MCE Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

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

Board of Directors Meeting
Thursday, August 18, 2022
7:00 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/82085254745?pwd=dWs0b1NTbWNYbjRJbVZLMVZzZjZrUT09

Dial: (669) 900-9128
Webinar ID: 820 8525 4745
Meeting Passcode: 205749

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Resolution No. 2022-10 Authorizing Continued Remote Teleconference Meetings for the Board of Directors and Every Committee of the Board of Directors Pursuant to Government Code 54953(e) (Action)
5. Report from Chief Executive Officer (Discussion)
6. Consent Calendar (Discussion/Action)
   C.1 Approval of 7.21.22 Meeting Minutes
   C.2 Approved Contracts For Energy Update
   C.3 2021 Power Source Disclosure

7. Proposal to Default New Accounts to Deep Green Service (Discussion/Action)

8. Public Affairs Update (Discussion)

9. Programs Update (Discussion)

10. Policy Update (Discussion)

11. Board Matters & Staff Matters (Discussion)

12. Adjourn

The Board may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the items are described.

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.

August 18, 2022

TO: MCE Board of Directors

FROM: Catalina Murphy, Associate General Counsel

RE: Resolution No. 2022-10 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) (Agenda Item #04)

ATTACHMENT: Proposed Resolution No. 2022-10 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)

Dear Board Members:

Summary:

Assembly Bill (AB) No. 361 (Rivas), signed by Governor Gavin Newsom on September 16, 2021, amends the Brown Act[1] to allow a local agency to continue using teleconferencing during a state-proclaimed state of emergency without meeting certain Brown Act teleconference requirements.

On July 21, 2022, your Board, by Resolution 2022-09, made a finding that the Governor designated a state of emergency and that the state of emergency continued to directly impact the ability of Board members to meet safely in person. This finding allowed for meetings to be held via teleconference. This finding should be reconsidered every 30 days, pursuant to AB 361.

To continue holding teleconference meetings for the next 30 days, the MCE Board of Directors must make the following findings by majority vote:

[1] Gov. Code, §§ 54950 et seq.

1. The Board of Directors has reconsidered the circumstances of the state of emergency, as designated by the Governor.
2. The Board of Directors finds that one or both of the following circumstances still exists:
    a. The state of emergency continues to directly impact the ability of members to meet safely in person; or
    b. State or local officials continue to impose or recommend measures to promote social distancing.

Staff recommends adopting proposed Resolution No. 2022-10 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), which makes the required AB 361 findings for continuing remote teleconference meetings for the next 30 days.

Fiscal Impacts: None.

Recommendation:
Adopt proposed Resolution No. 2022-10 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).

RESOLUTION NO. 2022-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY 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)

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 Fairfield, 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, MCE is subject to various provisions of the California Government Code; and

WHEREAS, Government Code section 54953, as amended by Assembly Bill No. 361, allows legislative bodies to hold open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3), so long as the legislative body complies with certain requirements set forth in Government Code section 54953(e), finding there exists a declared state of emergency, and one of the following circumstances is met:

1. State or local officials have imposed or recommended measures to promote social distancing.

2. The legislative body is holding the meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

3. The legislative body has determined, by majority vote, pursuant to option 2, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, the Governor of California proclaimed a state of emergency pursuant to Government Code section 8625 on March 4, 2020; and

WHEREAS, the MCE Board of Directors previously adopted Resolution No. 2022-09 finding that the requisite conditions continue to exist for the MCE Board of Directors, MCE Executive Committee, and MCE Technical Committee to conduct teleconference meetings under California Government Code section 54953(e); and

WHEREAS, Government Code section 54953(e)(3) requires the legislative body adopt certain findings every 30 days by majority vote to continue holding open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3); and

WHEREAS, the MCE Board of Directors desires to continue to hold the MCE Board of Directors, MCE Executive Committee, and MCE Technical Committee public meetings by teleconference consistent with Government Code section 54953(e).

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

A. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

B. The MCE Board of Directors hereby finds and declares the following, as required by Government Code section 54953(e)(3):

   1. The Governor of California proclaimed a state of emergency on March 4, 2020, pursuant to Government Code section 8625, which remains in effect.

   2. State or local officials have imposed or recommended measures to promote social distancing.

   3. The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 18th day of August 2022, 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 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 Richmond				
Town of Ross				
Town of San Anselmo				
City of San Pablo				
City of San Rafael				
City of San Ramon				
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

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MCE BOARD MEETING MINUTES
Thursday, July 21, 2022
7:00 P.M.

This Meeting was conducted pursuant to the requirements of Assembly Bill No. 361 (September 16, 2021) which allows a public agency to use teleconferencing during a Governor-proclaimed state of emergency without meeting usual Ralph M. Brown Act teleconference requirements. Committee Members, staff and members of the public were able to participate in the Committee Meeting via teleconference.

Present:
Denise Athas, City of Novato
Tom Butt, City of Richmond, Chair
Tom Campbell, Alternate, City of Benicia
Barbara Coler, Town of Fairfax
Gina Dawson, City of Lafayette
David Fong, Town of Danville
Ford Greene, Town of San Anselmo
Kevin Haroff, City of Larkspur
Janelle Kellman, City of Sausalito
Aaron Meadows, City of Oakley
Katy Miessner, City of Vallejo
Devin Murphy, City of Pinole
Teresa Onoda, Town of Moraga
Doriss Panduro, City of Fairfield
Patricia Ponce, City of San Pablo
Scott Perkins, City of San Ramon
Matt Rinn, City of Pleasant Hill
Katie Rice, County of Marin
Gabriel Quinto, City of El Cerrito
John Vasquez, County of Solano
Brad Wagenknecht, County of Napa
Sally Wilkinson, City of Belvedere and City of Mill Valley
Brianne Zorn, City of Martinez

Absent:
Edi Birsan, City of Concord
Cindy Darling, City of Walnut Creek
John Gioia, Contra Costa County
Maika Llorens Gulati, City of San Rafael
C. William Kircher, Town of Ross
Leila Mongan, Town of Corte Madera
Shanelle Scales-Preston, City of Pittsburg
Holli Their, Town of Tiburon

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Staff
& Others: Jesica Brooks, Assistant Board Clerk
Stephanie Chen, Senior Policy Counsel
Sarah Dillemuth, Marketing and Communications Associate
Mariela Herrick, Community Development Manager
Vicken Kasarjian, Chief Operating Officer
Joey Lande, Manager of Customer Programs
Catalina Murphy, Associate General Counsel
David Potovsky, Principal Power Procurement Manager
Evelyn Reyes, Internal Operations Coordinator
Enyonam Senyo-Mensah, Office Manager
Dawn Weisz, Chief Executive Officer

1. Roll Call

Chair Butt called the regular meeting to order at 7:00 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

Comments were made by Director Haroff.

3. Public Open Time (Discussion)

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

4. Resolution No. 2022-09 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) (Discussion/Action)

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

Action: It was M/S/C (Onoda/Greene) **adopt proposed Resolution No. 2022-09 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).** Motion carried by unanimous roll call vote. (Absent: Directors, Birsan, Darling, Gioia, Gulati, Kircher, Mongan, Scales-Preston, and Thier).

5. Report from Chief Executive Officer (Discussion)

CEO, Dawn Weisz, reported the following:

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- Announced our first Virtual Power Plant project in Richmond which will help low-income residents. A great article was published about this in InsideClimate News clearly explaining the benefits and how it will work.
- Expanded the MCE Sync app beyond the pilot program with a target of enrolling 4,000 customers. This new phase is beneficial in several ways:
  - increases the number of customers we can serve
  - includes aligning EV charging with home rooftop solar generation, grid solar availability, grid-reliability, incentive payments worth up to $10 per month, and customer education about smarter charging strategies.
- We have just reported an almost 150% year-over-year increase in our energy efficiency programs.
- We have finalized the addition of battery storage at the West Marin Medical Center, a critical facility in Point Reyes, who is participating in our Energy Storage Program.
- MCE was named as one the "Top Bay Area Workplaces 2022"!
- There were favorable responses to Federal meetings MCE attended a few months ago. Earmark requests are moving along the approval process to expand MCE's EV program, Green and Healthy homes program, and possible energy storage for critical facilities. MCE is looking forward to receiving final funding information later this year.
- On May 5th, 2022, the Technical Committee authorized staff to consider acceptance of PCIA eligible renewable allocations from PG&E. Since then, MCE has received information on its potential Voluntary Allocation share from PG&E and will soon be executing an attestation accepting allocations from PG&E within the authorization limits granted by the Technical Committee.
- Stephanie Chen provided a brief update on the recent Environmental Protection Agency (EPA) decision. West Virginia vs. Environmental Protection Agency. The Decision limits a couple of the tools that the EPA would have had under the clean power plan to reduce emissions associated with electricity generation. Specifically, the decision prevents the EPA from establishing a national cap and trade program like the one we have here in California and it would also prevent the EPA from requiring utilities to shift from dirtier fuels like coal to cleaner fuels like gas or renewables. If the country is going to take either of these steps the direction to do so has to come from Congress. The decision from the Supreme court just says that decision cannot come from an executive agency. However, the ruling still leaves many reduction tools at the EPA's disposal. It also does not implicate other federal agencies like the Department of Energy which provides a lot of grants for research and development as well as deployment of clean energy technologies. The decision also does not touch what states and local agencies like cities,

counties, and MCE can do to reduce emissions. Our work at MCE is not impacted by the decision of the Supreme Court.

6. Consent Calendar (Discussion/Action)

C.1 Approval of 5.19.22 Meeting Minutes
C.2 Approved Contracts For Energy Update

Action: It was M/S/C (Perkins/Wagenknecht) to **approve Consent Calendar items C.1 and C.2**. Motion carried by unanimous roll call vote. (Absent: Directors, Birsan, Darling, Gioia, Gulati, Kircher, Mongan, Scales-Preston, and Thier).

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

7. Energy Storage Resource Adequacy Agreement with Hecate Grid Humidor Storage 185 LLC (Discussion/Action)

David Potovsky, Principal Power Procurement Manager, introduced this item and addressed questions from Board members.

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

Action: It was M/S/C (Haroff/Perkins) to **authorize execution of the Energy Storage Resource Adequacy Agreement with Hecate Grid Humidor Storage 185 LLC.** Motion carried by unanimous roll call vote. (Absent: Directors, Birsan, Darling, Gioia, Gulati, Kircher, Mongan, Scales-Preston, and Thier).

8. MCE Policy 018 - Ticket and Pass Distribution (Discussion/Action)

Catalina Murphy, Associate General Counsel, introduced this item and addressed questions from Board members.

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

Action: It was M/S/C (Wagenknecht/Coler) to **approve Proposed MCE Policy 018 – Ticket and Pass Distribution.** Motion carried by unanimous roll call vote. (Absent: Directors, Birsan, Darling, Gioia, Gulati, Kircher, Mongan, Scales-Preston, and Thier).

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9. Because of Youth Campaign Update (Discussion)

Mariela Herrick, Community Development Manager and Sarah Dillemuth, Marketing and Communications Associate, introduced this item and addressed questions from Board members.

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

Action: No action required.

10. Overview of MCE's Marketplace Load-Modifying Programs (Discussion)

Joey Lande, Manager of Customer Programs, introduced this item and addressed questions from Board members.

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

Action: No action required.

11. Board Matters & Staff Matters (Discussion)

There were no comments.

12. Adjournment

Chair Butt adjourned the meeting at 8:29 p.m. to the next scheduled Board Meeting on August 18, 2022

Tom Butt, Chair

Attest:

Dawn Weisz, Secretary

August 18, 2022

TO: MCE Board of Directors

FROM: Bill Pascoe, Senior Power Procurement Manager

RE: Approved Contracts for Energy Update (Agenda Item # 06 C.2)

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	July, 2022	Sale of Resource Adequacy	$247,500	Under 1 Year
2	July, 2022	Purchase of Resource Adequacy	$7,601,411	1-5 Years
3	July, 2022	Purchase of Renewable Energy	$13,275,300	1-5 Years
4	July, 2022	Sale of Resource Adequacy	$520,000	Under 1 Year
5	July, 2022	Purchase of Resource Adequacy	$14,407,800	Over 5 Years
6	August, 2022	Sale of Resource Adequacy	$210,000	Under 1 Year
7	August, 2022	Purchase of Resource Adequacy	$76,500	Under 1 Year
8	August, 2022	Sale of Resource Adequacy	$99,000	Under 1 Year

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 Director of Power Resources)	Procurement / Commercial
John Dalessi/Brian Goldstein (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Nathaniel Malcolm	Legal / CPUC Compliance
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 2022/23 are within the FY 2022/23 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation: Information only. No action required.

August 18, 2022

TO: MCE Board of Directors

FROM: Lindsay Saxby, Director of Power Resources

RE: MCE's Annual Power Source Disclosure Attestation for 2021 (Agenda Item #06 C.3)

Dear Board Members:

SUMMARY: California Public Utilities Code requires all retail sellers of electric energy, including MCE, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy, and the associated emissions of greenhouse gasses, that are used to provide electric services."[1] Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for this communication, named the Power Content Label (PCL) by the California Energy Commission (CEC), is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. Similar to the presentation of information on a nutritional label, the PCL informs retail electricity customers of the power sources that were procured to serve their electric energy needs. Prior to distributing the PCL to its customers, MCE annually submits reports to the CEC detailing specified-source power purchases for each retail service offering that was made available during the previous year. These annual reports and the PCL are required elements of California's Power Source Disclosure Program (PSD Program); information reflected in each annual report is contributory to the PCL (with the power supply breakout reflected in each annual report inserted in MCE's PCL template).

Information presented in the PCL includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. In the event that a retail seller meets a certain percentage of its resource needs from unspecified resources/purchases, the report must identify such purchases as "unspecified sources of power." As your Board is likely aware, certain of MCE's power supply agreements reflect the delivery of unspecified/market power to satisfy a portion

[1] California Public Utilities Code Section 398.1(b)

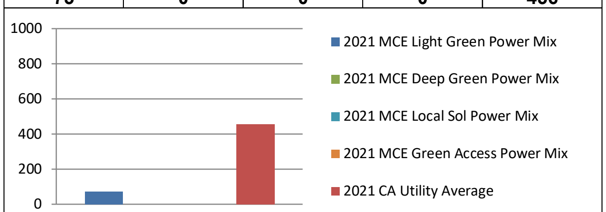
of MCE's energy requirements. These purchases, which have diminished over time consistent with MCE's adopted integrated resource planning objectives, serve to promote budgetary certainty and rate stability – these purchases, as well as electric energy provided by the California Independent System Operation for purposes of grid balancing, have been appropriately identified as "unspecified sources of power" in MCE's PCL. Note that MCE's unspecified power purchases have significantly decreased in recent years, amounting to less than 2% of total purchases during the 2021 reporting year.

During the 2021 calendar year, MCE successfully delivered a substantial portion of its electric energy supply from various renewable energy sources, including wind, solar, geothermal, hydroelectricity, biomass and landfill gas-to-energy – for Light Green customers, the percentage of supply attributable to renewable energy sources exceeded 60 percent of the total (with over 98 percent of total Light Green energy purchases sourced from zero- or low-carbon sources). Note that the reflection of 0.9% nuclear supply relates to a relatively new PSD reporting convention (incorporated following the implementation of Assembly Bill 1110) that separates purchases from Asset Controlling Suppliers by resource type. MCE made no specified nuclear purchases in 2021, and the reflection of such purchases simply relates to residual amounts of nuclear power that were included in purchases from Asset Controlling Suppliers located in the Pacific Northwest – nearly all Asset Controlling Supply is comprised of hydroelectricity with small amounts of renewable, natural gas, nuclear and system power used for portfolio balancing. For the Deep Green, Local Sol and Green Access retail service offerings, CEC-certified renewable resources were the exclusive sources of energy procured to serve participating customers. The following table reflects MCE's 2021 PCL, presented in the CEC's required format.

2021 POWER CONTENT LABEL
MCE
mceCleanEnergy.org/energy-sources

Greenhouse Gas Emissions Intensity (lbs CO_2e/MWh)

2021 MCE Light Green Power Mix	2021 MCE Deep Green Power Mix	2021 MCE Local Sol Power Mix	2021 MCE Green Access Power Mix	2021 CA Utility Average
75	0	0	0	456



Energy Resources	2021 MCE Light Green Power Mix	2021 MCE Deep Green Power Mix	2021 MCE Local Sol Power Mix	2021 MCE Green Access Power Mix	2021 CA Power Mix
Eligible Renewable[1]	**60.5%**	**100.0%**	**100.0%**	**100.0%**	**33.6%**
Biomass & Biowaste	6.1%	0.0%	0.0%	0.0%	2.3%
Geothermal	5.6%	0.0%	0.0%	0.0%	4.8%
Eligible Hydroelectric	1.4%	0.0%	0.0%	0.0%	1.0%
Solar	31.3%	50.0%	100.0%	100.0%	14.2%
Wind	16.0%	50.0%	0.0%	0.0%	11.4%
Coal	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**3.0%**
Large Hydroelectric	**36.8%**	**0.0%**	**0.0%**	**0.0%**	**9.2%**
Natural Gas	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**37.9%**
Nuclear	**0.9%**	**0.0%**	**0.0%**	**0.0%**	**9.3%**
Other	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**
Unspecified Power[2]	**1.7%**	**0.0%**	**0.0%**	**0.0%**	**6.8%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Percentage of Retail Sales Covered by Retired Unbundled RECs[3]:	**0%**	**0%**	**0%**	**0%**	

[1]The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.
[2]Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.
[3]Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.

For specific information about this electricity portfolio, contact:	**MCE** **1 (888) 632-3674**
For general information about the Power Content Label, visit:	http://www.energy.ca.gov/pcl/
For additional questions, please contact the California Energy Commission at:	Toll-free in California: 844-454-2906 Outside California: 916-653-0237

Consistent with applicable regulations, MCE will complete requisite customer communications following your Board's approval of pertinent information to be included in the 2021 PCL. Customers receiving 2021 PCL communications will include all those served by MCE during the 2021 calendar year.

While preparing MCE's 2021 annual PSD reports and PCL, staff performed a detailed review of all power purchases completed for the 2021 calendar year. This review included an inventory of all renewable energy credit transfers within MCE's Western Renewable Energy Generation Information System (WREGIS) account, related contract documents and pertinent transaction records associated with other specified energy purchases. Based on staff's review of available data, the information presented in the annual reports and PCL was determined to be accurate.

To fulfill its obligations under the PSD Program, MCE must also provide the CEC with an attestation of its Governing Board regarding the accuracy of information included in its PSD reports and PCL for the 2021 operating year. With regard to this internally administered attestation process, applicable regulations state[2]:

> *A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual report and power content label for the previous year.*

Evidence of MCE's attestation must be provided to the CEC no later than October 1st.

In consideration of MCE's internal review, independent audit and applicable regulations, staff requests that your Board accept this determination of informational accuracy and, based on this staff-level determination and related recommendation, attest to the accuracy of information included in MCE's 2021 Power Source Disclosure reports and PCL. Should your Board endorse staff's recommendation, a copy of: 1) this staff report; 2) meeting minutes for today's Board Meeting; and 3) a copy of MCE's completed 2021 PCL template (in both Excel and PDF formats) will be forwarded to the CEC, thereby completing MCE's obligations under the PSD Program for the 2021 calendar year.

<u>Fiscal Impacts:</u> Other than the typical cost of producing and distributing Power Content Labels to MCE customers, there are no expected fiscal impacts.

<u>Recommendation:</u> Based on staff's review of the power purchases supporting MCE's various retail supply portfolios in 2021, it is recommended that your Board endorse the accuracy of information presented in MCE's 2021 PSD reports for Light Green, Deep Green, Local Sol and Green Access service as well as the related PCL reflecting such products.

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[2] Note that Section 1393.2.(a)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.

August 18, 2022

TO: MCE Board of Directors

FROM: Jamie Tuckey, Chief of Staff

RE: Proposal to default New Accounts to Deep Green Service (Agenda Item #07)

Dear Board Members:

Summary:
MCE offers customers three energy choices (described in Table 1 below). Light Green is currently MCE's standard, default service, offering a minimum of 60% renewable electricity to the majority of MCE's customers. Customers who start service with MCE are automatically enrolled in Light Green unless they choose another MCE service option or opt out to return to PG&E's electric generation service.

MCE's other service options are Deep Green and Local Sol. Deep Green offers customers 100% California renewable energy, half from wind resources and half from solar resources. Local Sol offers a second 100% renewable energy option of locally sourced solar for those who would prefer to purchase power exclusively from within MCE's service area.

Table 1, Customer Energy Choices, as of June 30, 2022

LIGHT GREEN SERVICE	
Default Option 97.8% of MCE accounts 96.5% of load	• Minimum 60% RPS-qualifying renewable energy • Also contains large hydroelectric energy, Asset Control Supplier energy, and CAISO system power
DEEP GREEN SERVICE	
Opt Up Option 2.2% of MCE accounts 3.5% of load	• 100% RPS-qualifying renewable energy (California solar and wind only)

25 of MCE's member municipalities chose Deep Green	• Half of the 1¢ kWh premium charged to customers is allocated to MCE's Local Renewable Energy and Program Development Fund
LOCAL SOL SERVICE	
Opt Up Option 0.03% of MCE accounts 0.02% of load	• Established in 2014, began serving customers in 2017 • 100% locally sourced solar from the Cooley Quarry project in Novato, California • 300 customer capacity of 2,885 MWH/year

MCE's mission is to confront the climate crisis by eliminating fossil fuel greenhouse gas emissions, producing renewable energy, and creating equitable community benefits. MCE's vision is to lead California to an equitable, clean, affordable, and reliable energy economy by serving as a model for community-based renewable energy, energy efficiency, and cutting-edge clean-tech products and programs.

To accelerate MCE's mission and vision, staff propose making Deep Green the default service option for New Accounts[1] receiving service with MCE ("Proposal"). Customers starting new service with MCE would then have the option to opt down to Light Green, opt up to Local Sol, or opt out for PG&E's electric generation service. These options would be described in the two customer notices provided at the start of service. Currently, the cost of Deep Green is $0.01/kWh more than Light Green, and both options are currently lower cost than PG&E's electric generation service.

This Proposal would align with the MCE Implementation Plan submitted to the California Public Utilities Commission which provides your Board the authority and discretion to set rates and modify MCE's programs. Making Deep Green the new default service would accelerate MCE's progress toward its long-term goal to supply 100% renewable energy.

Several other CCAs have already made 100% renewable or 100% carbon-free energy products the default service option for all or some of their member communities. Central Coast Community Energy, CalChoice, Desert Community Energy, San Diego Community Energy, and Silicon Valley Clean Energy have one or more member jurisdictions with 100% carbon-free default service for all customers. Peninsula Clean Energy, East Bay Community Energy, and Clean Power Alliance have one or more member jurisdictions with 100% renewable energy as the default for all customers.

[1] New Accounts refers to customers that are receiving MCE service for the first time in an existing MCE service area based on the creation of a new PG&E service agreement ID ("SAID") account. This includes customers that move into MCE service area from a non-MCE service area and customers that move within MCE's service area and open a new SAID. In the event of a new community enrollment, MCE will determine feasibility of default enrollment into Deep Green in partnership with the member jurisdiction subject to the approval of your Board.

If the Proposal is approved by your Board, MCE would expect an average of 8,800 accounts to default to Deep Green service each month[2].

Procurement Impacts:
MCE currently procures approximately 300 GWh/year of PCC1[3] energy earmarked for Deep Green participation. By defaulting all New Accounts to Deep Green service, an estimated 500GWh/year - 800 GWh/year in incremental energy would need to be procured. While this figure is expected to decline after the initial launch year, it signifies an increase of up to 25% for PCC1 procurement. MCE targets 300GWh in annual procurement through its Open Season process to satisfy its renewable targets and obligations. The Proposal would require a significant increase in procurement efforts to ensure continued success in satisfying all of MCE's PCC1 obligations. In addition, future procurements would need to optimally fit MCE's hourly load profile and portfolio to address MCE's conversations about moving toward hourly accounting of energy and emissions metrics.

To successfully procure the incremental energy, there may be a need to incorporate some flexibility in the Deep Green product definition and procurement targets. Such flexibility would allow MCE to react and respond to the numerous market factors driving the energy market without compromising MCE's ability to meet its goals and obligations for power procurement and financial strength. Possible flexibility options include but are not limited to:

- Changing the product to include other renewable energy resources in addition to wind and solar
- Including resources from outside of California

Consideration of any such adjustments could be evaluated by your Board at a later date.

Fiscal Analysis:
Based upon historical additions of New Accounts each month, it is projected that the additional Deep Green volumes would result in the following changes to MCE's costs and revenues:

		CY 2023	CY 2024	CY 2025
1	New Deep Green Sales	658 GWh	1,244 GWh	1,756 GWh
2	Incremental Deep Green Revenue. [DG Premium x Line 1][4]	$6,577,465	$12,435,039	$17,555,403
3	50% Allocations to Operating Fund and LREPDF, respectively [Line 2 ÷ 50%]	$3,288,733	$6,217,520	$8,777,702

[2] From July 2021 to June 2022 MCE experienced an average of 8,800 new move-ins and 8,300 move-outs monthly for an average monthly increase of 500 new accounts.
[3] PCC1 renewables are Renewable Portfolio Standard ("RPS") eligible resources that are located within California.
[4] Based on a 5% opt-down rate for new move-ins.

4	Incremental Renewables Cost [Forward Price x Line 1]	$3,012,479	$5,695,248	$7,074,827
5	Opt-Out Revenue Reduction Adjustment[5]	$206,231	$388,805	$549,350
6	**Net Impact to Operating Fund [Line 3 – Line 4 – Line 5]**	**$70,023**	**$133,467**	**$1,153,524**
7	CARE/FERA DG Rate Credit[6]	($815,660)	($1,542,154)	($2,177,058)
8	**Net Impact to LREPDF [Line 4 - Line 6]**	**$2,473,073**	**$4,675,365**	**$6,600,644**

The incremental renewables cost projections are based on the current market premiums for renewable energy, which are currently high and cannot be reliably forecast beyond 2023. Therefore, the actual incremental cost of renewable procurement may be higher or lower than the above analysis shows. MCE's Deep Green premium (currently $0.01/kWh) could be adjusted if needed as part of MCE's rate setting process to recover associated costs.

Deep Green premium revenues are allocated with 50% going to MCE's operating budget, and the other 50% going to the Local Renewable Energy and Program Development Fund ("LREPDF"). For the 2022/23 budget year, 50% of the Deep Green premium in the amount of $942,000 was transferred to the LREPDF and was allocated to funding MCE's electric vehicle charging program, the low-income solar program[7], and the regional midstream heat pump water heater program.

Due to the current LREPDF allocation, the impact of the Proposal on MCE's operating fund (Line 6) would be minimal. The incremental revenues (Line 2) should offset the incremental cost of additional renewable energy (Line 4), with limited additional revenue to provide a cushion against future increased power supply costs. In the analysis of the Proposal, staff also included a small adjustment to account for the risk of increased opt-outs (Line 5). Most additional revenue would be allocated to the LREPDF.

To ensure that lower-income customers are not disproportionately impacted by the higher costs of Deep Green service and are not precluded from participating in the service, New Accounts which sign up for California Rates for Alternative Energy ("CARE") or Family Electric Rate Assistance ("FERA") under the Proposal would be automatically enrolled in Deep Green, with their premiums credited back each month through funding from the LREPDF. Estimated adjustments have been made to the projected cost of the Proposal to include credits to CARE and FERA customers.

Fiscal Impact:

The Proposal is expected to result in an increase in MCE's revenue in future years, starting with a projected $2.4 million increase in the first year, subject to market conditions. It is

[5] Risk assumption for a higher opt-out rate resulting in reduced sales to new customers, based on a 3% estimate and typical net revenues

[6] Based on a 25% rate of enrollment in residential CARE of participating customers, with a credit for Deep Green premiums.

[7] This program was closed in mid-2022.

recommended that the Proposal be implemented as long as the enrollment of all New Accounts in Deep Green produces an increase in net revenues after covering all procurement and implementation costs associated with the Proposal.

Recommendations:

1. Authorize staff to implement the Proposal, as defined herein, by defaulting New Accounts to Deep Green service as long as the incremental procurement targets can be achieved, and financial parameters are met; and
2. Direct staff to bring flexible procurement options for Deep Green to the Board if needed for evaluation at a future meeting.

CONTRA COSTA | MARIN | NAPA | SOLANO

August 18, 2022

TO: MCE Board of Directors

FROM: Michael Callahan, Associate General Counsel

RE: Policy Update (Agenda item #10)

Dear Board Members:

Below is a summary of the key activities at the state and federal legislatures and the California Public Utilities Commission (CPUC) impacting Community Choice Aggregation (CCA) and MCE.

I. Legislative Advocacy

a. State Legislative Advocacy

The California legislature has reconvened for what promises to be an eventful August, with several new climate and clean energy proposals still to be introduced in the last month of the session. MCE remains actively engaged in conversations around key agency priorities including reliability and affordability, maximizing the impact of demand response, transportation and building electrification, and green hydrogen.

As of the drafting of this Staff Report, the Governor has announced a forthcoming climate package including, among other things, a statewide carbon neutrality standard and additional measures to accelerate deployment of clean energy resources. Staff anticipates being able to provide additional detail on this proposed legislative package at the upcoming board meeting.

Finally, the state appears to be reaching a deal with PG&E to keep the Diablo Canyon Nuclear Power Plant open beyond its planned retirement date. Staff understands that there are still several steps PG&E must take to secure this extension, and that PG&E will receive state and/or federal funding to support the extension. Staff expect to have additional details on this issue by the upcoming board meeting.

b. Federal Legislative Advocacy

As of the drafting of this Staff Report, the Senate has voted out the Inflation Reduction Act of 2022, the surprise reconciliation measure reached at the end of July by Senators Schumer and Manchin. Staff understands that the House will vote out the measure in the coming days. This landmark bill contains several provisions that will help MCE advance our mission, including:

- Direct Pay Bonds - will allow tax-exempt entities like MCE to monetize clean energy tax credits.
- Extensions of the production tax credits supporting wind and solar generation, and expansions of these tax credits to apply to standalone storage.
- Tax incentives to support green hydrogen production.
- Investment tax credits designed to spur domestic manufacturing of clean energy technologies.
- Additional funding for transportation and building electrification, with a significant focus on delivering benefits to low- and moderate-income families.

II. California Public Utilities Commission

a. Demand Flexibility Rulemaking

On June 22, 2022, the California Public Utilities Commission's ("CPUC") Energy Division Staff published a white paper and proposal on, "Advanced Demand Flexibility Management and Customer DER Compensation." The white paper introduced a new policy roadmap ("CalFUSE Proposal") aimed at:

1. Statewide standardized price presentation to customers, devices, and third-party service providers;
2. Comprehensive retail rate reforms linked to real time grid conditions and economics including:
    a. Real-time energy prices;
    b. Real-time capacity prices;
    c. Bi-directional prices; and
3. Customer options to manage energy usage such as subscription rates and selling energy to the grid.

The white paper also recommended that the CPUC open a rulemaking to consider Energy Division's proposal. In response, on July 14, 2022, the CPUC adopted an Order Instituting Rulemaking to Advance Demand Flexibility on Through Electric Rates ("Demand Flexibility Rulemaking").

The Demand Flexibility Rulemaking will consider the CalFUSE Proposal, and will additionally establish policies and modify electric rates to advance the following objectives: (a) Enhance the reliability of California's electric system; (b) Make electric bills more affordable and equitable; (c) Reduce the curtailment of renewable energy and greenhouse gas emissions associated with meeting the state's future system load; (d) Enable widespread electrification of buildings and transportation to meet the state's climate goals; and (e) Reduce long-term system costs through more efficient pricing of electricity and enable participation in demand flexibility by both bundled and unbundled customers.

Currently, MCE plans to engage in the Demand Flexibility Rulemaking both independently and with CalCCA with primary goals of ensuring:

1. Any adopted rate design principles are equitable and consistent with MCE's goals, business model, and jurisdictional authority;
2. Equitable cost allocation to MCE ratepayers;
3. MCE customers have equitable access to participate in demand flexibility rates and programs; and
4. Implementation of new demand flexibility rates and programs by PG&E does not conflict with or unreasonably compete with MCE programs.

A final issues list and preliminary timeline for the Demand Flexibility Rulemaking are expected to be provided by the CPUC in September. MCE Staff will continue to monitor this Rulemaking and provide updates to the Board as they become available.

III. California Energy Commission

a. Load Management Rulemaking

The 1974 Warren-Alquist Act, codified in Public Resource Code § 25403.5, grants the California Energy Commission ("CEC") authority to adopt Load Management Standards (LMS) management standards for California utilities.

On July 6, 2022, the CEC released proposed regulatory language to amend its LMS. The CEC's stated goal of the amendments is to better facilitate electric load management activities through the establishment of cost-effective programs and rate structures, which encourage the use of electricity at off-peak hours and the control of peak loads to improve electric system efficiency and reliability, and to reduce fossil fuel consumption and greenhouse gas emissions.

If approved by the CEC, the proposed amendments to the LMS would require MCE to:

1. *Within three months of the effective date*: Upload and maintain all time-dependent rates in the CEC's Market Informed Demand Automation Server (MIDAS);
2. *Within six months of the effective date*: Submit a plan to comply with the amended standards to the CEC's Executive Director for review;

3. *Within one year of the effective date*: Work with utilities and other CCAs to develop a single statewide standard tool for rate data access by third parties;
4. *Within 18 months of the effective date*: Develop and submit a list of load flexibility programs deemed, by MCE, to be cost-effective. MCE's portfolio of programs must provide any customer with at least one option for automating response to dynamic rate signals;
5. *Within two years of the effective date*: Develop retail electricity rates that change at least hourly to reflect locational marginal costs, and submit those rates to MCE's Board for approval; and
6. *Within three years of the effective date*: Offer each of its customers voluntary participation in a marginal cost rate or a cost-effective program if such rate is not approved by the Board.

While MCE Staff is broadly supportive of the CEC's efforts to encourage the automation of flexible demand loads, improve grid reliability, and reduce greenhouse gas emissions, MCE has identified jurisdictional overreach by the CEC in its draft regulations. The authority to set and approve rate schedules for MCE customers lies with MCE's Board of Directors. The proposed CEC rules go beyond the CEC's statutory authority by mandating specific load management standards for CCAs.

MCE Staff has engaged both independently and with the California Community Choice Association (CalCCA) on prior iterations of the CEC's LMS regulatory language, and on July 21, 2022, CalCCA submitted comments on the July 6, 2022, proposed regulatory language.

The proposed regulations were scheduled to be voted on by the CEC at its August 10, 2022, but the vote on the proposed regulatory language has since been indefinitely postponed. Staff will continue to monitor the development of the LMS rulemaking and provide updates to the Board as they become available.

Recommendation: Information only. No action required.