' Compensation Insurance requirement waived because Contractor is a sole proprietor, as evidenced by the statement below

**WORKERS' COMPENSATION STATEMENT OF EXEMPTION**

By signing below, I notify MCE that I am a

☒ sole proprietor

☐ partnership

☐ nonprofit organization

☐ closely held corporation

and do not have any employees whose employment requires me to carry workers' compensation insurance. Therefore, I do not carry worker's compensation insurance coverage.

DocuSigned by:

John Kalb

Contractor Signature

F3EAFAB161434119

Printed Name of Contractor

John Kalb

Date

12/9/2019

DocuSigned by:

Troy Nordquist

Contract Manager Signature:

0E71C9DCA70C483...

Date:

12/9/2019

Telephone:

(415) 464-6027

DocuSigned by:

Catalina Murphy

Approved by:

0C03PD724F73482...

Date:

12/10/2019



November 6, 2020

TO: MCE Executive Committee

FROM: Leanne Hoadley, Manager of Community and Customer Engagement  
Pacific Energy Advisors (PEA)

RE: Receive Applicant Analysis and Consider Recommending Resolution  
2020-03 for the Board of Directors to Approve the City of Fairfield as  
an MCE Member for a 2022 Enrollment (Agenda Item # 06)

ATTACHMENTS:

- A. MCE Applicant Analysis for 2022
- B. Policy 007 – New Customer Communities
- C. MCE Membership Application Checklist

Dear Executive Committee Members:

**SUMMARY:**

On January 15, 2019, MCE opened an “inclusion period” for interested jurisdictions in both Solano County and Contra Costa County to complete the steps required to join MCE as a member. The inclusion period was established to create efficiencies in workflow, achieve economies of scale, and streamline procurement procedures. The City of Fairfield, located in Solano County, has completed all requirements to submit a membership request to MCE

The City of Fairfield received presentations from MCE before their city council and voted to request membership with MCE. A timeline of those events is below. Fairfield’s population is 117,000 individuals representing 42,353 electricity accounts. Fairfield would be the fourth jurisdiction in Solano County to join MCE after the enrollment of the City of Benicia in 2014, unincorporated Solano County in April, 2020 and the pending April 2021 enrollment of Vallejo.

**The City of Fairfield’s Enrollment Process into MCE**

- **April 2, 2019:** The Fairfield City Council invited MCE to present to City Council.
- **October 15, 2019:** The Fairfield City Council invited MCE back to present to City Council.
- **December 3, 2019:** The Fairfield City Council conducted the first reading of the ordinance authorizing the Implementation of a Community Choice Aggregation Program in the City of Fairfield and approving the MCE Joint Powers Agreement.

- **December 17, 2019:** The Fairfield City Council conducted the second reading of the ordinance authorizing the Implementation of a Community Choice Aggregation Program in the City of Fairfield, approving the MCE Joint Powers Agreement.

The request by new jurisdictions to join MCE requires MCE Board approval subject to positive results from the quantitative applicant analysis. The quantitative analysis for Fairfield has been completed for the purpose of determining environmental benefits such as incremental increases in renewable energy deliveries, expected reductions in greenhouse gas emissions, as well as the potential financial impacts related to the addition of customers located within the City of Fairfield.

In general, the quantitative analysis indicates a projected positive financial impact on existing MCE customers following the addition of prospective customers located within the applicant jurisdiction. It is estimated that the City of Fairfield's additional customer base would yield average annual net revenues approximating \$5.2 million over the two fiscal years following prospective enrollment of eligible electric accounts within the City of Fairfield.<sup>1</sup> These projected incremental revenues could be used to supplement MCE reserves, expand funding for clean energy or other locally-focused energy programs, or help maintain the general competitiveness of MCE rates. The analysis also indicates that service to prospective customers within the City of Fairfield would increase the amount of renewable energy being used in California by approximately 86,000 MWh per year while reducing GHG emissions by approximately 100 metric tons of carbon dioxide equivalent per year.

On February 8, 2017, the California Public Utilities Commission (CPUC) passed Resolution E-4907, which delays the timeline by which a new member jurisdiction may begin service with a community choice aggregator. As a result, the City of Fairfield will not be permitted to begin service until 2022. Resolution E-4907 requires the submission of an Addendum to MCE's Implementation Plan and Statement of Intent by the end of calendar year 2020.

**Fiscal Impact:**

General budgetary impacts of the recommended actions will be positive, as increases in revenues will more than compensate for increased expenses after enrollment occurs. Specific budgetary impacts will be reflected in FY 2021/22.

**Recommendation:**

Recommend that the MCE Board of Directors approve the City of Fairfield as a member of MCE, and take all necessary actions to finalize membership for service in 2022.

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<sup>1</sup> Note that any rate/financial impacts are based on wholesale electricity pricing at the time of analysis. Such pricing is subject to change and actual rate/financial impacts will be based on wholesale electricity pricing offered to MCE at the time of power supply contract execution.



## MCE Applicant Analysis for 2022

October 2020

### SUMMARY

MCE's policy regarding new membership requires the completion of a quantitative analysis as part of the preliminary evaluative process. The primary focus of the quantitative analysis is to determine the anticipated fiscal impacts that would affect MCE's existing customer base following the addition of each prospective new community. The quantitative analysis must demonstrate that the addition of each prospective new community is projected to result in a neutral or positive fiscal impact for MCE and the existing customer base; this is a threshold requirement that must be met before proceeding with further membership activities. In addition, the quantitative analysis addresses the projected environmental impacts that would result from offering MCE service to each prospective new community. More specifically, the analysis prospectively determines whether or not each new community will accelerate greenhouse gas (GHG) reductions (beyond those reductions already achieved by MCE's existing membership) while increasing the amount of renewable energy being used within California's energy market.

MCE has received a membership request from the City of Fairfield ("City"), which has completed the requisite initial steps to be considered for MCE membership. Membership would entail expansion of MCE service to customers within the City. The results of the quantitative analysis are summarized in this report.

In general, the quantitative analysis indicates a **projected positive financial impact** on existing MCE customers following the addition of prospective customers located within the applicant jurisdiction. **It is estimated that the City's additional customer base would yield average annual net revenues approximating \$5.2 million (over the two fiscal years following prospective enrollment of eligible electric accounts within the City).** These projected incremental revenues could be used to supplement MCE reserves, expand funding for clean energy or other locally-focused energy programs, or help maintain the general competitiveness of MCE rates (relative to the incumbent utility and/or other available service alternatives). The analysis also indicates that service to prospective customers within the City would increase the amount of renewable energy being used in California by approximately 86,000 MWh per year while reducing GHG emissions by approximately 100 metric tons of carbon dioxide equivalent per year.

## BACKGROUND

Since its inception in 2010, MCE has successfully administered several expansions with the most recent occurring in April 2020; another expansion is planned in April 2021. After commencing service to approximately 8,000 customers in May 2010, MCE has grown considerably and currently serves more than 480,000 electric accounts within numerous communities across four counties. Past expansions have been beneficial in reducing MCE's average costs, maintaining rate competitiveness and furthering achievement of MCE's stated environmental goals. MCE's expansion phases are summarized in Table 1.

*Table 1: MCE Expansion History*

<b>MCE Phase No.</b>	<b>Status &amp; Description of Phase</b>	<b>Implementation Date</b>
<b>Phase 1: 8,000 Accounts</b>	<b>Complete:</b> MCE Member (municipal) accounts & a subset of residential, commercial and/or industrial accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies.	May 7, 2010
<b>Phase 2A: 5,700 Accounts</b>	<b>Complete:</b> Additional commercial and residential accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies (incremental addition to Phase 1).	August 2011
<b>Phase 2B: 74,000 Accounts</b>	<b>Complete:</b> Remaining accounts within Marin County.	July 2012
<b>Phase 3: 33,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.	July 2013
<b>Phase 4A: 18,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.	February 2015
<b>Phase 4B: 34,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the City of San Pablo, the City of Benicia and the City of El Cerrito, subject to economic and operational constraints.	May 2015
<b>Phase 5: 84,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the Cities of American Canyon, Calistoga, Lafayette, Napa, Saint Helena, Walnut Creek and the Town of Yountville.	September 2016
<b>Phase 6: 218,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within Contra Costa County (unincorporated areas); the cities of Concord, Martinez, Oakley, Pinole, Pittsburg and San Ramon; and the towns of Danville and Moraga.	April 2018
<b>Phase 7: 11,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Solano County	April 2020

MCE Phase No.	Status & Description of Phase	Implementation Date
<b>Phase 8: 58,000 Accounts</b>	<b>Planned:</b> Residential, commercial, agricultural, and street lighting accounts within the Cities of Pleasant Hill and Vallejo	April 2021
<b>Phase 9: ≈42,000 Accounts</b>	<b><i>Under Evaluation:</i></b> Residential, commercial, agricultural, and street lighting accounts within the City of Fairfield	April 2022



In evaluating requests for membership, MCE applies the qualitative and quantitative criteria listed below. The primary foci of this analysis are criteria A, B, and C.

**Membership Criteria:**

- A. Including new communities is projected to result in a neutral or positive fiscal impact for MCE and the existing customer base.
- B. Including new communities will enhance strength of local programs, including an increase in distributed generation, and will accelerate greenhouse gas reductions on a larger scale.
- C. Including new communities will increase the amount of renewable energy being used in California's energy market.
- D. There will be an increase in opportunities to launch and operate MCE energy efficiency programs to reduce energy consumption and reliance on fossil fuels.
- E. New opportunities are available to deploy local solar and other distributed renewable generation through the MCE Net Energy Metering Tariff and Feed in Tariff.
- F. Greater demand for jobs and economic activity is likely to result from service in new communities.
- G. Inclusion of new communities is likely to create a stronger voice for MCE at the State and regulatory level.

**ANALYSIS**

MCE conducted an analysis of the City's prospective electric accounts to estimate the revenues and costs associated with extending MCE service to the applicant jurisdiction. The analysis incorporated historical monthly electric usage data provided by PG&E for all current electric accounts located within the City of Fairfield.

Table 2 summarizes the account and electric usage data for major customer classifications. Available data indicates the potential to serve 42,353 new MCE customer accounts, which are expected to use approximately 453,000 MWh of electric energy per year. The aggregate peak demand of these prospective accounts is estimated at 80 MW.<sup>1</sup>

**Table 2: 2019 Applicant Electric Data**

<b>Classification</b>	<b>Accounts</b>	<b>Annual Energy (MWh)</b>	<b>Monthly Per Account (kWh)</b>
Residential	38,526	228,375	494
Small Commercial	3,148	58,310	1,544
Medium Commercial	379	75,235	16,542
Street Lighting	272	3,554	1,089
Other Non-Residential	28	87,122	259,292
<b>Total</b>	<b>42,353</b>	<b>452,596</b>	<b>891</b>
<b>*Peak Demand (MW)</b>			<b>80</b>

\*Estimate based on PG&E customer usage profiles

<sup>1</sup> These figures reflect bundled electricity customers of PG&E and exclude customers taking service from non-utility energy providers (namely, direct access service providers) as well as certain accounts on generation service contracts that are not expected to transition to MCE service. These figures are unadjusted for expected customer attrition (customer elections to "opt-out").

As compared to the current MCE customer base, summarized in Table 3 below, the City includes a very similar mix of customer accounts as well as aggregate per-capita electricity consumption. Other non-residential customer data has been aggregated to comply with the California Public Utilities Commission's 15/15 customer confidentiality rule.

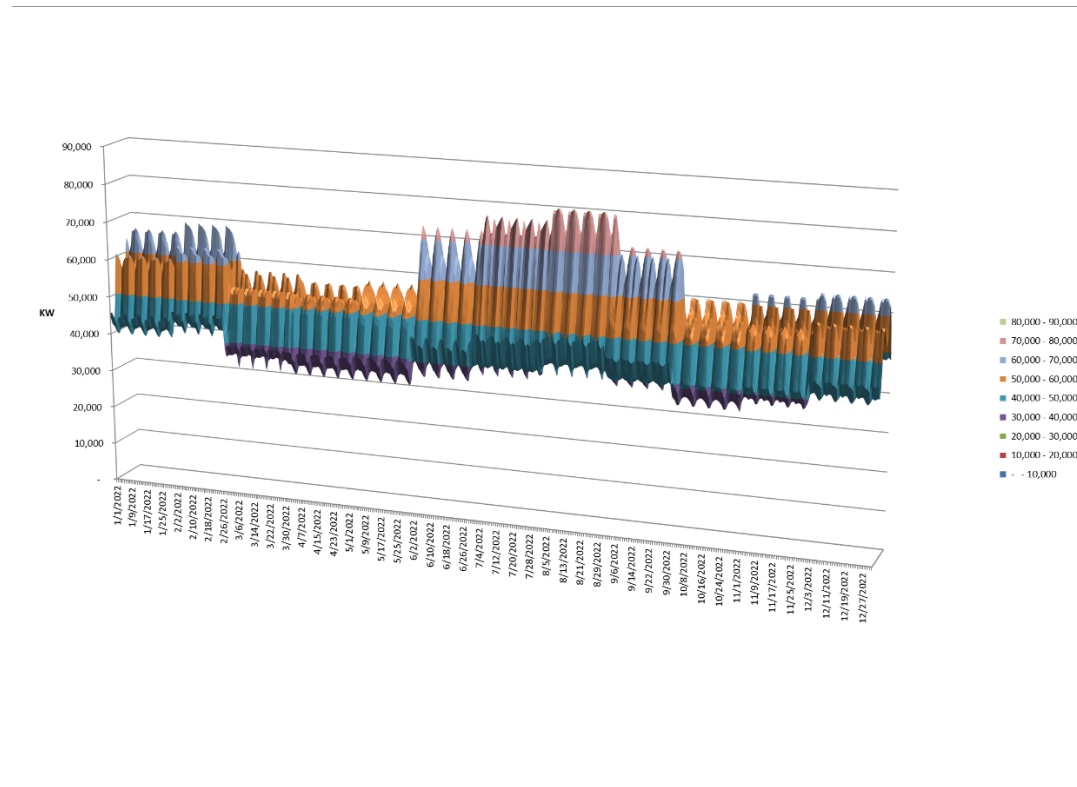
**Table 3: Estimated Annual MCE Electricity Data\***

Classification	Accounts	Annual Energy (MWh)	Monthly Per Account (KWh)
<b>Residential</b>	487,968	2,708,237	463
<b>Small Commercial</b>	45,090	760,363	1,405
<b>Medium Commercial</b>	3,752	701,769	15,585
<b>Large Commercial</b>	1,990	765,890	32,078
<b>Industrial</b>	49	500,087	858,202
<b>Agricultural and Pumping</b>	3,308	76,087	1,917
<b>Street Lighting</b>	4,492	35,349	656
<b>Total</b>	546,649	5,547,782	846
<b>Peak Demand (MW)</b>			1,126

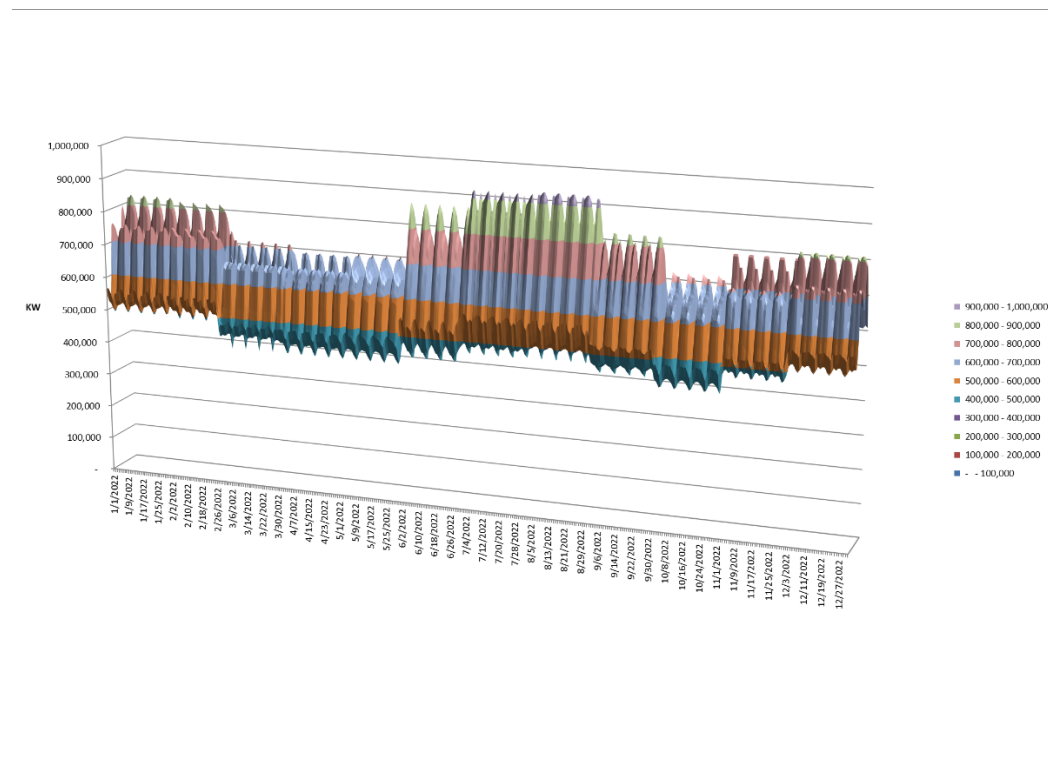
\*Forecasted values based on all enrollment phases, including those previously completed and currently planned (with a supporting CPUC-certified implementation plan).

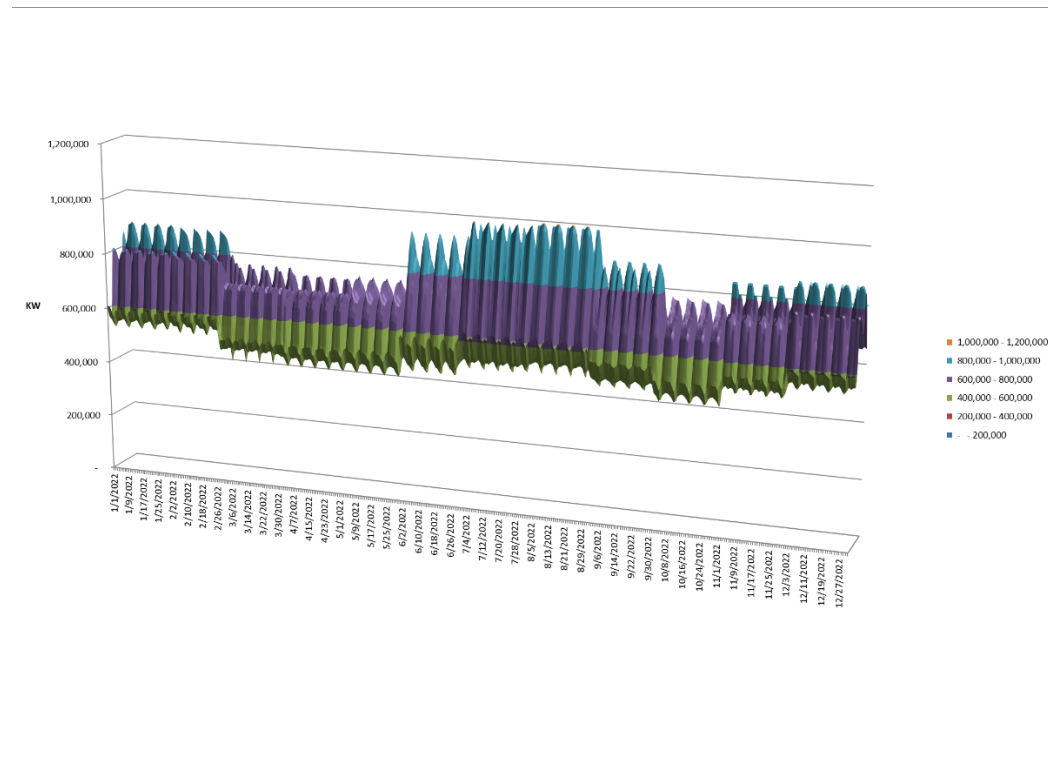
Electricity usage within the City exhibits very similar seasonal consumption patterns relative to the current MCE customer base. These similarities can be observed when comparing Figure 1 and Figure 2 below. Figure 3 depicts the expected impacts to MCE's projected hourly load profile resulting from the addition of electric accounts within the City – the general shape of the composite profile does not meaningfully change due to similarities in historical usage patterns within the City and MCE's existing customer base.

**Figure 1: City of Fairfield Projected 12-Month Hourly Load Profile (KW)**



**Figure 2: Projected 12-Month Hourly Load Profile (KW) of MCE's Current Customer Base**



**Figure 3: MCE Projected Hourly Load Profile, Including the City**

## FISCAL IMPACTS

For purposes of the fiscal impact analysis, it was assumed that service would be initiated to the City in April 2022 and that 90% of eligible accounts would choose to participate (with the remaining 10% electing to opt-out, continuing to receive bundled electric service from the incumbent utility). This would equate to an increase in annual MCE electricity sales of 413 GWh, or approximately 7% relative to current sales. In order to quantify anticipated rate impacts, the incremental revenues and costs associated with the prospective service expansion were examined. More specifically, the first two fiscal years following expanded service, which would begin April 1, 2022 and continue through March 31, 2024, were analyzed to determine likely fiscal impacts over a multi-year planning period.

The incremental revenue surplus, based on the difference between projected revenues and costs directly related to the addition of City accounts, represents the expected fiscal benefit related to expansion. Incremental revenues were projected based on forecasted electricity sales and current MCE rates. The incremental cost analysis accounts for requisite power supplies that would be required to serve accounts within the City, increased customer billing charges, customer service support (call center), PG&E service fees, incremental staffing and legal costs, communication expenses and ongoing customer notices associated with serving additional customers.

Table 4 reflects the estimated incremental fiscal impact during each of the two fiscal years commencing with (and immediately following) enrollment of City accounts.

**Table 4: Incremental Fiscal Impact Related to Prospective Expansion**

	<b>FY 2022/2023</b>	<b>FY 2023/2024</b>
<b>Incremental Electric Energy Volume (MWh)</b>	399,130	413,091
<b>Incremental Revenue</b>	\$32,329,958	\$34,558,688
<b>Incremental Costs</b>		
<b>Power Supply Costs</b>	\$26,004,875	\$29,186,882
<b>Billing and Other Costs</b>	\$686,835	\$657,857
<b>Total Incremental Costs</b>	\$26,691,711	\$29,844,739
<b>Incremental Net Revenue</b>	\$5,638,247	\$4,713,949

In consideration of current market conditions, the incremental fiscal impact analysis indicates that adding City accounts to MCE's current customer base would provide benefits to MCE and its existing ratepayers; it is estimated that expanding MCE service to the City would increase net program revenues by approximately \$5 million per year (during each of the two fiscal years following enrollment of City accounts). This benefit accrues due to the margins generated by increased retail electricity sales relative to anticipated costs, including certain economies of scale that will result from various fixed administrative cost components (that will be spread over a larger sales base). It is worth noting that power supply costs may change over time, and to the extent such changes occur, actual net revenues could materially differ from the net revenue projections reflected in Table 4 (above).

## **CAPITAL AND LIQUIDITY IMPACTS**

Although relatively minimal, additional costs related to the prospective expansion would be incurred during the fiscal year preceding enrollment of City accounts. These costs would relate to marketing and outreach activities, customer noticing, regulatory and legal representation, internal operations, resource planning and electric procurement activities that would be necessary to successfully integrate the City and its customers in MCE's organization. MCE has sufficient cash liquidity to internally fund pertinent activities related to this prospective expansion.

## **FISCAL IMPACT SENSITIVITIES**

As previously noted, the fiscal impact estimate is based on current power supply pricing and MCE rates, which could change prior to enrollment of City accounts. Additionally, actual customer participation may vary from the currently projected 90% retention rate. Due to this uncertainty, a sensitivity focused on 75% customer retention (25% opt-out) was completed – this change muted incremental net revenues generated through the prospective expansion but still showed positive financial outcomes. Similarly, a sensitivity reflecting increased power supply costs, at 20% above baseline projections, was completed to better understand possible net revenue impacts that could occur in a volatile commodity market – much like the participatory sensitivity, incremental net revenues remained positive, indicating that further

power supply cost increases could be tolerated before jeopardizing the financial viability of prospective expansion. Finally, a sensitivity focused on a potential MCE rate reduction was completed to better understand fiscal impacts that could result if MCE needed to reduce its generation charges/rates (by \$5/MWh in this sensitivity) as a result of higher than expected exit fees (PCIA charges) and/or reduced generation rates offered by the incumbent utility – under such circumstances, MCE rate reductions could be deemed necessary to preserve general rate competitiveness. In the event of an MCE generation rate reduction, organizational revenues would be reduced, resulting in lower incremental net revenues following expansion. Much like the other sensitivities, reducing MCE’s generation rates would suppress anticipated incremental net revenues, but such values are still expected to remain positive (supporting the viability of prospective expansion to the City). A high-level summary of sensitivity results, shown in Table 5 below, indicate that incremental fiscal impacts are expected to remain positive/favorable under a reasonable range of scenarios.

**Table 5: Fiscal Impact Sensitivities (FY 2022/2023)**

Scenario	Projected Incremental Net Revenues
	<b><u>FY 2022/23</u></b>
<b>Base Projection</b>	\$ 5,638,247
<b>Power Costs + 20%</b>	\$1,658,215
<b>75% Participation Rate</b>	\$ 4,704,098
<b>\$5/MWh Rate Decrease</b>	\$ 3,669,738

## RENEWABLE ENERGY IMPACTS

Renewable energy requirements were calculated for the City to ensure compliance with California’s Renewables Portfolio Standard (RPS) as well as the more aggressive renewable energy targets adopted by MCE’s Governing Board (currently set at a minimum 60% for Light Green customers; MCE also procures 100% renewable energy for all customers participating in the voluntary Deep Green and Local Sol service options). In consideration of MCE’s internally established renewable energy targets, the total renewable energy requirement associated with prospective expansion would be approximately 257,000 MWh annually. Per MCE’s recently adopted Operational Integrated Resource Plan (2021-2030)<sup>2</sup>, 100% of this additional renewable energy requirement would be fulfilled utilizing PCC1 bundled renewable energy.

Relative to California’s statutory minimums (which must be met by MCE, PG&E and other retail sellers), enrolling the City’s electric accounts in MCE service would increase the amount of renewable energy being delivered to California’s energy market by approximately 86,126 MWh per year.

<sup>2</sup> MCE’s Operational Integrated Resource Plan addressing the 2021-2030 planning period was published on October 5, 2020: [https://www.mcecleanenergy.org/wp-content/uploads/2020/10/MCE-Operational-Integrated-Resource-Plan\\_2021.pdf](https://www.mcecleanenergy.org/wp-content/uploads/2020/10/MCE-Operational-Integrated-Resource-Plan_2021.pdf)

**Table 6: Renewable Energy Impacts (CY 2023)**

	<b>Annual MWh</b>
<b>Retail Sales</b>	412,586
<b>MCE's Internally Adopted Renewable Energy Target</b>	256,524
<b>California's Renewables Portfolio Standard Mandate</b>	170,398
<b>Increase in Statewide Renewable Energy Procurement</b>	86,126

## GREENHOUSE GAS EMISSIONS IMPACTS

In general, MCE's incremental purchases of GHG-free energy are expected to reduce electric sector GHG emissions. This anticipated outcome seems reasonable as such purchases are assumed to displace GHG-emitting energy produced within or imported into California – while it is impossible to determine the precise impacts of MCE's procurement decisions on the operation of regional generating assets or the decisions of other market participants, the aforementioned assumption was deemed appropriate for purposes of quantifying projected high-level emission-related impacts associated with MCE expansion. The incremental GHG-free energy purchased by MCE, less any GHG-free energy sold off, allocated, or not otherwise retained by PG&E for the benefit of its bundled customers, would represent the net change in GHG-free energy resulting from expansion of MCE service to the City.

Based on internally adopted resource planning targets for 2023, MCE plans to purchase a minimum of 95% GHG-free equivalent energy (comprised of renewable energy products and other GHG-free/low-carbon sources), which would necessitate GHG-free purchases approximating 400 GWh to serve customers within the City in 2023.<sup>3</sup> The increase in GHG-free energy, and the resultant reduction in GHG emissions attributable to these customers joining MCE, is also influenced by changes to PG&E's supply mix as it loses load to CCA providers. When such transitions have occurred, PG&E's past practice has been to sell excess qualifying renewable energy (to market participants, including CCAs) while retaining other GHG-free energy supply (i.e., large hydro and nuclear). Such practice has resulted in reductions to PG&E's reported and estimated carbon emissions over time. Stated somewhat differently, as CCA sales in Northern California have increased, the emissions intensity associated with PG&E's supply portfolio has trended downward.

More recently, however, CCAs have received allocations of PG&E's 2020 GHG-free portfolio as an outcome related to Power Charge Indifference Adjustment (PCIA) reform, and if this allocation were to continue in future years, MCE's incremental procurement of GHG-free energy required to serve customers of the City would likely decline. Regarding this allocation, the proportion of hydroelectricity in the PG&E portfolio that may be subject to future allocation is estimated to comprise approximately 11% of MCE's load. Isolating projected procurement impacts related to City expansion, receipt of such an allocation from PG&E would diminish the net increase in MCE's GHG-free purchases required to serve the City by approximately 45 GWh relative to details provided below.

<sup>3</sup> Assumes a similar mix of new customers subscribing to MCE's Light Green Service offering (60% renewable) as well as Deep Green and Local Sol Service offerings (both of which are 100% renewable) relative to MCE's current customer base. For purposes of this metric, other GHG-free sources include Asset Controlling Supply (ACS), which is primarily comprised of hydroelectricity – ACS systems are assigned ultra-low emission factors by the California Air Resources Board, reflecting the predominant use of hydroelectricity and other clean-energy sources.

In terms of incremental GHG-free procurement (and excluding the impacts of potential GHG-free allocations from PG&E, which remain uncertain), approximately 240 GWh (154 GWh of large hydro and 86 GWh of qualifying renewable energy) of additional clean energy would be needed to serve customers within the City (and should be considered additive clean energy to California's grid). These impacts relate to renewable energy that would be purchased in excess of statewide RPS mandates and other requisite GHG-free energy purchases prescribed by MCE's internally adopted clean energy targets. The associated GHG emission reduction can be estimated by multiplying the 240 GWh of GHG-free energy by the 0.428 metric tons of carbon dioxide equivalent per MWh emission rate (0.428 MT CO<sub>2</sub>e) that the California Air Resources Board has ascribed to unspecified system energy. This equates to an annual GHG emission reduction of approximately 100 metric tons.





## **POLICY NO. 007 – NEW CUSTOMER COMMUNITIES**

Whereas MCE's founding mission is to address climate change by using a wide range of renewable energy sources, reducing energy related greenhouse gas emissions and promoting the development of energy efficiency programs; and

Whereas creating opportunities for customer electric service in new communities may allow MCE to further progress towards its founding mission; and

Whereas MCE currently provides a minimum 50% renewable energy supply to all MCE customers (through its default Light Green retail service option), which substantially exceeds similar renewable energy supply percentages provided by California's investor-owned utilities (IOUs); and

Whereas the inclusion of new communities to MCE's membership will increase state-wide renewable energy percentages due to 1) MCE's specified minimum renewable energy supply percentage of 50%, and 2) access to its 100% renewable option; and

Whereas the inclusion of new communities to MCE's membership will also decrease greenhouse gas emissions within the Western United States as a result of minimum renewable energy supply percentages exceeding such percentages provided by California's IOUs; and

Whereas the inclusion of new communities reaffirms the viability of community choice aggregation, and provides an incentive for other cities and counties to pursue more renewable energy options within their own jurisdictions.

Therefore, it is MCE's policy to explore and support customer electric service in new communities to further agency goals.

In consideration of the above MCE may allow access to service in new communities through two channels, affiliate membership or special-consideration membership, as applicable.

Affiliate membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is not more than 30 miles from MCE existing county jurisdiction, and
3. Customer base in new community is 40,000 or less or is within a County already served by MCE.

Special-consideration membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is more than 30 miles from MCE existing jurisdiction and/or the customer-base in the new community is greater than 40,000.

### **MCE Membership Application Checklist**

- √ Request for load data for PG&E signed by Mayor, City Manager, Board president or Chief County Administrator
- √ Adoption of a resolution requesting membership in MCE
- √ Adoption of the ordinance required by the Public Utilities Code Section 366.2(c)(10) to join MCE's CCA program, adopted governing Board, subject to MCE Board approval
- √ Executed 'Agreement for Services' or 'Memorandum of Understanding' (if during inclusion period) to cover:
  - Community agrees to publicize and share information about MCE with community during the 6 month enrollment period. Options to publicize include but are not limited to website, social media, public events, community workshops, and newsletter announcements (where feasible), as well as distribution of flyers and handouts provided by MCE at community offices
  - Community agrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.
  - Community agrees to assign staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other community staff and officials, as well as provide input and high-level assistance on community outreach.
  - Community agrees to cover of quantitative analysis cost, not to exceed \$10,000; waived under inclusion period.



November 6, 2020

TO: MCE Executive Committee

FROM: Vicken Kasarjian, Chief Operating Officer

RE: Resolution No. 2020-04 Rescinding Resolution No. 2018-03 and Delegating Energy Procurement Authority (Agenda Item #08)

ATTACHMENTS: A. Proposed Resolution 2020-04: A Resolution of the Board of Directors of Marin Clean Energy Rescinding Resolution No. 2018-03 And Delegating Energy Procurement Authority  
B. Redline of Proposed Resolution 2020-04 to Resolution No. 2018-03

Dear Executive Committee Members:

**SUMMARY:**

**Purpose:**

Staff is requesting that the Executive Committee review Resolution 2020-04 Rescinding Resolution 2018-03 and Delegating Energy Procurement Authority ("Resolution 2020-04") and recommend approval of Resolution 2020-04 to the Board of Directors. The purpose of Resolution 2020-04 is to include in the delegation of energy procurement, authorization for MCE's CEO, or her designee, to approve and execute short-term energy transactions in both written and oral format in order to address MCE's business needs during an emergency or critical grid need.

**Background:**

In recent years and months, unstable conditions in the California Independent System Operator ("CAISO") markets, coupled with extreme weather events affecting MCE's load has resulted in shortfalls of energy supply, imbalances of forecasted load and exposure to high market prices. Given the uncertainty of when extreme weather events will occur throughout the year, MCE may need to buy short-term energy volumes of a duration of a month or less to account for supply shortfalls in a given hour, day, week or month. The industry standard for most short-term energy transactions is for verbally-binding transactions conducted over recorded phones between entities with energy trading desks. MCE does not have its own energy trading desk, and therefore would rely on its Scheduling Coordinator agent, ZGlobal which does have a trading desk, to assist in facilitating these transactions. Therefore, MCE may call upon ZGlobal to transact on its behalf as an authorized agent for the limited purposes of short-term energy transactions, pursuant to the current agreement with ZGlobal. The goal of this process is to

reduce or eliminate MCE's exposure to volatile market prices when supply shortfalls occur. Short-term energy purchases do not reduce load forecast imbalance charges, however; they can offset MCE's cost of scheduled Day-ahead load and Real-time imbalance energy with the CAISO.

**Example:**

On Memorial Day, and the two days that followed, May 26<sup>th</sup> and 27<sup>th</sup>, the Bay Area experienced its first heat wave of 2020. Temperatures around MCE's service area reached mid-90 to 100-degree temperatures. Similar to May 26<sup>th</sup>, on Wednesday, May 27<sup>th</sup>, MCE's load spiked over 4,000 MWh more than had been forecasted, in large part, due to increased cooling needs in homes and businesses. At the same time, CAISO market prices that typically average in the \$30/MWh range, spiked to between \$200/MWh - \$600/MWh over a four-hour period. Short-term energy purchases could have helped to offset the cost of the \$1.2 Million imbalance energy MCE was required to buy during this heat wave at expensive market prices.

August and September appear to be the most volatile months for energy demand and pricing so far this year. CAISO Day-Ahead prices peaked at \$993.37 and \$853.48 respectively in PG&E's service area, and \$1557.43 and \$874.93 in Southern California Edison's (SCE) service area. CAISO real-time prices peaked at \$1045.94 and \$653.93 in PG&E's service area, and \$1060.19 and \$1174.57 in SCE's service area.

**Resolution:**

The attached Resolution 2020-04 provides modifications to the contracting authorities delegated to MCE's CEO by adding Section 3 (c) which allows the CEO to:

- Allow a designee to execute short-term Energy Procurement transactions;
- Execute short-term energy transactions during an emergency or critical grid need; and
- Limit verbal transactions to existing counterparties contractually enabled with MCE, and conducted on recorded lines.

**Fiscal Impacts:**

The financial impact resulting from Resolution 2020-04 would likely be a reduction in MCE's cost of energy associated with load and supply scheduling in the CAISO markets. As an example, offsetting load forecasting imbalance charges with energy supply for days like May 26<sup>th</sup> and May 27<sup>th</sup> could have netted MCE \$500,000 - \$1 Million dollars. Transactions entered into are accounted for in the existing Board-approved budget for MCE's energy procurement needs for the current fiscal year.

**Recommendation:**

Recommend that your Board adopt proposed Resolution 2020-04 Rescinding Resolution 2018-03 and Delegating Energy Procurement Authority at its November 19, 2020 meeting.

## **RESOLUTION 2020-04**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY RESCINDING RESOLUTION NO. 2018-03 AND DELEGATING ENERGY PROCUREMENT AUTHORITY**

**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**, MCE members include the following communities: the County of Marin, the County of Contra Costa, the County of Napa, the County of Solano, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the City of Concord, the Town of Corte Madera, the Town of Danville, the City of El Cerrito, the Town of Fairfax, the City of Lafayette, the City of Larkspur, the City of Martinez, the City of Mill Valley, the Town of Moraga, the City of Napa, the City of Novato, the City of Oakley, the City of Pinole, the City of Pittsburg, the City of Pleasant Hill, the City of San Ramon, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of St. Helena, the Town of Tiburon, the City of Vallejo, the City of Walnut Creek, and the Town of Yountville; and

**WHEREAS**, Resolution No. 2018-03 set forth energy procurement authority delegated by the Board of Directors; and

**WHEREAS**, the Board intends that this Resolution No. 2020-04 replaces Resolution No. 2018-03; and

**WHEREAS**, the Board of Directors, by this delegation of energy procurement and contracting authority as described herein, shall not be divested of any such authority, but shall retain and may exercise such authority at such times as it may deem necessary and proper, at its sole discretion; and

**WHEREAS**, the Board of Directors shall retain contracting authority over all contracts required by law to be approved by the Board, including but not limited to any contracts to borrow money or otherwise incur debt.

**NOW, THEREFORE, BE IT RESOLVED**, by the MCE Board of Directors:

- A. Resolution No. 2018-03 is hereby rescinded.
- B. For purposes of this Resolution, "Energy Procurement" shall mean all contracting, purchase and sale of energy and energy-related products for MCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage.
- C. The Board of Directors hereby delegates the following contracting authority consistent with an approved resource plan and/or budget, as applicable, including

contracts that are consistent with the current fiscal year's budget but extend beyond the current fiscal year:

### **1. Delegation to the Technical Committee**

The Technical Committee is hereby authorized to approve and direct the Chief Executive Officer ("CEO") and Technical Committee Chair to execute:

- a. contracts for Energy Procurement as herein defined;
- b. contracts for functions, programs or services related to Energy Procurement; and
- c. contracts related to MCE ownership, leasing or development of energy generation projects and assets.

### **2. Delegation to the Chief Executive Officer and Technical Committee Chair, Jointly**

The CEO and Technical Committee Chair, jointly, are hereby authorized, after consultation with the appropriate Committee of the Board of Directors, to approve and execute contracts for Energy Procurement for terms of less than or equal to five years. The CEO shall timely report to the Board of Directors all such executed contracts.

### **3. Delegation to the Chief Executive Officer**

The CEO is hereby authorized to approve and execute:

- a. contracts for Energy Procurement for terms of less than or equal to 12 months, which the CEO shall timely report to the Board of Directors;
- b. amendments or addenda to existing Energy Procurement contracts, regardless of the existing contract's price or total amount, which improve the terms of the contract to MCE's benefit without increasing the contract's not-to-exceed maximum dollar amount; and
- c. in the event of an emergency or critical needs situation, such as exposure to volatile CAISO market conditions during extreme weather events, or a shortage in energy supply compared to load forecasted, short-term purchases, which includes transactions with existing counterparties in both written and oral format.
  - i. Oral transactions may only be executed with existing counterparties contractually enabled with MCE through an approved master agreement, through the CAISO short-term real time energy markets on a recorded telephone line where written receipts documenting such transactions are provided to MCE.

- ii. “Short-term purchases” for purposes hereof refers to Energy Procurement within the forecasted 30 days.
- iii. The CEO shall timely report any short-term purchases to the Board of Directors.
- iv. The CEO may delegate authority to engage in short-term purchases under this subdivision.

**PASSED AND ADOPTED** at a regular meeting of the MCE Board of Directors on this 19th day of November, 2020, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
County of Marin				
Contra Costa County				
County of Napa				
County of Solano				
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
City of Concord				
Town of Corte Madera				
Town of Danville				
City of El Cerrito				
Town of Fairfax				
City of Lafayette				
City of Larkspur				
City of Martinez				
City of Mill Valley				
Town of Moraga				
City of Napa				
City of Novato				
City of Oakley				
City of Pinole				
City of Pittsburg				
City of Pleasant Hill				
City of San Ramon				
City of Richmond				
Town of Ross				



Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				
City of Vallejo				
City of Walnut Creek				
Town of Yountville				

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CHAIR, MCE

**Attest:**

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SECRETARY, MCE

## **RESOLUTION 2020-04**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY RESCINDING RESOLUTION NO. 2018-03 AND DELEGATING ENERGY PROCUREMENT AUTHORITY**

**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**, MCE members include the following communities: the County of Marin, the County of Contra Costa, the County of Napa, the County of Solano, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the City of Concord, the Town of Corte Madera, the Town of Danville, the City of El Cerrito, the Town of Fairfax, the City of Lafayette, the City of Larkspur, the City of Martinez, the City of Mill Valley, the Town of Moraga, the City of Napa, the City of Novato, the City of Oakley, the City of Pinole, the City of Pittsburg, the City of Pleasant Hill, the City of San Ramon, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito, the City of St. Helena, the Town of Tiburon, the City of Vallejo, the City of Walnut Creek, and the Town of Yountville; and

**WHEREAS**, Resolution No. 2018-03 set forth energy procurement authority delegated by the Board of Directors; and

**WHEREAS**, the Board intends that this Resolution No. 2020-04 replaces Resolution No. 2018-03; and

**WHEREAS**, the Board of Directors, by this delegation of energy procurement and contracting authority as described herein, shall not be divested of any such authority, but shall retain and may exercise such authority at such times as it may deem necessary and proper, at its sole discretion; and

**WHEREAS**, the Board of Directors shall retain contracting authority over all contracts required by law to be approved by the Board, including but not limited to any contracts to borrow money or otherwise incur debt.

**NOW, THEREFORE, BE IT RESOLVED**, by the MCE Board of Directors:

- A. Resolution No. 2018-03 is hereby rescinded.
- B. For purposes of this Resolution, "Energy Procurement" shall mean all contracting, purchase and sale of energy and energy-related products for MCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage.
- C. The Board of Directors hereby delegates the following contracting authority consistent with an approved resource plan and/or budget, as applicable, including

contracts that are consistent with the current fiscal year's budget but extend beyond the current fiscal year:

### **1. Delegation to the Technical Committee**

The Technical Committee is hereby authorized to approve and direct the Chief Executive Officer ("CEO") and Technical Committee Chair to execute:

- a. contracts for Energy Procurement as herein defined;
- b. contracts for functions, programs or services related to Energy Procurement; and
- c. contracts related to MCE ownership, leasing or development of energy generation projects and assets.

### **2. Delegation to the Chief Executive Officer and Technical Committee Chair, Jointly**

The CEO and Technical Committee Chair, jointly, are hereby authorized, after consultation with the appropriate Committee of the Board of Directors, to approve and execute contracts for Energy Procurement for terms of less than or equal to five years. The CEO shall timely report to the Board of Directors all such executed contracts.

### **3. Delegation to the Chief Executive Officer**

The CEO is hereby authorized to approve and execute:

- a. contracts for Energy Procurement for terms of less than or equal to 12 months, which the CEO shall timely report to the Board of Directors; ~~and~~
- b. amendments or addenda to existing Energy Procurement contracts, regardless of the existing contract's price or total amount, which improve the terms of the contract to MCE's benefit without increasing the contract's not-to-exceed maximum dollar amount.; ~~and~~
- c. in the event of an emergency or critical needs situation, such as exposure to volatile CAISO market conditions during extreme weather events, or a shortage in energy supply compared to load forecasted, short-term purchases, which includes transactions with existing counterparties in both written and oral format.
  - i. Oral transactions may only be executed with existing counterparties contractually enabled with MCE through an approved master agreement, through the CAISO short-term real time energy markets on a recorded telephone line where written receipts documenting such transactions are provided to MCE.

- ii. “Short-term purchases” for purposes hereof refers to Energy Procurement within the forecasted 30 days.
- iii. The CEO shall timely report any short-term purchases to the Board of Directors.
- iv. The CEO may delegate authority to engage in short-term purchases under this subdivision.

**PASSED AND ADOPTED** at a regular meeting of the MCE Board of Directors on this 19th day of November, 2020, by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
County of Marin				
Contra Costa County				
County of Napa				
County of Solano				
City of American Canyon				
City of Belvedere				
City of Benicia				
City of Calistoga				
City of Concord				
Town of Corte Madera				
Town of Danville				
City of El Cerrito				
Town of Fairfax				
City of Lafayette				
City of Larkspur				
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City of Oakley				
City of Pinole				
City of Pittsburg				
City of Pleasant Hill				
City of San Ramon				
City of Richmond				
Town of Ross				

Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of Sausalito				
City of St. Helena				
Town of Tiburon				
City of Vallejo				
City of Walnut Creek				
Town of Yountville				

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CHAIR, MCE

**Attest:**

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SECRETARY, MCE



November 6, 2020

TO: MCE Executive Committee

FROM: Garth Salisbury, Director of Finance & Treasurer

RE: Policy 016: Operating Reserve Fund (Agenda Item #09)

ATTACHMENT: DRAFT Policy 016: Operating Reserve Fund

Dear Executive Committee Members:

**SUMMARY:**

In November of 2019 through Resolution 2019-06, the MCE Board of Directors approved the creation of an Operating Reserve Fund (ORF) and in June of 2020 approved the deferral of \$10,500,000 of Revenue from fiscal year 2019-20 into the fund. At the time of the initial deferral of Revenue into the fund, the Board asked staff to develop a policy addressing when Revenues would be deferred into and withdrawn from the ORF.

The attached draft "Policy 016: Operating Reserve Fund" describes the reasons for creation of the ORF, describes the situations when anticipated fiscal results warrant consideration of additional deposits into the fund, establishes a funding target for the ORF and also describes the situations when staff could recommend withdrawals from the ORF. All deposits into and withdrawals from the ORF must be approved by the Board.

The ORF is not a traditional cash reserve where a portion of MCE's net revenues are placed in reserve to address extraordinary expenses or reduced sales of electricity. MCE already has cash and liquidity reserves that we are accumulating as directed by MCE's Reserve Policy to address these types of extraordinary financial events. Rather, the ORF has been established under Government Accounting Standard Board (GASB) Standard 62. GASB 62 allows the deferral of "Revenue" from one fiscal year to be used in a future fiscal year. Deferred Revenue can be used to meet certain financial obligations such as bond covenants, the need to produce "Net Revenues" in a given fiscal year or as might be required to maintain MCE's investment grade credit ratings.

If MCE intends to access the capital markets through the issuance of municipal bonds, the agency would need to agree to a number of covenants including a Rate Covenant and a Debt Service Coverage Ratio. These covenants would be required to protect (and attract) bond investors in the offering and would require that MCE produces net revenues sufficient to pay debt service with a

specific minimum margin (e.g. coverage of annual debt payments by 1.5 times). The ORF could be drawn upon to allow MCE to meet its Rate and Debt Service Coverage Ratio covenants if needed.

The Operating Reserve Fund Policy describes guidelines for when staff can recommend deposits into the fund while addressing the fundamental reserve and liquidity goals outlined in the MCE Reserve Policy. The Operating Reserve Fund Policy also sets a dynamic targeted funding level at 10% of all operating and non-operating Revenues in the then current fiscal year. Finally, the Operating Reserve Fund Policy describes the situations when staff would recommend withdrawals from the ORF to satisfy financial covenants or contractual obligations.

**Fiscal Impacts:**

Deferring Revenues into the ORF would have a commensurate negative effect on net Revenues in that fiscal year. Withdrawals from the ORF would have commensurate positive effect on net Revenues in that fiscal year.

**Recommendation:**

Recommend adoption by the MCE Board of Directors Policy 016: Operating Reserve Fund.



## POLICY 016: Operating Reserve Fund

### Policy Purpose

The Operating Reserve Fund Policy will describe the situations in which staff will propose and the MCE Board of Directors will consider deposits into and withdrawals from the Operating Reserve Fund and establishes an Operating Reserve Fund Targeted Balance.

### Policy Statement

The financial strength of MCE is one of the necessary pillars of the Agency if it is to deliver on its mission to address climate change by providing competitively priced renewable and GHG free energy to its customers. MCE will adopt policies and procedures designed to strengthen its financial position to allow the Agency to achieve these environmental goals. The MCE Board of Directors will adopt budgets and establish and adjust rates as necessary each fiscal year to provide sufficient revenues to pay all operating expenses and all other financial obligations of the agency. While MCE strives to meet its Reserve Policy targets, rates will be set to provide an addition to MCE's Net Position whenever possible. MCE will also take the necessary steps to achieve and maintain strong investment grade credit ratings to minimize interest costs and counterparty collateral posting requirements.

To this end, in November of 2019 the MCE Board of Directors approved Resolution 2019-06 creating an Operating Reserve Fund and later approved the first deferral of revenue into the Operating Reserve Fund effective the end of the 2019-20 Fiscal Year. The Operating Reserve Fund has been established and will be maintained and utilized to strengthen MCE's financial position and to be a tool to assist in addressing variability in MCE's annual cashflows and expenses. The Operating Reserve Fund is not to be used to address specific expenses of the Agency, but rather as a tool that supports MCE's ability to meet its financial obligations each fiscal year.

To the extent there is any conflict with Resolution 2019-06 which authorized the creation of the Operating Reserve Fund and this Policy 016, which provides directives for deposits to and withdrawals from the Operating Reserve Fund, this Policy 016, and any amendments thereto, shall control once approved by the MCE Board of Directors.

### Policy Directives

**Deposits:** Staff will recommend and the Board will consider deferral of revenue into the Operating Reserve Fund in a fiscal year (1) when the projected addition to Net Position is greater than 5% of total operating and non-operating revenues or (2) once the Reserve Policy targets are met, from any excess net revenues after payment of any debt service or other financial obligations due in that fiscal year

**Operating Reserve Fund Targeted Balance:** Deposits can be made into the Operating Reserve Fund as allowed above until the balance equals 10% of the total operating and non-operating Revenues in the then current fiscal year.



**Withdrawals:** Staff will recommend withdrawals of Revenues from the Operating Reserve Fund in a fiscal year where net revenues are projected to be negative or as necessary to satisfy any legal covenants, contractual obligations or to maintain investment grade credit ratings.



MARIN COUNTY | NAPA COUNTY | UNINCORPORATED CONTRA COSTA COUNTY | UNINCORPORATED SOLANO COUNTY  
BENICIA | CONCORD | DANVILLE | EL CERRITO | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE  
PITTSBURG | RICHMOND | SAN PABLO | SAN RAMON | WALNUT CREEK

**DRAFT**

## Agenda Page 1 of 2

### Board of Directors Meeting Thursday, November 19, 2020 7:00 P.M.

The Board of Directors Meeting will be conducted pursuant to the provisions of the Governor's [Executive Order](#) N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Board of Director Members will be teleconferencing into the Board of Directors Meeting.

Members of the public who wish to observe the meeting may do so telephonically via the following teleconference call-in number and meeting ID:

Dial: 1-669-900-9128  
Meeting ID: 829 4981 5311  
Meeting Password: 120459

For Viewing Access Join Zoom Meeting:

<https://us02web.zoom.us/j/82949815311?pwd=UWdTWm9ReVR5bGpGWEVML3VWQk1Gdz09>

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
  - C.1 Approval of 7.16.20 Meeting Minutes
  - C.2 Approval of 9.18.20 Meeting Minutes
  - C.3 Approved Contracts Update
6. CCA Joint Powers Authority (Discussion/Action)

## Agenda Page 2 of 2

7. Addition of Board Members to Committees (Discussion/Action)
8. Resolution No. 2020-04 Rescinding Resolution No. 2018-03 and Delegating Energy Procurement Authority (Discussion/Action)
9. Receive Applicant Analysis and Consider 1. Resolution 2020-03 of the Board of Directors of MCE approving the City of Fairfield as Member of MCE; 2. Amendment 15 to the MCE JPA Agreement; and 3. Direction to Submit Amendment No. 8 to the MCE Implementation Plan and Statement of Intent (Discussion/Action)
10. Policy 016: Operating Reserve Fund (Discussion/Action)
11. Authority to Enter into Financial Security Instruments for Compliance (Discussion/Action)
12. Board Elections for Chair and Vice Chair (Discussion/Action)
13. Acknowledgements for Departing Board Members (Discussion)
14. Board Matters & Staff Matters (Discussion)
15. Adjourn

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (925) 378-6732 as soon as possible to ensure arrangements for accommodation.