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

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=UWdTWm9ReVR5bGpGWEVML3VVQk1Gdz09

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 Response to Marin County Civil Grand Jury Report
   C.4 Authority to Enter into Financial Security Instruments for Compliance
   C.5 Approved Contracts for Energy Update

6. CCA Joint Powers Authority (Discussion/Action)

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. Board Elections for Chair and Vice Chair (Discussion/Action)

12. Acknowledgements for Departing Board Members (Discussion)

13. Board Matters & Staff Matters (Discussion)

14. 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 BOARD MEETING MINUTES
Thursday, July 16, 2020
7:00 P.M.

The Board of Directors' 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. Board Members, staff and members of the public were able to participate in the Board Meeting via teleconference.

Present:
Mike Anderson, City of Lafayette
Denise Athas, City of Novato
Tom Butt, City of Richmond
Barbara Coler, Town of Fairfax
Kevin Haroff, City of Larkspur
Sue Higgins, City of Oakley
C. William Kircher, Town of Ross
Greg Lyman, City of El Cerrito
Bob McCaskill, City of Belvedere
Elizabeth Pabon-Alvarado, City of San Pablo
Elizabeth Patterson, City of Benicia
Scott Perkins, City of San Ramon
Vincent Salimi, City of Pinole
Shanelle Scales-Preston, City of Pittsburg
Rob Schroder, City of Martinez
Kate Sears, County of Marin
Renata Sos, Town of Moraga
Holli Thier, Town of Tiburon
John Vasquez, County of Solano
Brad Wagenknecht, County of Napa
Justin Wedel, City of Walnut Creek
Ray Withy, City of Sausalito and City of Mill Valley

Absent:
Edi Birsan, City of Concord
Lisa Blackwell, Town of Danville
John Gioia, Contra Costa County
Ford Greene, Town of San Anselmo
David Kunhardt, Town of Corte Madera
Andrew McCullough, City of San Rafael

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

Garth Salisbury, Director of Finance
Enyo Senyo-Mensah, Administrative Services Associate
Shalini Swaroop, General Counsel
Jamie Tuckey, Director of Strategic Initiatives
Dawn Weisz, Chief Executive Officer

1. Roll Call/Quorum:

Director Kate Sears called the regular July 16, 2020 meeting to order at 7:01 p.m. with quorum established by roll call.

2. Committee Announcements (Discussion)

There were none.

3. Public Open Time (Discussion)

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

4. Report from Chief Executive Officer (Discussion)

CEO Dawn Weisz, reported the following:

- Congratulations to the Town of Yountville, the fourth jurisdiction in Napa County to go 100% renewable with MCE Deep Green. Yountville will be joining 24 other MCE communities who have committed to 100% renewable energy.
- Load impacts: Residential load had increased, with an almost matching reduction in commercial load. Overall, we have seen a 5-8% load reduction.
- MCE is promoting CARE, FERA and Medical Baseline programs to help customers keep their energy costs down. We are seeing a noticeable up tick in enrolment in those programs. Please spread the word about the availability of these programs in your communities.
- The California State Climate Credit showed up on customer bills during the months of March and April which helped offset energy costs a bit.
- o MCE is continuing to offer free charging in the San Rafael offices parking lot and we have seen a significant increase in charging sessions and charging times. MCE is continuing remote work for all staff and all community meetings have been transitioned to remote access.
- MCE and PG&E Joint Mailer went out on July 1st. If you or any community members have any questions, feel free to reach out to us.
- MCE's Annual Board Retreat is being held virtually for the first time and is scheduled for Friday, September 18, 2020. It will take the place of the Thursday, September 17 Board Meeting. Please reach out to Dawn or Darlene with retreat topic ideas or suggestions.

5. Consent Calendar (Discussion/Action)

C.1 Approval of 5.21.20 Meeting Minutes

C.2 Approved Contracts for Energy Update
C.3 Response to Marin County Civil Grand Jury Report

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

Action: It was M/S/C (Lyman/Wagenknecht) to **approve Consent Calendar item C.1**.

Action: It was M/S/C (Lyman/Haroff) to **approve Consent Calendar item C.2**.

Action: It was M/S/C (Perkins/Higgins) to **approve Consent Calendar item C.3**.

All motions were carried by roll call vote. (Abstained on C.1 and C.2: Directors: Thier and Schroder) (Absent: Directors Birsan, Blackwell, Gioia, Greene, Kunhardt, McCullough).

6. Transfer of Fiscal Year 2019-20 Funds to the Operating Reserve Fund (Discussion/Action)

Garth Salisbury, Director of Finance, presented this item and addressed questions from Board Members.

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

Action: It was M/S/C (Patterson/Haroff) **to 1. approve the deferral of $10,500,000 into the Operating Reserve Fund for Fiscal Year 2019-20 and, 2. direct staff to develop proposed parameters for future deferrals into the Fund and use of the Fund.** The motion was unanimously approved by roll call vote. (Absent: Directors Birsan, Blackwell, Gioia, Greene, Kunhardt, McCullough).

7. Inaugural MCE Climate Action Leadership Award and Nomination (Discussion/Action)

Stephanie Chen, Senior Policy Counsel, introduced this item and addressed questions from Board members.

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

Action: It was M/S/C (Wagenknecht/Athas) to 1) approve the creation of the Climate Action Leadership Award and, 2) approve staff's recommendation that the inaugural Climate Action Award be presented to Senator Mike McGuire later this year. The motion was unanimously approved by roll call vote. (Absent: Directors Birsan, Blackwell, Gioia, Greene, Kunhardt, McCullough).

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8. Customer Programs Update (Discussion)

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

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

9. Board & Staff Matters (Discussion)

There were no announcements or additional matters.

10. Adjournment

Chair Kate Sears adjourned the meeting at 8:39 p.m. to the next scheduled Board Meeting on August 20, 2020.

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Kate Sears, Chair

Attest:

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Dawn Weisz, Secretary

DRAFT

MCE
BOARD RETREAT MEETING MINUTES
Wednesday, September 18, 2020
9:00 A.M.

The Board of Directors' 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. Board Members, staff and members of the public were able to participate in the Board Meeting via teleconference.

Call to Order: Chair Kate Sears called the Special Meeting to order at 9:05 a.m.

Present: Mike Anderson, City of Lafayette
Denise Athas, City of Novato
Edi Birsan, City of Concord
Tom Butt, City of Richmond
Barbara Coler, Town of Fairfax
John Gioia, County of Contra Costa
Ford Greene, Town of San Anselmo
Kevin Haroff, City of Larkspur
Sue Higgins, City of Oakley
C. William Kircher, Jr., Town of Ross
David Kunhardt, Town of Corte Madera
Greg Lyman, City of El Cerrito
Bob McCaskill, City of Belvedere
Andrew McCullough, City of San Rafael
Elizabeth Patterson, City of Benicia
Scott Perkins, City of San Ramon
Kate Sears, County of Marin
Holli Thier, Town of Tiburon
Brad Wagenknecht, County of Napa
Justin Wedel, City of Walnut Creek
Ray Withy, City of Mill Valley and City the City of Sausalito

Absent: Lisa Blackwell, Town of Danville
Elizabeth Pabon-Alvarado, City of San Pablo
Matt Rinn, City of Pleasant Hill
Vincent Salimi, City of Pinole
Shanelle Scales-Preston, City of Pittsburg

Renata Sos, Town of Moraga
John Vasquez, County of Solano

Staff: Jesica Brooks, Assistant Board Clerk
John Dalessi, Pacific Energy Advisors
Jennifer Green, Manager of Customer Programs
Darlene Jackson, Board Clerk
Vicken Kasarjian, Chief Operating Officer
Shaheen Khan, Director of Human Resources, Diversity, and Inclusion
Justin Marquez, Community Equity Specialist
Alexandra McGee, Strategic Initiatives Manager
Evelyn Reyes, Administrative Services Assistant
Garth Salisbury, Director of Finance
Enyonam Senyo-Mensah, Administrative Services Associate
Heather Shepard, Director of Public Affairs
Shalini Swaroop, General Counsel
Jamie Tuckey, Director of Strategic Initiatives
Dawn Weisz, Chief Executive Officer

1. Roll Call/Quorum

Roll call was conducted and quorum established.

2. Public Open Time (Discussion)

There were no comments.

3. Opening Remarks by Chair/Board Member Introductions, Part I (Discussion)

Opening remarks were provided by Chair Sears. She noted that 2020 is a year where MCE has demonstrated stability, success and service:

- We celebrated our 10-year anniversary, a landmark for MCE and the California CCA movement

- We enrolled new customers from Solano County and welcomed two new communities, Pleasant Hill and Vallejo, into the MCE family
- We were able to maintain stable and healthy operations despite the PG&E bankruptcy which ended mid-year

- We increased our proactive customer outreach resulting in a stable and increasingly engaged customer base

- We were able to pivot quickly to all remote work during the shelter in place as a result of the COVID-19 pandemic, while growing programs and activities

- We launched an energy storage resiliency program to help folks with outages and emergencies

- We continued installing EV charging stations at businesses and multifamily properties, reaching the milestone of 500 installations so far, with 400 more in the pipeline

- We deepened our commitment to diversity, equity and inclusion through on-going staff trainings, an internal steering committee and targeted community activities

- And on the financial front, we received an upgrade to our Fitch credit rating from triple B (BBB) to triple B+ (BBB+) with Stable Outlook
    - Fitch cited "stronger than expected financial performance last year, sound energy risk management practices and the resolution of rate and regulatory uncertainty that existed during the PG&E bankruptcy"

Board Member introductions were facilitated by Board Clerk, Darlene Jackson.

4. <u>Inaugural MCE Climate Action Leadership Award Presentation to Senator Mike McGuire (Discussion)</u>

Chair Sears presented the award and there were additional comments by Board members.

5. <u>Report on the MCE FY 2019/20 Financial Audit (Discussion)</u>

Director Bob McCaskill reported on this item. There were additional comments by Board members.

6. <u>MCE Responses to 2020 Events (Discussion)</u>

a. COVID-19 Operational Impacts and Responses

Vicken Kasarjian, Chief Operating Officer presented this item and addressed questions from Board members.

b. Resiliency Activities

Jamie Tuckey, Director of Strategic Initiatives and Alexandra McGee, Strategic Initiatives Manager presented this item and addressed questions from Board members. There were comments from members of the public, Howdy Goudey, Richard Blair and Peter Mendoza.

c. Social Equity

Shaheen Khan, Director of Human Resources, Diversity, and Inclusion, Jennifer Green, Manager of Customer Programs, and Justin Marquez, Community Equity Specialist presented this item and addressed questions from Board members. There were comments from member of the public, Doug Wilson.

d. Customer Engagement and Participation during COVID-19

Heather Shepard, Director of Public Affairs presented this item and addressed questions from Board members.

7. <u>On the Horizon (Discussion)</u>

a. The Future of Reliability Procurement

Dawn Weisz, Chief Operating Officer introduced John Dalessi, Pacific Energy Advisors, who presented this item and addressed questions from Board members.

b. Owning Energy Projects: MCE Bond Issuance

Director Ray Withy introduced Garth Salisbury, Director of Finance, who presented the item and addressed questions from the Board.

Chair Sears opened public comment period and there were no speakers.

8. <u>Board Member Introductions, Part II (Discussion)</u>

Dawn Weisz, Chief Operating Officer reintroduced this item. Introductions were facilitated by Board Clerk, Darlene Jackson.

9. <u>Addition of Board Members to Committees (Discussion/Action)</u>

Dawn Weisz, Chief Operating Officer presented this item and addressed questions from Board members.

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

Action: It was M/S/C (Gioia/Coler) to **add Shanelle Scales-Preston to the Executive Committee.** The motion carried by unanimous roll call vote. (Absent: Directors Blackwell, Pabon-Alvarado, Rinn, Salimi, Scales-Preston, Schroder, Sos, Thier and Vasquez).

10. <u>New Technology: Renewable Hydrogen</u>

Director John Gioia introduced Janice Lin, CEO of Green Hydrogen Coalition, who presented this item and addressed questions by Board members. There were comments from member of the public, Ken Strong.

11. <u>Carry-over Discussion from Morning Items</u>

There were none.

12. The Board Chair adjourned the Special Meeting at 3:18 P.M. to the next Regular Board Meeting scheduled for October 15, 2020.

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Kate Sears, Chair

Attest:

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Dawn Weisz, Secretary

November 19, 2020

TO: Marin Clean Energy Board

FROM: Shalini Swaroop, General Counsel

RE: Response to Grand Jury Report (Agenda Item #05 – C.3)

ATTACHMENT: A. Grand Jury Report – Climate Change: How Will Marin Adapt?
B. Letter from Grand Jury to MCE RE: Grand Jury Report
C. Draft Response to Grand Jury Report to be sent to Honorable Judge Andrew Sweet and Foreperson Lucy Dilworth
D. Marin Climate Action Network Public Comment & Informational PDF

Dear Board Members:

Summary:

In September 2020, MCE received a report from the Marin County Civil Grand Jury titled: "Climate Change: How Will Marin Adapt?" The Report, included as Attachment A, relates to Marin County's mitigation and adaptation efforts in response to climate change. The Grand Jury has requested that MCE respond to six findings (F1-F4 and F7-F8) and two recommendations (R1 and R4) in the Grand Jury Report. The Grand Jury request is included as Attachment B. In this response, MCE must adhere to Penal Code Section 933(c),[1] and comply with Brown Act noticing.

The MCE Legal Team has prepared a response to the request. It is included for your review as Attachment C. MCE must respond by stating whether MCE agrees or disagrees with each of the findings, and whether each of the recommendations

[1] Penal Code Section 933(c) provides that agencies have 90 days from the date of the final report to submit a response regarding the findings and recommendations to the presiding judge listed in the report. As such, MCE must respond by July 27, 2020. Additionally, Penal Code Section 933.05 dictates what format is an acceptable response for MCE to submit and MCE's response meets these requirements.

have been implemented, have not been implemented, require further analysis by MCE, or will not be implemented because they are not warranted.

In addition, the Marin Climate Action Network has prepared a public comment recommending responses to the Report for the Board's consideration. This, along with an accompanying informational PDF, are included as Attachment D.

In short, the proposed response is as follows:

- Finding 1: Climate change mitigation efforts by Marin governments have been notably effective in meeting their goals to reduce greenhouse gas emissions. MCE agrees with this finding in part.

- Finding 2: Adaptation planning is essential to protect local public utility and transportation infrastructure as well as private property interests, and to enable Marin's citizens to maintain their current standards of living. MCE agrees with this finding.

- Finding 3: With the BayWAVE and C-SMART initial vulnerability assessments completed, the county is now well-positioned to focus on adaptation planning and policies related to sea level rise. Because MCE is not an expert in climate adaptation related to sea level rise, MCE refrains from responding.

- Finding 4: The existing adaptation efforts across the county pay insufficient attention to the other potential effects of climate change, including impacts on public health, ecosystems, and social equity. MCE recognizes the impacts of climate change on public health, ecosystems, and social equity, and has implemented programs to help combat the impacts of climate change, recognizing that there is always more work to be done in these critical areas.

- Finding 7: Cross-jurisdictional collaboration and coordination will be required for successful adaptation efforts, but Marin lacks any overarching organizational or governance structure to facilitate this. MCE supports this finding in part.

- Finding 8: MCE was directed to respond to F8, but the Report did not include an eighth finding.

- Recommendation 1: The board of supervisors, in collaboration with the municipalities and other agencies affected by climate change, should convene a multi-jurisdictional task force (referred to in this report as the Marin Climate Adaptation Task Force) charged with developing a single, comprehensive, multi-jurisdictional adaptation strategy for all of Marin.

MCE supports this recommendation. MCE also suggests further analysis on the scope, costs, and resources associated with participation in the task force.

- Recommendation 4: Each member of the Marin Climate & Energy Partnership, should declare its support for broadening the partnership's mission and increasing its funding as necessary to enable it to support overall climate change planning efforts, including both mitigation and adaptation in cities, towns, and other member agencies throughout the county. As a member of the Marin Climate & Energy Partnership ("MCEP"), MCE declares its support for broadening the partnership's mission and increasing its funding. This recommendation has been implemented.

Fiscal Impacts:
No fiscal impact.

Recommendation:
Approve the Draft Response to Grand Jury Report to be sent to Honorable Judge Andrew Sweet and Foreperson Lucy Dilworth.

2019–2020 MARIN COUNTY CIVIL GRAND JURY

Climate Change: How Will Marin Adapt?

September 11, 2020

COUNTY OF MARIN

A Note about the Coronavirus Pandemic

The 2019–2020 Marin County Civil Grand Jury is issuing its reports during the unprecedented conditions of the COVID-19 pandemic. We are well aware that Marin County is in crisis and that critical public health concerns, operational difficulties, and financial challenges throughout the county have a greater claim to government attention right now than the important issues raised by this Grand Jury.

We are confident that, in due course, Marin will come through this crisis as strong as ever.

Climate Change: How Will Marin Adapt?

SUMMARY

Our planet is warming, glaciers and ice sheets are melting, sea levels are rising, we are witnessing more extreme weather events and wildfires, and ecosystems are being altered. The future pace of climate change is uncertain, but the trends are ominous. In Marin, a modest 10-inch sea level rise could reach 700 buildings and 8 miles of roads along the bay, and a 60-inch rise, combined with a 100-year storm surge, could inundate 12,000 buildings and 130 miles of roads.[1] According to one recent study, Marin County could lose as many as 10,000 homes to sea level rise by 2100.[2] In addition, public health will be threatened by more vector-borne disease, our environment will become less suitable for evergreen forests and more hospitable to highly flammable shrubs, and lower-income households will be disproportionately affected by heat waves and floods.

Efforts to address climate change fall into two categories: "Mitigation" measures reduce greenhouse gas emissions to slow climate change, while "adaptation" measures such as seawalls guard against the consequences of climate change.

Significant mitigation work has been done in Marin, but plans for adapting to climate change have taken a back seat and have focused almost exclusively on sea level rise. Are Marin's county, city, and town governments doing enough to adapt to climate change? That is the question at the heart of this report.

This investigation was started in 2019, prior to the COVID-19 pandemic, and the financial strength of Marin's public agencies will likely be significantly impaired in the short term. But the need for long-term planning and action is not diminished. The Grand Jury hopes that agencies addressed in this report will strongly consider implementing the jury's recommendations as soon as they are able to do so.

The Grand Jury makes several interrelated, but not interdependent, recommendations to help Marin move forward in its climate change efforts, including the following:

- The county, in collaboration with the municipalities and other Marin agencies affected by climate change, should convene a multi-jurisdictional task force charged with developing a countywide adaptation strategy appropriate for adoption by each participant.
- The county government should consolidate all of its mitigation and adaptation programs in a new office that would coordinate and unify climate change efforts at the county level.

[1] BVB Consulting LLC, *Marin Shoreline Sea Level Rise Vulnerability Assessment*, Bay Waterfront Adaptation & Vulnerability Evaluation (Marin County Department of Public Works, June 2017), pp. 25, 43, 63, https://www.marincounty.org/-/media/files/departments/cd/planning/sea level rise/baywave/vulnerability-assessment-final/final_allpages_bvbconsulting_reduced.pdf?la=en.

[2] Climate Central and Zillow, *Ocean at the Door: New Homes and the Rising Sea*, research brief, July 31, 2019, downloadable supporting data, accessed October 8, 2019, https://www.climatecentral.org/news/ocean-at-the-door-new-homes-in-harms-way-zillow-analysis-21953.

- The Marin Climate & Energy Partnership should expand its mission beyond greenhouse gas reduction to include adaptation planning support for the cities, towns, and other members.
- The county should study the feasibility of reorganizing the Marin Flood Control and Water Conservation District into a new agency governed by the county and all 11 cities and towns, with an expanded mission that includes climate change adaptation projects.

APPROACH

The Marin County Civil Grand Jury investigated the actions taken by Marin's county, city, and town governments to prepare for the potential consequences of climate change, assessed the adequacy of those efforts, and has recommended additional actions that would enhance the county's ability to meet the climate challenge.

In carrying out this investigation, the Grand Jury—

- Interviewed elected officials, department heads, and staff in the Marin County government and in Marin's city and town governments, as well as representatives from various climate-related organizations in Marin and the Bay Area.
- Reviewed reports, studies, plans, and California state guidance documents dealing directly or indirectly with climate change.
- Attended community meetings focused on various efforts throughout the county to reduce greenhouse gas emissions and plan for the potential effects of climate change.

The more the Grand Jury delved into climate change, the greater its appreciation for the complexity and evolving nature of the topic, as well as for the individuals throughout the county who are dedicated to confronting this global challenge at the local level. The Grand Jury was under no illusion that it could master all aspects of the subject or provide foolproof recommendations for the best path forward. But the Grand Jury hopes that the issues and suggestions raised in this report will increase awareness and prompt thoughtful discussion.

BACKGROUND: THE CHALLENGE OF CLIMATE CHANGE

There is broad scientific consensus that human actions over the past century or more—particularly the burning of fossil fuels and land-use practices such as deforestation and food production—have been changing Earth's climate. Both globally and locally, the signs of climate change are increasingly evident:

- Worldwide, the years 2015–2019 were the five warmest years on record,[3] and May 2020 tied with May 2016 as the warmest May on record.[4] From 1895 to 2018, the average temperature in Marin County increased by 2.3°F.[5]
- Over the past century, sea level in the Bay Area rose by about 8 inches, and the rate of sea level rise has accelerated significantly since 2011.[6]
- The 2012–2016 California drought resulted in the most severe moisture deficits in the last 1,200 years and a record-low Sierra snowpack.[7]
- Fueled by drought-parched trees and shrubs and driven by high winds, California's 2017 and 2018 wildfires were the deadliest and costliest in state history.[8] Marin was spared the flames, but not the smoke and soot. The threat of fires in 2019 led PG&E to shut off electric power to almost the entire county for multiple days.
- In March 2018, Marin County Public Health issued a warning that potentially lethal levels of shellfish toxins, probably caused by "an increasingly unpredictable climate," were detected in the waters of Drakes Bay and north of Stinson Beach.[9] Other climate-related county health advisories in recent years have included alerts about infectious diseases such as West Nile and Zika virus.[10]

According to California's latest Climate Change Assessment, annual average temperatures in the Bay Area will likely increase by approximately 4.4°F by the middle of this century and 7.2°F by the end of the century—unless there are significant efforts throughout the world to limit or

[3] National Oceanic and Atmospheric Administration, "2019 Was 2nd Hottest Year on Record for Earth Say NOAA, NASA," news release, January 15, 2020, https://www.noaa.gov/news/2019-was-2nd-hottest-year-on-record-for-earth-say-noaa-nasa.
[4] National Oceanic and Atmospheric Administration, National Centers for Environmental Information, "State of the Climate: Global Climate Report for May 2020," June 2020, accessed June 17, 2020, https://www.ncdc.noaa.gov/sotc/global/202005.
[5] Steven Mufson, Chris Mooney, Juliet Eilperin, and John Muyskens, "Extreme Climate Change Has Arrived in America," *Washington Post*, August 13, 2019, https://www.washingtonpost.com/graphics/2019/national/climate-environment/climate-change-america/.
[6] David Ackerly, Andrew Jones, Mark Stacey, and Bruce Riordan (University of California, Berkeley), *San Francisco Bay Area Summary Report*, California's Fourth Climate Change Assessment, CCCA4-SUM-2018-005 (January 2019), p, 31, https://www.energy.ca.gov/sites/default/files/2019-11/Reg_Report-SUM-CCCA4-2018-005_SanFranciscoBayArea_ADA.pdf.
[7] Ackerly et al., *San Francisco Bay Area Summary Report*, p. 17.
[8] Mark Northcross, "Rebuild to Fail or Rebuild to Adapt: How CRA Lending Can Guide Climate Change Disaster Response," Strategies to Address Climate Change Risk in Low- and Moderate-Income Communities, *Federal Reserve Bank of San Francisco Community Development Innovation Review*, 14, issue 1 (2019): p. 39, https://www.frbsf.org/community-development/files/CDIR_vol_14_issue_1_.pdf.; and Steve Gorman, "Year's Most Destructive California Wildfire Declared Extinguished after Two Weeks," Reuters, November 7, 2019, https://www.reuters.com/article/us-california-wildfire/years-most-destructive-california-wildfire-declared-extinguished-after-two-weeks-idUSKBN1XI0BA.
[9] County of Marin, "Public Health Warning for Shellfish Toxins," news release, March 7, 2018, https://www.marincounty.org/main/county-press-releases/press-releases/2018/hhs-shellfishtoxins-030718.
[10] Richard Halsted, "Marin Supervisors Receive Harrowing Report on Climate Change, Sea Level Rise," *Marin Independent Journal*, April 13, 2019, https://www.marinij.com/2019/04/13/marin-supervisors-receive-harrowing-report-on-climate-change-sea level-rise/.

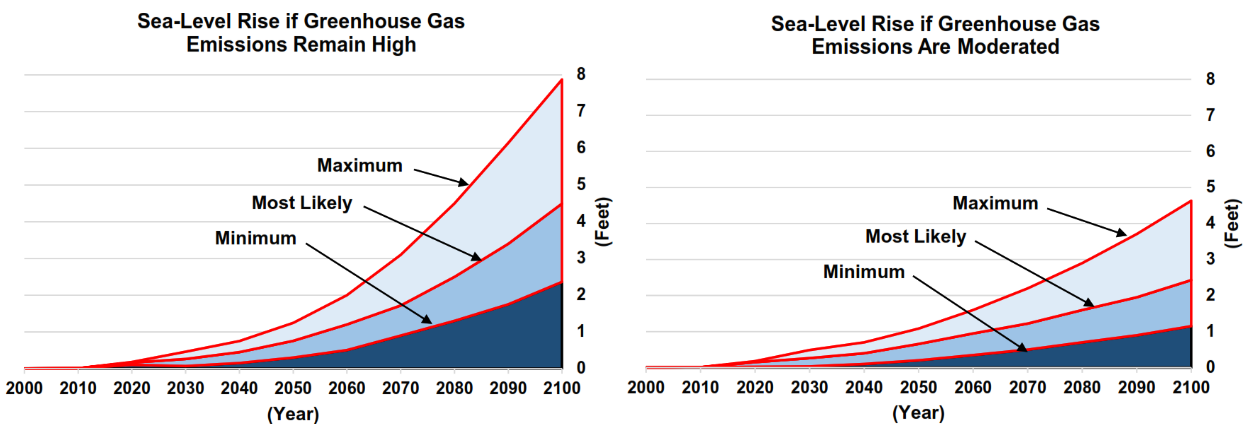
reduce greenhouse gas emissions. Even with significant reduction efforts, the temperature increase is projected to be approximately 3.3°F by mid-century and 4.2°F by century's end.[11]

Ongoing global warming, in turn, will increase the volume of water in oceans through thermal expansion and the addition of meltwater from glaciers and ice sheets, resulting in rising seas throughout the world. In the Bay Area, assuming emissions worldwide are moderated, median sea level rise is projected to be about 8 inches by 2050 and 2.4 feet by the year 2100. But if emissions remain high, sea level rise by 2100 would likely be about 4.5 feet, and it could approach 8 feet. Figure 1 shows sea level rise projections for the Bay Area under the two scenarios: continued high emissions and moderate emissions.

As sea level rises, more and more land along the shoreline will flood and then remain permanently underwater. But that will just be the new baseline. On top of that baseline will be the periodic flooding caused by El Niño events, king tides, large waves, stream runoff, and storm surges. For example, storm surge in California can elevate sea level by as much as 3 feet, temporarily transforming a 1-foot sea level rise into a 4-foot sea level rise.[12]

Low-lying shoreline communities along the bay and in West Marin—including homes, businesses, utilities, ferry facilities, marinas, boat launches, and roads—will be directly affected by sea level rise. The severity of the impacts will be determined by the magnitude and timing of

Figure 1. Projections of Sea Level Rise in the San Francisco Bay Area, 2000–2100



Note: For each scenario, the minimum sea level rise levels will occur with near certainty, the most likely levels represent the statistical averages, and the maximum levels are statistically plausible but less likely. The high emissions scenario is commonly referred to as the business-as-usual scenario and technically called Representative Concentration Pathway (RCP) 8.5. The moderate emissions scenario is technically called RCP 4.5.
Source: Based on D. W. Pierce, J. F. Kalansky, and D. R. Cayan (Scripps Institution of Oceanography), *Climate, Drought, and Sea Level Rise Scenarios for the Fourth California Climate Assessment*, California's Fourth Climate Change Assessment, CCCA4-CEC-2018-006 (August 2018), Figure 43 and Table 5, https://www.energy.ca.gov/sites/default/files/2019-11/Projections_CCCA4-CEC-2018-006_ADA.pdf.

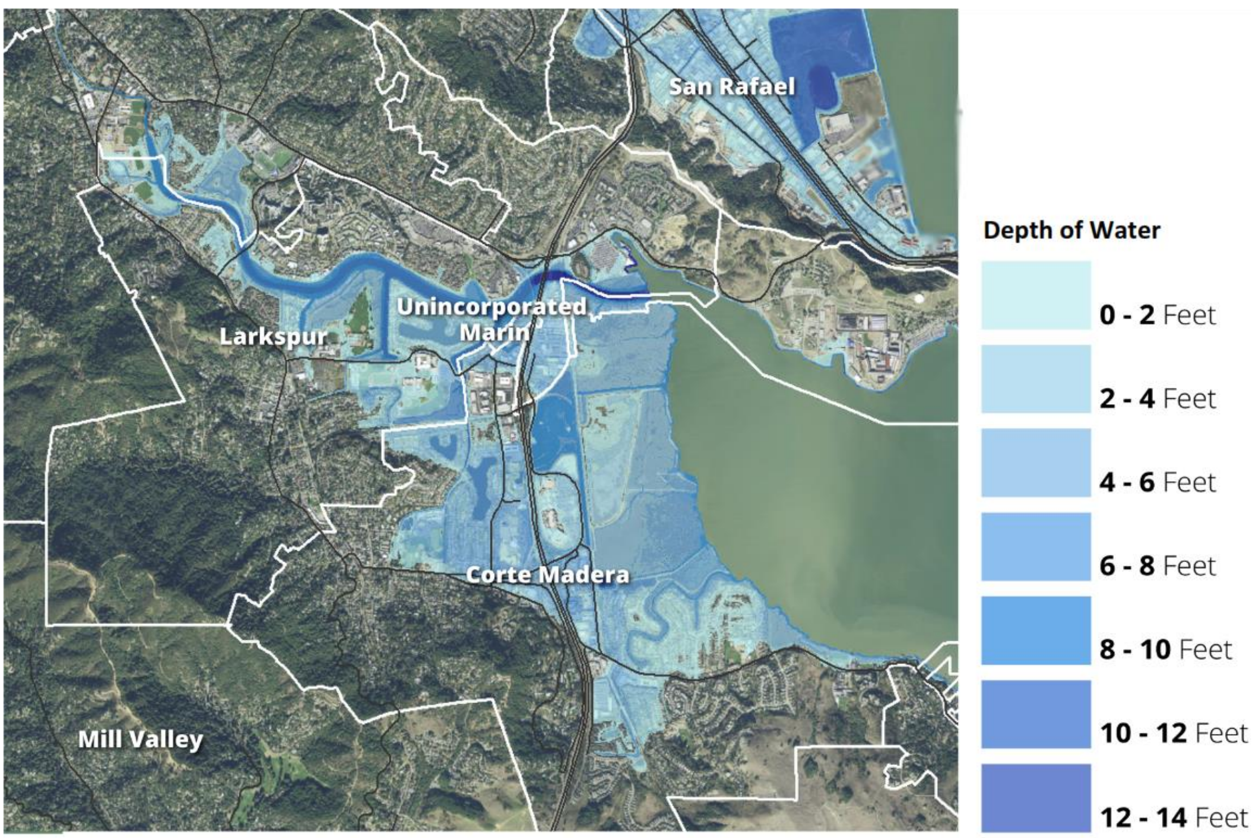
[11] Ackerly et al., *San Francisco Bay Area Summary Report*, p. 14.
[12] G. Griggs, J. Árvai, D. Cayan, R. DeConto, J. Fox, H. A. Fricker, R. E. Kopp, C. Tebaldi, and E. A. Whiteman (California Ocean Protection Council Science Advisory Team Working Group), *Rising Seas in California: An Update on sea level Rise Science* (California Ocean Science Trust, April 2017), p. 17, http://www.opc.ca.gov/webmaster/ftp/pdf/docs/rising-seas-in-california-an-update-on-sea-level-rise-science.pdf.

the sea level rise. For example, a modest 10-inch sea level rise alone could reach 5,000 acres, 700 buildings, and 8 miles of roads along the bay. But a 60-inch sea level rise, combined with a 100-year storm surge, could inundate 18,000 acres, 12,000 buildings, and 130 miles of roads.[13] According to a recent study by Climate Central and Zillow, as many as 10,000 Marin homes would be subject to annual flooding by 2100 under a high emissions scenario. The study also found that almost 50 homes built in the county between 2010 and 2016 are at risk of flooding by 2050 under almost any plausible scenario.[14]

As Figure 2 shows, a 4-foot rise in sea level will cause a large portion of the Larkspur and Corte Madera area—including a lengthy stretch of U.S. Highway 101—to be permanently flooded. Some low-lying areas will be flooded to a depth of 10 feet or more.

Adapting to higher sea levels will be costly no matter what measures, such as managed retreat or shoreline protection, are taken. One estimate for Marin County anticipates spending $1.1 billion

Figure 2. Sections in the Larkspur-Corte Madera Area Vulnerable to 4-Foot Sea Level Rise



Source: Reproduced with slight modifications from Marin County, *Adaptation Land Use Planning*, February 2020, p. 12, https://www.marincounty.org/-/media/files/departments/cd/slr/alup0228.pdf?la=en.

[13] BVB Consulting LLC, *Marin Shoreline Sea Level Rise Vulnerability Assessment*, pp. 25, 43, 63.
[14] Climate Central and Zillow, *Ocean at the Door*.

by 2040 to construct 133 miles of seawalls to protect communities from the effects of sea level rise.[15] This estimate is only for seawalls, and does not include other costs, such as necessary changes to infrastructure, relocation or protection of utilities and sanitation facilities, or modification of roads or structures. A proposed seawall for Belvedere, including relocation of utilities and related work, carries an estimate as high as $27.4 million.[16]

More than any of the other expected consequences of climate change on Marin, sea level rise may be the easiest to visualize and has received the most detailed attention by planners. That is why this report, in discussing the effects of climate change on the county and programs to address them, discusses sea level rise in greater depth. But other projected impacts of climate change are also concerning. For example:

- **Health Impacts.** Public health will be threatened by more extreme heat events and wildland fires; increased air pollution, vector-borne disease, indoor mold, and pollen; longer and more frequent droughts; flooding and landslides from sea level rise and more intense winter storms; and release of contaminants from flooded hazardous waste sites. Potential disruption of the transportation network could hamper people's ability to move away from danger. It could also interfere with access to healthcare, as well as the ability of hospitals, clinics, and emergency responders to operate.
- **Ecosystem Impacts.** The quantity and quality of water in creeks will suffer from longer dry seasons, more frequent and severe droughts, and catastrophic wildfires, negatively affecting invertebrates, fish, amphibians, and other animals. The Bay Area environment will become less suitable for evergreen forests, including redwoods and Douglas fir, and more favorable for vegetation such as chamise chaparral, a shrub that is particularly flammable during hot, dry weather, further increasing the danger of wildland fires.
- **Socioeconomic Impacts.** Regional socioeconomic inequity will be exacerbated because lower-income and minority households, which disproportionately live in locations more vulnerable to climate and other environmental risks, will have greater difficulty preparing for and recovering from heat waves, floods, and wildfires.[17]

Although the timing and magnitude of climate change are uncertain, it is happening, and it will affect the quality of life of everyone who lives in, works in, or visits Marin. What are we doing as a community to meet this challenge, and what more should we be doing? These are the questions at the heart of this investigation.

DISCUSSION

Mitigation and Adaptation: Two Essential Pillars of a Climate Change Strategy

Actions to address climate change are generally divided into two categories:

> **Mitigation**—These are actions to reduce greenhouse gases and other causes of climate change. They include reducing energy use, converting to low-carbon energy sources, and

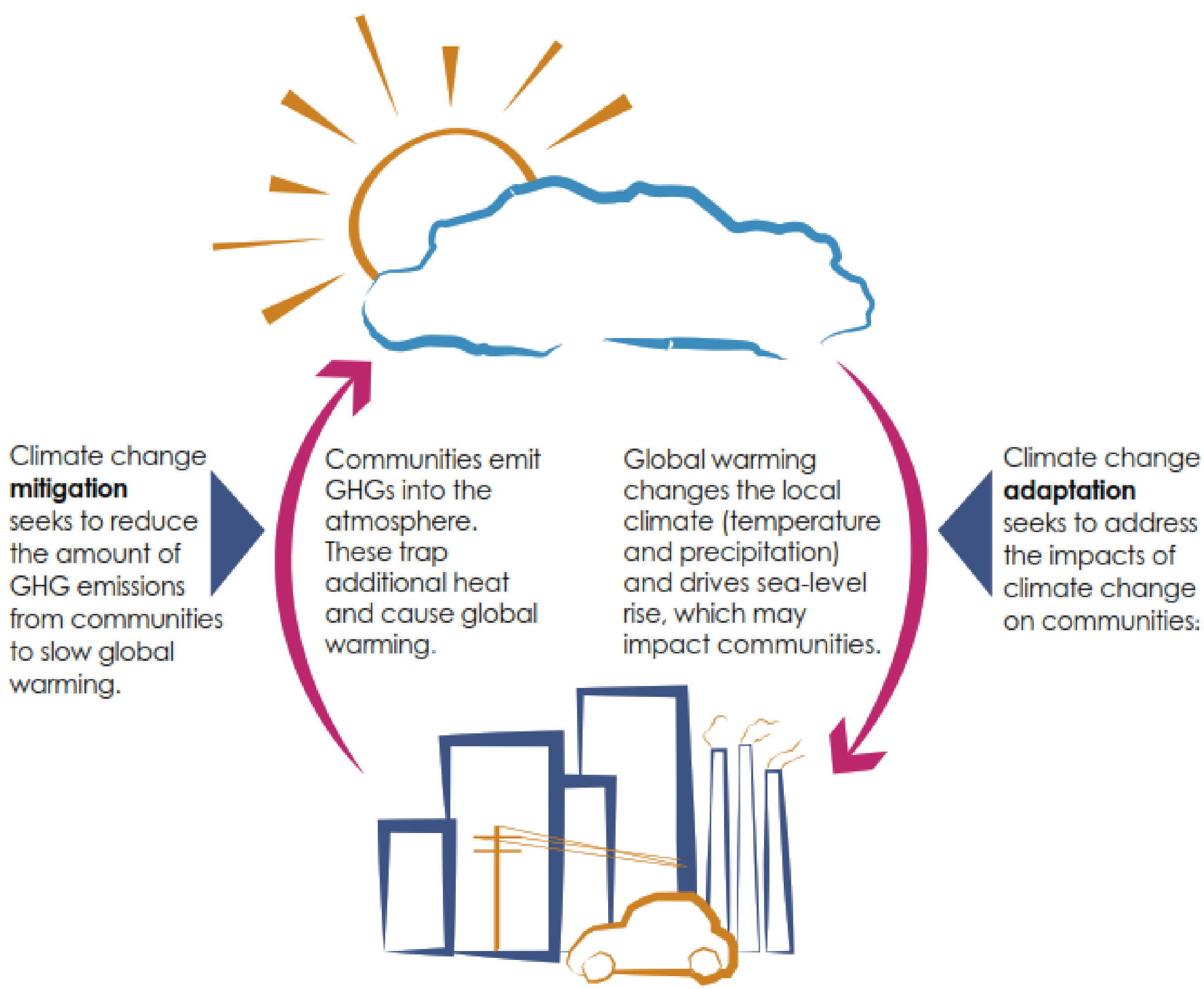
[15] Sverre LeRoy and Richard Wiles, *High Tide Tax: The Price to Protect Coastal Communities from Rising Seas*, Center for Climate Integrity, June 2019, www.climatecosts2040.org.
[16] "Cost," Belvedere Sea Wall, accessed April 18, 2020, https://belvedereseawall.org/cost/.
[17] Ackerly et al., various pages.

expanding forests and other "sinks" that remove and sequester carbon dioxide from the atmosphere.

Adaptation—These are actions to protect people and places from the effects of climate change. They include building seawalls, restoring shoreline wetlands, relocating buildings and highways to higher ground, preparing for impacts on human health, preventing and preparing for wildfires, and diversifying crops.

Figure 3 depicts the relationship between mitigation and adaptation. In some cases, these approaches overlap. For example, the restoration of shoreland wetlands can both reduce tidal flooding and increase carbon sequestration.

Figure 3. Roles of Mitigation and Adaptation Efforts in Addressing Climate Change



Source: Reprinted with minor modifications from California Governor's Office of Emergency Services, *California Adaptation Planning Guide*, final public review draft, March 2020, p. 16, https://www.caloes.ca.gov/HazardMitigationSite/Documents/APG2-FINAL-PR-DRAFTAccessible.pdf.

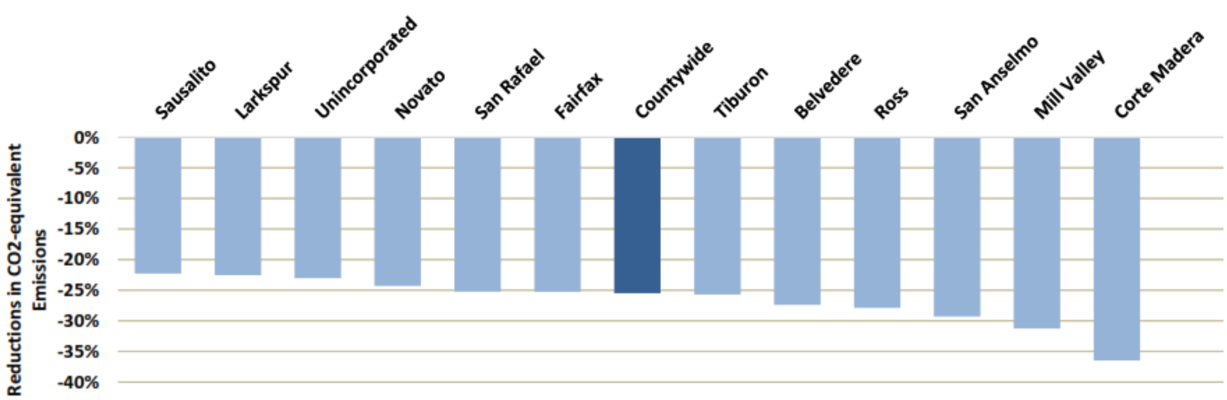
As the moderated emissions graph in Figure 1 shows, if net emissions of greenhouse gases can be reduced, future sea level rise (and, by implication, other negative effects of climate change) will be reduced. That is why mitigation efforts are so important.

Figure 1 also shows that reducing greenhouse gas emissions can only lessen, not eliminate, the effects of climate change. Even under the most optimistic scenarios, sea levels will continue to rise and our environment will be altered. As NASA states, "Carbon dioxide . . . lingers in the atmosphere for hundreds of years, and the planet (especially the oceans) takes a while to respond to warming. So even if we stopped emitting all greenhouse gases today, global warming and climate change will continue to affect future generations."[18] That is why adaptation efforts are just as crucial as mitigation efforts.

Mitigation Programs in Marin

Mitigation efforts started in Marin in 2002 when the county resolved to join the Cities for Climate Protection Campaign. Since then, Marin's county, city, and town governments have all developed climate action plans focused on reducing greenhouse gas emissions. Innovative mitigation initiatives—such as Marin Clean Energy (now called MCE), Electrify Marin, the Marin Solar Project, the Marin Energy Watch Partnership, Resilient Neighborhoods, and Drawdown: Marin— all have had a positive impact or show promise for further progress. From 2005 to 2018, according to Marin Climate & Energy Partnership data, countywide greenhouse gas emissions decreased by 25 percent.[19] Figure 4 provides a breakdown of the emissions reduction by jurisdiction.

Figure 4. Greenhouse Gas Emissions Reductions in Marin County, by Jurisdiction, 2005–2018



Source: Based on June 19, 2020, data from Marin Climate & Energy Partnership, "Marin Tracker," accessed June 29, 2020, http://www.marintracker.org/. Note that this chart is based on the raw Marin Tracker data and differs slightly from a similar chart on the Marin Climate & Energy Partnership website.

[18] NASA, "Responding to Climate Change," no date, accessed November 27, 2019, https://climate.nasa.gov/solutions/adaptation-mitigation/.
[19] Marin Climate & Energy Partnership, "Marin Tracker," accessed June 29, 2020, http://www.marintracker.org/.

As a community, we must continue our resolve to shrink our carbon footprint. A more detailed overview of Marin's mitigation efforts is set forth in Appendix A, and a list of the primary governmental organizations and programs in Marin involved with climate change is included in Appendix B.

Adaptation Planning Efforts in Marin

Formal planning for how Marin will need to adapt to climate change did not begin until mid-2014 when the county government formed the Collaboration: Sea-level Marin Adaptation Response Team (C-SMART) to research the potential impacts of sea level rise on West Marin and to work with coastal communities to plan for those impacts. By 2018, C-SMART had completed both a vulnerability assessment[20] and a report presenting possible options for accommodating, protecting against, or retreating from the threats of sea level rise.[21] As of March 2020, C-SMART's priorities included working with the California Coastal Commission to finalize an updated Local Coastal Program that will enable C-SMART to create a comprehensive adaptation plan for the coastal shore.

A similar but separate county project was started in September 2015 to assess the potential impacts of sea level rise on Marin's eastern shoreline. This project was dubbed the Bay Waterfront Adaptation and Vulnerability Evaluation (BayWAVE). In 2017, BayWAVE completed an assessment of the potential impacts of sea level rise on Marin's bayside communities through the end of this century.[22] Based in part on that assessment, in early 2020 the county published a guide detailing the land-use planning tools available to adapt to rising sea levels.[23]

With vulnerability assessments completed for both the ocean and bay sides of Marin, we have a good understanding about which portions of the county's critical infrastructure will be affected by sea level rise and the extent to which private property is at risk under various scenarios. So, at least with respect to sea level rise, important groundwork has been laid for the development of adaptation strategies.

Marin Should Take a Fresh Approach to Adaptation Planning

Public servants in Marin's county government and local communities have generally done outstanding work on climate change, but the county lacks a comprehensive approach to climate change adaptation planning. Most of Marin's municipalities do not yet know how to approach this difficult task. The adaptation planning process needs a reboot.

[20] C-SMART, Marin County Community Development Agency, *Marin Ocean Coast Sea Level Rise Vulnerability Assessment*, May 2016, https://www.marincounty.org/-/media/files/departments/cd/planning/sea level rise/c-smart/2018/01_draft_title_pages_toc_va_sea level rise_18_02_05.pdf?.
[21] C-SMART, Marin County Community Development Agency, *Marin Ocean Coast sea level rise Adaptation Report*, February 2018, https://www.marincounty.org/-/media/files/departments/cd/planning/sea level rise/c-smart/2019/181211_csmart_adaptation_report_final_small.pdf?.
[22] BVB Consulting LLC, *Marin Shoreline Sea Level Rise Vulnerability Assessment*.
[23] Marin County, *Adaptation Land Use Planning*, February 2020, https://www.marincounty.org/-/media/files/departments/cd/slr/alup0228.pdf?la=en.

A Mandate for Adaptation Planning

Developing adaptation strategies is not an option; it is the law. California state law has long required each municipality and county to adopt a comprehensive, long-term general plan for the jurisdiction's physical development.[24] In October 2015, the governor signed into law Senate Bill 379, which added the requirement that jurisdictions update the so-called safety element of their general plans to "address climate adaptation and resiliency strategies." This law states that these updates must include "a set of adaptation and resilience goals, policies, and objectives" and "a set of feasible implementation measures designed to carry out the goals, policies, and objectives."[25] This requirement took effect January 1, 2017. If the required information is contained in another type of planning instrument—for example, a stand-alone adaptation plan, a climate action plan, a Local Coastal Program, land use codes, or zoning regulations—the other instrument may be incorporated into the general plan by reference.

In Marin, various planning instruments have been used, or are currently being developed, to address climate adaptation, but none of them yet meet this law's requirements. All of the climate action plans developed by Marin's municipalities and the county government focus on mitigation. Adaptation is addressed only in generalities. The county's general plan was adopted in 2007 and last amended in 2014,[26] and most of the general plans of Marin's 11 cities and towns are older. All of the general plans predate the C-SMART and BayWAVE assessments and do not present detailed adaptation measures. Several municipalities are in the process of updating their general plans, but in a survey regarding their updates, only San Rafael stated that it expects to comply with this law.[27] Under the most generous interpretation of the law, the county government must begin updating its general plan to incorporate climate adaptation strategies no later than January 1, 2022. These strategies need to cover more than just sea level rise, which means there is much more work to do.

A Commonsense Objective: A Multi-Jurisdictional Adaptation Plan

Marin's jurisdictional puzzle, geographical layout, transportation infrastructure, and other interdependencies call for comprehensive adaptation solutions. Climate change is a countywide issue, not one limited to waterfront or hillside communities. We breathe the same air, drive the same roads, benefit from common watersheds, and share central sanitation facilities, all without regard to the boundaries of our city or town or our neighborhood geography. When Highway 101 floods due to storm surge, all residents are affected, not just those living near the water. Effective planning will require countywide collaboration and coordination.

To date, however, the few forays into adaptation planning have been initiated by individual jurisdictions. These jurisdictions are not working toward a common solution, and they are taking different approaches. For example, Corte Madera has taken the initiative to develop a stand-

[24] California Government Code § 65300, accessed March 10, 2020, http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65300.&lawCode=GOV.
[25] California Government Code § 65302(g)(4), accessed March 10, 2020, http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65302.&lawCode=GOV.
[26] Marin County Community Development Agency, *Marin Countywide Plan,* November 6, 2007 (reprinted October 2014), p. 2.6–12, https://www.marincounty.org/-/media/files/departments/cd/planning/currentplanning/publications/county-wide-plan/cwp_2015_update_r.pdf?la=en.
[27] Marin County, *Adaptation Land Use Planning*, February 2020, p. 33.

alone adaptation plan. It has included representatives from the county and other local agencies, including the public works departments of San Rafael and Larkspur, on the project's advisory committee, but the town does not anticipate that the final plan (scheduled for release February 2021) will make recommendations beyond the scope of its own jurisdiction. As shown in Figure 2, Corte Madera, Larkspur, and unincorporated Marin share a common flood zone; it would be nearly impossible for Corte Madera to resolve its sea level rise flooding problems without joint action with Larkspur and the county, not to mention the Ross Valley. Corte Madera is well aware of this fact and is in ongoing conversation with the county and surrounding jurisdictions regarding the project and how to collaborate on adaptation strategies. That is constructive, but successful outcomes will require a formal commitment to joint action.

In addition to adaptation efforts in Corte Madera, there are also programs underway in Belvedere and San Rafael. The box on the next page describes these efforts.

One explanation for these individual approaches is that the process for adaptation planning is not yet well settled. As climate change concerns have grown, separate jurisdictions have grafted varying adaptation plans onto their preexisting planning instruments. Just as there was a time when climate action plans did not yet exist, such is the case today for climate change adaptation plans.

Fortunately, California's state government has been refining guidance to assist local governments and regional collaboratives in developing an effective planning process. In 2012, the state government issued its *California Adaptation Planning Guide*,[28] and a revised version was made available for final public comment in March 2020.[29] The March 2020 draft is a comprehensive document of more than 250 pages. The draft 2020 guide notes that "regional governments may also conduct adaptation work for all jurisdictions in their area, and multiple jurisdictions may collaborate on regional adaptation work."[30] The Grand Jury recommends restarting Marin's climate change adaptation planning process and believes that it should follow the roadmap set forth in the *California Adaptation Planning Guide.* The goal would be to create a single, comprehensive, multi-jurisdictional adaptation strategy for all of Marin.

There is precedent in Marin for collaboration on similar planning efforts. The county updated its local hazard mitigation plan in December 2018 and, unlike previous plans, this one is "multi-jurisdictional" and covers all of Marin.[31] It was developed with input from Marin's towns and cities, and all of the municipalities formally adopted it in 2019. This could serve as a model for collaborating on a countywide multi-jurisdictional adaptation plan, which could be incorporated along with the local hazard mitigation plan into the general plans of the county, cities, and towns. That would bring coherence and efficiency to this difficult, but badly needed, effort.

[28] California Emergency Management Agency and California Natural Resources Agency, *California Adaptation Planning Guide*, July 2012, https://www.caloes.ca.gov/HazardMitigationSite/Documents/001APG_Planning_for_Adaptive_Communities.pdf.
[29] California Governor's Office of Emergency Services, *California Adaptation Planning Guide*, final public review draft, March 2020, https://www.caloes.ca.gov/HazardMitigationSite/Documents/APG2-FINAL-PR-DRAFTAccessible.pdf.
[30] California Governor's Office of Emergency Services, *California Adaptation Planning Guide,* final public review draft, March 2020, p. 42.
[31] Marin County, *Multi-Jurisdiction Local Hazard Mitigation Plan*, 2018, https://www.marinwatersheds.org/sites/default/files/2019-10/2018-MCM-LHMP_web.pdf.

Cities and Towns Proceed Independently

In 2019, Corte Madera launched a project to develop an adaptation plan addressing both sea level rise and wildfire risk. The town engaged an outside consulting firm to lead the effort, created a dedicated website, and, as of February 2020, had held at least two community engagement events. To help guide the project, a 16-member Resilience Advisory Committee was formed, consisting of planners and other representatives from the county and other local agencies. Corte Madera anticipates completing its adaptation plan in February 2021.[32]

In 2019, Belvedere formed the Committee to Protect Belvedere's Seawalls, Levees, and Utilities to address seismic and flooding concerns, primarily along Beach Road and San Rafael Avenue. The city created a dedicated website to track the effort and has been working with outside engineers and architects on design solutions.[33] The plan would raise the height of existing seawalls by 3½ feet.[34]

San Rafael is in the process of updating its general plan and, as part of that, announced in early 2020 that it intends to include an adaptation report with that plan and to subsequently develop a comprehensive adaptation plan for the city. The city also announced its intention to adopt land use regulations, zoning overlays, and real estate disclosure requirements to address the growing risks of sea level rise. San Rafael is also working on several projects in East San Rafael to restore marshlands and possibly raise some levees in anticipation of sea level rise.

Architectural rendering of one proposed concept for a continuous seawall along Beach Road in Belvedere. The total project cost is estimated to be between $11 million and $27.4 million. (Rendering by One Architecture)

[32] "Corte Madera: Adapting to Climate Change," accessed April 23, 2020, https://cortemaderaadapts.org.
[33] Belvedere Sea Wall Project, accessed April 18, 2020, https://belvedereseawall.org.
[34] Hannah Weikel, "City Unveils Refined Plans for Extensive Seawalls Work," *The ARK*, December 25, 2019.

A Robust Framework for Moving Forward

As shown in Figure 5, the draft 2020 *California Adaptation Planning Guide* recommends a four-phase process for adaptation planning. Through the BayWAVE and C-SMART programs, Marin has tackled the second phase of the recommended planning process—assessing vulnerabilities—at least with respect to sea level rise. The third phase entails defining the adaptation framework and strategies.

But for any reboot of the planning process to be successful, it must start off on the right foot. The *first* phase outlined in the draft 2020 guide—explore, define, and initiate—has never been undertaken in Marin on a comprehensive countywide basis. Laying the groundwork in these areas will be critical to any planning effort.

As described in the guide, this first phase starts with the formation of an inclusive project task force responsible for the planning process. Consequently, the Grand Jury recommends the formation of the Marin Climate Adaptation Task Force which should be composed of representatives from county government, cities and towns, and other agencies affected by climate change. The task force should also include representatives of the public to ensure community support and representation of socioeconomically underserved areas. Ideally, the task force would have a combination of technical skills, planning skills, public engagement expertise, and financial know-how. As the initial stage of its work, the task force would define the vision for the planning project and the expected outcomes, with the primary objective being the creation of

Figure 5. Adaptation Planning Process Recommended in the Draft California Adaptation Planning Guide

Source: Reprinted from California Governor's Office of Emergency Services, *California Adaptation Planning Guide,* final public review draft, March 2020, p. 2. https://www.caloes.ca.gov/HazardMitigationSite/Documents/APG2-FINAL-PR-DRAFTAccessible.pdf.

a countywide adaptation strategy. It could be supported by one or more working groups or advisory teams representing key stakeholders. As stated in the *California Adaptation Planning Guide*, the task force should have a leader "empowered to make recommendations and/or have direct access to decision-makers."[35]

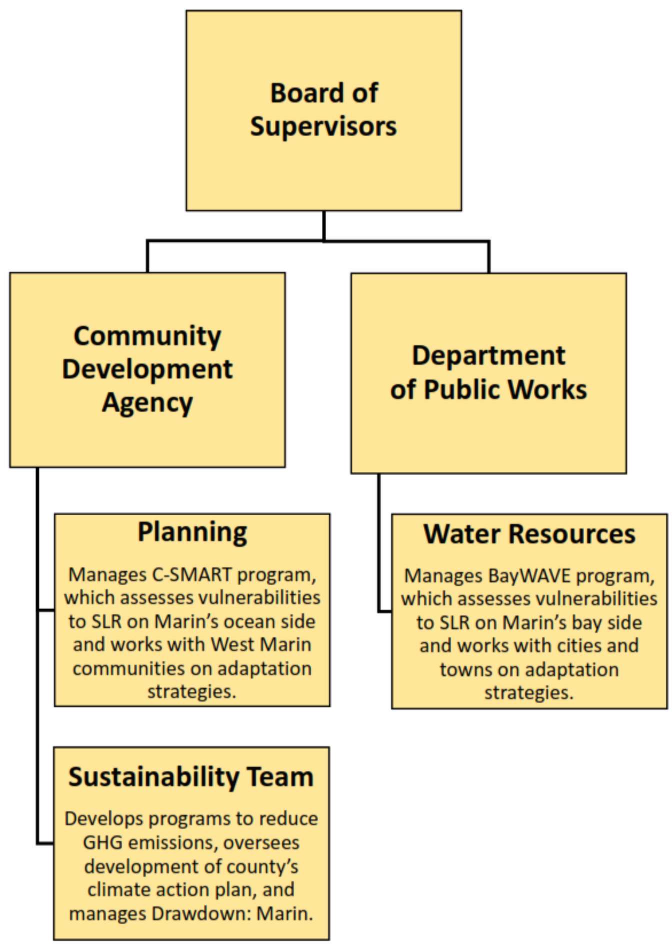
A planning process that is inclusive, deliberate, and goal-oriented will surely give Marin a greater chance of success. By committing to a more collaborative approach, Marin will be better prepared for the difficult climate change challenges that lie ahead. The cost of addressing climate change could be enormous. The cost of doing it haphazardly could be even greater.

The County Government's Organization of Climate Change Efforts Is Too Decentralized

Whether or not Marin's leaders agree on the benefits of a comprehensive, countywide plan and task force for addressing climate change, they should assess whether their current efforts could be made more efficient and effective.

The caliber of people throughout the county who are working on the climate problem is impressive, but their efforts may be hindered by organizational shortcomings. At the county level, the most active programs for addressing climate change reside in two departments: the Community Development Agency and the Department of Public Works, both of which report to the board of supervisors. As Figure 6 shows, the Community Development Agency's Sustainability Team is responsible for mitigation planning, including development of the county's climate action plan, but adaptation efforts are split between the two departments.

Figure 6. County Government Departments with Major Climate Change Roles



County Mitigation Programs

The Community Development Agency's Sustainability Team works on the county's climate action plan and programs to promote renewable energy, encourage green building, recognize green businesses, and implement energy efficiency projects. It also supports the Drawdown: Marin program, a

[35] California Governor's Office of Emergency Services, *California Adaptation Planning Guide,* final public review draft, March 2020, p. 49.

collaborative effort in the county to develop policies and incentives that will help to further reduce, or "draw down," countywide greenhouse gas emissions. (The county's mitigation efforts are described in more detail in Appendix A.)

The Grand Jury identified several areas of concern in the current arrangement of the Sustainability Team:

- **Limited Authority.** Although the Sustainability Team coordinates with other county departments, it has no authority to direct their mitigation efforts.
- **Fragile Institutional Structure.** Members of the Sustainability Team have significant one-on-one contact with individual members of the board of supervisors, who may direct the team to address certain priorities over others. Climate change initiatives appear to have limited institutional durability.
- **Budgetary Uncertainty**. Of the seven people currently on the Sustainability Team, five are completely or partially dependent on grants for their paychecks; and four have limited-term employment, with their current terms expiring between September 2020 and August 2021. As a consequence of the COVID-19 pandemic, funding for these positions may have become even more precarious.

County Adaptation Efforts

The Community Development Agency's planning division leads the C-SMART initiative, which is focused on the potential impacts of sea level rise on West Marin. Staff from the Department of Public Works' water resources division, with support from Community Development Agency planners, lead BayWAVE, the project focused on Marin's San Francisco Bay shoreline.

Although the C-SMART and BayWAVE projects reside in different departments and thus do not report to the same director, staff on both projects maintain that there is ongoing collaboration between the two groups. Indeed, they worked together to develop a guide that details the land-use planning tools available to adapt to rising sea levels. The county government published this guide in early 2020.[36] Nonetheless, the current arrangement has its drawbacks:

- **Reliance on Informal Collaboration.** Will C-SMART and BayWAVE complement each other or compete for resources? The collaboration that has occurred to date has been largely on an informal, peer-to-peer basis among staff members with common interests and goals. It is unclear how the adaptation efforts going forward will be coordinated or prioritized, if at all. For example, how will the relative priority of coastal and bayside needs be determined if these programs are not managed jointly? It is hard to see a benefit from keeping these efforts separate.
- **Different Analytical Approaches.** The scenarios of potential sea level rise and storm surges used in BayWAVE's vulnerability assessment do not match the ones used in the C-SMART assessment. It is therefore quite difficult to determine the impact of any single

[36] Marin County, *Adaptation Land Use Planning*, February 2020.

Wetland Restoration Projects

The Marin County Parks project to restore subtidal and intertidal habitat at wetlands within McInnis Park aims to protect the park from sea level rise and maintain the San Francisco Bay Trail connection to Las Gallinas Valley Sanitary District. (Marin County Parks photo)

The county is currently exploring nature-based adaptation options, also called living shorelines, for protecting low-lying areas along the bay and ocean from sea level rise. These nature-based measures can not only reduce the vulnerability of communities to flood hazards but also provide fish and wildlife habitat, recreational opportunities, and carbon sequestration. In collaboration with the Golden Gate National Parks Conservancy, Marin County Parks is developing conceptual plans for a nature-based sea level rise adaptation project at the Bothin Marsh Open Space Preserve in Mill Valley.[37] And in partnership with Las Gallinas Sanitary District and the Marin County Flood Control and Water Conservation District, the parks department is working on solutions to restore tidal wetlands in McInnis Park at the edge of San Pablo Bay in San Rafael.[38]

scenario on the entire county. In the future, will the planning tools and frameworks adopted by C-SMART be compatible with those used by BayWAVE?

- **Limited Staffing**. The staff working on the C-SMART and BayWAVE adaptation programs—four or five employees—are not dedicated full time to keeping up with this dynamic field. They have many other responsibilities and limited time to get their jobs done.
- **Insufficient Attention to Health and Other Risks.** With the county's focus being on sea level rise, other climate change risks, such as health risks caused by extreme weather events and rising temperatures, have received less attention in the county. The Health and Human Services department does not yet have a position focused full time on the health risks of climate change but the need for this will surely grow.

At least one other county department, Marin County Parks, is also involved with adaptation issues. Two of that department's projects are described in the box above.

[37] Marin County Parks, "Creating a Shared Vision for Preservation and Recreation at Bothin Marsh," accessed April 23, 2020, https://www.marincountyparks.org/projectsplans/land-and-habitat-restoration/bothin-marsh-community-vision.
[38] Marin County Parks, "Reclaiming Historic Tidelands and Protecting against Sea Level Rise at McInnis Park," accessed April 23, 2020, https://www.marincountyparks.org/projectsplans/land-and-habitat-restoration/marsh-restoration-mcinnis-park.

A Model for Better Coordination

The Grand Jury is concerned that there is no single body in the county government, other than the board of supervisors, empowered to lead and coordinate the county's overall approach to climate change. In 2020, Marin's county administrator formed a climate change budget working group, but it is unclear how it might help climate change efforts to coalesce around a unified strategy.

What the Marin County government needs is an overarching leadership structure that would coordinate the climate-related efforts not only in the Department of Public Works and the Community Development Agency, but also in Health and Human Services, Parks, Agriculture, and all other departments affected by climate change.

This need could be met in various ways, but the Grand Jury urges the county government to take a close look at the approach taken by San Mateo County. In 2014, San Mateo formed an Office of Sustainability that focuses on climate change mitigation and adaptation, as well as energy and water, transportation and housing, and waste reduction. Reporting directly to the county manager, this office is well positioned to secure collaboration and cooperation from other county departments. San Mateo's effort started with a small full-time staff about the size of Marin's existing seven-person Sustainability Team and has since grown to more than 35. (San Mateo has about three times as many residents as Marin.)

Marin's county government should reorganize its climate change efforts to achieve greater focus by creating an office similar to San Mateo's. This new office should report either to the county administrator or directly to the board of supervisors. It should have a full-time senior leader and be staffed primarily, if not exclusively, by current county government personnel. The existing Sustainability Team, including Drawdown: Marin support, should be moved into (or be accountable to) the new office. Community development and public works employees engaged in climate change activities should either work full time in the new office or should have direct accountability to the new office's leadership for their climate change work. This new entity, which in this report will be referred to as the Office of Sustainability and Resilience, would be charged with the following responsibilities with respect to climate change:

- Managing and coordinating climate change mitigation and adaptation planning and programs across county departments
- Identifying and cultivating sources of funding for climate adaptation and mitigation efforts

This last point deserves elaboration. Funding is needed now for staffing, planning, policy development, and implementation of pilot projects. The county does not have a centralized grant application office, so grant applications are prepared by the department seeking the funding. The county should explore the creation of a dedicated resource within the new Office of Sustainability and Resilience where all grant applications related to climate change would be coordinated. Ideally, this position could be self-funded. Expertise in the grant application process, coupled with the expertise of the functional area requesting the grant, should result in more grants being obtained. In addition, this position could serve as a clearinghouse of grant-related information for Marin's municipalities and other agencies. Collaborative countywide climate proposals have a better chance of being funded.

It is critical to acknowledge that efforts to combat climate change—especially adaptation efforts—will require much more focus, investment, and coordination moving forward if we are to protect our communities and our standard of living. A dire need for funding has not confronted the county yet because Marin has yet to complete its adaptation planning or develop any timeline for implementation; but as it tackles the large public works projects that will be needed in the future, adequate staff resources and funding expertise will become critical.

Marin Needs Stronger Collaboration among the County, Cities, Towns, and Agencies

Collaboration does not come naturally to Marin's 152 independent cities, towns, schools, special districts, and other governing entities. But the need to collaborate on climate change is recognized by many. For example, San Rafael's *Climate Action Plan 2030* calls for the following action: "Work with local, county, state, regional, and federal agencies with bay and shoreline oversight and with owners of critical infrastructure and facilities in the preparation of a plan for responding to rising sea levels."[39] The county's 2015 climate action plan states that "effective adaptation requires coordination across many different stakeholders within a county"[40] and "cooperation with Marin County cities could help maximize efficiencies in implementing emissions reduction strategies."[41] San Anselmo's plan states, "San Anselmo doesn't exist in a vacuum. While we are leveraging or trying to combat regional, state-wide, national and even international actions and trends, we also have the ability and responsibility to collaborate with other efforts and campaigns."[42]

Planning and Policy Development

Although Marin's municipalities often resist yielding local control, two countywide efforts could serve as building blocks for a more comprehensive approach to adaptation policy development and planning. The first is the working group of Marin's county and municipal planners that helped develop the countywide, multi-jurisdictional local hazard mitigation plan recently adopted by the county's board of supervisors and all the cities and towns.[43] The success of that effort is an encouraging sign that the planners could expand their collaboration to include a consistent, coordinated approach to adaptation planning for all of Marin.

The second model for collaboration, this one currently focused on mitigation, is the Marin Climate & Energy Partnership, which is funded by contributions by each of its members. Marin's 11 municipalities and the county government formed this partnership in 2007 to help them work together on achieving their greenhouse gas emissions targets. The Transportation Authority of Marin, the Marin Municipal Water District, and MCE (formerly known as Marin Clean Energy) are also members. Almost all of the members are represented by staff-level planners, and a part-

[39] City of San Rafael, *Climate Action Plan 2030*, April 23, 2019, p. 31, https://www.cityofsanrafael.org/documents/climate-change-action-plan-2030/.
[40] ICF International, *Marin County Climate Action Plan (2015 Update)*, ICF 00464.13 (San Francisco, July 2015), p. ES-17, https://www.marincounty.org/-/media/files/departments/cd/planning/sustainability/climate-and-adaptation/execsummarymarincapupdate_final_20150731.pdf?la=en.
[41] ICF International, *Marin County Climate Action Plan (2015 Update)*, pp. 7–9.
[42] Town of San Anselmo, *Climate Action Plan 2030*, June 11, 2019, p. 47, https://www.townofsananselmo.org/DocumentCenter/View/24823/San-Anselmo-Climate-Action-Plan-2030-pdf?bidId=.
[43] Marin County, *Multi-Jurisdiction Local Hazard Mitigation Plan*, 2018.

time consultant coordinates their work. The partnership has developed greenhouse gas inventories for all of the cities, towns, and unincorporated areas in Marin, and it publishes this data on its website.[44] Because only two of Marin's cities and towns have full-time employees devoted to climate change, the partnership fills a gap by assisting municipalities with their climate action plans.

Given the climate partnership's success to date, the Grand Jury recommends that its mission be expanded to include comprehensive support for cities and towns on both mitigation and adaptation planning. It could also become the formal "home" for the less formal meetings currently held by the county and municipal planners. If the county forms the proposed Marin Climate Adaptation Task Force as recommended in this report, the partnership could play an important staff-level role supporting the work of the task force in developing a countywide adaptation plan. If the task force is not formed, the partnership could continue its role of supporting climate change policy efforts in the cities, towns, and other member agencies—but with an expanded scope that includes support for adaptation planning.

At this time, the climate partnership is staffed by just the one part-time consultant. The partnership should add the resources needed to support the cities, towns, and other members in developing their detailed adaptation measures, including formulating land use and zoning regulations. It is far more efficient to provide coordinated support for these efforts than having each city, town, or other agency find its own way. These expanded efforts could be funded through grants and a modest increase in the member contributions.

If formed, the new Office of Sustainability and Resilience recommended above should be the primary county liaison with the expanded climate partnership. The new office should work through the partnership to assist cities, towns, and other Marin agencies in building skills related to adaptation planning and in sourcing funding for planning and pilot projects.

Collective Action and Implementation

Beyond planning and policy development, there is currently no Marin organization on the horizon that will bring together the cities, towns, and other Marin agencies to collaborate on *implementing* climate change adaptation measures or, in the future, to finance and build the large multi-jurisdictional public works projects that will grow out of adaptation plans. There needs to be such an organization or forum.

Just as San Mateo County provides a model for coordinating climate-related functions within the county government, it also offers a possible model for countywide collaboration on implementation measures related to sea level rise. As described in the box on the next page, the new San Mateo County Flood and Sea Level Rise Resiliency District is a multi-jurisdictional agency designed to consolidate the work of the county's Flood Control District and Flood Resilience Program and to initiate new countywide efforts to address and protect against the impacts of sea level rise.[45] With representation from all 20 San Mateo cities, it is a truly collaborative countywide body that will plan for and implement the public works projects

[44] Marin Climate & Energy Partnership, accessed April 21, 2020, https://marinclimate.org/.
[45] Flood and Sea Level Rise Resiliency District, accessed February 4, 2020, https://resilientsanmateo.org/.

The San Mateo Flood and Sea Level Rise Resiliency District: A Potential Model for Implementing Marin's Adaptation Program

Beginning in 1959, San Mateo County had a flood control district similar to Marin's Flood Control and Water Conservation District. The San Mateo district's board was the county's board of supervisors. The district had separate flood control zones for each flood-susceptible area, with residents in each zone paying extra property taxes to fund the flood control projects in that zone. San Mateo's cities had no representation on the district's board. This is how Marin's current flood control district is organized.

In 2018, San Mateo County completed a vulnerability assessment regarding sea level rise under a project similar to Marin's BayWAVE effort. It projected that in the event of a mid-level 2100 sea level rise scenario, property with an assessed value of $34 billion would be flooded on the bay and coastal sides of the county.[46]

Several cities in San Mateo had pursued independent planning efforts related to sea level rise. In addition, the San Mateo City/County Association of Governments (C/CAG) had a program to assist the cities with stormwater management. However, according to a 2019 City of Menlo Park staff report, "since 2013, San Mateo County and the 20 cities and towns have increasingly recognized their competitive disadvantage in pursuing grant funding to respond to flooding and sea level rise in comparison with neighboring counties that have countywide agencies working on those issues."[47]

In 2017, C/CAG established a committee to study the best way to create a countywide effort to address flooding, regional stormwater, and sea level rise issues in the county. The committee recommended reorganizing the county's existing flood control district, and that proposal was approved by the county in early 2019. The reorganization required the passage of special legislation at the state level, which was approved by the governor on September 12, 2019, and became effective on January 1, 2020.[48] There will be a three-year startup period, during which the district will seek permanent sources of funding for its sea level rise initiatives. The following are key attributes of the new organization:

- The old flood control zones and funding mechanism will continue.
- Countywide sea level rise and resiliency will be added to the organization's mission, including both the coastal and the bayside shoreline.
- The district will now represent the county and all 20 of its cities, with a representative governing board of seven, two of whom are county supervisors.
- Each city will contribute between $25,000 and $55,000 per year, depending on its size, to fund startup operations.
- The district will have a small staff of its own, including a chief executive officer, although it will continue to rely on services provided by the county's Department of Public Works for engineering and other project support.

[46] County of San Mateo, *Sea Level Rise Vulnerability Assessment*, March 2018, p. 181, https://seachangesmc.org/wp-content/uploads/2018/03/2018-03-12_sea level rise_VA_Report_2.2018_WEB_FINAL.pdf.
[47] City of Menlo Park Department of Public Works, staff report, May 7, 2019, p. 1, https://www.menlopark.org/DocumentCenter/View/20709/I2---Flood-and-sea level-Rise---SR?bidId=.
[48] California Assembly Bill 825, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB825.

needed to protect San Mateo from the effects of sea level rise. This new agency, which commenced operations January 1, 2020, has three primary objectives:

- To create a collaborative forum bringing all the cities in the county together in their efforts to adapt to sea level rise
- To build expertise, and help San Mateo's cities build expertise, in planning for and executing public works projects for sea level rise adaptation
- To better position San Mateo to compete for funding by creating a cross-jurisdictional entity serving the entire county.

The Grand Jury's investigation found that there is a strong consensus among Bay Area government leaders that funding sources for climate change adaptation favor regional or multi-jurisdictional efforts compared to projects by individual cities, towns, and agencies. Marin currently lacks a multi-jurisdictional climate change initiative like this, leaving it disadvantaged in funding efforts.

Marin's current flood control district is similar to San Mateo's old one. While Marin's district covers the entire county, it operates only in eight designated "zones" where there are flooding risks. Each zone has funding from property taxes paid by homeowners in the zone, and those funds are used to pay for flood control projects in the zone.

Although Marin's district is not charged explicitly with combating sea level rise or other climate change effects, increased flooding is certainly one result of extreme rainfall and weather events. In that sense, the district is already aligned with climate change adaptation.

Indeed, much of the infrastructure of the district—stormwater pump stations, detention basins, bypass drains, levees—is situated in the low-lying areas that constitute the front lines of sea level rise adaptation, so it makes sense for the district to play a key role in climate change adaptation.

The Grand Jury recommends that the county explore the feasibility of reorganizing the Marin County Flood Control and Water Conservation District in a manner similar to San Mateo's, to achieve similar goals of creating a collaborative forum; building the expertise of Marin's cities, towns, and agencies; and creating a multi-jurisdictional agency that will be highly competitive in the fundraising arena. The Grand Jury believes that the purview of the reorganized agency should be countywide and should include climate change adaptation efforts on both the coastal and bay side.

If the Marin Climate Adaptation Task Force is formed as recommended in this report, the task force could commission the feasibility study at the appropriate stage of its planning process. If the task force is not formed, the Grand Jury recommends that the board of supervisors commission the study as soon as it is financially able to do so.

Marin needs to create institutions enabling climate change collaboration among the jurisdictions within the county. With the reorganized flood control district as the collaborative agency responsible for planning and implementing public works projects across the county, Marin would be well positioned to lead on climate change adaptation efforts and compete for funding with other regions. This effort would be even stronger if supported by a newly created Office of Sustainability and Resilience in the county government and backed by a countywide climate change adaptation plan.

CONCLUSION

Over the lifetime of a child born in 2020, Marin County will be profoundly affected by climate change. Today's heavily populated shoreline areas will either be inundated by rising sea levels or be shielded by large sea walls. Highways will be rerouted or reengineered. The vegetation on Mt. Tamalpais will be altered. Health systems will be stressed. Socioeconomic inequities will worsen. We can lessen the severity of those impacts through concerted efforts to reduce greenhouse gas emissions and to sequester carbon. But we cannot reverse the trend.

Property owners and government officials will be facing hard choices. What losses are we willing to accept? How much are we willing to pay? What options do we really have? Nobody has all the answers, but we as a community need to aggressively, deliberatively, and cooperatively organize and plan to meet the climate threat.

As first steps, this report calls for several related but independent changes in Marin's approach to climate change. Our elected officials should establish a Marin Climate Adaptation Task Force to develop a comprehensive adaptation strategy for all of Marin. The county government should consolidate its climate efforts under a new Office of Sustainability and Resilience. The existing Marin Climate & Energy Partnership should expand its mission to support countywide adaptation planning. The county government should explore the feasibility of reorganizing Marin's Flood Control and Water Conservation District board into a countywide body with representatives from the county and all municipalities and the added responsibility of executing public works projects required to defend against sea level rise.

Each of these recommended measures would be a step in the right direction. Taken together, they would take Marin much closer to more effective management of the adaptation challenges that lie ahead. It's the least we can do for our children.

FINDINGS

F1. Climate change mitigation efforts by Marin governments have been notably effective in meeting their goals to reduce greenhouse gas emissions.

F2. Adaptation planning is essential to protect local public utility and transportation infrastructure as well as private property interests, and to enable Marin's citizens to maintain their current standards of living.

F3. With the BayWAVE and C-SMART initial vulnerability assessments completed, the county is now well-positioned to focus on adaptation planning and policies related to sea level rise.

F4. The existing adaptation efforts across the county pay insufficient attention to the other potential effects of climate change, including impacts on public health, ecosystems, and social equity.

F5. There are insufficient staff and financial resources devoted to climate change adaptation efforts across county government as well as in the cities, towns, and other agencies, and many of the existing efforts are highly dependent on grant funding.

F6. Within the county government, there is no single coordinating body focused on climate change, which could impede the ability to unify county efforts around a common strategy and plan.

F7. Cross-jurisdictional collaboration and coordination will be required for successful adaptation efforts, but Marin lacks any overarching organizational or governance structure to facilitate this.

RECOMMENDATIONS

R1. The board of supervisors, in collaboration with the municipalities and other agencies affected by climate change, should convene a multi-jurisdictional task force (referred to in this report as the Marin Climate Adaptation Task Force) charged with developing a single, comprehensive, multi-jurisdictional adaptation strategy for all of Marin.

R2. The board of supervisors should form a new office within county government (referred to in this report as the Office of Sustainability and Resilience) devoted to climate change mitigation and adaptation and reporting to the county administrator's office or the board of supervisors.

R3. The board of supervisors should direct the formation and staffing, preferably in the new Office of Sustainability and Resilience, of a centralized grant-seeking function related to climate change mitigation and adaptation efforts for county government.

R4. Each member of the Marin Climate & Energy Partnership, should declare its support for broadening the partnership's mission and increasing its funding as necessary to enable it to support overall climate change planning efforts, including both mitigation and adaptation in cities, towns, and other member agencies throughout the county.

R5. The board of supervisors should commission a feasibility study concerning the reorganization of Marin's Flood Control and Water Conservation District. This multi-jurisdictional study should analyze broadening the district's mission to include coastal and bayside sea level rise adaptation across the county as well as revising its governing membership to include representatives of the county and all Marin cities and towns. If the board of supervisors supports the formation of the Marin Climate Adaptation Task Force as recommended in this report, the responsibility for this study could be referred to the task force for consideration at the appropriate time.

R6. Each city and town, if it does not have a full-time sustainability coordinator (or similar position), should appoint a committee or commission charged with monitoring and reporting on its climate change mitigation and adaptation efforts.

REQUEST FOR RESPONSES

According to the California Penal Code, agencies required to respond to Grand Jury reports generally have no more than 90 days to issue a response. It is not within the Grand Jury's power to waive or extend these deadlines, and to the Grand Jury's knowledge, the Judicial Council of California has not done so. But we recognize that the deadlines may be burdensome given current conditions caused by the COVID-19 pandemic.

Whether the deadlines are extended or not, it is our expectation that Marin's public agencies will eventually be able to return to normal operations and will respond to this report. In the meantime, however, public health and safety issues are of paramount importance and other matters might need to wait.

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as shown below. Where a recommendation is addressed to multiple respondents, each respondent should respond solely on its own behalf without regard to how other respondents may respond.

From the following governing bodies:

- County of Marin (F1–F7, R1–R5)
- City of Belvedere (F1–F5, F7, R1, R4, R6)
- City of Larkspur (F1–F5, F7, R1, R4, R6)
- City of Mill Valley (F1–F5, F7, R1, R4, R6)
- City of Novato (F1–F5, F7, R1, R4, R6)
- City of San Rafael (F1–F5, F7, R1, R4, R6)
- City of Sausalito (F1–F5, F7, R1, R4, R6)
- Town of Corte Madera (F1–F5, F7, R1, R4, R6)
- Town of Fairfax (F1–F5, F7, R1, R4, R6)
- Town of Ross (F1–F5, F7, R1, R4, R6)
- Town of San Anselmo (F1–F5, F7, R1, R4, R6)
- Town of Tiburon (F1–F5, F7, R1, R4, R6)
- Marin Clean Energy (MCE) (F1–F4, F7, F8, R1, R4)
- Marin General Services Authority (R4)
- Marin Municipal Water District (F1–F5, F7, R1, R4)
- Transportation Authority of Marin (F1–F5, F7, R1, R4)

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code Section 933 (c) and subject to the notice, agenda and open meeting requirements of the Brown Act.

Note: At the time this report was prepared information was available at the websites listed.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

APPENDIX A. MITIGATION EFFORTS IN MARIN

Marin County's institutional response to climate change began in 2002, and the focus for most of the years since then has been on mitigation measures—on actions to reduce greenhouse gases and other causes of climate change.

Targets and Plans

In April 2002, the Marin County Board of Supervisors adopted a resolution to join the Cities for Climate Protection Campaign. The resolution pledged the county to take a leadership role in promoting public awareness of climate change and to undertake efforts to reduce greenhouse gas and other air pollution emissions.[49] In June 2003, as part of that commitment, the county government completed its first analysis of greenhouse gas emissions levels.[50] Three years later, the board adopted the *Marin County Greenhouse Gas Reduction Plan*, setting a greenhouse gas reduction target of 15 percent below 1990 levels by 2020 for both community and municipal emissions in unincorporated Marin. Crediting government and private sector investments in energy efficiency, renewable energy, alternative fuel vehicles, water conservation, and waste minimization, the county reported that it met its community emissions target in 2012—eight years ahead of schedule.[51]

The *Marin County Climate Action Plan (2015 Update)* built on the 2006 plan, doubled the 2020 reduction target for community emissions, and listed actions the county would take to achieve the reductions.[52] Another update is scheduled to be completed before the end of 2020 and is expected to include forecasts, targets, and strategies to 2030.

Starting in 2009, all of Marin's incorporated cities and towns also developed their own climate action plans. Almost all of these local plans were developed with assistance from the Marin Climate & Energy Partnership (MCEP), a group that includes staff-level planners from Marin's county and municipal governments. MCEP has been instrumental in creating the greenhouse gas inventories needed for the climate action plans. Like the county's climate action plan, the municipal plans focus primarily on efforts the local governments and communities can take to reduce greenhouse gas emissions. Collectively, the patchwork of county and municipal plans covers all of Marin County. From 2005 to 2018, according to the MCEP, countywide greenhouse gas emissions dropped by 25 percent.[53]

A collaborative effort in the county to confront the challenge of climate change began in October 2017 when the board of supervisors adopted a resolution stating that "the County of Marin will work with County staff and community leaders to develop and implement policies and create incentives that will achieve dramatic greenhouse gas reductions, align climate action policies

[49] Marin County Board of Supervisors, Meeting Minutes, April 23, 2002, https://pav.marincounty.org/publicaccessbosarchive/.
[50] Marin County Community Development Agency, *Greenhouse Gas Emissions Analysis Report,* County of Marin Cities for Climate Protection Campaign (June 2003), https://www.marincounty.org/depts/cd/divisions/planning/sustainability/~/media/Files/Departments/CD/Planning/Sustainability/Initiatives/CCP_FinalReport.pdf.
[51] ICF International, *Marin County Climate Action Plan (2015 Update),* p. ES-1.
[52] ICF International, *Marin County Climate Action Plan (2015 Update),* pp. ES-1–ES-2.
[53] Marin Climate & Energy Partnership, "Marin Tracker," accessed June 29, 2020, http://www.marintracker.org/.

with the California Climate Adaptation Strategy, and adopt integrated strategies to achieve one "carbon free" goal."[54]

The initiative that sprouted from this resolution was named Drawdown: Marin, and it is managed by the county government's Community Development Agency. Its current goals are to reduce, or "draw down," net countywide greenhouse gas emissions by 60 percent by 2030, relative to 2005 levels, and to achieve net-zero emissions by 2045. To help meet these goals, it has formed working groups to develop solutions in six focus areas: renewable energy, transportation, buildings and infrastructure, carbon sequestration, local food and food waste, and climate resilient communities. These groups, called stakeholder collaboratives, consist of technical experts, community members, county and city staff, and others, many of whom are unpaid volunteers.

The original aim was for Drawdown: Marin's steering committee to endorse 12 to 18 solutions that, once approved by the board of supervisors, would be integrated into the 2020 update of the *Marin County Climate Action Plan*. [55] In July 2020, Drawdown: Marin issued a draft strategic plan that summarized 29 climate change solutions proposed by the stakeholder collaboratives, including 7 solutions that were endorsed by the steering committee for immediate implementation.[56] Drawdown: Marin also has a Community Partnership Council to engage people throughout the county in its efforts.

Implementation of Mitigation Programs

A major step in moving beyond planning and actually implementing mitigation measures was the 2010 launch of Marin Clean Energy, a joint powers authority that was California's first community choice aggregation (CCA) program. Authorized by the California legislature in 2002 under Assembly Bill 117, CCA programs allow communities to choose their electricity sources. Marin Clean Energy's initial participants were unincorporated Marin County and seven Marin cities and towns. It was explicitly created to help reduce greenhouse gas emissions:

> The purposes for the Initial Participants . . . entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability, energy efficiencies and local economic benefits. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.[57]

The remaining four Marin municipalities joined in 2011. Now calling itself MCE, the program has since added 22 municipalities and unincorporated areas in Contra Costa, Napa, and Solano Counties. PG&E provides electric delivery services, and customers in MCE's service areas are

[54] Marin County Board of Supervisors, Resolution No. 2017-104, October 3, 2017, https://marin.granicus.com/MetaViewer.php?view_id=36&clip_id=8757&meta_id=917217.
[55] "Drawdown: Marin Roadmap," June 2019 update, https://www.marincounty.org/-/media/files/departments/cd/planning/sustainability/climate-and-adaptation/drawdown-marin/drawdown-roadmap_updated-june-2019.pdf?la=en.
[56] County of Marin Sustainability Team, *Drawdown: Marin Strategic Plan*, draft, July 2020, https://www.marincounty.org/-/media/files/departments/cd/planning/sustainability/climate-and-adaptation/drawdown-marin/strategic-plan/draft-drawdown-marin-strategic-plan.pdf?la=en.
[57] Marin Energy Authority, Joint Powers Agreement, as amended through April 21, 2016, https://www.mcecleanenergy.org/wp-content/uploads/2017/03/JPA-Agreement-24-Communities_Updated-3.21.17.pdf.

automatically enrolled in the CCA unless they opt out. According to MCE, 60 percent of the electricity obtained through its default “Light Green” option is generated from renewable sources including solar, wind, bioenergy, geothermal, and small hydro. It says that its “Deep Green” option, which costs residential customers about $5 a month extra, provides “100 percent non-polluting wind and solar power produced in California.” Half of the Deep Green premium supports local renewable energy projects such as solar farms and electric vehicle charging installations.[58] Climate action plans frequently promote Deep Green as a greenhouse gas reduction strategy.

The county government has also implemented programs to encourage residents to reduce their carbon footprint. Among them: Electrify Marin, a countywide program that provides financial incentives for residents to replace fossil-fuel appliances with high-efficiency electric appliances; the Marin Solar Project, which helps homeowners and businesses evaluate options for solar systems; and the Marin Energy Watch Partnership, which provides resources and incentive funds to help residents, businesses, and public agencies become more energy efficient. County agencies and many cities and towns have partnered with Resilient Neighborhoods, which conducts workshops to educate and motivate community members to reduce their household greenhouse gas emissions. Other actions taken by the county government and municipalities include installation of charging stations for electric vehicles.

[58] “Residential,” MCE, accessed June 2, 2020, https://www.mcecleanenergy.org/residential/#.

APPENDIX B. CURRENT AND RECOMMENDED ENTITIES AND PROGRAMS REFERENCED IN THIS REPORT

The following is a brief description of the primary governmental organizations and programs in Marin involved in climate change mitigation and adaptation, or affected by climate change:

Name	Description
Marin County Community Development Agency	A department within county government responsible for planning, and land use and building regulation. The department also manages the C-SMART program.
Marin County Department of Public Works	A department within county government responsible for county roads and public works projects on county lands. The department also manages the BayWAVE program and provides all staff support to the Marin County Flood Control and Water Conservation District.
Marin County Department of Health and Human Services	A department within county government responsible for public health, behavioral health and recovery, and social services across the county.
Marin County Flood Control and Water Conservation District	The district manages flood control and water conservation efforts within eight geographical districts within the county funded by ad valorem taxes paid by property owners.
Marin County Parks Department	A department within county government responsible for managing public parks on county lands. The department also provides all staff support to the Marin Open Space District.
Drawdown: Marin	A program approved by the county in 2017 to work with community members to develop innovative climate change mitigation programs that can be implemented by Marin's governments.
BayWAVE	A program launched by the county in 2015 to assess the vulnerability of the county's eastern shore to sea level rise. The program is managed by the Marin County Department of Public Works.

Name	Description
C-SMART	A program launched by the county in 2014 to assess the vulnerability of the county's ocean shoreline to sea level rise. The program is managed by the Marin County Community Development Agency.
Marin Climate & Energy Partnership	A collaboration among Marin's cities and towns, MCE, Transportation Authority of Marin, and Marin Municipal Water District to assist members with their climate action plans and associated greenhouse gas inventories. The partnership was also involved in the formation of MCE and the development of associated energy efficiency programs. It is a program managed by the Marin General Services Authority.
Sustainability Team	A seven-person team within the Marin County Community Development Agency to manage climate change mitigation efforts within county government. It also provides support to Drawdown: Marin.

The following are new organizations to be formed as recommended by this report:

Name	Description
Marin Climate Adaptation Task Force	A task force to create a countywide adaptation plan that can be adopted by cities, towns and other agencies throughout the county.
Marin County Office of Sustainability and Resilience	An office reporting either to the County Administrator or the board of supervisors to unify mitigation and adaptation efforts within county government.

From: GrandJury <GrandJury@marincounty.org>
Sent: Friday, September 11, 2020 3:10 PM
To: dweisz@mcecleanenergy.org
Subject: 2019-2020 Marin Civil Grand Jury Report

Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903
Tel. 415-473-6132

September 11, 2020

CEO Dawn Weisz

Marin Clean Energy (MCE)

1125 Tamalpais Ave

San Rafael, CA 94901

2019–2020 Marin County Civil Grand Jury Report: **Climate Change: How Will Marin Adapt?**

Final Grand Jury Report: https://www.marincounty.org/-/media/files/departments/gj/reports-responses/2019-20/climate-change--how-will-marin-adapt.pdf?la=en

Dear CEO Weisz,

The above ***final report*** is being released to the public today and can be found at the link shown above. Please note that the procedure has changed this year and ***no paper copy*** of the report will be sent—this will be your only notification of the final report. Please ***reply*** to this email to notify us that you have received it.

The Grand Jury requests that you respond in writing to the findings and recommendations sections of the report pursuant to Penal Code Section 933.05. A link to the Penal Code requirements is located at the bottom of this letter. Additionally, a link to a standard Response Form is also provided below.

Governing bodies should be aware that the comments and responses from the governing body are subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act. The Brown Act requires that any action of a public entity governing board occur only at a noticed meeting for which an agenda has been provided. Responses are public records.

Despite the current health crisis, the Penal Code is specific about the deadline for responses, and the Grand Jury does not have the power to waive these requirements. You must submit your response to the Grand Jury within 90 days (December 11, 2020):

One hard copy to: The Honorable Judge Andrew Sweet

Marin County Superior Court

P.O. Box 4988

San Rafael, CA 94913-4988

One hard copy to: Lucy Dilworth, Foreperson

Marin County Civil Grand Jury

3501 Civic Center Drive, Room #275

San Rafael, CA 94903

Grand Jury reports and responses when filed can be located on the Marin County website at: https://www.marincounty.org/depts/gj/reports-and-responses

Should you have any questions or technical difficulties, please contact me at foreperson@marincounty.org or at the above address. Telephone inquiries can be made to Rachael Porter (Aide to the Grand Jury) at (415) 473-6132.

Sincerely,

Lucy Dilworth

Lucy Dilworth, Foreperson

2019–2020 Marin County Civil Grand Jury

cc: Kate Sears

Penal Code Summary: https://rebrand.ly/MarinGrandJuryPenalCodeSummaryPDF

Response Form: https://rebrand.ly/MarinGrandJuryResponseFormPDF

MCE | My community. My choice.

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

Marin Clean Energy's Response to Marin County Civil Grand Jury Report
"Climate Change: How Will Marin Adapt?"

Report Title: Climate Change: How Will Marin Adapt? ("Report")

Respondent/Agency Name: Marin Clean Energy ("MCE")

Your Name: Supervisor Kathrin Sears

Title: Chair, MCE Board of Directors

As California's first Community Choice Aggregation ("CCA") Program, MCE and its member communities have proven a model for locally-controlled electricity providers. The CCA model has grown to 23 CCAs and over 4,000,000 customers throughout California. The vast majority of these CCAs have a mission to exceed state requirements for clean energy. MCE's impact carries beyond its service area and member communities. MCE appreciates the opportunity to respond to the Grand Jury Report "Climate Change: How Will Marin Adapt?" The Report directs MCE to respond to Findings F1–F4; F7-F8 and Recommendations R1 and R4.

FINDINGS

F1 - Climate change mitigation efforts by Marin governments have been notably effective in meeting their goals to reduce greenhouse gas emissions.

Response: MCE agrees with this finding in part. The efforts are notable, and more opportunities for mitigation should be identified. MCE will continue to mitigate the impacts of climate change by reducing energy-related greenhouse gas emissions with renewable energy and energy efficiency at cost-competitive rates while offering economic and workforce benefits, and creating more equitable communities. To date, MCE has reduced over 340,000 metric tons of greenhouse gas emissions. MCE's standard service, Light Green, currently represents 97.6% of MCE customer accounts and has been comprised of at least 60% renewable energy since 2017, meeting state goals 13 years ahead of schedule. Light Green will ramp up to 85% renewable energy by 2029 and is on track to become 95% greenhouse gas free by 2022. These bolder goals will deepen the mitigating impact of MCE's energy supply and are described within MCE's 2021 Operational Integrated Resources Plan.

Transitioning away from fossil-fueled transportation to electric vehicles represents a significant mitigation measure. MCE has allocated $4,000,000 to building electric vehicle ("EV") charging infrastructure for multifamily properties and workplaces. In addition, MCE has allocated $300,000 to income-qualified electric vehicle (EV) rebates. MCE's programs will help spur the adoption of EVs and accelerate the mitigating effect of reducing fossil-fuel consumption.

F2 - <u>Adaptation planning is essential to protect local public utility and transportation infrastructure as well as private property interests, and to enable Marin's citizens to maintain their current standards of living.</u>

Response: MCE agrees that adaptation planning is essential to protect local public utility and transportation infrastructure as well as private property interests, and to enable Marin's citizens to maintain their current standards of living. MCE is currently engaged in several adaptation efforts that may provide insight into future planning opportunities.

As climate change causes temperatures to rise, existing buildings have greater demand for cooling and energy efficiency. MCE is an administrator of California's ratepayer-funded, energy efficiency programs alongside Investor Owned Utilities (IOUs) and Regional Energy Networks. MCE has received CPUC funding approval for efficiency programs to be administered through 2025 and currently administers programs across the multifamily, single family, commercial, agricultural, and industrial sectors. MCE has disbursed approximately $2.5 million in energy efficiency rebates throughout its service area. These programs help keep energy costs down and improve comfort as temperatures rise and demand for electricity increases. Additional related efforts are discussed in response to Finding 4 below.

F3 - <u>With the BayWAVE and C-SMART initial vulnerability assessments completed, the county is now well-positioned to focus on adaptation planning and policies related to sea level rise.</u>

Response: MCE is not an expert in climate adaptation related to sea level rise and refrains from responding.

F4 - <u>The existing adaptation efforts across the county pay insufficient attention to the other potential effects of climate change, including impacts on public health, ecosystems, and social equity.</u>

Response: MCE agrees with this finding in part and recognizes the impacts of climate change on public health, ecosystems, and social equity, and there is always more work to be done in these critical areas.

Climate change has dramatically increased the size and frequency of wildfires in California. In order to adapt to this new reality, Pacific Gas & Electric Company ("PG&E") established a Public Safety Power Shutoff ("PSPS") program. This program is designed to de-energize PG&E-owned power lines during hot and windy weather events when wildfire risk is highest. These power outages create extraordinary burdens on communities, and in particular, for customers that rely on electricity to power medical devices. In August 2020, MCE donated 100 high-capacity portable back-up batteries to the Marin Center for Independent Living to be distributed to MCE's most medically vulnerable customers in Marin. These batteries will help provide continuity of service for Marin residents who rely on medical devices in anticipation of PSPS events in the future. Adaptation measures such as the PSPS program can have unintended consequences that planning can help identify and avoid.

MCE also developed a program focused in Napa County that may serve as a model in fire-impacted communities should this need arise in Marin County. In 2018, MCE worked in partnership to develop a program to help adapt to the destruction caused by wildfires in Napa County. MCE partnered with the Bay Area Air Quality Management District, Napa County, BayREN, and PG&E to administer up to $1 million for electrification and solar rebates for single family homes affected by the 2017 and 2018 wildfires in Napa County. Homeowners can access up to $17,500 in incentives for measures that include high performance insulation in attics and walls, efficient windows, heat-pump water and space heating, smart thermostats, electric vehicle charging, and solar plus storage. This process braids multiple funding sources through one application and MCE offers start-to-finish technical assistance. There is an additional 20% incentive provided to income-qualified households. As of July 2020, four Advanced Energy Rebuild Napa customers have completed their projects, and an additional 19 customers are enrolled and on track to receive their incentives once their rebuilds are finished. A similar effort was undertaken in Sonoma County by Sonoma Clean Power. Rebuild programs like this help customers adapt to the significant public health and social equity impacts of climate-related wildfires.

MCE also designs customer programs to address a warming climate and new costs imposed by climate change. In many instances in Marin County, existing buildings have no air conditioning due to a historically moderate climate. However, the need for air conditioning is growing as temperatures rise. MCE established the Low-Income Families & Tenants ("LIFT") Program to provide additional energy efficiency incentives for income-qualified households, including for highly efficient electric heat pumps that provide heating and air conditioning. Many of the residents served previously had no air conditioning and MCE's LIFT program improved their health, comfort, and safety to help adapt to a changing climate. Additionally, when technological change happens, like a transition to electric vehicles, the wealthy are most able to adopt technology early and enjoy its benefits. Early adoption by the wealthy can contribute to social inequity as older technologies are retained in lower-income communities. To improve participation of all communities in needed technological transitions, MCE has developed incentive programs to help income-qualified customers purchase new or used electric vehicles and battery backup systems for their homes.

MCE also requires pollinator-friendly ground cover for new solar projects. This requirement, established in early 2020 will take even greater advantage of land where solar projects are built, ensuring that the space is used to generate clean energy for our customers, while providing much-needed habitat for pollinators such as monarch butterflies. This program addresses impacts of climate change in degrading pollinator habitat.

F7 - Cross-jurisdictional collaboration and coordination will be required for successful adaptation efforts, but Marin lacks any overarching organizational or governance structure to facilitate this.

Response: MCE supports this finding in part. While the Grand Jury Report identifies opportunities to enhance collaboration and coordination on adaptation planning, there are examples of regional collaboration and communication on adaptation efforts underway today.

MCE was invited to join Drawdown: Marin, a community-driven campaign that prepares for climate change impacts, when the organization first formed. MCE participates as an active advisor on the Renewable Energy, Transportation, and Buildings and Infrastructure working groups. MCE has encouraged the group to focus on increased adoption of 100% renewable energy services and accelerating EV adoption in Marin County, and explored what it would take to build a community-scale microgrid in Fairfax. MCE has also worked directly with County staff to provide feedback about the working groups and strategies developed, as well as how to improve the engagement process for Drawdown as a whole.

MCE's adaptation efforts, as discussed in this letter, are examples of regional collaboration and communication on adaptation efforts underway today.

F8 – MCE was directed to respond to F8.

Response: The Report did not include an eighth finding.

RECOMMENDATIONS

R1 - The board of supervisors, in collaboration with the municipalities and other agencies affected by climate change, should convene a multi-jurisdictional task force (referred to in this report as the Marin Climate Adaptation Task Force) charged with developing a single, comprehensive, multi-jurisdictional adaptation strategy for all of Marin.

> Response: MCE supports formation of a multi-jurisdictional task force charged with developing a single, comprehensive, adaptation strategy. However, this task force and strategy should consider mitigation in addition to adaptation. MCE also suggests further analysis on the scope, costs, and resources associated with participation in the task force. For example, MCE has established customer programs that provide mitigation and adaptation related to energy use, but may not be well-suited to contribute to non-energy-related adaptation strategies. If constituted, the task force should create a participation model with limited engagement by entities with specialized expertise related to adaptation.

R4 - Each member of the Marin Climate & Energy Partnership, should declare its support for broadening the partnership's mission and increasing its funding as necessary to enable it to support overall climate change planning efforts, including both mitigation and adaptation in cities, towns, and other member agencies throughout the county.

> Response: As a member of the Marin Climate & Energy Partnership ("MCEP"), MCE declares its support for broadening the partnership's mission and increasing its funding as necessary to enable it to support overall climate change planning efforts, including both mitigation and adaptation in cities, towns, and other member agencies throughout the County. MCE has a representative at MCEP, and on the MCEP Executive Committee. Therefore, this recommendation has been implemented.

Date: ____________________ Signed: ____

Kathrin Sears, Chair of MCE Board of Directors

Number of pages attached: 0

MARIN CLIMATE ACTION NETWORK

October 24, 2020

Board of Directors
MCE Clean Energy
1125 Tamalpais Avenue
San Rafael, CA 94901

Honorable Board Members,

The Marin Climate Action Network, or MCAN, is a group of environmental leaders from organizations across Marin that first conceived of DRAWDOWN Marin. We are pleased that DRAWDOWN Marin's Strategic Plan is being finalized this fall. We believe that the governing body of this comprehensive, countywide, public/private campaign to confront Climate Change could play a pivotal role in the reorganized and reinvigorated climate efforts recommended by the Marin Grand Jury's September 11 Report on Climate Change.

We urge you to include the following actions in your response to the Grand Jury:

1. In response to Grand Jury Finding F1, we ask that you emphasize to the Grand Jury that ongoing and enhanced support for climate 'mitigation' programs is essential for the success of climate 'adaptation.' Although MCE, the County, and other jurisdictions and agencies have set impressive goals for reducing greenhouse gas emissions, achieving those goals in the timeline necessary is a daunting task that must remain central to climate action throughout the county and region. 'Adaptation' efforts must start with 'mitigation,' that is, effective steps to reduce the causes of the worsening impacts now triggering 'adaptive' measures.

2. In response to Grand Jury Recommendation R1, we ask that you urge the Marin Board of Supervisors, in collaboration with municipalities, agencies, regional groups and state guidelines to convene a countywide Climate Resilience Task Force focused on developing a Marin Climate Resilience Plan to address all climate impacts, including flooding, sea level rise, wildfire, heat, drought, health, air quality, and additional results of warming conditions. The task force should draw upon the expertise and work of ongoing efforts like BayWAVE, C-SMART, the Multi-Jurisdictional Local Hazard Mitigation Plan, and the Marin Wildfire Prevention Authority. To assure integration of the specific concerns of MCE into this countywide process, we urge you to convey to the Board MCE's particular responsibilities and programs related to climate impacts, including support of battery storage and other clean energy responses to power outages.

We ask that you urge the Board to complement the countywide Resilience Task Force by completing formation of DRAWDOWN Marin to provide countywide leadership to achieve the climate protection ('mitigation') goal of net zero greenhouse gas emissions and a thriving community, and to assure that government and community initiatives throughout the county take place within a comprehensive framework for reducing climate change.

As a nonprofit public/private partnership that guides and supports solutions to climate change, the DRAWDOWN Marin Board of Directors (now being formed) is designed to be broad-based and inclusive. It is comprised of community, agency and elected leaders, including members from climate-vulnerable and other underrepresented communities, businesses, Marin Climate & Energy Partnership, the Board of Supervisors, Council of Mayors & Councilmembers, key agency directors, and others. It is ideally suited to foster the countywide collaboration needed to address both climate mitigation and climate impacts.

We also ask that you urge the Board to staff and support the Resilience Task Force within a consolidated multi-departmental and multi-disciplinary Climate and Resilience Team in the County Administrator's Office (R-2), bringing together staff expertise to implement climate mitigation and adaptation efforts, including initiation of a Flood District Feasibility Study to assess broadening the district's governance to include all jurisdictions and broadening its scope to include sea level rise, and continued support for core DRAWDOWN Marin capacities, including start-up fundraising, outreach, and administrative support.

3. In response to Grand Jury Recommendation R4, we ask that you confirm MCE's commitment to work to strengthen funding and organizational support for the Marin Climate and Energy Partnership, including MCEP's proposed role on the Board of DRAWDOWN Marin, to increase assistance to all jurisdictions and agencies in implementing coordinated Climate Action Plans and programs throughout the county, addressing both climate protection and resilience. We urge you to express the priority that MCE places on coordinated climate solutions by scheduling regular staff updates on its participation in MCEP.

To help support the broadened MCEP scope and capacity, we suggest that you endorse a centralized grant-seeking function for climate protection and resilience within the County's Climate and Resilience Team (R3), as well as consideration of pro-rata distribution to all jurisdictions and agencies of a portion of funds derived from any future measures enacted to support climate protection and resilience.

Finally, we ask that you reaffirm to the Grand Jury and to MCEP's other partners, MCE's core climate mission and commitment to achieving fossil-free and renewable electricity for all its customers, incentivizing full electrification of all buildings, and helping fund the rapid transition to electric vehicles by residents and businesses throughout MCE's jurisdiction.

The efficiencies gained from such recommended consolidation and coordination of climate actions throughout Marin and nearby counties could be especially important during these challenging times of health, economic, budgetary, equity, and climate crises. The speedy development of a local clean energy economy, green building rehabilitation, regenerative agriculture and land management, and workforce development to support adaptation strategies could be crucial to the current economic recovery.

In 2020, we have all experienced the urgency of the climate crisis firsthand, in intense heat, unhealthy air, uncertain rainfall, and 'Armageddon skies.' The Grand Jury has done a timely service in suggesting ways in which we can meet this growing crisis, coping with its impacts while continuing to reduce the pollution driving the crisis. As the Report emphasizes, we must do both together, and we will only succeed if we act together as a whole community. Building that cohesion is at the root of these recommendations and essential to meeting the existential threat now confronting us with bold, immediate, and effective action.

We ask that you include our recommendations in your response to the Grand Jury. Thank you.

Sincerely,

The Marin Climate Action Network:

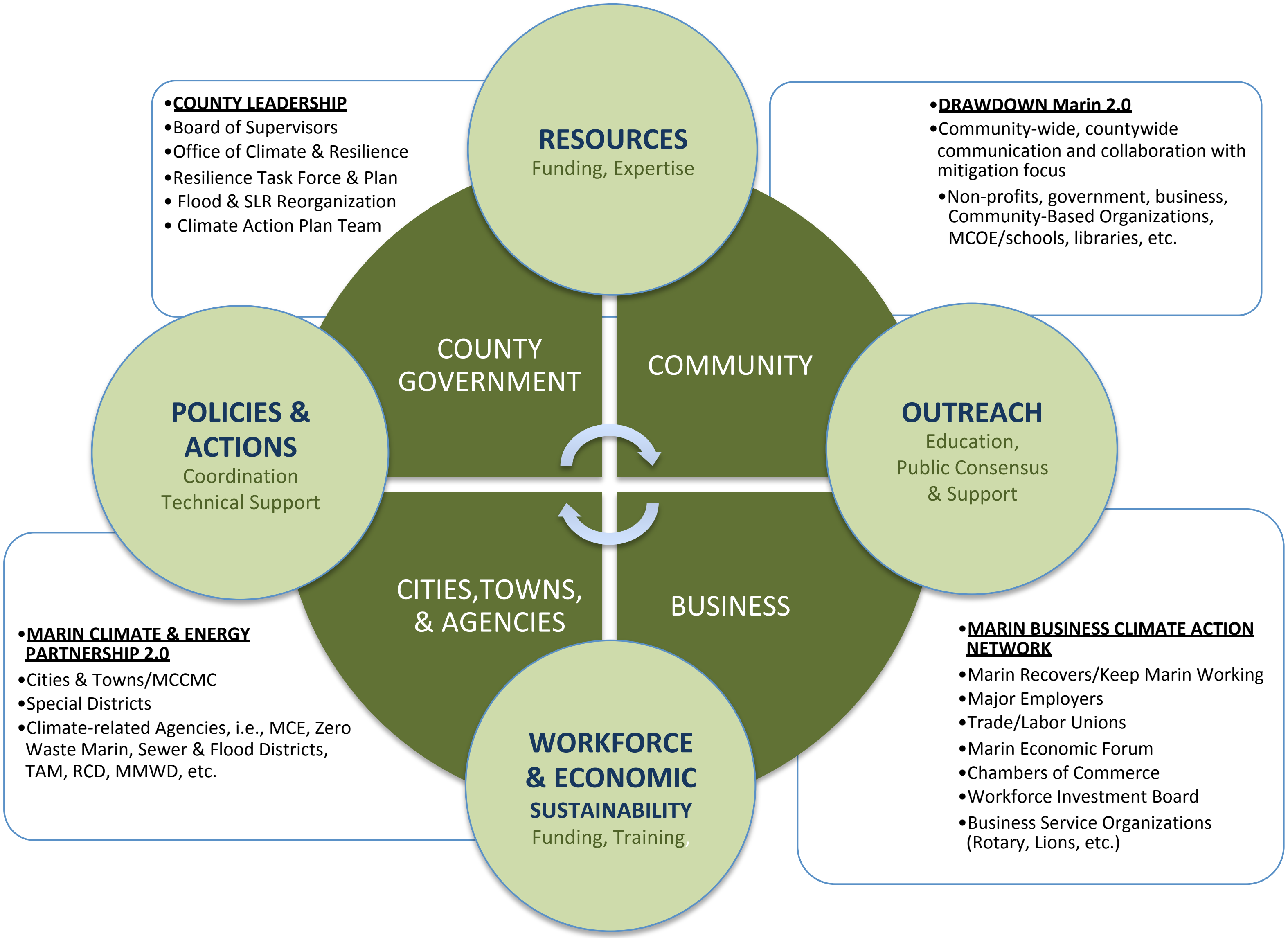
Leslie Alden	Robert Gould	Kiki LaPorta
William Carney	David Haskell	Doug Wilson
Carleen Cullen	Wendi Kallins	Chris Yalonis
Belle Cole	David Kunhardt	

Attachments*:*
Marin Climate Action Ecosystem
Key Recommended Responses to Marin Grand Jury

Copies:
Dawn Weisz, CEO
Vicken Kasarjian, COO

MCAN contact:
williamcarney@comcast.net
415.302.0110

Marin Climate Action Ecosystem



Re-Imagining Marin's Climate Action Ecosystem:
Summary of Key Recommended Responses to Grand Jury

MARIN COUNTY OFFICE OF CLIMATE & RESILIENCE (new)

CONSOLIDATE a multi-departmental & multi-disciplinary team within the County Administrator's Office, bringing together staff expertise to collaborate, integrate, and implement climate adaptation and mitigation efforts.

Climate & Resilience Officer. Staff from Community Development, Public Works, Health & Human Services, Parks & Open Space, etc.

- **Countywide Resilience Task Force and Plan**
- **Flood & SLR Feasibility Study & Reorganization**
- **Climate Action Plan & Sustainability Programs**
- **Open Space Restoration & Carbon Sequestration**
- **Land Use Planning**
- **Preparedness for Climate Impacts on Health**

MARIN CLIMATE & ENERGY PARTNERSHIP 2.0

STRENGTHEN membership, funding, and focus of this multi-jurisdictional partnership that coordinates and supports staff to analyze and implement Climate Action Plans, climate policies, and climate programs across all jurisdictions.

MCEP Executive Officer. Staff from member agencies (and others that may be added): cities, towns, special districts, climate-related agencies including MCE, TAM, MMWD, Zero Waste Marin. Continue and increase funding commitment from members, augmented by grants and other sources.

DRAWDOWN Marin 2.0

COLLABORATE countywide by finalizing formation of this non-profit public/private partnership to provide leadership and support solutions to achieve net zero greenhouse gas emissions and a thriving community, grounding government and community initiatives throughout Marin within a comprehensive framework for addressing climate change.

Executive Director. Broad-based non-profit Board composed of community, business, agency, and elected leaders.

MARIN BUSINESS CLIMATE ACTION NETWORK (new)

ENGAGE full range and resources of the business community in climate solutions through a collaborative of companies and related organizations. Create and execute economic recovery and ongoing development strategy with clean energy, electrification of transportation and buildings, and low carbon solutions. Drive workforce development with clean economy job creation and capacity building.

Group meets regularly with a rotating chair, collaborates, co-promotes, supports innovation and investment, advises policy makers on clean economy initiatives. Reports out impact metrics, sustainable business activities, programs and accomplishments.

November 19, 2020

TO: Board of Directors

FROM: Garth Salisbury, Director of Finance and Treasurer
Michael Callahan, Senior Policy Counsel

RE: Authority to Enter into Financial Security Instruments for Compliance (Agenda Item #05 – C.4)

Dear Board of Directors:

SUMMARY:

Assembly Bill 117 (2002), the enabling statute for Community Choice Aggregators (CCAs), amended Public Utilities Code Section 394.25(e) to require CCAs to post a Financial Security Requirement (FSR) to cover the costs of involuntarily returning customers to the local investor owned utility (the "utility"). In 2009, MCE was required to post $100,000 with the California Public Utilities Commission as a condition of registration to serve customers. On October 8, 2020, the California Public Utilities Commission (CPUC) voted to approve Resolution E-5059 which implements new rules for this posting requirement.[1] The new rules establish a minimum posting of $147,000 and a methodology for recalculating the FSR every six months. Staff seeks authority to enter into Financial Security Instruments, as needed, to comply with the revised rules. MCE's Executive Committee discussed this issue on November 6, 2020 and voted to recommend the Board of Directors provide such authority to staff to ensure compliance.

Involuntarily Returned Customers: The posting amount is only intended to cover customers that are "involuntarily returned" to the utility. This does not include customers that choose to opt out of CCA service or customers that are returned for non-payment. The Financial Security Requirement is intended to cover the costs of returning customers if the CCA chooses to send customers back to the utility (*e.g.* ceasing operations).

Revised Compliance Requirement: The revised rules for the FSR establish a new minimum posting of $147,000 and a methodology for recalculating the posting

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[1] *See also* CPUC Decision 18-05-022 (2018) (establishes new rules for FSR postings for CCAs).

every six months. The methodology includes two cost components: (1) administrative costs equal to $4.24 per customer account in the case of PG&E; and (2) six months of net procurement costs for all customers based on utility rates. The procurement costs consider forecasted energy prices and costs for compliance requirements (*i.e.* Resource Adequacy and the Renewable Portfolio Standard) and compare them to PG&E's rates. As of May 10, 2020, the forecast of procurement costs to serve MCE's customers was a large negative number (-$148 million) and administrative costs were approximately $2 million. The methodology allows negative procurement costs to net out administrative costs down to the minimum posting of $147,000.

If energy market prices and/or compliance cost increase, the procurement costs will increase and the FSR may increase above the minimum. If energy market prices approach parity with utility rates the posting would increase to match the administrative cost component of approximately $2 million. If procurement costs exceed utility rates, the posting amount could increase significantly with no limitation. Since utilities are regulated monopolies it is extremely unlikely that procurement costs will exceed utility rates. Staff anticipates the posting to remain at the minimum for the foreseeable future. Staff will regularly assess procurement costs to anticipate changes to the posting.

Financial Security Requirement Process: Under the new rules, the utilities will recalculate the FSR every six months and provide the revised posting in an Advice Letter filing with the CPUC. The utility Advice Letter will be filed on May 10 and November 10 each year. CCAs will have 20 days to dispute the amount based on the CPUC-approved methodology and inputs. If the FSR does not change by more than 10%, a CCA is not required to update its posting. CCAs will have approximately 52 days to post the new FSR by filing a CCA Advice Letter by July 1 and January 1 with the Financial Security Instrument (see below) attached.

Financial Security Instrument: CCAs can satisfy the FSR posting with three potential Financial Security Instruments: (1) an escrow account with a third-party; (2) a letter of credit; and (3) a surety bond. Given the costs associated with each instrument, MCE is likely to utilize an escrow account to satisfy the minimum FSR. MCE will need to enter into a mutual agreement with the utility and the third-party financial institution for any of the instruments.

Delegated Authority with Notice: The time to secure a Financial Security Instrument is limited. There is a 52-day window to post revised FSRs with a need to negotiate among three parties over that same time if there are changes to the FSR. It is impractical to include approval of the Board for each Financial Security Instrument in this process due to the short timeframe to comply. The recommendation below seeks Board authority for staff to enter into Financial Security Instruments as needed to maintain compliance without additional review by the Board. MCE staff will provide a report to the Board if the FSR ever changes. The Board can reevaluate this delegated authority at any time.

Fiscal Impact: MCE will initially post a cash deposit of $147,000 in an escrow account. Upon demonstrating this posting was made, the CPUC will return an outstanding $100,000 cash deposit to MCE. As a result, the short-term net-impact to MCE will be $47,000 plus bank fees to maintain the escrow account. As discussed above, this compliance requirement is an uncapped liability and the posting amount may increase in the future based on market prices.

Recommendation: Authorize MCE to enter into Financial Security Instruments as needed to maintain compliance with Public Utilities Code Section 394.25(e) with notice for increases.

November 19, 2020

TO: MCE Board of Directors

FROM: Bill Pascoe, Power Procurement Manager

RE: Approved Contracts for Energy Update (#05-C.5)

Dear Board Members:

SUMMARY: This report summarizes contracts for energy procurement entered into by the Chief Executive Officer and if applicable, the Chair of the Technical Committee since the last regular Board meeting in July. This summary is provided to your Board for information purposes only, and no action is needed.

Review of Procurement Authorities

In March 2018, your Board adopted Resolution 2018-03 which included the following provisions:

> *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.*
>
> *The CEO is authorized to approve and execute 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.*

The Chief Executive Officer is required to report all such contracts and agreements to the MCE Board of Directors on a regular basis.

Item Number	*Month of Execution*	*Purpose*	*Average Annual Contract Amount*	*Contract Term*
1	June, 2020	Sale of Resource Adequacy	$42,500	Under 1 Year
2	June, 2020	Sale of Resource Adequacy	$102,000	Under 1 Year
3	July, 2020	Purchase of Resource Adequacy	$733,333	1-5 Years
4	July, 2020	Sale of Resource Adequacy	$100,000	Under 1 Year
5	July, 2020	Purchase of Renewable Energy	$4,401,200	1-5 Years
6	July, 2020	Purchase of System Energy (Hedge)	$27,577,242	1-5 Years
7	July, 2020	Purchase of System Energy (Hedge)	$18,907,797	1-5 Years
8	July, 2020	Sale of Resource Adequacy	$90,000	Under 1 Year
9	July, 2020	Sale of Resource Adequacy	$102,500	Under 1 Year
10	July, 2020	Purchase of Renewable Energy	$1,056,136	Over 5 Years
11	July, 2020	Purchase of Resource Adequacy	$2,430,000	1-5 Years
12	July, 2020	Sale of Resource Adequacy	$3,240,000	1-5 Years
13	August, 2020	Purchase of Resource Adequacy	$382,500	Under 1 Year
14	August, 2020	Sale of Resource Adequacy	$382,500	Under 1 Year
15	August, 2020	Purchase of Resource Adequacy	$8,610,000	1-5 Years
16	August, 2020	Sale of Resource Adequacy	$6,468,750	1-5 Years

17	August, 2020	Sale of Resource Adequacy	$1,125,000	1-5 Years
18	August, 2020	Sale of Resource Adequacy	$93,750	Under 1 Year
19	August, 2020	Purchase of Resource Adequacy	$2,175,000	1-5 Years
20	August, 2020	Sale of Resource Adequacy	$1,950,000	1-5 Years
21	September, 2020	Purchase of Resource Adequacy	$26,040	1-5 Years
22	September, 2020	Sale of Resource Adequacy	$26,040	1-5 Years
23	September, 2020	Purchase of Resource Adequacy	$239,400	1-5 Years
24	September, 2020	Purchase of Resource Adequacy	$3,750,600	1-5 Years
25	September, 2020	Sale of Resource Adequacy	$52,200	Under 1 Year
26	September, 2020	Sale of Renewable Energy	0-$1,575,000	Under 1 Year
27	September, 2020	Purchase of Carbon Free Energy	$11,036,550	1-5 Years
28	September, 2020	Purchase of Carbon Free Energy	$2,060,000	1-5 Years
29	September, 2020	Purchase of Resource Adequacy	$1,731,429	Over 5 Years
30	September, 2020	Purchase of Renewable Energy	$12,088,487	Over 5 Years
31	September, 2020	Sale of Resource Adequacy	$200,660	Under 1 Year
32	September, 2020	Purchase of Resource Adequacy	$840	1-5 Years
33	September, 2020	Purchase of Resource Adequacy	$4,050,000	1-5 Years

34	September, 2020	Sale of Resource Adequacy	$870,750	1-5 Years
35	September, 2020	Sale of Resource Adequacy	$840	1-5 Years
36	October, 2020	Sale of Resource Adequacy	$87,000	Under 1 Year
37	October, 2020	Purchase of Resource Adequacy	$2,240,000	Under 1 Year
38	October, 2020	Sale of Resource Adequacy	$924,000	1-5 Years
39	October, 2020	Sale of Resource Adequacy	$49,645	Under 1 Year
40	October, 2020	Purchase of Resource Adequacy	$52,800	1-5 Years
41	October, 2020	Sale of Resource Adequacy	$60,760	Under 1 Year
42	October, 2020	Purchase of Resource Adequacy	$271,405	1-5 Years
43	October, 2020	Purchase of Resource Adequacy	$2,025,000	1-5 Years
44	October, 2020	Purchase of Renewable Energy	$561,642	Over 5 Years
45	October, 2020	Purchase of Resource Adequacy	$90,000	1-5 Years
46	October, 2020	Purchase of Resource Adequacy	$180,000	1-5 Years
47	October, 2020	Purchase of Resource Adequacy	$87,000	1-5 Years
48	October, 2020	Sale of Resource Adequacy	$74,000	Under 1 Year
49	October, 2020	Sale of Resource Adequacy	$135,000	1-5 Years
50	October, 2020	Purchase of Resource Adequacy	$412,750	Under 1 Year
51	October, 2020	Sale of Resource Adequacy	$317,500	Under 1 Year

52	October, 2020	Purchase of Resource Adequacy	$42,500	Under 1 Year
53	October, 2020	Sale of Resource Adequacy	$446,250	Under 1 Year
54	October, 2020	Purchase of Resource Adequacy	$4,603,320	Under 1 Year
55	October, 2020	Purchase of Resource Adequacy	$5,675,661	Under 1 Year
56	October, 2020	Purchase of Resource Adequacy	$1,276,000	1-5 Years
57	October, 2020	Sale of Resource Adequacy	$154,000	Under 1 Year
58	October, 2020	Purchase of Resource Adequacy	$71,500	Under 1 Year
59	October, 2020	Sale of Resource Adequacy	$203,500	Under 1 Year
60	October, 2020	Sale of Resource Adequacy	$957,500	Under 1 Year
61	October, 2020	Purchase of Resource Adequacy	$1,295,000	Under 1 Year
62	October, 2020	Sale of Resource Adequacy	$90,000	Under 1 Year
63	October, 2020	Purchase of Resource Adequacy	$500,500	Under 1 Year
64	October, 2020	Purchase of Resource Adequacy	$354,900	Under 1 Year
65	October, 2020	Sale of Resource Adequacy	$200,900	Under 1 Year
66	October, 2020	Sale of Resource Adequacy	$934,500	Under 1 Year
67	October, 2020	Sale of Resource Adequacy	$55,000	Under 1 Year
68	October, 2020	Purchase of System Energy (Hedge)	$14,164,930	1-5 Years
69	October, 2020	Sale of Resource Adequacy	$242,500	Under 1 Year

70	October, 2020	Sale of Resource Adequacy	$750	Under 1 Year
71	October, 2020	Sale of Resource Adequacy	$105,000	Under 1 Year
72	October, 2020	Purchase of Resource Adequacy	$222,486	1-5 Years
73	October, 2020	Purchase of Carbon Free Energy	$856,250	1-5 Years
74	October, 2020	Purchase of Resource Adequacy	$619,731	1-5 Years
75	October, 2020	Purchase of Resource Adequacy	$906,000	1-5 Years
76	October, 2020	Purchase of Resource Adequacy	$24,000	Under 1 Year
77	October, 2020	Sale of Resource Adequacy	$278,366	1-5 Years
78	October, 2020	Sale of Resource Adequacy	$802,020	Under 1 Year
79	October, 2020	Sale of Resource Adequacy	$28,000	Under 1 Year
80	October, 2020	Sale of Resource Adequacy	$348,000	Under 1 Year
81	October, 2020	Sale of Resource Adequacy	$213,750	Under 1 Year
82	October, 2020	Purchase of Resource Adequacy	$2,010,000	1-5 Years
83	October, 2020	Purchase of Resource Adequacy	$460,304	1-5 Years
84	October, 2020	Sale of Resource Adequacy	$270,000	1-5 Years
85	October, 2020	Sale of Resource Adequacy	$142,500	Under 1 Year
86	October, 2020	Purchase of Resource Adequacy	$391,500	Under 1 Year
87	October, 2020	Sale of Resource Adequacy	$180,000	1-5 Years

88	October, 2020	Purchase of Resource Adequacy	$1,956,000	1-5 Years
89	October, 2020	Sale of Resource Adequacy	$945,000	1-5 Years

Contract Approval Process: Energy procurement is governed by MCE's Energy Risk Management Policy as well as Board Resolutions 2018-03, 2018-04, and 2018-08. The Energy Risk Management Policy (Policy) has been developed to help ensure that MCE achieves its mission and adheres to its procurement policies established by the MCE Board of Directors (Board), power supply and related contract commitments, good utility practice, and all applicable laws and regulations. The Board Resolutions direct the CEO to sign energy contracts up to and including 12 months in length.

The evaluation of every new energy contract is based upon how to best fill MCE's open position. Factors such as volume, notional value, type of product, price, term, collateral threshold and posting, and payment are all considered before execution of the agreement.

After evaluation and prior to finalizing any energy contract for execution, an approval matrix is implemented whereby the draft contract is routed to key support staff and consultants for review, input, and approval. Typically, contracts are routed for commercial, technical, legal and financial approval, and are then typically routed through the Chief Operating Officer for approval prior to execution. The table below is an example of MCE staff and consultants who may be assigned to review and consider approval prior to the execution of a new energy contract or agreement.

Review Owner	*Review Category*
Lindsay Saxby (MCE Manager of Power Resources)	Procurement / Commercial
John Dalessi/Brian Goldstein (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Garth Salisbury (MCE Director of Finance)	Credit/Financial
Vicken Kasarjian (MCE, Chief Operating Officer)	Executive

Fiscal Impacts: Expenses and revenue associated with these Contracts and Agreements that are expected to occur during FY 2020/21 are within the FY 2020/21 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation: Information only. No action required.

November 19, 2020

TO: Board of Directors

FROM: Vicken Kasarjian, COO
Michael Callahan, Senior Policy Counsel
David Ruderman, CH&W

RE: CCA Joint Powers Authority (Agenda Item #06)

ATTACHMENT: Community Choice Power Agency Joint Powers Agreement

Dear Board of Directors:

SUMMARY:

On October 15, 2020, nine CCAs including MCE issued a joint Request for Offers (RFO) for long-duration energy storage projects. The participating CCAs are planning to contract with the long-duration storage project(s) through a new Procurement Joint Powers Authority (JPA) comprised initially of CCAs. This Procurement JPA is intended to serve as a vehicle for joint procurement among CCAs into the future. Staff seeks authority to form a new Procurement JPA with other CCAs.

Background: Publicly owned utilities (POUs) in California have relied on JPAs to carry out joint procurement for over 40 years. The Northern California Power Agency (NCPA) and the Southern California Public Power Authority (SCPPA) provide a range of procurement activities on behalf of POUs. NCPA and SCPPA serve as references for the Procurement JPA structure.

California has a large and growing need for reliability resources with the retirement of natural gas plants and Diablo Canyon Nuclear Power Plant. There is historical precedent for state-ordered procurement when needs arise. At times, this procurement has been conducted by the utility on behalf of CCAs, with costs allocated to CCAs. CCAs are taking a leadership role in procuring long-duration storage to help meet reliability needs for their communities and the state. CCAs expect additional projects to be jointly procured in the future.

Joint Procurement with Other CCAs: CCAs have separately procured portions of the same large projects in the past. The Procurement JPA will directly enter into Power Purchase Agreements (PPAs) with project developers. Several key aspects of the joint procurement will be decided on a project-specific basis. These will be captured in Project Agreements and include an agreed-upon portion of the output and costs from each PPA for each participating CCA. MCE will seek to preserve the value of its relatively strong credit and financials among CCAs. CCAs will not be required to participate in each project. This will streamline the procurement process for CCAs and may create opportunities to procure new and innovative projects. Working in concert with other CCAs can provide additional benefits including diversifying risk across technologies and projects.

Long-Duration Storage RFO: MCE issued a joint RFO with eight other CCAs including CleanPowerSF, East Bay Community Energy, Central Coast Community Energy (formerly Monterey Bay Community Power), Peninsula Clean Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy, and Sonoma Clean Power. The solicitation calls for in front of the meter, grid-charged long duration storage technology with a minimum discharge duration of 8 hours and commercial operation by 2026. The PPA for the project will have a minimum delivery period of 10 years. The deadline for proposals is December 1, 2020 with contract approval targeted for July 2021.

JPA Agreement: The Procurement JPA is given broad powers that are common among its members. The purpose of the JPA is to "to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members." The JPA Agreement also limits the JPA's power to engage in policy advocacy to avoid conflicts with members.

The Procurement JPA Board will be composed of each members' CEO or their designee. Each CCA member will have an equal voting share, consistent with their equal obligation to pay administrative and operational costs. The JPA Agreement allows the Board to hire a General Manager (GM) and assistant GMs. It also shields the members from any liability incurred by the JPA, as well as requiring the JPA to indemnify the members for the JPA's liabilities. Simple changes to the JPA Agreement can be made by a majority of Directors in attendance; and significant changes are made by a two-third vote of the entire Board. Members may leave the JPA but are required to pay their share of costs.

Fiscal Impacts: Initial administrative and operating costs is expected to be $28,000/year or less for MCE. Staffing costs would range from one to two part-time to full-time staff, depending on level of activity. Costs would be shared equally among the nine original members and any additional members would also pay an equal share of the original costs. The administrative and operating costs may increase over time if authorized by the Board of the Procurement JPA. Separate from the JPA costs, there would be additional costs for any specific project(s) in which MCE chooses and obtains MCE Board approval to participate. The same staff may be used for project agreements and JPA activity, but time spent on project activity would be billed only to the members of that project agreement.

Recommendation: Authorize MCE to form a new Procurement JPA with other CCAs.

COMMUNITY CHOICE POWER AGENCY
JOINT POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement, for the purpose of operating a separate joint powers agency, which is named “Community Choice Power” or “CC Power.”

WITNESSETH

WHEREAS, it is to the mutual benefit of the Members and in the public interest that the Members join together to engage in the exercise of powers they have in common including, but not limited to, (i) the acquisition and operation of wholesale power supplies, resource adequacy and renewable attributes, (ii) the provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products, (iii) the offering of energy risk management and California Independent System Operator (“CAISO”) scheduling services; and (iv) other energy services or programs which may be of benefit to Members (collectively, hereinafter “energy related programs”);

WHEREAS, CC Power’s primary objective is to provide for joint procurement of electrical power and storage and other energy projects for its Members, as set forth in this Agreement;

WHEREAS, the Members intend that CC Power shall better position the Members to administer community choice energy programs, and achieve their local agency goals, including but not limited to meeting or exceeding California’s greenhouse gas emission reduction targets through procurement of renewable resources.

WHEREAS, each of the public community choice aggregation agencies which is a Member to this Agreement has the power to establish, manage, operate and maintain Community Choice Aggregation (“CCA”) programs, electric service enterprises available to cities and counties pursuant to California Public Utilities Code Section 331.1(c) and 366.2 and to study, promote, develop, conduct, operate and manage energy related programs; and

WHEREAS, Title I, Division 7, Chapter 5, Article 1 of the California Government Code (the “Joint Powers Act” or “Act”) authorizes the joint exercise by two or more public agencies of any power which is common to each of them.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

Article I. DEFINITIONS

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

Section 1.01 **“Board”** means the Board of Directors of CC Power as established by this Agreement.

Section 1.02 **“CC Power”** means the Joint Powers Authority established by this Agreement.

Section 1.03 **“Member”** means a Public CCA Agency, or other public agency the Board determines to be eligible pursuant to Section 3.02, that is a signatory to this Agreement and has met the requirements of

Article III; the term "Member" shall, however, exclude any Public CCA Agency or other eligible public agency which shall have withdrawn or been excluded from CC Power pursuant to Section 3.04 below.

Section 1.04 "Project" means any and all of the following matters, which are approved by the Board pursuant to Article VI: (i) the construction, financing or acquisition of a wholesale power resource, resource adequacy and/or renewable and environmental attributes for use by the Members, and such other transactions, services, and goods that may be necessary or convenient to construct, finance, acquire or optimize the value of such resources, (ii) the bulk purchasing and/or financing of decarbonization products, including, but not limited to, heat pump water heaters, space heater heat pumps and electric vehicle charging services, (iii) energy risk management and CAISO scheduling products and services, (iv) acquisition, construction and financing of facilities for the generation or transmission of electrical energy and any related transactions, services, and goods that may be necessary or convenient to acquire, construct, and finance these facilities, (v) grid integration services, (vi) acquisition of capacity rights in any facility for the generation or transmission of electric energy, and (vii) any other energy related programs.

Section 1.05 "Project Agreement" means a contract between and among CC Power and Project Participants.

Section 1.06 "Project Participants" means any Member or group of Members who participate in a Project pursuant to Article VI below.

Section 1.07 "Public CCA Agency" means any public agency, or such joint powers agencies/authorities consisting of one or more public agencies, that has implemented a CCA program pursuant to California Public Utilities Code Sections 331.1 and 366.2.

Article II. FORMATION OF AUTHORITY

Section 2.01 Creation of CC Power. Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as "CC Power," which shall be a public entity separate and apart from its Members.

Section 2.02 Purpose. The purpose of this Agreement is for CC Power to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members. CC Power is not intended to be a policy-maker or advocate, though it may, from time to time, advance or support public policies in support of its purpose that do not conflict with interests or policies advanced by any Member.

Section 2.03 Powers. CC Power is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement as referred to in Section 2.02 above, and engage in the exercise of powers the Members have in common including, but not limited to, each of the following:

- **(a)** Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects;
- **(b)** Establish, operate, maintain and/or fund energy related programs;
- **(c)** Make and enter into contracts;
- **(d)** Employ agents and employees;
- **(e)** Acquire, contract, manage, maintain, sell or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;
- **(f)** Receive contributions and donations of property, funds, services and other forms of assistance from any source;
- **(g)** Lease real or personal property as lessee and as lessor;
- **(h)** Sue and be sued in its own name;

(i) Incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;
(j) Receive, collect, invest and disburse moneys;
(k) Issue revenue bonds and other forms of indebtedness, as provided by law;
(l) Apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
(m) Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy related programs;
(n) Adopt from time to time such policies, procedures, bylaws, rules or regulations for the conduct of its affairs as deemed necessary by the Board;
(o) Exercise all other powers necessary and proper to carry out this Agreement; and
(p) Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code of the State of California, as amended, subject only to such restrictions upon the manner of exercising such powers as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers. Should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy.

Section 2.04 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by CC Power within the territory of CC Power shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act.

Article III. MEMBERSHIP

Section 3.01 Member Agencies. Any Public CCA Agency, or other public agency determined by the Board to be eligible pursuant to Section 3.02, may become a Member upon meeting the following conditions:

(a) The Public CCA Agency or other eligible public agency shall file with the Board a certified copy of a resolution of its governing body whereby it (i) agrees to the provisions of this Agreement, and (ii) requests to become a Member; and
(b) No such Public CCA Agency or other eligible public agency shall become a Member until (i) its admission is approved at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and (ii) it deposits or agrees to pay CC Power a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any.

Upon completion of the foregoing, the Public CCA Agency or other eligible public agency shall become a Member for all purposes of this Agreement.

Section 3.02 Eligible Public Agency Members. The Board may adopt policies to determine whether public agencies that are not Public CCA Agencies may be eligible to become a Member of CC Power.

Section 3.03 Cost Allocations.

(a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one member one share for general and administrative costs as determined by the Board associated with all operations of CC Power. General and administrative costs do not include any costs that relate solely to any specific Project Agreement.

(b) Project Agreements and other program agreements between and among any Member and/or CC Power will determine cost allocation and may consider, among other relevant factors, credit strength of the Members and may differ in price and collateral requirements as determined solely for such Project Agreement or other program agreements.

Section 3.04 Withdrawal or Exclusion of Member.

(a) Any Member may withdraw from CC Power upon the following conditions:

(i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. Once a Member files a resolution to withdraw with the Board Secretary, that Member no longer has any voting rights on the Board;

(ii) Members participating in Projects, programs or services pursuant to Project Agreements or other program agreements approved by the Board are subject to the participation and withdrawal terms and conditions described in the applicable agreement; and

(iii) Prior to accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of all debts, liabilities, and obligations of CC Power specifically assumed by the Member. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations secured or otherwise committed pursuant to Project Agreements or other program agreements between and among any Member and/or CC Power. The debts, liabilities and obligations of the Members to such Project Agreements or other program agreements shall be determined by their terms. Any obligations under this Agreement are subject to the limitations set forth in Article VIII.

(b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Project Agreement or other program agreement.

(c) Any Member which has (i) defaulted under this Agreement, a Project Agreement, or other program agreement, (ii) failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01 and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CC Power by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member). Prior to any vote to terminate participation of any Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Project Agreement or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Project Agreement or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion.

(d) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.03 below.

Article IV. POWERS OF BOARD & MANAGEMENT OF CC POWER

Section 4.01 Board. CC Power shall be administered by a Board which shall consist of one Director representing each Member. Such Board shall be the governing body of this CC Power, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CC Power.

Section 4.02 Appointment and Vacancies. Each Director shall be the Chief Executive Officer, General Manager, or designee of the Chief Executive Officer or General Manager of each Member and shall be appointed by and serve at the pleasure of the Member that the Director represents, and may be removed as Director by such Member at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Member to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

Section 4.03 Notices. The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State, the State Controller, the applicable county clerk and local agency formation commissions, including, but not limited to:

(a) Causing a notice of the Agreement or any amendment to the Agreement to be prepared and filed with the office of the Secretary of State within 30 days of the effective date of the Agreement or amendment, and

(b) Filing a statement of facts with the Secretary of State within 70 days after the date of commencement of CC Power's legal existence. Upon any change in the statement of facts presented to the Secretary of State, an amended statement of facts shall be filed with the Secretary of State within 10 days of the change.

Section 4.04 Committees. The Board may create committees to provide advice to the Board or conduct the business of CC Power subject to delegation of authority from the Board.

Section 4.05 Director Compensation. Compensation for work performed by Directors, including alternates, on behalf of CC Power shall be borne by the Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

Section 4.06 Board Officers. At its first meeting in each calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary and a Treasurer/Controller each of whom may, but need not, be selected from among the Directors.

(a) **Chair and Vice-Chair**. The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.

(b) **Treasurer and Controller.** The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Controller, neither of whom needs to be a Director. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Controller of CC Power. The Treasurer shall be the depository of CC Power to have custody of all the money of CC Power, from whatever source. The Controller shall draw warrants to pay demands against CC Power when the demands have been approved by the Chair or Vice Chair of CC Power. The Treasurer and Controller shall have the other powers, duties and responsibilities of such officers as specified in Section 6505 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized in Section 6550 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of CC Power pursuant to this Agreement. The Board may require the Treasurer and/or Controller to file with CC Power an official bond in an amount to be fixed by the Board, and if so requested CC Power shall pay the cost of premiums associated with the bond. The Treasurer and Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code.

(c) **Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CC Power, and responding to public records requests of the JPA.

Section 4.07 **Management of CC Power.** The Board shall appoint a part-time or full-time General Manager, and may appoint one or more part-time or full-time Assistant General Managers, to serve at the pleasure of the Board. The General Manager shall be responsible for the day-to-day operation and management of CC Power. The General Manager may enter into and execute contracts in accordance with the policies established and direction provided by the Board, and shall file an official bond in the amount determined from time to time by the Board.

Section 4.08 **Other Officers and Employees.** The Board shall have the power to appoint such other officers and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Members may contract with CC Power to provide staff to perform services for CC Power, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Member only.

Section 4.09 **Budget**. The budget shall be approved by the Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and expected expenses. All subsequent budgets of CC Power shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

Article V. MEETINGS OF THE BOARD

Section 5.01 **Regular Meetings.** The Board shall hold at least one regular meeting per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution of the Board. Regular meetings may be adjourned to another meeting time.

Section 5.02 **Special Meetings.** Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956, as amended.

Section 5.03 Brown Act Compliance. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.), and as augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, only to the extent permitted by law.

Section 5.04 Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

Section 5.05 Quorum. A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

Section 5.06 Voting. Except to the extent set forth in a Project Agreement or as otherwise specified in this Agreement, each Member shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

(a) Special Voting Requirements as specified in this Agreement:

- **(i)** Action of the Board to amend Section 3.03 related to cost allocations shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- **(ii)** Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- **(iii)** Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Member's governing body.
- **(iv)** Action of the Board to amend this Agreement shall be subject to the voting requirements set forth in Section 11.02 below.

Article VI. PROJECTS

Section 6.01 Projects. The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to establish Projects within the purpose and power of CC Power and to adopt guidelines for their implementation.

Section 6.02 Right to Participate in Projects. The Board shall provide at least sixty (60) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Such notice shall be provided to the Director of each Member. Once a Project is approved by the Board as set forth in Section 6.01 above, all Members shall have the right, but not the obligation, to participate in a pro-rata share in the Project as determined by the Project Agreement. All Members who elect not to participate in the Project have no obligations under the Project.

Section 6.03 Project Agreement. All expenses, rights and obligations to any specific Projects will be handled through Project Agreements that will be separate and distinct from this Agreement.

Article VII. BONDS AND OTHER INDEBTEDNESS

CC Power shall also have the power to issue, sell and deliver bonds in accordance with the provisions of the Joint Powers Act for the purpose of acquiring, financing, performing or constructing one or more Projects and to enter into other indebtedness for the purpose of financing one or more studies or Projects and for the purpose of providing temporary financing of costs of development, construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds or indebtedness shall be set forth in such resolution, indenture or other instrument, as required by law and as approved by the Board. Bonds issued under this article and contracts or obligations entered into to carry out the purposes for which bonds are issued, payable in whole or in part from the proceeds of said bonds, shall not constitute a debt, liability or obligation of any of the Members unless the governing body of the Member by resolution expressly agrees that the Member will be obligated under the bond or other indebtedness or the Member takes on obligations pursuant to a Project Agreement

Article VIII. LIMITATION ON LIABILITY OF MEMBERS

Section 8.01 Pursuant to Section 6508.1 of the Government Code of the State of California, no debt, liability or obligation of CC Power shall be a debt, liability or obligation of any Member unless such Member enters into a Project Agreement specifying otherwise. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Project Agreement such Member enters into pursuant to this Agreement.

Section 8.02 **Individual Member Provisions**.

(a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies, and, therefore, nothing in the Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of the Agreement. Any obligations under this Agreement and any Project Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund (defined as the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et seq.)* ("Designated Fund") and shall not be a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.

(b) CleanPowerSF's payment obligations under this Agreement are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF. CleanPowerSF's payment obligations under this Agreement are not a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-CleanPowerSF moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco. CleanPowerSF's obligations hereunder shall not at any time exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of CleanPowerSF are not authorized to request, and CleanPowerSF is not required to reimburse CC Power for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of CleanPowerSF are not authorized to offer or promise, nor is CleanPowerSF required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the San Francisco City Controller. The San Francisco City Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

Article IX. TERM; TERMINATION; LIQUIDATION; DISTRIBUTION

Section 9.01 **Term and Termination.** This Agreement shall become effective when at least two Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; provided however, this Agreement cannot be terminated until such time as all principal of and interest on bonds and other forms of indebtedness issued by CC Power are paid in full. Thereafter, this Agreement may be terminated by a two-thirds (2/3) vote of the entire Board approved by resolution of each Member's governing body; provided, however, that this Agreement and CC Power shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CC Power. In no event shall this Agreement or the powers herein granted to CC Power be terminated until (a) all bonds and other indebtedness of CC Power and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and indebtedness and (b) all other obligations and liabilities of CC Power shall have been met or adequately provided for.

Section 9.02 Liquidation; Distribution. Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CC Power as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CC Power, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CC Power for the purpose of concluding and dissolving the business affairs of CC Power.

ARTICLE X. ACCOUNTS AND REPORTS

Section 10.01 Establishment and Administration of Funds. CC Power is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, particularly Section 6505 of the California Government Code. CC Power shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CC Power securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CC Power shall be open to inspection at all reasonable times to each Member and its representatives.

Section 10.02 Annual Audits and Audit Reports. The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CC Power to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member. CC Power will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

ARTICLE XI. GENERAL PROVISIONS

Section 11.01 Successors and Assigns. No Member may assign any right or obligation under this Agreement without the consent of all other Members. This section shall not affect, in any respect, any right of assignment under any Project Agreement.

Section 11.02 Amendments. Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Members pursuant to that Members' applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least 60 days prior to the date upon which the Board votes on such amendments.

Section 11.03 Indemnification and Insurance. To the fullest extent permitted by law, CC Power shall defend, indemnify, and hold harmless the Members and each of their respective Directors, alternates, officers, employees and agents from any and all claims losses damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of CC Power under this Agreement to the extent not otherwise provided under a Project Agreement. CC Power shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CC Power and the Members.

Section 11.04 Notices. The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service on behalf of the Board. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Director to their respective addresses on file with CC Power.

Section 11.05 Severability. Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 11.06 Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

Section 11.07 Choice of Law. This Agreement will be governed and construed in accordance with the laws of the State of California.

Section 11.08 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

Section 11.09 Dispute Resolution. The Members shall make reasonable efforts to informally settle all disputes arising out of, or in connection with, this Agreement. Should such informal efforts to settle a dispute fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Members hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

	Date:	______________________
(Seal)	CCA Name:	______________________
Attest:	Address:	______________________
______________________		______________________

	Date:	______________________
(Seal)	CCA Name:	______________________
Attest:	Address:	______________________
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	Date:	______________________
(Seal)	CCA Name:	______________________
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	Date:	______________________
(Seal)	CCA Name:	______________________
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	Date:	______________________________
(Seal)	CCA Name:	______________________________
Attest:	Address:	______________________________
_______________________		______________________________

	Date:	______________________________
(Seal)	CCA Name:	______________________________
Attest:	Address:	______________________________
_______________________		______________________________

MCE Board Offices and Committees

Board Offices:
Kate Sears, Chair through December, 2020
*(*Director Butt willing to serve as Chair beginning January, 2021*)
Tom Butt, Vice Chair through December, 2020
*(*Shanelle Scales-Preston willing to serve as Vice Chair beginning January, 2021*)
Garth Salisbury, Treasurer
Vicken Kasarjian, Deputy Treasurer
Dawn Weisz, Secretary

Executive Committee
1. Tom Butt, Chair
2. Denise Athas
3. Edi Birsan
4. Lisa Blackwell
5. Barbara Coler
6. Ford Greene
7. Kevin Haroff
8. Bob McCaskill (*Departing by 1/1/21*)
9. Elizabeth Patterson (*Departing by 1/1/21*)
10. Shanelle Scales-Preston
11. Kate Sears (*Departing by 1/1/21*)
12. Renata Sos
13. *(Sally Wilkinson, interested)*

Technical Committee
1. Kate Sears, Chair (*Departing by 1/1/21*)
2. Kevin Haroff *(Willing to serve as Chair)*
3. Greg Lyman (*Departing by 1/1/21*)
4. Scott Perkins
5. Rob Schroder
6. Ray Withy (*Departing by 1/1/21*)
7. Justin Wedel
8. Ford Greene
9. John Gioia
10. David Kunhardt

Ad Hoc Contracts Committee – 2020
1. Mike Anderson
2. Kevin Haroff
3. Scott Perkins
4. Vincent Salimi
5. Greg Lyman

Ad Hoc Audit Committee - 2020
1. Kevin Haroff
2. Bob McCaskill
3. Ray Withy

Ad Hoc Bonding Committee – 2020
1. Ford Greene
2. Kevin Haroff
3. Greg Lyman
4. Bob McCaskill
5. Renata Sos
6. Ray Withy
7. *(Edi Birsan – Interested)*
8. *(Sally Wilkinson - Interested)*

MCE Executive Committee Overview and Scope

Current Membership:	12
Current Members:	Tom Butt, City of Richmond (Chair) Denise Athas, City of Novato Edi Birsan, City of Concord Lisa Blackwell, Town of Danville Barbara Coler, Town of Fairfax Ford Greene, Town of San Anselmo Kevin Haroff, City of City of Larkspur Bob McCaskill, City of Belvedere Elizabeth Patterson, City of Benicia Kate Sears, County of Marin Shanelle Scales-Preston, City of Pittsburg Renata Sos, Town of Moraga
Membership Process:	MCE strives to assemble an Executive Committee comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Executive Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city member. Interested members can be added at a meeting of the Board when "New Committee Members" is on the Agenda.
Current meeting date:	First Fridays of each month at 12:15pm

Scope

The scope of the MCE Executive Committee is to explore, discuss and provide direction or approval on general issues related to MCE including legislation, regulatory compliance, strategic planning, outreach and marketing, contracts with vendors, human resources, finance and budgeting, debt, rate-setting and agenda setting for the regular MCE Board meetings and annual Board retreat.

Authority of Executive Committee

Executive Committee is authorized to make decisions regarding:

- Legislative positions outside of the Board-approved legislative plan
- Procurement pursuant to Resolution 2018-04 or its successor
- Compensation and evaluation of the CEO

- Ad hoc committees
- Honorary awards

The Executive Committee also serves to make recommendations to the Board regarding:

- The annual budget and budget adjustments
- Rate setting
- Entering into debt
- MCE Policies (such as Policy 013: Reserve Policy and Policy 014: Investment Policy)

MCE Technical Committee Overview and Scope

Current Membership:	10
Current Members:	Kate Sears, County of Marin (Chair) John Gioia, County of Contra Costa Ford Greene, Town of San Anselmo Kevin Haroff, City of Larkspur David Kunhardt, Town of Corte Madera Greg Lyman, City of El Cerrito Scott Perkins, City of San Ramon Rob Schroder, City of Martinez Justin Wedel, City of Walnut Creek Ray Withy, City of Sausalito
Membership Process:	MCE strives to assemble a Technical Committee comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Technical Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city member. Interested members can be added at a meeting of the Board when "New Committee Members" is on the Agenda.
Current meeting date:	First Thursday of each month at 8:30 am

Scope

The scope of the MCE Technical Committee is to explore, discuss and provide direction or approval on issues related to electricity supply, distributed generation, greenhouse gas emissions, energy efficiency, procurement risk management and other topics of a technical nature.

Frequent topics include electricity generation technology and procurement, greenhouse gas accounting and reporting, energy efficiency programs and technology, energy storage technology, net energy metering tariff, local solar rebates, electric vehicle programs and technology, Feed-in Tariff activity and other local development, Light Green, Deep Green and Local Sol power content planning, long term integrated resource planning, regulatory compliance, MCE's Energy Risk Management Policy (ERMP), procurement risk oversight, and other activity related to the energy sector. The MCE Technical Committee reviews and discusses new technologies and potential application by MCE.

Authority of Technical Committee

- Approval of and changes to MCE's Net Energy Metering Tariff
- Approval of and changes to MCE's Feed in Tariff
- Approval of annual GHG emissions level and related reporting
- Approval of MCE procurement pursuant to Resolution 2018-03 or its successor
- Approval of MCE procurement-related certifications and reporting, including the Power Content Label
- Approval of contracts with vendors for technical programs or services, energy efficiency program or services and procurement functions or services Approval of power purchase agreements
- Approval of adjustments to power supply product offerings
- Approval of the Integrated Resource Plan
- Receipt of reports from the Risk Oversight Committee (ROC) on at least a quarterly basis regarding the ROC's meetings, deliberations, and any other areas of concern
- Initiation of and oversight of a review of the implementation of the ERMP as necessary
- Approval of substantive changes to MCE's Energy Risk Management Policy (ERMP), including periodic review of the ERPM and periodic review of ERPM implementation

MCE Ad Hoc Committee on Bonding: Overview and Scope

Current Membership:	6
Current Members:	Ford Greene Kevin Haroff Greg Lyman Bob McCaskill Renata Sos Ray Withy
New Members:	MCE strives to assemble Committees comprised of at least one county representative and one city/town representative from each county in the MCE service area. Available seats on the Ad Hoc Bonding Committee are therefore first offered to any interested and applicable Board member whose county is not yet represented by one county and one city member
Proposed 2020 meeting dates:	Late August and another meeting in November or early December

Introduction and Scope

It may be more cost effective for MCE to directly own all or part of certain generation, storage or other resiliency assets to be utilized in our service area. Such ownership interest could be financed with equity (a portion of MCE's accumulated net position) and/or debt in the form of tax-exempt bonds sold to investors in the US financial markets or taxable bonds sold in the global markets. MCE would like to take the steps necessary to be able to issue tax-exempt or taxable bonds to pay for an asset if/when the opportunity presents itself.

The Ad Hoc Committee on Bonding would work with MCE staff and outside Financial and legal Advisors to formulate a formal Debt Policy. Through the review of other Debt Policies of other organizations and with the assistance of staff, MCE's Financial Advisor (FA) and Bond Counsel, the Ad Hoc Committee will have input into the Debt Policy as it is formulated to ensure involvement and understanding of terms and short and long term effects on MCE if/when it issues bonds.

Staff anticipates that once a Bond Counsel is selected, work will begin on formulating a Bond Indenture; the document that dictates the requirements of how bonds would be issued and incorporates the requirements and covenants that MCE would have to adhere to for as long as the bonds are outstanding.

Approved 3.19.20

The Ad Hoc Committee on Bonding would work with staff, MCE's FA and Bond Counsel and have input into this important document.

Authority of Executive Committee

- Provide MCE Staff guidance on selecting a Financial Advisor, Bond Counsel and Investment Bank(s) to eventually underwrite any potential future issuance of bonds.
- Provide input into and eventual approval of a comprehensive Debt Policy to be adopted by the MCE Board of Directors
- Provide input and eventual approval of the terms and important covenants in a Bond Indenture to be adopted by the MCE Board of Directors

Approved 3.19.20

November 19, 2020

TO: MCE Board of Directors

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 Board of Directors:

SUMMARY:

Purpose:
Staff is requesting that the Board of Directors approve Committee Resolution 2020-04 Rescinding Resolution 2018-03 and Delegating Energy Procurement Authority ("Resolution 2020-04"). MCE's Executive Committee recommended that the Board approve Resolution 2020-04 in its November 6, 2020, meeting. 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 26th and 27th, 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 26th, on Wednesday, May 27th, 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 26th and May 27th 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:
Adopt proposed Resolution 2020-04 Rescinding Resolution 2018-03 and Delegating Energy Procurement Authority.

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 on a recorded telephone line where written receipts and voice recordings documenting such transactions are provided to MCE.

ii. "Short-term purchases" for purposes hereof refers to Energy Procurement on the day-ahead energy market 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 to staff, including the Chief Operating Officer or Manager of Power Resources.

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				

CHAIR, MCE

Attest:

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;

   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 on a recorded telephone line where written receipts and voice recordings documenting such transactions are provided to MCE.

ii. "Short-term purchases" for purposes hereof refers to Energy Procurement on the day-ahead energy market 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 to staff, including the Chief Operating Officer or Manager of Power Resources.

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				

____
CHAIR, MCE

Attest:

____
SECRETARY, MCE

November 19, 2020

TO: MCE Board of Directors

FROM: Leanne Hoadley, Manager of Community and Customer Engagement
John Dalessi, Operations and Development, Pacific Energy Advisors

RE: Receive Applicant Analysis and Consider
1. Resolution 2020-03 of the Board of Directors of MCE Approving the City of Fairfield as a Member of MCE;
2. Amendment 15 to the MCE JPA Agreement; and
3. Direction to Submit Addendum No. 8 to the MCE Implementation Plan and Statement of Intent
(Agenda Item #09)

ATTACHMENTS:

A. MCE Applicant Analysis for 2022
B. Resolution 2020-03 of the Board of Directors of MCE
C. Amendment 15 to the MCE JPA Agreement
D. Addendum No. 8 to the MCE Implementation Plan and Statement of Intent
E. Policy 007 – New Customer Communities
F. MCE Membership Application Checklist

Dear Board 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 approximately 117,000 individuals representing approximately 42,000 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 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.[1] 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 November 6, 2020 the MCE Executive Committee reviewed the quantitative analysis and financial impact for the inclusion of the City of Fairfield and recommend that the MCE Board of Directors approve the City of Fairfield as a member of MCE.

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. For service in 2020, Resolution E-4907 requires the submission of an Addendum to MCE's Implementation Plan and Statement of Intent by the end of 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.

Recommendations:
1. Approve Resolution 2020-03 of the Board of Directors of MCE Approving the City of Fairfield as a Member; 2. Approve Amendment 15 to the MCE JPA Agreement; and 3. Direct staff to submit Addendum No. 8 to the MCE Implementation Plan and Statement of Intent to the CPUC.

[1] 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 | My community. My choice.

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

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 1: **8,000 Accounts**	**Complete**: 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
Phase 2A: **5,700 Accounts**	**Complete**: 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
Phase 2B: **74,000 Accounts**	**Complete**: Remaining accounts within Marin County.	July 2012
Phase 3: **33,000 Accounts**	**Complete**: Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.	July 2013
Phase 4A: **18,000 Accounts**	**Complete**: Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.	February 2015
Phase 4B: **34,000 Accounts**	**Complete**: 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
Phase 5: **84,000 Accounts**	**Complete**: 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
Phase 6: **218,000 Accounts**	**Complete:** 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
Phase 7: **11,000 Accounts**	**Complete:** 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
Phase 8: **58,000 Accounts**	**Planned:** Residential, commercial, agricultural, and street lighting accounts within the Cities of Pleasant Hill and Vallejo	April 2021
Phase 9: ***≈42,000 Accounts***	***Under Evaluation:*** *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.[1]

Table 2: 2019 Applicant Electric Data

Classification	**Accounts**	**Annual Energy (MWh)**	**Monthly Per Account (kWh)**
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
Total	42,353	452,596	891
***Peak Demand (MW)**			80

*Estimate based on PG&E customer usage profiles

[1] 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)
Residential	487,968	2,708,237	463
Small Commercial	45,090	760,363	1,405
Medium Commercial	3,752	701,769	15,585
Large Commercial	1,990	765,890	32,078
Industrial	49	500,087	858,202
Agricultural and Pumping	3,308	76,087	1,917
Street Lighting	4,492	35,349	656
Total	546,649	5,547,782	846
Peak Demand (MW)			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)

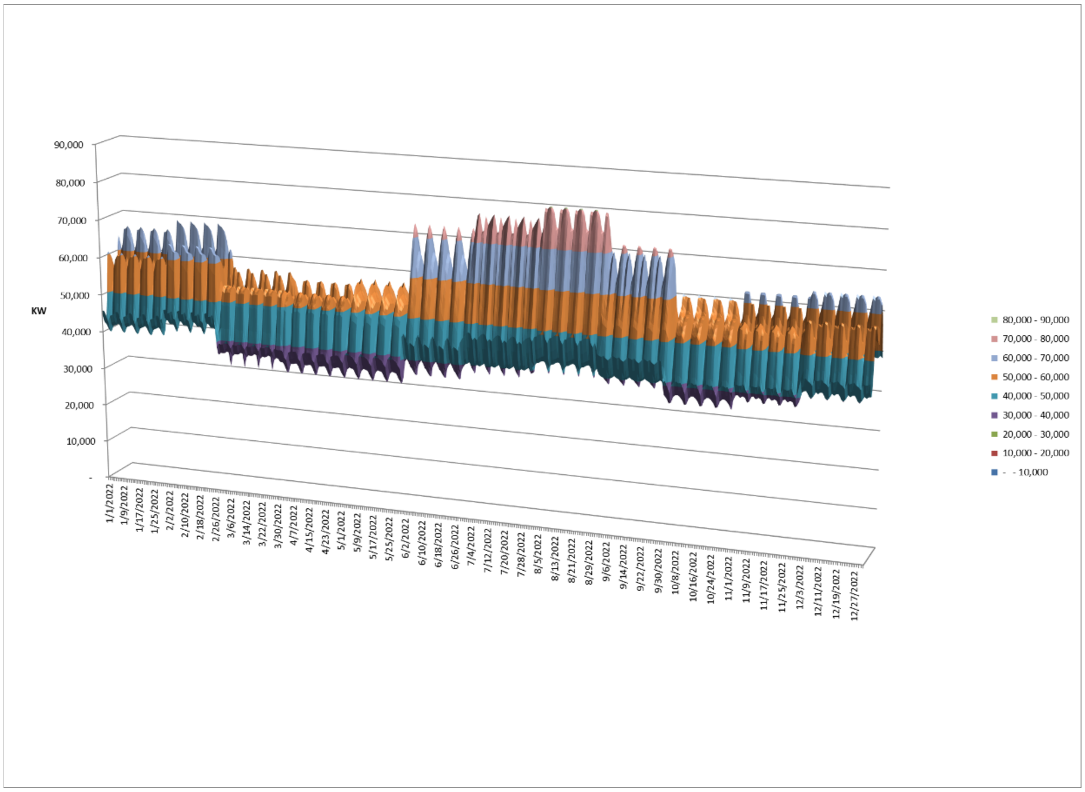


Figure 2: Projected 12-Month Hourly Load Profile (KW) of MCE's Current Customer Base

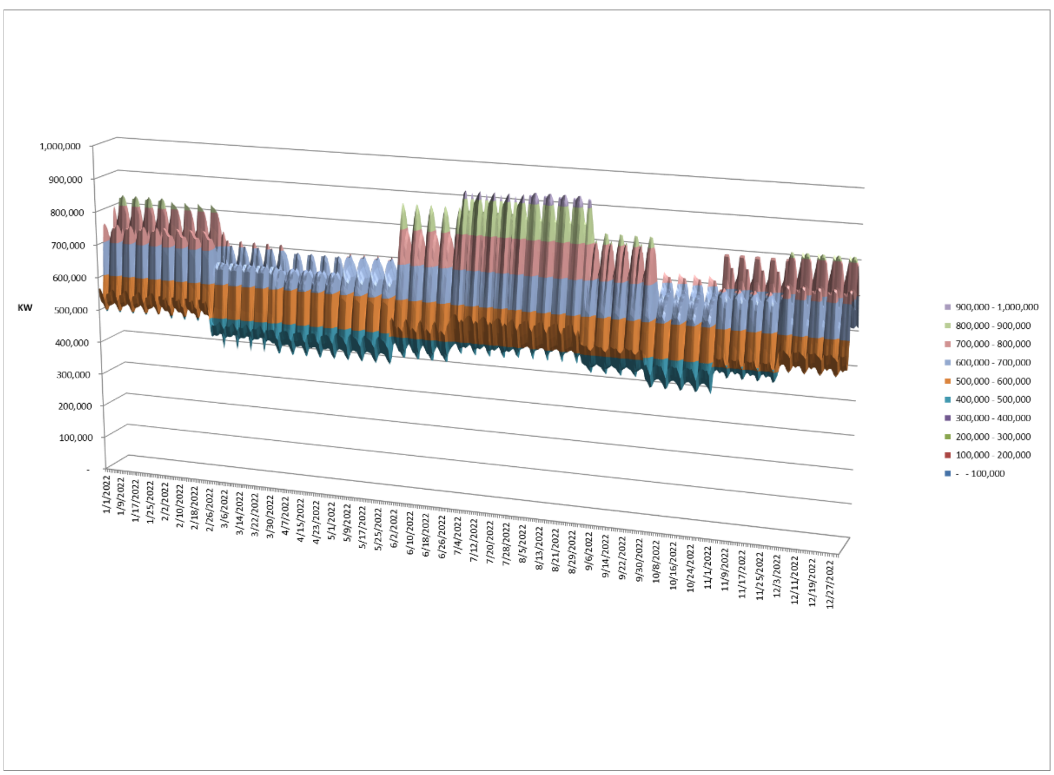
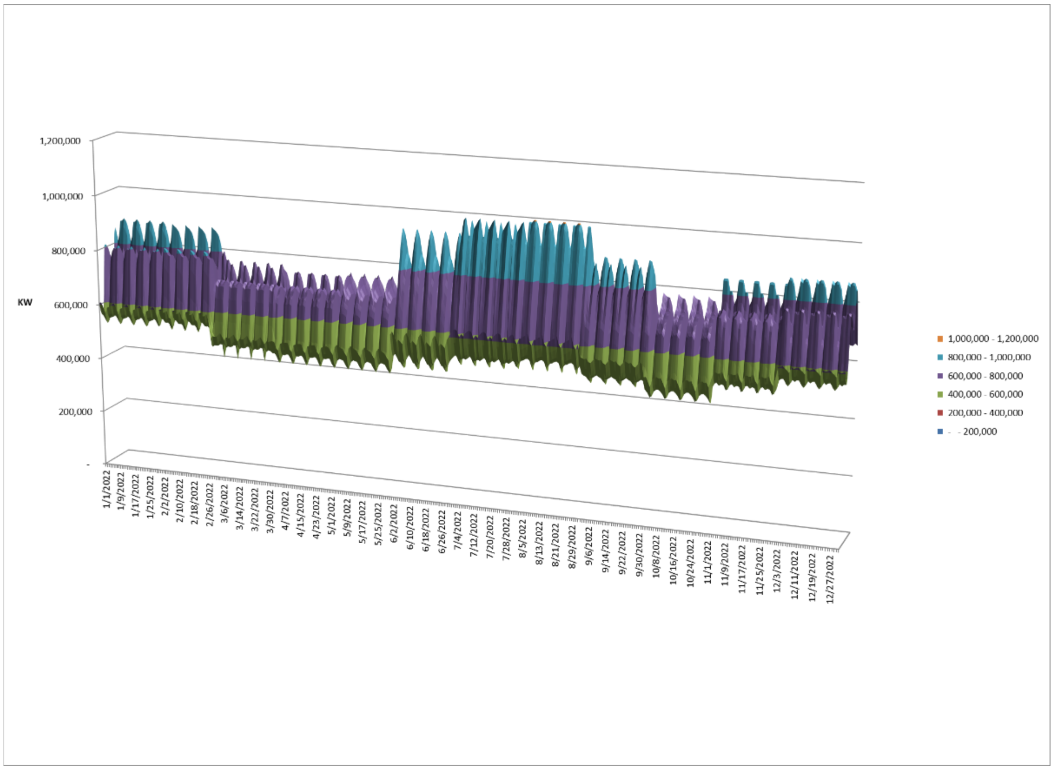


Figure 3: MCE Projected Hourly Load Profile, Including the City



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

	FY 2022/2023	FY 2023/2024
Incremental Electric Energy Volume (MWh)	399,130	413,091
Incremental Revenue	$32,329,958	$34,558,688
Incremental Costs		
Power Supply Costs	$26,004,875	$29,186,882
Billing and Other Costs	$686,835	$657,857
Total Incremental Costs	*$26,691,711*	*$29,844,739*
Incremental Net Revenue	$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**
	FY 2022/23
Base Projection	$ 5,638,247
Power Costs + 20%	$1,658,215
75% Participation Rate	$ 4,704,098
$5/MWh Rate Decrease	$ 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)[2], 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.

[2] 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

Table 6: Renewable Energy Impacts (CY 2023)

	Annual MWh
Retail Sales	412,586
MCE's Internally Adopted Renewable Energy Target	256,524
California's Renewables Portfolio Standard Mandate	170,398
Increase in Statewide Renewable Energy Procurement	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.[3] 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.

[3] 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_2e) 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.

RESOLUTION NO. 2020-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF MCE APPROVING THE CITY OF FAIRFIELD AS A MEMBER OF MCE

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation ("CCA"); and,

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy ("MCE"), (formerly the Marin Energy Authority) was established as a joint power authority pursuant to a Joint Powers Agreement, as amended from time to time ("MCE Joint Powers Agreement"); and,

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and,

WHEREAS, MCE members include the following communities: the County of Contra Costa, the County of Marin, 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 City 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 Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of San Ramon, 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, requested membership in MCE was made by the City of Fairfield, December 17, 2019; and,

WHEREAS, the ordinance approving membership in MCE was approved by the City of Fairfield; and,

WHEREAS, the applicant analysis for the City of Fairfield was completed on October 22, 2020, and yielded a positive result;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Directors of MCE that the City of Fairfield is approved as a member of MCE.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on the nineteenth 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				

KATE SEARS, CHAIR

ATTEST:

DAWN WEISZ, SECRETARY

AMENDMENT NO. 15 TO MARIN ENERGY AUTHORITY JOINT POWERS AUTHORITY AGREEMENT

1. Exhibit B to the Agreement, which includes a "List of the Parties" to the Agreement, is hereby amended to reflect the Marin Clean Energy (formerly the Marin Energy Authority) current membership, which includes the following local public entities:

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 Fairfield
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

2. Exhibit C to the Agreement, which specifies "Annual Energy Use" for each party to the Agreement, is hereby amended to reflect annual energy use within each member's jurisdiction inclusive of the City of Fairfield.

3. Exhibit D to the Agreement, which specifies “Voting Shares” for each party to the Agreement, is hereby amended to reflect the current voting shares of each member in accordance with the provisions of Section 4.9.2 of the Agreement.

4. This Amendment No. 15 does not limit the authority of the Board to update Exhibits B, C and D in the future without further amending the Agreement as provided by Sections 1.3 and 4.9.2.3 of the Agreement.

This Amendment No. 15 to the Marin Energy Authority Joint Powers Authority Agreement was duly adopted by the Board of Directors in accordance with Article 8.4 of this Agreement on November 19, 2020.

Exhibit C

Marin Clean Energy

This Exhibit C is effective as of November 19, 2020.

MCE Member Communities	- Annual Energy Use -
This Exhibit C is effective as of November 19, 2020.	
MCE Member Community	**kWh (2019)**
City of American Canyon	**76,695,933**
City of Belvedere	**7,577,958**
City of Benicia	**113,063,212**
City of Calistoga	**25,994,261**
City of Concord	**498,162,604**
Town of Corte Madera	**46,419,358**
County of Contra Costa	**673,004,355**
Town of Danville	**159,347,837**
City of El Cerrito	**57,817,586**
Town of Fairfax	**17,969,915**
City of Fairfield*	**452,596,498**
City of Lafayette	**94,682,154**
City of Larkspur	**42,611,547**
City of Martinez	**151,009,009**
City of Mill Valley	**44,571,991**
County of Marin	**231,346,718**
Town of Moraga	**43,994,965**
City of Napa	**306,136,179**

County of Napa	**299,606,262**
City of Novato	**184,366,404**
City of Oakley	**105,972,646**
City of Pinole	**64,070,289**
City of Pittsburg	**404,506,338**
City of Pleasant Hill*	**125,951,493**
City of Richmond	**374,022,160**
Town of Ross	**9,855,768**
Town of San Anselmo	**32,381,273**
City of San Ramon	**301,946,012**
City of Saint Helena	**48,784,002**
City of San Pablo	**63,337,637**
City of San Rafael	**218,232,540**
City of Sausalito	**32,001,734**
County of Solano*	**176,902,587**
Town of Tiburon	**29,057,049**
City of Vallejo*	**332,927,602**
City of Walnut Creek	**344,139,693**
Town of Yountville	**30,941,216**
MCE Total Energy Use	**6,222,004,783**

*2019 usage data as provided by PG&E.
All other usage data reflects MCE customer billing records for 2019.

Exhibit D

Marin Clean Energy

- Voting Shares -

This Exhibit D is effective as of November 19, 2020.

MCE Member Community	kWh (2019)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of American Canyon	76,695,933	1.35%	0.62%	***1.97%***
City of Belvedere	7,577,958	1.35%	0.06%	***1.41%***
City of Benicia	113,063,212	1.35%	0.91%	***2.26%***
City of Calistoga	25,994,261	1.35%	0.21%	***1.56%***
City of Concord	498,162,604	1.35%	4.00%	***5.35%***
Town of Corte Madera	46,419,358	1.35%	0.37%	***1.72%***
County of Contra Costa	673,004,355	1.35%	5.41%	***6.76%***
Town of Danville	159,347,837	1.35%	1.28%	***2.63%***
City of El Cerrito	57,817,586	1.35%	0.46%	***1.82%***
Town of Fairfax	17,969,915	1.35%	0.14%	***1.50%***
City of Fairfield*	452,596,498	1.35%	3.64%	***4.99%***
City of Lafayette	94,682,154	1.35%	0.76%	***2.11%***
City of Larkspur	42,611,547	1.35%	0.34%	***1.69%***
City of Martinez	151,009,009	1.35%	1.21%	***2.56%***
City of Mill Valley	44,571,991	1.35%	0.36%	***1.71%***
County of Marin	231,346,718	1.35%	1.86%	***3.21%***
Town of Moraga	43,994,965	1.35%	0.35%	***1.70%***
City of Napa	306,136,179	1.35%	2.46%	***3.81%***
County of Napa	299,606,262	1.35%	2.41%	***3.76%***
City of Novato	184,366,404	1.35%	1.48%	***2.83%***
City of Oakley	105,972,646	1.35%	0.85%	***2.20%***
City of Pinole	64,070,289	1.35%	0.51%	***1.87%***
City of Pittsburg	404,506,338	1.35%	3.25%	***4.60%***
City of Pleasant Hill*	125,951,493	1.35%	1.01%	***2.36%***
City of Richmond	374,022,160	1.35%	3.01%	***4.36%***
Town of Ross	9,855,768	1.35%	0.08%	***1.43%***
Town of San Anselmo	32,381,273	1.35%	0.26%	***1.61%***
City of San Ramon	301,946,012	1.35%	2.43%	***3.78%***
City of Saint Helena	48,784,002	1.35%	0.39%	***1.74%***
City of San Pablo	63,337,637	1.35%	0.51%	***1.86%***
City of San Rafael	218,232,540	1.35%	1.75%	***3.11%***

City of Sausalito	32,001,734	1.35%	0.26%	***1.61%***
County of Solano*	176,902,587	1.35%	1.42%	***2.77%***
Town of Tiburon	29,057,049	1.35%	0.23%	***1.58%***
City of Vallejo*	332,927,602	1.35%	2.68%	***4.03%***
City of Walnut Creek	344,139,693	1.35%	2.77%	***4.12%***
Town of Yountville	30,941,216	1.35%	0.25%	***1.60%***
MCE Total Energy Use	6,222,004,783	50.00%	50.00%	***100.00%***

*2019 usage data as provided by PG&E.
All other usage data reflects MCE customer billing records for 2019.

MARIN CLEAN ENERGY

ADDENDUM NO. 8 TO THE REVISED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS MCE EXPANSION TO THE CITY OF FAIRFIELD

MCE Clean Energy
My community. My choice.

November 19, 2020

For copies of this document contact Marin Clean Energy in San Rafael, California or visit www.mcecleanenergy.org

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CHAPTER 1 – INTRODUCTION

The purpose of this document is to make certain revisions to the Marin Clean Energy Implementation Plan and Statement of Intent to address the expansion of Marin Clean Energy ("MCE") to the City of Fairfield. MCE is a public agency that was formed in December 2008 for purposes of implementing a community choice aggregation ("CCA") program and other energy-related programs targeting significant greenhouse gas emissions ("GHG") reductions. At that time, the Member Agencies of MCE included eight of the twelve municipalities located within the geographic boundaries of Marin County: the cities/towns of Belvedere, Fairfax, Mill Valley, San Anselmo, San Rafael, Sausalito and Tiburon and the County of Marin (together the "Members" or "Member Agencies"). In anticipation of CCA program implementation and in compliance with state law, MCE submitted the Marin Energy Authority Community Choice Aggregation Implementation Plan and Statement of Intent ("Implementation Plan") to the California Public Utilities Commission ("CPUC" or "Commission") on December 9, 2009. Consistent with its expressed intent, MCE successfully launched the Marin Clean Energy CCA program ("MCE" or "Program") on May 7, 2010 and has been serving customers since that time.

During the second half of 2011, four additional municipalities within Marin County, the cities of Novato and Larkspur and the towns of Ross and Corte Madera, joined MCE, and a revised Implementation Plan reflecting updates related to that expansion was filed with the CPUC on December 3, 2011.

Subsequently, the City of Richmond, located in Contra Costa County, joined MCE, and a revised Implementation Plan reflecting updates related to that expansion was filed with the CPUC on July 6, 2012.

A revision to MCE's Implementation Plan was then filed with the Commission on November 6, 2012 to ensure compliance with Commission Decision 12-08-045, which was issued on August 31, 2012. In Decision 12-08-045, the Commission directed existing CCA programs to file revised Implementation Plans to conform to the privacy rules in Attachment B of the aforementioned Decision.

During 2015, the County of Napa and the Cities of Benicia, El Cerrito, and San Pablo joined MCE; service was extended to customers in unincorporated Napa County during February 2015 and to customers in Benicia, El Cerrito and San Pablo during May 2015. To address the anticipated effects of these expansions, MCE filed with the Commission a revision to its Implementation Plan on July 18, 2014 to address expansion to the County of Napa (the Commission subsequently certified this revision on September 15, 2014). Following the Commission's certification of this revision, MCE submitted Addendum No. 1 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of San Pablo ("Addendum No. 1") on September 25, 2014 (and the Commission subsequently certified Addendum No. 1 on October 29, 2014); and Addendum No. 2 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of Benicia ("Addendum No. 2") on November 21, 2014 (the Commission subsequently certified

Addendum No. 2 on December 1, 2014); and Addendum No. 3 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of El Cerrito ("Addendum No. 3") on January 7, 2015 (the Commission subsequently certified Addendum No. 3 on January 16, 2015).

On April 21, 2016, MCE's Board of Directors (the "Board" or "Governing Board") unanimously adopted Resolution No. 2016-01, which approved the cities of American Canyon, Calistoga, Lafayette, Napa, St. Helena and Walnut Creek as well as the Town of Yountville as members of MCE. On this date, MCE's Board also approved the related Addendum No. 4 to its Revised Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 4"), which addressed expansion to such Communities. Addendum No. 4 was submitted to the Commission on April 22, 2016; Addendum No. 4 was certified by the Commission thereafter on May 6, 2016.

On July 20, 2017, MCE's Board adopted Resolution No. 2017-06, which approved Contra Costa County (unincorporated areas); the cities of Concord, Martinez, Oakley, Pinole, Pittsburg and San Ramon; and the towns of Danville and Moraga as members of MCE. On this date, MCE's Board also approved the related Addendum No. 5 to its Revised Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 5"), which addressed expansion to such Communities. Addendum No. 5 was submitted to the Commission on September 25, 2017; Addendum No. 5 was certified by the Commission thereafter on December 21, 2017.

MCE's Board approved the membership request of Solano County (unincorporated areas) on October 18, 2018 via Resolution No. 2018-12, which also approved the related Addendum No. 6 to MCE's Revised Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 6"), addressing service delivery within the unincorporated areas of Solano County. Addendum No. 6 was submitted to the Commission on November 20, 2018; Addendum No. 6 was certified by the Commission thereafter on February 19, 2019.

Following the aforementioned expansions, MCE's Board approved the membership requests of the cities of Pleasant Hill and Vallejo on November 21, 2019 via Resolution No. 2019-05, which also approved the related Addendum No. 7 to MCE's Revised Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 7"), which addressed service delivery within the cities of Pleasant Hill and Vallejo. Addendum No. 7 was submitted to the Commission on December 6, 2019; Addendum No. 7 was certified by the Commission thereafter on March 9, 2020.

More recently, MCE's Board approved the membership request of the City of Fairfield on November 19, 2020 via Resolution No. 2020-03 (attached hereto as Appendix A), and similarly approved this Addendum No. 8 to MCE's Revised Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 8"), which addresses service delivery within the City of Fairfield.

The MCE program currently provides electric generation service to approximately 484,000 customers, including a cross section of residential and commercial accounts. During its more than ten-year operating history, non-member municipalities have monitored MCE's progress and operational success, evaluating the potential opportunity for membership, which would enable customer choice with respect to electric generation service. In response to such inquiries, MCE's Board adopted Policy 007, which established a formal process and specific criteria for new member additions. In particular, this policy identifies several threshold requirements, including the specification that any prospective member evaluation demonstrate financial benefits to MCE's existing customer base (based on prevailing market prices for requisite energy products at the time of each analysis) as well as environmental benefits (as measured by anticipated reductions in greenhouse gas emissions and increased renewable energy sales to CCA customers) before proceeding with expansion activities, including the filing of related revisions/addenda to this Implementation Plan. As MCE receives new membership requests, staff will follow the prescribed evaluative process of Policy 007 and will present related results at future public meetings, similar to the manner in which the results of prospective expansion to the City of Fairfield were recently presented at the duly noticed public meetings of MCE's Executive Committee and Governing Board. To the extent that membership evaluations demonstrate favorable results and any new community completes the prescribed process of joining MCE, this Implementation Plan will be revised through a related addendum, highlighting key impacts and consequences associated with the addition of such new community/communities.

In response to public interest and MCE's successful operational track record, the City of Fairfield requested MCE membership, consistent with MCE Policy 007, and subsequently adopted the requisite ordinance for offering CCA service within the City, which is attached hereto as Appendix C. As previously noted, MCE's Board approved such membership request at a duly noticed public meeting on November 19, 2020 through the adoption of Resolution No. 2020-03.

This Addendum No. 8 describes MCE's expansion plans to include the City of Fairfield. MCE intends to enroll such customers in its CCA Program during the month of April 2022, consistent with the Commission's requirements described in Resolution E-4907, which define relevant timing for Implementation Plan filing in advance of service commencement. According to the Commission, the Energy Division is required to receive and review a revised MCE implementation plan reflecting changes/consequences of additional members. With this in mind, MCE has reviewed its revised Implementation Plan, which was filed with the Commission on July 18, 2014, as well as previously filed and certified Addendums, and has identified certain information that requires updating to reflect the changes and consequences of adding the City of Fairfield as well as other forecast modifications, which reflect the most recent historical electric energy use within MCE's existing service territory. This Addendum No. 8 reflects pertinent changes that are expected to result from the new member addition as well as updated projections that are considerate of recent operations. This document format, including references to MCE's most recent Implementation Plan revision (filed with the Commission on July 18, 2014 and certified by the Commission on September 15, 2014), which is incorporated by reference and attached hereto as Appendix D, addresses all requirements identified in Public Utilities Code

Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to MCE's anticipated expansion.

CHAPTER 2 – CHANGES TO ADDRESS MCE EXPANSION TO THE CITY OF FAIRFIELD

As previously noted, this Addendum No. 8 addresses the anticipated impacts of MCE's planned expansion to the City of Fairfield, as well as other forecast modifications reflecting recent historical electric energy use within MCE's existing service territory. As a result of this member addition, certain assumptions regarding MCE's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 8, MCE represents that such information shall remain unchanged relative to the July 18, 2014 Implementation Plan revision.

With regard to the defined terms Members and Member Agencies, the following Communities are now signatories to the MCE Joint Powers Agreement and represent MCE's current membership:

Member Agencies	
City of American Canyon	City of Novato
City of Belvedere	City of Oakley
City of Benicia	City of Pinole
City of Calistoga	City of Pittsburg
City of Concord	City of Pleasant Hill
County of Contra Costa	City of Richmond
Town of Corte Madera	Town of Ross
Town of Danville	Town of San Anselmo
City of El Cerrito	City of Saint Helena
Town of Fairfax	City of San Pablo
City of Fairfield	City of San Rafael
City of Lafayette	City of San Ramon
City of Larkspur	City of Sausalito
County of Marin	County of Solano
City of Martinez	Town of Tiburon
City of Mill Valley	City of Vallejo
Town of Moraga	City of Walnut Creek
City of Napa	Town of Yountville
County of Napa	

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned Communities. To the extent that the discussion herein addresses the process of aggregation and MCE organization, each of these communities is now an MCE Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.

Aggregation Process
MCE's aggregation process was discussed in Chapter 2 of MCE's July 18, 2014 Revised Implementation Plan. This first paragraph of Chapter 2 is replaced in its entirety with the following verbiage:

As previously noted, MCE successfully launched its CCA Program, MCE, on May 7, 2010 after meeting applicable statutory requirements and in consideration of planning elements described in its initial Implementation Plan. At this point in time, MCE plans to expand agency membership to include the City of Fairfield, which has requested MCE membership, and MCE's Board of Directors subsequently approved this membership request at a duly noticed public meeting on November 19, 2020.

Program Phase-In
Program phase-in was discussed in Chapter 5 of MCE's July 18, 2014 Revised Implementation Plan. Chapter 5 is replaced in its entirety with the following verbiage:

MCE will continue to phase-in the customers of its CCA Program as communicated in this Implementation Plan. To date, seven complete phases have been successfully implemented. An eighth phase will commence in April 2021 (including service commencement to customers located within the cities of Pleasant Hill and Vallejo), and a ninth phase will commence in April 2022 (including service commencement to customers located within the City of Fairfield), as reflected in the following table.

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 1: **8,500 Accounts**	**Complete**: 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
Phase 2A: **6,100 Accounts**	**Complete**: 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
Phase 2B: **79,000 Accounts**	**Complete**: Remaining accounts within Marin County.	July 2012
Phase 3: **35,000 Accounts**	**Complete**: Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.	July 2013
Phase 4A: **14,000 Accounts**	**Complete**: Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.	February 2015

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 4B: 30,000 Accounts	**Complete**: 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
Phase 5: 83,000 Accounts	**Complete**: 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
Phase 6: 216,000 Accounts	**Complete:** 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
Phase 7: 11,000 Accounts	**Complete:** Residential, commercial, agricultural, and street lighting accounts within Solano County (unincorporated areas).	April 2020
Phase 8: 58,000 Accounts	**Pending Customer Enrollment:** Residential, commercial, agricultural, and street lighting accounts within the cities of Pleasant Hill and Vallejo.	April 2021 (planned)
Phase 9: 38,000 Accounts	**Pending Implementation Plan Certification:** Residential, commercial, agricultural, and street lighting accounts within the City of Fairfield.	April 2022 (planned, pending Implementation Plan Certification)

This approach has provided MCE with the ability to start slow, addressing problems and unforeseen challenges associated with a small, manageable CCA program before offering service to successively larger groups of customers. Following completion of Phase 9 customer enrollments, MCE expects to serve a customer base of approximately 585,000 accounts. This approach has also allowed MCE and its energy suppliers to address all system requirements (billing, collections and payments) under a phase-in approach that was designed to minimize potential exposure to uncertainty and financial risk by "walking" (when serving relatively small account totals) prior to "running" (when serving much larger account totals). The Board may evaluate other phase-in options based on future market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

Resource Plan Overview

With regard to MCE's resource plan overview, which is addressed in Chapter 6, Load Forecast and Resource Plan, MCE adds the following paragraphs within the sub-section titled "Resource Plan Overview":

SB 255 (2019) added Section 366.2(c)(3)(H), which requires community choice aggregators to include in their implementation plans "[t]he methods for ensuring procurement from small, local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system [sic], and smart grid projects." As a public agency, MCE is prohibited by Article 1, Section 31 of the California Constitution from granting any preferential treatment to "any individual group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting." While these restrictions prevent MCE from "ensuring" procurement from certain diverse businesses, MCE remains committed to local economic development, and has taken several steps to diversify its procurement to the extent possible. MCE will continue to build its strategy and consider new methods for diversifying its procurement as appropriate.

MCE will continue to engage with the diverse business community in its service area and statewide, to inform businesses of the benefits of certification as a diverse business, as well as upcoming Requests for Proposals and other solicitations. While MCE cannot give any preference in the selection process to any business on the basis of race, sex, color, ethnicity, or national origin, MCE can ensure that diverse businesses are aware of upcoming contract opportunities.

MCE will, to the extent possible and reasonable, consider preferences for procurement from diverse business categories that are not prohibited, including but not limited to small and/or local businesses and businesses owned by disabled veterans or lesbian, gay, bisexual and/or transgender individuals ("LGBT"). MCE will consider parallel preferences for prime contractors that demonstrate an intent to contract with diverse subcontractors, as permitted by law.

Sales Forecast

With regard to MCE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, MCE assumes that total annual retail sales will increase to approximately 5,990 GWh following Phase 9 expansion. The following tables have been updated to reflect the impacts of planned expansion to MCE's new membership.

Chapter 6, Resource Plan Overview

Marin Clean Energy
Proposed Resource Plan
(GWH)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MCE Demand (GWh)														
Retail Demand	-91	-187	-574	-1,116	-1,265	-1,712	-2,241	-2,901	-4,545	-5,543	-5,679	-5,765	-6,253	-6,399
Distributed Generation	0	2	4	5	9	14	135	121	139	472	565	719	827	909
Energy Efficiency	0	0	0	0	1	3	3	5	7	10	16	19	26	33
EV Demand	0	0	0	0	0	0	-22	-29	-38	-75	-95	-357	-445	-534
Losses and UFE	-5	-11	-34	-67	-75	-102	-128	-168	-266	-308	-312	-323	-351	-359
Total Demand	-97	-197	-604	-1,177	-1,330	-1,797	-2,253	-2,973	-4,703	-5,444	-5,504	-5,707	-6,197	-6,350
MCE Supply (GWh)														
Renewable Resources														
Generation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	23	50	291	566	652	927	1,165	1,631	2,582	3,148	3,199	3,325	3,620	3,725
Total Renewable Resources	23	50	291	566	652	927	1,165	1,631	2,582	3,148	3,199	3,325	3,620	3,725
Conventional/Hydro Resources														
Generation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	74	147	314	611	678	870	1,088	1,342	2,121	2,296	2,305	2,382	2,576	2,625
Total Conventional/Hydro Resources	74	147	314	611	678	870	1,088	1,342	2,121	2,296	2,305	2,382	2,576	2,625
Total Supply	97	197	604	1,177	1,330	1,797	2,253	2,973	4,703	5,444	5,504	5,707	6,197	6,350
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Chapter 6, Customer Forecast

Marin Clean Energy
Enrolled Retail Service Accounts
Phase-In Period (End of Month)

	May-10	Aug-11	Jul-12	Jul-13	Feb-15	May-15	Sep-16	Apr-18	Apr-20	Apr-21	Apr-22
MCE Customers											
Residential	7,354	12,503	77,345	106,510	120,204	145,874	225,128	421,325	430,493	485,540	522,629
Commercial & Industrial	579	1,114	9,913	13,098	15,316	17,884	27,274	44,708	46,226	50,627	54,085
Street Lighting & Traffic	138	141	443	748	1,014	1,156	1,866	3,670	3,973	4,470	4,741
Ag & Pumping	-	<15	113	109	1,467	1,467	1,700	2,051	3,274	3,292	3,314
Total	8,071	13,759	87,814	120,465	138,001	166,381	255,968	471,754	483,966	543,929	584,769

Marin Clean Energy
Retail Service Accounts (End of Year)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MCE Customers														
Residential	7,354	12,503	77,345	106,510	106,510	145,874	225,128	226,254	421,325	423,432	430,493	485,540	522,629	525,242
Commercial & Industrial	579	1,114	9,913	13,098	13,098	17,884	27,274	27,410	44,708	44,932	46,226	50,627	54,085	54,356
Street Lighting & Traffic	138	141	443	748	748	1,156	1,866	1,875	3,670	3,688	3,973	4,470	4,741	4,765
Ag & Pumping	-	<15	113	109	109	1,467	1,700	1,709	2,051	2,061	3,274	3,292	3,314	3,330
Total	8,071	13,759	87,814	120,465	120,465	166,381	255,968	257,248	471,754	474,113	483,966	543,929	584,769	587,693

Chapter 6, Sales Forecast

Marin Clean Energy
Energy Requirements
(GWH)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MCE Energy Requirements (GWh)														
Retail Demand	91	187	574	1,116	1,265	1,712	2,241	2,901	4,545	5,543	5,679	5,765	6,253	6,399
Distributed Generation	0	-2	-4	-5	-9	-14	-135	-121	-139	-472	-565	-719	-827	-909
Energy Efficiency	0	0	0	0	-1	-3	-3	-5	-7	-10	-16	-19	-26	-33
EV Demand	0	0	0	0	0	0	22	29	38	75	95	357	445	534
Losses and UFE	5	11	34	67	75	102	128	168	266	308	312	323	351	359
Total Load Requirement	97	197	604	1,177	1,330	1,797	2,253	2,973	4,703	5,444	5,504	5,707	6,197	6,350

Chapter 6, Capacity Requirements

Marin Clean Energy
Capacity Requirements
(MW)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Demand (MW)														
Retail Demand	28	46	182	233	234	318	441	682	1,068	1,293	1,445	1,564	1,731	1,835
Distributed Generation	-	(1)	(2)	(3)	(5)	(8)	(77)	(81)	(94)	(337)	(394)	(483)	(555)	(611)
Energy Efficiency	-	-	-	-	-	-	(1)	(1)	(2)	(2)	(16)	(47)	(47)	(47)
EV Load	-	-	-	-	-	-	10	13	18	34	43	92	115	138
Losses and UFE	2	3	11	14	14	19	22	37	59	59	65	68	75	79
Total Net Peak Demand	30	47	191	244	243	328	396	650	1,050	1,048	1,143	1,194	1,319	1,395
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	4	7	29	37	36	49	59	97	157	157	171	179	198	209
Capacity Requirement Including Reserve	34	55	220	281	279	378	455	747	1,207	1,205	1,314	1,373	1,517	1,604

Chapter 6, Renewables Portfolio Standards Energy Requirements

Marin Clean Energy
RPS Requirements
(MWH)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Retail Sales (MWh)	91,219	185,493	570,144	1,110,487	1,254,794	1,695,274	2,125,091	2,804,277	4,436,963	5,136,159	5,192,548	5,383,821	5,845,801	5,990,644
RPS Procurement Quantity Requirement (%)	20%	20%	20%	20%	22%	23%	25%	27%	29%	31%	33%	36%	39%	41%
Gross RPS Procurement Quantity Requirement (MWh)	18,244	37,099	114,029	222,097	272,290	394,999	531,273	757,155	1,286,719	1,592,209	1,713,541	1,927,408	2,250,633	2,474,136

Marin Clean Energy
RPS Requirements and Program Renewable Energy Targets
(MWH)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Retail Sales (MWh)	91,219	185,493	570,144	1,110,487	1,254,794	1,695,274	2,125,091	2,804,277	4,436,963	5,136,159	5,192,548	5,383,821	5,845,801	5,990,644
Gross RPS Procurement Quantity Requirement (MWh)	18,244	37,099	114,029	222,097	272,290	394,999	531,273	757,155	1,286,719	1,592,209	1,713,541	1,927,408	2,250,633	2,474,136
65% L/T Requirement (2021 Forward)	-	-	-	-	-	-	-	-	-	-	-	1,252,815	1,462,912	1,608,188
Program Renewable Target (MWh)	**24,543**	**51,525**	**166,522**	**364,363**	**646,619**	**866,365**	**1,160,620**	**1,671,167**	**2,756,266**	**3,168,446**	**3,199,378**	**3,325,126**	**3,620,499**	**3,724,666**
Program Target (% of Retail Sales)	27%	28%	29%	33%	52%	51%	55%	60%	62%	62%	62%	62%	62%	62%
Voluntary Margin of Overprocurement (MWh)	**6,299**	**14,426**	**52,493**	**142,266**	**374,329**	**471,366**	**629,347**	**914,012**	**1,469,547**	**1,576,237**	**1,485,837**	**1,397,718**	**1,369,865**	**1,250,530**
Annual Increase (MWh)	24,543	26,982	114,997	197,841	282,256	219,746	294,255	510,547	1,085,099	412,180	30,932	125,748	295,373	104,167

Chapter 6, Energy Efficiency

Marin Clean Energy
Energy Efficiency Savings Goals
(GWH)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MCE Retail Demand	91	187	574	1,116	1,265	1,712	2,241	2,901	4,545	5,543	5,679	5,765	6,253	6,399
MCE Energy Efficiency Goal	0	0	0	0	-1	-3	-3	-5	-7	-10	-16	-19	-26	-33

Chapter 6, Demand Response

The "Demand Response" sub-section of Chapter 6 is replaced in its entirety by the following:

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., MCE), reducing the amount of generation capacity that must be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to capacity otherwise needed to comply with the resource adequacy requirements. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier and customer service benefits to the customer.

In an increasingly constrained capacity market, DR programs may assist in suppressing the need for incremental reserve capacity when extreme peak events occur or when capacity is in short supply. MCE continues to explore prospective DR program opportunities, in addition to those currently offered by PG&E, for select customers that may benefit from and are willing to participate in such programs.

Chapter 6, Distributed Generation

Marin Clean Energy
Distributed Generation Projections
(MW)
2010 to 2023

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
DG Capacity	-	1	2	3	5	8	77	81	94	337	394	483	555	611

Financial Plan

With regard to MCE's financial plan, which is addressed in Chapter 7, Financial Plan, MCE has updated its expected operating results, which now include projected impacts related to service expansion within the City of Fairfield. The following table reflects updated operating projections in consideration of this planned expansion.

Chapter 7, CCA Program Operating Results

Marin Clean Energy
Summary of CCA Program Phase-In
(January 2010 through December 2023)

CATEGORY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
I. REVENUES FROM OPERATIONS ($)														
ELECTRIC SALES REVENUE	10,610,804	16,454,790	44,052,111	78,782,938	96,577,968	134,474,212	165,289,480	212,418,679	329,232,524	379,396,284	449,235,474	487,861,677	507,195,482	509,251,867
LESS UNCOLLECTIBLE ACCOUNTS	(29,176)	(140,371)	(299,942)	(540,077)	(662,078)	(921,934)	(1,126,363)	(1,442,225)	(2,351,872)	(2,642,638)	(5,837,119)	(6,210,547)	(6,747,052)	(6,897,804)
TOTAL REVENUES	10,581,628	16,314,419	43,752,169	78,242,861	95,915,890	133,552,278	164,163,116	210,976,455	326,880,652	376,753,646	443,398,355	481,651,130	500,448,430	502,354,063
II. COST OF OPERATIONS ($)														
(A) ADMINISTRATIVE AND GENERAL (A&G)														
STAFFING	321,117	430,659	1,077,759	1,386,303	1,825,000	2,710,500	4,728,650	6,151,600	6,920,156	7,571,804	11,111,500	12,152,413	12,516,985	12,892,494
CONTRACT SERVICES	1,035,333	848,063	3,131,840	4,457,964	4,572,751	4,838,757	6,326,457	7,370,528	9,017,602	9,244,578	14,242,983	15,251,193	16,193,528	16,474,988
IOU FEES (INCLUDING BILLING)	19,548	60,794	287,618	584,729	660,114	877,953	1,124,270	1,261,350	1,775,059	1,873,962	2,117,967	2,364,322	2,641,454	2,766,705
OTHER A&G	191,261	189,204	249,729	302,806	373,125	610,500	791,750	1,284,784	1,398,107	2,057,959	2,201,000	2,433,550	2,506,557	2,581,753
SUBTOTAL A&G	1,567,259	1,528,720	4,746,946	6,731,802	7,430,990	9,037,711	12,971,126	16,068,262	19,110,924	20,748,303	29,673,450	32,201,477	33,858,523	34,715,941
(B) COST OF ENERGY	7,418,662	11,881,494	35,805,704	68,624,319	84,358,061	118,264,445	144,457,641	190,345,081	264,842,182	297,178,130	370,318,597	419,276,178	433,955,787	426,194,534
(C) DEBT SERVICE	654,595	394,777	747,729	1,195,162	1,195,162	2,451,457	458,000	228,875	21,945	82,833	218,000	218,000	218,000	218,000
TOTAL COST OF OPERATION	9,640,516	13,804,991	41,300,380	76,551,283	92,984,212	129,753,613	157,886,767	206,642,218	283,975,051	318,009,266	400,210,047	451,695,654	468,032,310	461,128,474
CCA PROGRAM SURPLUS/(DEFICIT)	941,112	2,509,428	2,451,789	1,691,578	2,931,677	3,798,665	6,276,350	4,334,236	42,905,601	58,744,380	43,188,308	29,955,476	32,416,120	41,225,589

Expansion Addendum Appendices

Appendix A: Marin Clean Energy Resolution No. 2020-03
Appendix B: MCE Joint Powers Agreement
Appendix C: City of Fairfield CCA Ordinance
Appendix D: Marin Clean Energy Revised Implementation Plan and Statement of Intent (July 18, 2014)

Appendix A

RESOLUTION NO. 2020-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF MCE APPROVING THE CITY OF FAIRFIELD AS A MEMBER OF MCE

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation ("CCA"); and,

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy ("MCE"), (formerly the Marin Energy Authority) was established as a joint power authority pursuant to a Joint Powers Agreement, as amended from time to time ("MCE Joint Powers Agreement"); and,

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and,

WHEREAS, MCE members include the following communities: the County of Contra Costa, the County of Marin, 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 City 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 Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of San Ramon, 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, requested membership in MCE was made by the City of Fairfield, December 17, 2019; and,

WHEREAS, the ordinance approving membership in MCE was approved by the City of Fairfield; and,

WHEREAS, the applicant analysis for the City of Fairfield was completed on October 22, 2020, and yielded a positive result;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Directors of MCE that the City of Fairfield is approved as a member of MCE.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on the nineteenth 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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KATE SEARS, CHAIR

ATTEST:

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DAWN WEISZ, SECRETARY

MCE

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.

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November 19, 2020

TO: MCE Board of Directors

FROM: Garth Salisbury, Director of Finance & Treasurer

RE: Policy 016: Operating Reserve Fund (Agenda Item #10)

ATTACHMENT: DRAFT Policy 016: Operating Reserve Fund

Dear Board of Directors:

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 a 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.

On November 6th, the Executive Committee considered and unanimously approved the recommendation that the full Board adopt Policy 016: Operating Reserve Fund.

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 of Policy 016: Operating Reserve Fund.

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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.