



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

Agenda Page 1 of 2

Executive Committee Meeting Friday, December 3, 2021 12:15 P.M.

This Meeting will be conducted via teleconference pursuant to the requirements of [Assembly Bill No. 361](#). By using teleconference for this meeting, MCE continues to promote social distancing measures recommended by local officials.

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

For Viewing Access Join Zoom Meeting:

<https://us02web.zoom.us/j/89864757828?pwd=WkJKdTNLb3NNenppWGpSZUJpQVFvZz09>

Dial: 1-669-900-9128
Meeting ID: 898 6475 7828
Meeting Password: 343328

OPEN SESSION
Roll Call/Quorum
Public Open Time (Discussion)

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

Resume OPEN SESSION

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)

5. Consent Calendar (Discussion/Action)
 - C.1 Approval of 11.5.21 Meeting Minutes
 - C.2 Third Agreement with Franklin Energy Services, LLC
 - C.3 First Amendment to the Second Agreement with Pacific Energy Advisors, Inc.
 - C.4 Fifth Agreement with Recurve Analytics, Inc.
 - C.5 Assembly Bill No. 361: New Teleconferencing Legislation
Resolution No. 2021-10 Authorizing Continued Remote
Teleconference Meetings for the Board of Directors and Every
Committee of the Board of Directors Pursuant to Government
Code Section 54953(e)
6. Charles F. McGlashan Advocacy Award Nominations (Discussion/Action)
7. Letter Regarding California Public Utilities Commission Ratesetting
Proceeding for Solar Customers (Discussion/Action)
8. Review Draft 12.16.21 Board Agenda (Discussion)
9. Committee Matters & Staff Matters (Discussion)
10. 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.



December 3, 2021

TO: MCE Executive Committee

FROM: Lindsay Saxby, Director of Power Resources

RE: First Amendment to the Second Agreement with Pacific Energy Advisors, Inc. (Agenda Item #05 C.3)

ATTACHMENTS: A. Proposed First Amendment to the Second Agreement with Pacific Energy Advisors, Inc.
B. Second Agreement with Pacific Energy Advisors, Inc.

Dear Executive Committee Members:

Summary:

On October 8, 2018, the MCE Technical Committee approved the Second Agreement with Pacific Energy Advisors, Inc for advisory services and technical support. The services provided to MCE under this proposed First Amendment to the Second Agreement with Pacific Energy Advisors, Inc. ("Amendment") will continue the specialized technical and operational support for MCE, as well as advisory services covering a wide range of MCE functions. The services provided through this Amendment and previous agreements have been central to the agency's functions, and there is an ongoing need for the provision of these services.

The proposed Amendment will provide continuation of technical and advisory services to MCE, based on current needs of the agency. The proposed scope of services includes the core functions summarized below, along with other functions detailed in the attached proposed Agreement:

- a) Maintain annual and long-term sales forecast
- b) Maintain financial model
- c) Rate setting
- d) Electric supply and risk management services

- e) Renewable Portfolio Standard Compliance Program Services
- f) Resource Adequacy Compliance Program Services
- g) General Regulatory Support

Key contract provisions:

- The term of the proposed Amendment will be three (3) years, starting on January 1, 2022. This term will allow MCE to demonstrate to financial partners that MCE's technical team is fully engaged and committed for a significant time period.
- Throughout the term of the Amendment, Contractor's total billings for services would not change and stay as not to exceed \$0.11 per MWh of MCE's electricity load in any calendar month.

Fiscal Impacts:

Annual costs under the proposed Amendment are estimated to be \$627,000 based on MCE's expected annual load of 5.7 million megawatt hours. The costs that occur in the 2021/22 Fiscal Year are included in the FY 2021/22 budget and costs that occur in future fiscal years will be accounted for in future budgets.

Recommendation:

Approve the proposed First Amendment to the Second Agreement with Pacific Energy Advisors, Inc.



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

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

California Public Utilities Commission
505 Van Ness Ave.,
San Francisco, CA 94102

December XX, 2021

RE: MCE Supports the Sustainable and Equitable Growth of Rooftop Solar, Particularly for Low-Income and Disadvantaged Communities, via the Net Energy Metering (NEM) 3.0 Proceeding

Dear Governor Newsom and CPUC Commissioners,

As one of the largest Community Choice Aggregators (CCA) in California, Marin Clean Energy (MCE) requests your support to ensure that rooftop solar coupled with storage continues to grow sustainably, and equitably, through the existing Net Energy Metering (NEM) 3.0 proceeding.

Robust adoption of distributed energy resources (DERs), such as solar plus storage, is fundamental in the fight against climate change. Further, increased solar plus storage adoption increases resiliency for the entire grid, and has the potential to lessen the impacts of the climate crisis via reductions in greenhouse gas emissions. High DER penetration also creates green jobs to benefit our communities.

NEM allows customers to power their homes, apartments, nonprofit organizations, businesses, cities, and schools using clean solar energy by giving them a bill credit for the excess clean electricity they send to the grid. Today, the sustainable and equitable growth of rooftop solar is under question. California's investor-owned utilities (IOU) and other parties in the proceeding are proposing to make changes which would impact the financial incentives of NEM customers.

Historically, rooftop solar adoption has disproportionately benefited higher income, white, single-family homeowners.¹ MCE is focused on creating sustainable and equitable outcomes for our member communities. When determining the structure of the program under a NEM 3.0 framework, MCE urges you to consider those customers who have traditionally been excluded

¹ Barbose, Galen L., et al. [Residential Solar-Adopter Income and Demographic Trends: 2021 Update](#). Lawrence Berkeley National Lab (LBNL), Berkeley, CA, 2021.

from the benefits of NEM, such as those who are low-income and/or live in multi-unit dwellings and disadvantaged communities (DACs).

MCE is focused on getting battery storage, coupled with solar, into our communities, to help with resiliency during emergency outages and PSPS events, and to improve grid health and reliability. Battery storage is especially important for medically vulnerable customers, critical facilities, and in DACs, where Public Safety Power Shutoff (PSPS) events have been an added burden. These battery solutions, coupled with solar, shift the benefits of solar to the evening, when the energy is needed most, and they reduce the need for fossil-based generation in the 4-9pm timeframe. NEM solutions should bolster and incentivize storage to improve grid health and community resilience.

The proposed policy changes to NEM would make going solar more expensive to future customers, increase the amount of time it takes to pay off their investments and ultimately have the potential to limit the amount of rooftop solar (and solar plus storage) in California. Some of the proposed changes would also create monthly fixed fees that MCE customers could not avoid in their transmission and distribution charges to Pacific Gas & Electric (PG&E), regardless of the Net Surplus Compensation (NSC) that is provided by MCE.

In particular, it is critical to consider potential impacts to our low-income communities like those in the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) discount programs, who may wish to enroll in NEM but may be discouraged from doing so if the financial incentives are decreased too significantly.

To promote a sustainable and equitable NEM future, MCE urges a strong focus on incentivizing solar plus storage adoption (particularly among low-income customers and those living in DACs), while at the same time ensuring the changes are not so drastic as to dissuade customers from installing battery storage all together. Potential solutions to consider include:

- Expanding NEM benefits for residents with household incomes at or below to 80 percent of the area median income as determined by the Department of Housing and Community Development;
- Exempting low-income customers that live in High Fire Threat District (HFTD) areas or those who have experienced multiple PSPS events from additional fixed charges;
- Providing stronger incentives for low-income customers that live in HFTD areas to install solar plus storage systems;
- Exempting low-income customers and those who live in DACs from additional fixed charges;
- Providing stronger upfront incentives for low-income customers and those who live in DACs to install solar plus storage systems; and
- Exempting customers who install batteries from additional fixed charges (and/or providing compensation for those DERs), as their batteries provide additional grid benefits.

California has long been a model for the clean energy transition, and what happens here will inform the clean energy landscape across the United States. As we emerge from the economic and public health crises caused by COVID-19, MCE urges you to maintain the benefits of solar

energy for all Californians when storage is included, ensure that rooftop solar plus battery storage continues to grow sustainably and equitably, and focus investments on the ratepayers and communities who are at the forefront of the social justice and climate crisis.

Sincerely,

cc: Members of the California Public Utilities Commission