

**Board of Directors Meeting
Thursday, June 15, 2023
7:00 P.M.**

Charles F. McGlashan Board Room, 1125 Tamalpais Avenue, San Rafael, CA 94901
Mt. Diablo Room, 2300 Clayton Road, Suite 1150, Concord, CA 94920
Office of Contra Costa Supervisor John Gioia, 11780 San Pablo Ave., Suite D, El Cerrito, CA 94530
City of Napa, City Hall Committee Room, 955 School Street, Napa, CA 94559
Office of Barbara Coler, Town of Fairfax, 14 Ace Court, Fairfax CA 94930

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/86784992940?pwd=SDF1NUpjZWZVRy9BRnBTSEFJYcXZpUT09>

Dial: (669) 900-9128
Webinar ID: 867 8499 2940
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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 4.20.23 Meeting Minutes
 - C.2 Approved Contracts for Energy Update
 - C.3 Board of Directors Voting Shares Update

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6. Proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq. (Discussion/Action)
7. Proposed Amendment to MCE Operating Rules and Regulations (Discussion/Action)
8. Policy Update of Regulatory and Legislative Items (Discussion)
9. Resolution 2023-08 Honoring Director Kevin Haroff (Discussion/Action)
10. Board Matters & Staff Matters (Discussion)
11. 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 call MCE at 1 (888) 632-3674 at least 72 hours before the meeting start time to ensure arrangements for accommodation.

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MCE BOARD MEETING MINUTES

Thursday, April 20, 2023

7:00 P.M.

Present: Eli Beckman, Town of Corte Madera
Barbara Coler, Town of Fairfax
Cindy Darling, City of Walnut Creek
Gina Dawson, City of Lafayette
Alexis Fineman, Town of San Anselmo
David Fong, Town of Danville
John Gioia, Contra Costa County
Ryan Gregory, County of Napa and All Four Napa Cities
Janelle Kellman, City of Sausalito, joining at 8:22pm
Teresa Onoda, Alternate, Town of Moraga
Eduardo Martinez, City of Richmond
Charles Palmares, City of Vallejo
Aaron Meadows, City of Oakley
Beth Painter, City of Napa
Scott Perkins, City of San Ramon
Max Perrey, City of Mill Valley
Gabriel Quinto, City of El Cerrito
Katie Rice, County of Marin
Matt Rinn, City of Pleasant Hill
Shanelle Scales-Preston, City of Pittsburg
Devin Murphy, City of Pinole
Susan Wernick, City of Novato
Sally Wilkinson, City of Belvedere
K. Patrice Williams, City of Fairfield

Absent: Kari Birdseye, City of Benicia
Edi Birsan, City of Concord
Kevin Haroff, City of Larkspur
C. William Kircher, Town of Ross
Maika Llorens Gulati, City of San Rafael
Patricia Ponce, City of San Pablo
Holli Thier, Town of Tiburon
John Vasquez, County of Solano
Brianne Zorn, City of Martinez

**Staff
& Others:** JB Ackemann, VP of Public Affairs
Jessica Brooks, Board Clerk
Stephanie Chen, Director of Legislative Affairs
Darlene Jackson, Lead Board Clerk
Alice Havenar-Daughton, VP of Customer Programs

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Vicken Kasarjian, COO
Tanya Lomas, Internal Operations Assistant
Catalina Murphy, General Counsel
Justine Parmelee, Director of Internal Operations
Enyonam Senyo-Mensah, Office Manager
Daniel Settlemyer, Internal Operations Coordinator
Garth Salisbury, CFO and Treasurer
Jamie Tuckey, Chief of Staff
Dawn Weisz, CEO

1. Roll Call

Chair Scales-Preston called the regular meeting to order at 7:04 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were comments from Director Perrey.

3. Public Open Time (Discussion)

Chair Scales-Preston opened the public comment period and there were comments from member of the public, Rebecca Collins.

4. Report from Chief Executive Officer (Discussion)

CEO Dawn Weisz introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

5. Consent Calendar (Discussion/Action)

- C.1 Approval of 3.16.23 Meeting Minutes
- C.2 Approved Contracts for Energy Update
- C.3 Master Services Agreement and Schedule A.1 with Franklin Energy Services, LLC
- C.4 Resolution No. 2023-03 Authorizing the CEO to Negotiate and Execute a Vendor Services Agreement with GRID Alternatives Bay Area, Inc. and Schedule A.2 of the Master Services Agreement with Franklin Energy Services, LLC for the Richmond Rising Program
- C.5 Resolution No. 2023-04 Appointing Chief Financial Officer as Treasurer

Chair Scales-Preston opened the public comment period and there were no comments.

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Action: It was M/S/C (Rinn/Perkins) to **approve Consent Calendar items C.1 - C.5**. Motion carried by roll call vote. (Abstain: Director Wernick Absent: Birdseye, Birsan, Haroff, Kellman, Kircher, Gulati, Ponce, Thier, Vasquez, and Zorn).

6. **Richmond Virtual Power Plant Briefing by Director Beckman (Discussion)**

Director Beckman introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: No action required.

7. **Addition of Board Members to Committees (Discussion/Action)**

CEO Dawn Weisz introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Perkins/Beckman) to **approve addition of Board Members to Committees**. Director Fineman to the Technical Committee. Motion carried by roll call vote. Absent: Birdseye, Birsan, Haroff, Kellman, Kircher, Gulati, Ponce, Thier, Vasquez, and Zorn).

8. **Resolution No. 2023-05 Accepting Community Project Funding from the Congressional Grants Division of the U.S. Department of Housing and Urban Development (Discussion/Action)**

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

Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Painter/Onoda) to **approve proposed Resolution No. 2023-05 Accepting Community Project Funding from the Congressional Grants Division of the U.S. Department of Housing and Urban Development**. Motion carried by unanimous roll call vote. Absent: Birdseye, Birsan, Haroff, Kellman, Kircher, Gulati, Ponce, Thier, Vasquez, and Zorn).

9. **Resolution No. 2023-06 Approval of Revolving Credit Agreement with Royal Bank of Canada (Discussion/Action)**

Garth Salisbury, CFO and Treasurer, introduced this item and addressed questions from Board members.

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Chair Scales-Preston opened the public comment period and there were no comments.

Action: It was M/S/C (Meadows/Martinez) to **recommend the Board adopt proposed Resolution No. 2023-06 Approving and Authorizing the Execution and Delivery of a Revolving Credit Agreement with Royal Bank of Canada.** Motion carried by roll call vote. Director Wernick Absent: Birdseye, Birsan, Haroff, Kellman, Kircher, Gulati, Ponce, Thier, Vasquez, and Zorn).

10. Public Affairs and Customer Programs Update (Discussion)

JB Ackemann, VP of Public Affairs, and Alice Havenar-Daughton, VP of Customer Programs, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: No action required.

11. Policy Update (Discussion)

Stephanie Chen, Director of Legislative Affairs, introduced this item and addressed questions from Board members.

Chair Scales-Preston opened the public comment period and there were no comments.

Action: No action required.

11. Board Matters & Staff Matters (Discussion)

There were comments made by Director Gioia.

12. Adjournment

Chair Scales-Preston adjourned the meeting at 9:30 p.m. to the next scheduled Board Meeting on May 18, 2023.

Shanelle Scales-Preston, Chair

Attest:

Dawn Weisz, Secretary



June 15, 2023

TO: MCE Board of Directors

FROM: Bill Pascoe, Senior Power Procurement Manager

RE: Approved Contracts for Energy Update (Agenda Item #05 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 April. 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 CEO is required to report all such contracts and agreements to the MCE Board of Directors on a regular basis.

<i>Item Number</i>	<i>Month of Execution</i>	<i>Purpose</i>	<i>Average Annual Contract Amount</i>	<i>Contract Term</i>
1	March 2023	Purchase of Renewable Energy	\$5,865,000	1-5 Years
2	March 2023	Purchase of Renewable Energy	\$1,093,333	Over 5 Years
3	April 2023	Sale of Resource Adequacy	\$160,000	Under 1 Year
4	April 2023	Sale of Carbon Free Energy	\$1,215,000	Under 1 Year
5	May 2023	Purchase of Resource Adequacy	\$70,000	Under 1 Year
6	May 2023	Purchase of System Energy (Hedge)	\$8,555,549	1-5 Years
7	May 2023	Purchase of System Energy (Hedge)	\$7,813,446	1-5 Years
8	May 2023	Purchase of System Energy (Hedge)	\$10,383,196	1-5 Years
9	May 2023	Purchase of Resource Adequacy	\$5,220,000	Under 1 Year
10	May 2023	Purchase of System Energy (Hedge)	\$14,037,724	1-5 Years
11	May 2023	Purchase of Resource Adequacy	\$7,875,000	Under 1 Year
12	May 2023	Purchase of System Energy (Hedge)	\$2,793,601	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.

<i>Review Owner</i>	<i>Review Category</i>
Vidhi Chawla (MCE, Interim Vice President of Power Resources)	Procurement/Commercial
John Dalessi (Pacific Energy Advisors)	Technical Review
Steve Hall (Hall Energy Law)	Legal
Nathaniel Malcolm (MCE, Senior Policy Counsel)	Legal/CPUC Compliance
Garth Salisbury (MCE, Chief Financial Officer & Treasurer)	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 2023/24 are within the FY 2023/24 Operating Fund Budget. Expenses and revenue associated with future years will be incorporated into budget planning as appropriate.

Recommendation: Information only. No action required.



June 15, 2023

TO: MCE Board of Directors

FROM: Caroline Lavenue, Legal Counsel
Catalina Murphy, General Counsel

RE: Board of Directors Voting Shares Update (Agenda Item #05 C.3)

ATTACHMENTS: A. MCE Joint Powers Agreement
B. Exhibit C to the MCE Joint Powers Agreement: Annual Energy Use
C. Exhibit D to the MCE Joint Powers Agreement: Voting Shares

Dear Board Members:

Summary:

Consistent with the MCE Joint Powers Agreement ("JPA"), attached hereto as Attachment A, your Board is attributed voting shares based on current MCE membership as well as the respective annual energy use of each member community. Such voting shares are determined via a two-step process, which considers the following factors: 1) the current number of MCE member communities (Section 4.9.2.1 of the JPA); and 2) the annual energy use of each member community relative to MCE's total annual energy, which is the sum of all member communities' annual energy use (Section 4.9.2.2 of the JPA). Each factor is expressed as a ratio with a weight of 50% ascribed.

The first factor (total number of MCE member communities) results in an equal voting share for each MCE member community: this fractional voting share is currently 1.35% for each MCE member community, derived through the following calculation: $1/37 * 50\% = 1.35\%$. The second factor is derived by determining the ratio of each member community's annual energy use to MCE's total annual energy; the resultant ratio is also multiplied by 50%. For example, if annual energy use within the unincorporated County of Napa is 296 GWh and MCE's total annual energy is 5,860 GWh, the County of Napa's load-related voting share is 2.53%: $296/5,860 * 50\% = 2.53\%$. As a result, the County of Napa's total MCE voting share would be 3.88% (2.53% + 1.35%). The voting share will vary by community.

MCE's voting shares are to be updated annually before March 1st of each year, as per Section 4.9.2.2 of the JPA, to reflect changes in MCE's total annual energy as well as changes and/or additions to MCE's member communities. However, due to data availability, MCE's voting shares update was somewhat delayed.

At this time, MCE has the necessary data to update its total annual energy, the annual energy use of each member community, and the voting shares calculation. Accordingly, MCE has prepared revised Exhibits C and D to the JPA, which reflect the results of these updated calculations.¹ Exhibit C displays each member community's annual energy use as well as MCE's total annual energy. Exhibit D displays key elements of MCE's voting shares calculations, consistent with Sections 4.9.2.1 and 4.9.2.2 of the JPA, and reflects the voting share attributable to each member community.

Pursuant to Section 4.9.2.2 of the JPA, Exhibit C is to be adjusted annually to properly update the voting shares. As per Section 4.9.2.3 of the JPA, Exhibit D may be updated to reflect revised annual energy use amounts and any changes in the parties to the JPA without amending the JPA, provided the Board is given a copy of the updated Exhibit D. Therefore, MCE staff is providing a copy of the updated Exhibit D which reflects the revised and updated voting shares of the current MCE member communities. The updated Exhibits C and D referenced in this staff report will replace the existing Exhibits C and D within the JPA.

Fiscal Impacts:

None.

Recommendation:

Approve the updated Exhibit C and Exhibit D to the MCE Joint Powers Agreement.

¹ Because the City of Fairfield began receiving service in April 2022, MCE must rely on prior historical data provided by PG&E (the most current being from 2020) in regard to the City of Fairfield's annual usage.

**Marin Energy Authority
- Joint Powers Agreement -**

Effective December 19, 2008

**As amended by Amendment No. 1 dated December 3, 2009
As further amended by Amendment No. 2 dated March 4, 2010
As further amended by Amendment No. 3 dated May 6, 2010
As further amended by Amendment No. 4 dated December 1, 2011
As further amended by Amendment No. 5 dated July 5, 2012
As further amended by Amendment No. 6 dated September 5, 2013
As further amended by Amendment No. 7 dated December 5, 2013
As further amended by Amendment No. 8 dated September 4, 2014
As further amended by Amendment No. 9 dated December 4, 2014
As further amended by Amendment No. 10 dated April 21, 2016
As further amended by Amendment No. 11 dated May 19, 2016
As further amended by Amendment No. 12 dated July 20, 2017
As further amended by Amendment No. 13 dated October 18, 2018
As further amended by Amendment No. 14 dated November 21, 2019
As further amended by Amendment No. 15 dated November 19, 2020**

Among the Following Parties:

**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
Town of Moraga
City of Mill Valley
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
County of Contra Costa
County of Marin
County of Napa
County of Solano

MARIN ENERGY AUTHORITY JOINT POWERS AGREEMENT

This **Joint Powers Agreement** (“Agreement”), effective as of December 19, 2008, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 2.2 below) 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.
4. The Parties desire to establish a separate public agency, known as the Marin Energy Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
5. The Initial Participants have each adopted an ordinance electing to implement through the Authority Community Choice Aggregation, an electric service enterprise agency available to cities and counties pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program. Regardless of whether or not Program Agreement 1 is approved and the CCA Program becomes operational, the parties intend for the Authority to continue to study, promote, develop, conduct, operate and manage other energy programs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1 CONTRACT DOCUMENTS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A:	Definitions
Exhibit B:	List of the Parties
Exhibit C:	Annual Energy Use
Exhibit D:	Voting Shares

1.3 Revision of Exhibits. The Parties agree that Exhibits B, C and D to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2 FORMATION OF MARIN ENERGY AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Marin Energy Authority shall exist as a separate public agency on the date this Agreement is executed by at least two Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(10). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Initial Participants. During the first 180 days after the Effective Date, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(10) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party and is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

- 2.3 Formation.** There is formed as of the Effective Date a public agency named the Marin Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing board of each Party.
- 2.4 Purpose.** The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate as a group in the CCA Program, as further described in Section 5.1. The Parties intend that subsequent agreements shall define the terms and conditions associated with the actual implementation of the CCA Program and any other energy programs approved by the Authority.
- 2.5 Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:
- 2.5.1** make and enter into contracts;
 - 2.5.2** employ agents and employees, including but not limited to an Executive Director;
 - 2.5.3** acquire, contract, manage, maintain, and operate any buildings, works or improvements;
 - 2.5.4** acquire by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
 - 2.5.5** lease any property;
 - 2.5.6** sue and be sued in its own name;
 - 2.5.7** 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 Section 53850 et seq. and authority under the Act;
 - 2.5.8** issue revenue bonds and other forms of indebtedness;
 - 2.5.9** apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;

- 2.5.10** submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
 - 2.5.11** adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”); and
 - 2.5.12** make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.
- 2.6** **Limitation on Powers.** As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Marin.
- 2.7** **Compliance with Local Zoning and Building Laws.** Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed.

ARTICLE 3

AUTHORITY PARTICIPATION

- 3.1** **Addition of Parties.** Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 4.9.1, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(10) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board. Notwithstanding the foregoing, in the event the Authority decides to not implement a CCA Program, the requirement that an additional party adopt the ordinance required by Public Utilities Code Section 366.2(c)(10) shall not apply. Under such circumstance, the Board resolution authorizing membership of an additional incorporated municipality or county shall be adopted in accordance with the voting requirements of Section 4.10.

- 3.2 Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4 GOVERNANCE AND INTERNAL ORGANIZATION

- 4.1 Board of Directors.** The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.
- 4.2 Appointment and Removal of Directors.** The Directors shall be appointed and may be removed as follows:
- 4.2.1** The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the Director or the alternate Director shall be a member of the governing body of the Party. As an alternative to appointing its own Director and alternate Director, the governing body of any Party may elect to designate another Party within the same county (the "designated Party") to represent it on the Board with the Director and alternate Director from the designated Party (the "consolidated Parties"). Notwithstanding any provision in this Agreement to the contrary, in the case of such an election by one or more Parties in the same county, the designated Party shall have the combined votes and voting shares of the consolidated Parties and shall vote on behalf of the consolidated Parties. The governing body of a Party may revoke its designation of another Party to vote on its behalf at any time. Neither an election by a Party to designate another Party to vote on its behalf or a revocation of this election shall be effective unless provided in a written notice to the Authority.
- 4.2.2** The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.11, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its

Director and/or alternate Director has been removed may appoint a replacement.

- 4.3 Terms of Office.** Each Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director in accordance with the provisions of Section 4.2 within 90 days of the date that such position becomes vacant.
- 4.4 Quorum.** A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.
- 4.5 Powers and Function of the Board.** The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.
- 4.6 Executive Committee.** The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions, as described in the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.11 to adopt and amend the Operating Rules and Regulations.
- 4.7 Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement.
- 4.8 Director Compensation.** Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.
- 4.9 Board Voting Related to the CCA Program.**
- 4.9.1.** To be effective, on all matters specifically related to the CCA Program, a vote of the Board shall consist of the following: (1) a majority of all Directors shall vote in the affirmative or such higher voting percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage vote") and (2) the corresponding voting shares (as described in Section 4.9.2 and Exhibit D) of all such Directors voting in the affirmative shall exceed 50%, or such other higher voting shares percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage voting shares"), provided that, in instances in which such other higher voting share percentage would result in any one

Director having a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter.

- 4.9.2.** Unless otherwise stated herein, voting shares of the Directors shall be determined by combining the following: (1) an equal voting share for each Director determined in accordance with the formula detailed in Section 4.9.2.1, below; and (2) an additional voting share determined in accordance with the formula detailed in Section 4.9.2.2, below.

4.9.2.1 Pro Rata Voting Share. Each Director shall have an equal voting share as determined by the following formula: $(1/\text{total number of Directors})$ multiplied by 50, and

4.9.2.2 Annual Energy Use Voting Share. Each Director shall have an additional voting share as determined by the following formula: $(\text{Annual Energy Use}/\text{Total Annual Energy})$ multiplied by 50, where (a) “Annual Energy Use” means, (i) with respect to the first 5 years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWhs”), within the Party’s respective jurisdiction and (ii) with respect to the period after the fifth anniversary of the Effective Date, the annual electricity usage, expressed in kWhs, of accounts within a Party’s respective jurisdiction, and any additional jurisdictions which they represent, that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year

4.9.2.3 The voting shares are set forth in Exhibit D. Exhibit D may be updated to reflect revised annual energy use amounts and any changes in the parties to the Agreement without amending the Agreement provided that the Board is provided a copy of the updated Exhibit D.

- 4.10** **Board Voting on General Administrative Matters and Programs Not Involving CCA.** Except as otherwise provided by this Agreement or the Operating Rules and Regulations, each member shall have one vote on general administrative matters, including but not limited to the adoption and amendment of the Operating Rules and Regulations, and energy programs not involving CCA. Action on these items shall be determined by a majority vote of the quorum present and voting on the item or such higher voting percentage expressly set forth in Sections 7.2 and 8.4.

4.11 Board Voting on CCA Programs Not Involving CCA That Require Financial Contributions.

The approval of any program or other activity not involving CCA that requires financial contributions by individual Parties shall be approved only by a majority vote of the full membership of the Board subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to this section. The Board shall provide at least 45 days prior written notice to each Party before it considers the program or activity for adoption at a Board meeting. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of a program or other activity of the Authority requiring financial contributions by individual Parties may elect to opt-out of participation in such program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

4.12 Meetings and Special Meetings of the Board.

The Board shall hold at least four regular meetings 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 or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. 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.).

4.13 Selection of Board Officers.

4.13.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.13.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of

all meetings of the Board and all other official records of the Authority.

4.13.3 Treasurer and Auditor. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. 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 Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

4.14 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers that will be known as an Administrative Services Agreement. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 5

IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Preliminary Implementation of the CCA Program.

- 5.1.1 Enabling Ordinance.** Except as otherwise provided by Section 3.1, prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(10) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.
- 5.1.2 Implementation Plan.** The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.9.
- 5.1.3 Effect of Vote On Required Implementation Action.** In the event that two or more Parties vote to approve Program Agreement 1 or any earlier action required for the implementation of the CCA Program (“Required Implementation Action”), but such vote is insufficient to approve the Required Implementation Action under Section 4.9, the following will occur:
- 5.1.3.1** The Parties voting against the Required Implementation Action shall no longer be a Party to this Agreement and this Agreement shall be terminated, without further notice, with respect to each of the Parties voting against the Required Implementation Action at the time this vote is final. The Board may take a provisional vote on a Required Implementation Action in order to initially determine the position of the Parties on the Required Implementation Action. A vote, specifically stated in the record of the Board meeting to be a provisional vote, shall not be considered a final vote with the consequences stated above. A Party who is terminated from this Agreement pursuant to this section shall be considered the same as a Party that voluntarily withdrew from the Agreement under Section 7.1.1.1.
 - 5.1.3.2** After the termination of any Parties pursuant to Section 5.1.3.1, the remaining Parties to this Agreement shall be only the Parties who voted in favor of the Required Implementation Action.
- 5.1.4 Termination of CCA Program.** Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any

time in accordance with any applicable requirements of state law.

- 5.2 Authority Documents.** The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

ARTICLE 6 FINANCIAL PROVISIONS

- 6.1 Fiscal Year.** The Authority's fiscal year shall be 12 months commencing April 1 and ending March 31. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery Costs.

6.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected

expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

- 6.3.2 County Funding of Initial Costs.** The County of Marin shall fund the Initial Costs of the Authority in implementing the CCA Program in an amount not to exceed \$500,000 unless a larger amount of funding is approved by the Board of Supervisors of the County. This funding shall be paid by the County at the times and in the amounts required by the Authority. In the event that the CCA Program becomes operational, these Initial Costs paid by the County of Marin shall be included in the customer charges for electric services as provided by Section 6.3.4 to the extent permitted by law, and the County of Marin shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Marin shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.
- 6.3.3 CCA Program Costs.** The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through charges to CCA customers receiving such electric services.
- 6.3.4 General Costs.** Costs that are not directly or indirectly attributable to the provision of electric services under the CCA Program, as determined by the Board, shall be defined as general costs. General costs shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.
- 6.3.5 Other Energy Program Costs.** Costs that are directly or indirectly attributable to energy programs approved by the Authority other than the CCA Program shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

ARTICLE 7 WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

7.1.1 General.

7.1.1.1 Prior to the Authority's execution of Program Agreement 1, any Party may withdraw its membership in the Authority by giving no less than 30 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. To permit consideration by the governing body of each Party, the Authority shall provide a copy of the proposed Program Agreement 1 to each Party at least 90 days prior to the consideration of such agreement by the Board.

7.1.1.2 Subsequent to the Authority's execution of Program Agreement 1, a Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party, and upon such other conditions as may be prescribed in Program Agreement 1.

7.1.2 Amendment. Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement in the manner provided by Section 8.4.

7.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 7.3. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Rules and Regulations shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

7.2 Involuntary Termination of a Party. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%, excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination

shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 7.3. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

- 7.3 Continuing Liability; Refund.** Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's withdrawal or involuntary termination. In addition, such Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.
- 7.4 Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.
- 7.5 Disposition of Property upon Termination of Authority.** Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8 MISCELLANEOUS PROVISIONS

- 8.1 Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should

such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.

- 8.2 Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.
- 8.3 Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, 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 the Authority under this Agreement.
- 8.4 Amendment of this Agreement.** This Agreement may be amended by an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments. A Party shall be deemed to have withdrawn its membership in the Authority effective immediately upon the vote of the Board approving an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board. As described in Section 7.3, a Party that withdraws its membership in the Authority in accordance with the above-described procedure may be subject to continuing liabilities incurred prior to the Party's withdrawal. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.
- 8.5 Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the

successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

- 8.6 Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.
- 8.7 Further Assurances.** Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.
- 8.8 Execution by Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.
- 8.9 Parties to be Served Notice.** Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Leon Garcia

Name: Leon Garcia


Title: Mayor

Date: 4.7.16

Party: City of American Canyon

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Thomas Cronwell

Title: Mayor


Date: December 8, 2008

Party: City of Redwood

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Name: Elizabeth Patterson
Title: Mayor
Date: 12.29.14
Party: City of Benicia

APPROVED AS TO FORM

CITY ATTORNEY

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Dylan Fark

Title: City Manager

Date: April 7, 2016

Party: City of Calistoga

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By:



Name: Valerie J. Barodie

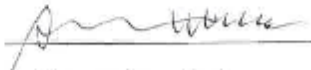
Title: City Manager

Date: July 24, 2017

Party: City of Concord

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 
Name: Alexandra Cock
Title: Mayor
Date: December 6, 2011
Party: Town of Corte Madera

ATTEST


Christine Green, Town Clerk

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Name: Joseph A. Calabriga
Title: Town Manager
Date: July 17, 2017
Party: Town of Danville

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: _____

Name: Scott Eakin

Title: City Manager

Date: _____

Party: City of El Cerrito

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: David Weinsoff

Name: David Weinsoff

Title: Mayor

Date: 2.12.09

Party: Town of Fairfax

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 



Name: Sean P. Quinn

Title: Interim City Manager

Date: 12/17/19

Party: City of Fairfield

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: _____



Name: Mark Mitchell

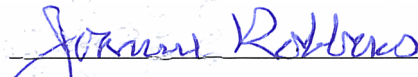
Title: Mayor

Date: _____

3-14-16

Party: City of Lafayette

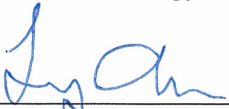
Attest: _____



Joanne Robbins, City Clerk

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Larry Chu

Title: Mayor, Larkspur

Date: November 16, 2011

Party: CITY OF LARKSPUR

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Brad Kilger

Title: City Manager

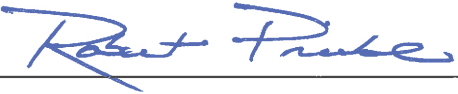
Date: 7/26/17

Party: City of Martinez

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Robert Priebe

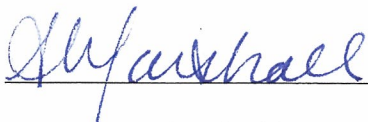
Title: Town Manager

Date: July 24, 2017

Party: Town of Moraga

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Shawn E. Marshall

Title: Mayor

Date: December 2, 2008

Party: City of Mill Valley

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: _____

Name: Mike Parness

Title: City Manager

Date: 4-11-16

Party: City of Napa

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Madeline R. Kellner

Name: Madeline R. Kellner

Title: Mayor

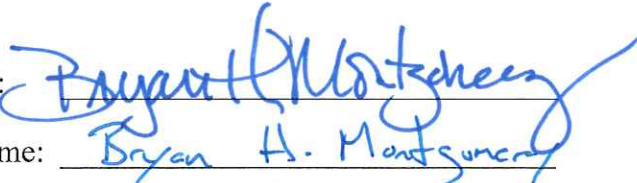
Date: October 7, 2011

Party: City of Novato

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Name: Bryan H. Montgomery
Title: City Manager
Date: 8/1/17

Party: City of Oakley

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Michelle Fitzer

Name: Michelle Fitzer

Title: City Manager

Date: 7/5/17

Party: City of Pinole

Approved as to form:

By: Eric Casher

Name: Eric Casher


Title: City Attorney

Date: 7/5/17

ARTICLE 9

SIGNATURE

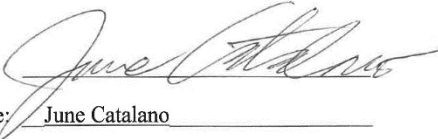
IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Name: Joe Sbranti
Title: City manager
Date: 7/24/2017
Party: City of Pittsburg

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: June Catalano

Title: City Manager

Date: June 19, 2019

Party: City of Pleasant Hill

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority

By: Deane McLaughlin
Name: Deane McLaughlin
Title: Mayor
Date: 7/5/12
Party: City of Richmond

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Carla Small

Title: Mayor

Date: 11/16/11

Party: Town of Ross

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Peter Breen

Title: Mayor

Date: January 9, 2009

Party: Town of San Anselmo

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Paul V. Morris

Title: Mayor, City of San Pablo

Date: SEPT. 16, 2014

Party: City of San Pablo

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement
establishing the Marin Energy Authority,

By: Cyr N. Miller

Name: Cyr N. Miller

Title: Vice Mayor

Date: December 1, 2008

Party: CITY OF SAN RAFAEL

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By:  _____

Name: JOE GORTON

Title: CITY MANAGER

Date: 7/31/17

Party: City of San Ramon

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Amy Belser

Name: Amy Belser

Title: Mayor

Date: November 18, 2008

Party: City of Sausalito

Attest:

Debbie Radjose
Deputy City Clerk

Item: 5A
Meeting Date: 11-18-08
Page #: 24

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Alan Galbraith
Name: Alan Galbraith
Title: Mayor
Date: 4/14/16

Party: City of St. Helena

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint
establishing the Marin Energy Authority.

By:



Name: ALICE FREDERICKS

Title: MAYOR

Date:


2/10/09

Party:

TOWN OF TIBURON

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Greg Nyhoff

Name:

Title: - ~~City Manager~~ - - - - -

Date: - ~~June 12, 2019~~ - - - - -

Party: City of Vallejo

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: Luella Haskew

Name: LOELLA HASKEW

Title: MAYOR


Date: 4/13/16

Party: City of Walnut Creek

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 
Name: Steven R. Rogers
Title: Town Manager
Date: 4/12/16
Party: Town of Yountville

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By:



Name: Federal D. Glover

Title: Chair, Board of Supervisors

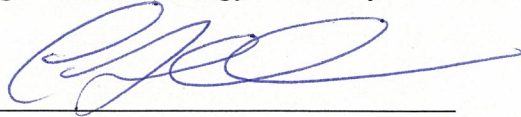
Date: August 1, 2017

Party: Contra Costa County

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: _____



Name: _____

CHARLES F. McGRATH

Title: _____

PRESIDENT, Bd of SUPERVISORS

Date: _____

November 18 2008

Party: _____

COUNTY OF MARIN

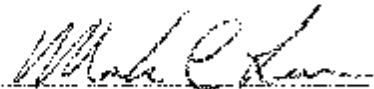
ARTICLE 9

Marin Clean Energy JPA Agreement

SIGNATURE

Amendment No. 8

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

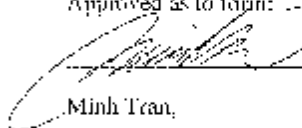
Name: Mark Luce,

Title: Chairman, Napa County Board of Supervisors

Date: 7/22/14

Party: Napa County

Approved as to form:

 Date 7/24/14

Minh Tran,

County Counsel

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Birgitta E. Corsello

Title: County Administrator

Date: 9/26/18

Party: County of Solano

APPROVED AS TO FORM:


Solano County Counsel

Exhibit A

**To the
Joint Powers Agreement
Marin Energy Authority**

-Definitions-

“AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 4.9.2.2.

“Authority” means the Marin Energy Authority.

“Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Board of Directors of the Authority.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.4 and 5.1.

“Director” means a member of the Board of Directors representing a Party.

“Effective Date” means the date on which this Agreement shall become effective and the Marin Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the

California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of an Executive Director and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority’s initial activities or in support of the negotiation, preparation and approval of one or more Administrative Services Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

“Initial Participants” means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

“Party” means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

“Program Agreement 1” means the agreement that the Authority will enter into with an energy service provider that will provide the electricity to be distributed to customers participating in the CCA Program.

“Total Annual Energy” has the meaning given in Section 4.9.2.2.

Exhibit B

To the Joint Powers Agreement Marin Energy Authority

-List of the Parties-

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
Town of Moraga
City of Mill Valley
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
St. Helena
Town of Tiburon
City of Vallejo
City of Walnut Creek
Town of Yountville
County of Contra Costa
County of Marin
County of Napa
County of Solano

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 C
Marin Clean Energy
-Total Annual Energy-

This Exhibit C is effective as of June 15, 2023.

MCE Member Communities	kWh (2022)
City of American Canyon	81,427,344
City of Belvedere	8,237,519
City of Benicia	94,928,828
City of Calistoga	28,672,196
City of Concord	464,522,261
Town of Corte Madera	40,679,971
County of Contra Costa	641,627,822
Town of Danville	154,016,934
City of El Cerrito	55,954,420
Town of Fairfax	17,441,179
City of Fairfield*	452,596,498
City of Lafayette	91,628,665
City of Larkspur	41,529,142
City of Martinez	144,050,725
City of Mill Valley	44,544,689

County of Marin	225,874,556
Town of Moraga	42,086,139
City of Napa	273,494,891
County of Napa	296,199,222
City of Novato	188,226,487
City of Oakley	111,135,099
City of Pinole	57,339,339
City of Pittsburg	232,985,737
City of Pleasant Hill	130,900,910
City of Richmond	387,473,558
Town of Ross	9,860,762
Town of San Anselmo	31,648,284
City of San Ramon	270,273,787
City of Saint Helena	44,870,258
City of San Pablo	63,297,704
City of San Rafael	206,521,192
City of Sausalito	30,635,006
County of Solano	177,643,279
Town of Tiburon	27,721,503

City of Vallejo	335,923,675
City of Walnut Creek	323,700,192
Town of Yountville	30,326,651
MCE Total Annual Energy Use	5,859,996,420

*Because the City of Fairfield began receiving service in April 2022, MCE must rely on prior historical data provided by Pacific Gas & Electric Co. (the most current being from 2020).

All other usage data reflects MCE customer billing records for 2022.

Exhibit D**Marin Clean Energy
- Voting Shares -**

This Exhibit D is effective as of June 15, 2023.

MCE Member Community	kWh (2022)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of American Canyon	81,427,344	1.35%	0.69%	2.05%
City of Belvedere	8,237,519	1.35%	0.07%	1.42%
City of Benicia	94,928,828	1.35%	0.81%	2.16%
City of Calistoga	28,672,196	1.35%	0.24%	1.60%
City of Concord	464,522,261	1.35%	3.96%	5.31%
Town of Corte Madera	40,679,971	1.35%	0.35%	1.70%
County of Contra Costa	641,627,822	1.35%	5.47%	6.83%
Town of Danville	154,016,934	1.35%	1.31%	2.67%
City of El Cerrito	55,954,420	1.35%	0.48%	1.83%
Town of Fairfax	17,441,179	1.35%	0.15%	1.50%
City of Fairfield*	452,596,498	1.35%	3.86%	5.21%
City of Lafayette	91,628,665	1.35%	0.78%	2.13%
City of Larkspur	41,529,142	1.35%	0.35%	1.71%
City of Martinez	144,050,725	1.35%	1.23%	2.58%
City of Mill Valley	44,544,689	1.35%	0.38%	1.73%
County of Marin	225,874,556	1.35%	1.93%	3.28%
Town of Moraga	42,086,139	1.35%	0.36%	1.71%
City of Napa	273,494,891	1.35%	2.33%	3.68%

County of Napa	296,199,222	1.35%	2.53%	3.88%
City of Novato	188,226,487	1.35%	1.61%	2.96%
City of Oakley	111,135,099	1.35%	0.95%	2.30%
City of Pinole	57,339,339	1.35%	0.49%	1.84%
City of Pittsburg	232,985,737	1.35%	1.99%	3.34%
City of Pleasant Hill	130,900,910	1.35%	1.12%	2.47%
City of Richmond	387,473,558	1.35%	3.31%	4.66%
Town of Ross	9,860,762	1.35%	0.08%	1.44%
Town of San Anselmo	31,648,284	1.35%	0.27%	1.62%
City of San Ramon	270,273,787	1.35%	2.31%	3.66%
City of Saint Helena	44,870,258	1.35%	0.38%	1.73%
City of San Pablo	63,297,704	1.35%	0.54%	1.89%
City of San Rafael	206,521,192	1.35%	1.76%	3.11%
City of Sausalito	30,635,006	1.35%	0.26%	1.61%
County of Solano	177,643,279	1.35%	1.52%	2.87%
Town of Tiburon	27,721,503	1.35%	0.24%	1.59%
City of Vallejo	335,923,675	1.35%	2.87%	4.22%
City of Walnut Creek	323,700,192	1.35%	2.76%	4.11%
Town of Yountville	30,326,651	1.35%	0.26%	1.61%
MCE Total Energy Use	5,859,996,420	50.00%	50.00%	100.00%

*Because the City of Fairfield began receiving service in April 2022, MCE must rely on prior historical data provided by Pacific Gas & Electric Co. (the most current being from 2020).

All other usage data reflects MCE customer billing records for 2022.



June 15, 2023

TO: MCE Board of Directors

FROM: Caroline Lavenue, Legal Counsel
Catalina Murphy, General Counsel

RE: Proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq. (Agenda Item #06)

ATTACHMENT: Proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq.

Dear Board Members:

Summary:

In compliance with Section 4.8 of MCE's Joint Powers Agreement (JPA) and California Government Code § 53232 et seq., MCE may create a written policy specifying the types of occurrences that qualify Board Members to receive reimbursement of expenses relating to travel, meals, lodging, and other actual expenses from agency-directed events attended in performance of their duties as a Board Member.

JPA section 4.8 states that, "Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors". Accordingly, MCE staff have prepared the proposed Resolution No. 2023-07 ("Proposed Resolution") that includes an expense reimbursement policy for agency-directed expenses incurred by Board Members. If approved, the provisions of the Proposed Resolution would be as follows and would be applicable when the Party appointing the Director is not providing reimbursement:

- Travel and transportation related expenses will be reimbursed for reasonable agency travel and other transportation expenses incurred while on agency-directed travel. Board Members are encouraged to use cost-effective options, including government and group rates when offered, and consider reducing their transportation carbon footprint when booking travel.

- Business meal-related expenses will be reimbursed for meals that occur during agency-directed business subject to the US General Services Administration rates for Contra Costa, Marin, Napa, and Solano Counties, or MCE's own meal-related expense limits.
- Lodging expenses will be reimbursed when a Board Member is required to attend an event at a site outside of MCE's service territory for more than 12 hours on a normal workday. Board Members are encouraged to book lodging on-site at a conference or meeting location, if applicable, and will use government and group rates offered by a provider of lodging when available.
- MCE-directed conference attendance will be reimbursed.
- For reimbursement, Board Members must submit an expense report (receipt and brief explanation of expense) to MCE staff within 30 days of the expense being incurred.
- After expense reports are approved by MCE, Board Members will provide brief updates on meetings attended at the expense of MCE at the next regularly scheduled Board meeting, as required by California Government Code § 53232.3(d).¹

Fiscal Impacts:

All expenditures from the Proposed Resolution would be included in the Operating Fund Budget for the applicable fiscal year.

Recommendation:

Approve the proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq.

¹ California Government Code § 53232.3(d): *Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.*

RESOLUTION 2023-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY ADOPTING A REIMBURSEMENT POLICY FOR BOARD MEMBERS IN ACCORDANCE WITH GOVERNMENT CODE § 53232 ET SEQ.

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, Section 4.8 of MCE's Joint Powers Agreement states that Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director; and

WHEREAS, Section 4.8 of MCE's Joint Powers Agreement further states that the Board, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors; and

WHEREAS, California Government Code § 53232 et seq. requires local agencies to adopt a written policy specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual expenses incurred in the performance of their duties as a Director; and

WHEREAS, this Resolution 2023-07 contains a written policy that meets the requirements of California Government Code § 53232 et seq., provides guidance to the Directors on the use and expenditure of MCE resources, and includes standards against which those expenditures shall be measured; and

WHEREAS, MCE's Board of Directors wishes to adopt the expense reimbursement policy contained herein;

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

1. The Board of Directors finds that the aforementioned recitals are true and correct and are herein incorporated into this Resolution.

2. The Board of Directors hereby adopts the following expense reimbursement policy that applies to Directors who are not compensated by their appointing Party for an expense, and seek expense reimbursement from MCE for agency-directed expenses, including travel and transportation, business meals, lodging, and conference expenses incurred while conducting their duties as a Board Member, and establishes procedures for authorization and reimbursement of such expenses. “Director” means a member of the Board of Directors representing member communities of MCE and is referred to herein as Director or Board Member.

Reimbursement Policy for Board Members

1. Travel and Transportation. For travel and transportation-related expenses, MCE shall reimburse Board Members for reasonable agency travel and other transportation expenses incurred while on agency-directed travel. When authorized, the actual costs of travel directly related to accomplishing agency-directed travel objectives shall be paid by MCE. Board Members are encouraged to use cost-effective options, including government and group rates when available, and consider reducing their transportation carbon footprint when booking travel. Board Members are responsible for any costs due to their own cancellations and are encouraged to seek reimbursement through the service providers as applicable. If MCE has booked travel accommodations on behalf of the Board member, the Board member shall reimburse MCE for any costs due to a Board Member’s need to cancel.

1.1) Airline, Train, Buses, or Other Public Transportation. Directors shall be reimbursed for the full cost of economy/coach fares and carbon offsets. Business class fares or upgrades for additional leg room shall be considered by the Executive Team on a case-by-case basis for flights exceeding 5+ hours or if special accommodations are needed. First class air fare shall not be reimbursed. Directors are further encouraged to limit time spent on travel and book non-stop options when available. Board Members traveling for up to 7 days shall be reimbursed for the full cost of checking up to one item, if not able to carry luggage on. Board Members traveling for greater than 7 days shall be reimbursed for the full cost of checking up to two items.

1.2) Car Rental. If car rental is necessary, such that travel for official duties lies outside of the 100-mile radius of MCE’s service area, Board Members shall be reimbursed for the full cost of the rental fees, insurance, fuel, and carbon offsets. Board Members are encouraged to book cleaner air vehicles when feasible, such as hybrids, electric vehicles, and plug-in electric vehicles. Board Members shall not submit for a separate mileage reimbursement when using a rental car.

1.3) Taxi or Car Sharing. Board Members shall be reimbursed for the full fare, only when less expensive transportation is not available or is not practical.

1.4) Mileage, Parking Costs, Tolls. Board Members shall be reimbursed for out-of-pocket expenses necessarily incurred, which may include, but are not limited to: mileage, parking costs, and tolls.

- Board Members using a personal vehicle shall be reimbursed up to the current Internal Revenue Service mileage rate. This rate encompasses the costs of fuel, EV charging, automotive insurance, and wear and tear. Those charges shall not be separately reimbursed.
- Board Members shall be reimbursed for the full cost of parking if public transportation is not available or is not practical.
- Board Members shall be reimbursed for tolls actually incurred if there is a toll in their travel.

2. **Meals.** For business meal-related expenses, MCE shall reimburse Board Members for meals that occur during agency-directed business.

2.1) Reimbursement shall be made for the reasonable cost of meals, including gratuities, and taxes for meals at events requested by MCE for a Board Member to attend. MCE's approved reimbursement rates are based on the US General Services Administration rates for Contra Costa, Marin, Napa, and Solano Counties, or MCE's own meal-related expense limits. The purchase of alcohol is not a reimbursable expense.

2.2) MCE shall reimburse Board Members for personal meals due to overnight or extended daytime agency-directed travel when bringing a meal is not practical or feasible. Extended daytime travel is defined as 8 or more hours that occur in the course of agency-directed business. If meals are served at a conference, training or other business events Directors are attending at the direction of MCE, Directors are encouraged to utilize this option for networking and cost-savings.

3. **Lodging.** If a Board Member is required to attend an event at a site outside of MCE's service territory for more than 12 hours on a normal workday, the Board Member shall be reimbursed for lodging expenses with prior approval.

3.1) Board Members are encouraged to book lodging on-site at a conference or meeting location, if applicable.

3.2) When on-site lodging is not available, Directors are encouraged to book a cost-effective option, including using applicable government and group rates when available.

4. **Conferences.** For agency-directed, conference-related expenses, Board Members shall submit conference expenses for reimbursement. Board Members are responsible for any costs due to their own cancellations and are encouraged to seek reimbursement through the service providers as applicable. If MCE has purchased event tickets on behalf of the Board member for their attendance, the Board member shall reimburse MCE for any costs due to a Board Member's need to cancel.

5. Other Expenses. Other expenses that do not fall within this reimbursement policy shall be approved by the governing body, in a public meeting, before the expense is incurred.

6. Expense Reports. For reimbursement of the aforementioned agency-directed expenses, Board Members must submit an expense report to MCE staff within 30 days of the expense being incurred. Any expense reports submitted greater than 90 days after the expense is incurred shall be considered invalid. The expense report should include a receipt and a brief explanation of the expense, if necessary. Where receipts are not available, such as for bridge tolls, the name of the bridge or toll-crossing is required to be identified on the expense report.

As required by California Government Code § 53232.3(d), Board Members shall provide brief updates on meetings attended at the expense of MCE at the next regularly scheduled Board meeting during the Board Announcement Section.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 15th day of June 2023, 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 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



June 15, 2023

TO: MCE Board of Directors

FROM: Caroline Lavenue, Legal Counsel
Catalina Murphy, General Counsel

RE: Proposed Amendment to MCE Operating Rules and Regulations (Agenda Item #07)

ATTACHMENTS: A. Proposed Amendment to MCE Operating Rules and Regulations (clean)
B. Proposed Amendment to MCE Operating Rules and Regulations (markup)

Dear Board Members:

Summary:

At the Executive Committee meeting in February 2023, the Executive Committee reviewed MCE's formation documents, which included MCE's Joint Powers Agreement (JPA),¹ MCE's Operating Rules and Regulations (ORR),² and MCE's Community Choice Aggregation Implementation Plan (IP).³ There, the Executive Committee concluded the ORR should be updated to incorporate minimal changes that have occurred to MCE over the past decade. The Executive Committee formed an Ad Hoc Committee, tasked with reviewing and providing recommendations to the Board for updates to the ORR.

Staff proposed the following revisions to the Ad Hoc Committee:

- Updating MCE's name from "Marin Energy Authority";
- Streamlining the Chairperson's duty from "supervise the preparation of the agenda" to "review the agenda" before each Board or Committee meeting;

¹ The JPA, effective December 19, 2008, is the document that established MCE as a public agency, separate from its member communities, under the California Joint Exercise of Powers Act (Government Code Section 6500 et seq.).

² The ORR, adopted in March 2009, consists of rules, regulations, policies, bylaws and procedures governing the operation of MCE.

³ The IP details MCE's process of aggregation and plans for how to bring the benefits of competition and choice to residents and businesses that exist within MCE's member communities.

- Allowing the continuation of the Secretary's one-year term, subject to the Board's decision to remove; and
- Changing the annual election Board meeting month from June to "on or near December" which better aligns with the local elections of the MCE member communities.

The Ad Hoc Committee reviewed the proposed revisions with Staff on May 2nd and recommended the proposed Amendment to the ORR (Attachment A contains a clean copy, while Attachment B includes a markup copy) move forward with the applicable process for approval.

Per Article VIII of the ORR, which does not include any revisions, the ORR "may be amended by a majority vote of the full membership of the Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Board for final adoption." Accordingly, the Amendment to the ORR is being proposed at today's regular Board meeting, and, if authorized to proceed, would be voted on at the next scheduled regular Board meeting.

Fiscal Impacts:

None.

Recommendation:

Authorize the Proposed Amendment to MCE Operating Rules and Regulations to proceed for approval at the next regular Board meeting.

MARIN CLEAN ENERGY
OPERATING RULES AND REGULATIONS

(As Amended)

ARTICLE I

FORMATION

Marin Clean Energy (“MCE”), formerly known as Marin Energy Authority, was established on December 19, 2008 pursuant to the execution of the Marin Energy Authority Joint Powers Agreement (the “Agreement”) by the County of Marin, the Town of Fairfax and the Town of Tiburon. The Initial Participants in MCE who executed the Agreement within 180 days of the establishment of MCE are the following: Belvedere, Mill Valley, Ross, San Anselmo, San Rafael, and Sausalito. The members of MCE are referred to as Party or Parties in these Operating Rules and Regulations. As defined by the Agreement, these Operating Rules and Regulations consist of rules, regulations, policies, bylaws and procedures governing the operation of MCE.

ARTICLE II

PURPOSES

MCE is formed to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include but are not limited to the establishment of a Community Choice Aggregation Program in accordance with the terms of the Agreement.

ARTICLE III

BOARD OF DIRECTORS

Section 1. MCE shall be governed by a Board of Directors composed of one representative of each of the Parties. The Board may delegate specified functions or actions to the Executive Committee or other committees that may be established by the Board. The governing body of each Party shall appoint and designate in writing to MCE one regular Director who shall be authorized to act for and on behalf of the Party on all matters within the power of MCE. The governing body of each Party also shall appoint and designate in writing to MCE one alternate Director who may vote on all matters when the regular Director is absent for a Board, Executive Committee, Technical Committee, or other standing meeting. Both the Director and the Alternate Director shall be members of the governing body of the Party.

Section 2. Each Director and Alternate Director shall serve at the pleasure of the governing body of the Party that the Director represents and may be removed as Director or Alternate Director by such governing body at any time.

Section 3. A Director may be removed by the Board for cause. Cause shall be defined for the purposes of this section as follows:

- a. Unexcused absences from three consecutive Board meetings.
- b. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of information or documents provided to the Director on a confidential basis and whose public disclosure may be harmful to the interests of MCE.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty days prior to the meeting at which the proposed removal will be considered by the Board. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all Directors (excluding the Director subject to removal) vote in favor of the removal.

Section 4. If at any time a vacancy occurs on the Board, for whatever reason, a replacement shall be appointed by the governing body of the subject Party to fill the position of the previous Director within ninety days of the date that such position becomes vacant.

ARTICLE IV

OFFICERS AND TERMS OF OFFICE

Section 1. There shall be a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer.

- a. Chairperson. The Chairperson shall be a Director. Duties of the Chairperson are to review the business agenda before MCE meetings, preside over MCE Board meetings, and sign all ordinances, resolutions, contracts, and correspondence adopted or authorized by the Board. The term of office of the Chairperson shall be for one year.
- b. Vice-Chairperson. The Vice-Chairperson shall be a Director. The Vice-Chairperson shall perform the duties of Chairperson in the absence of such officer. The term of office of the Vice-Chairperson shall be for one year.
- c. Secretary. The Secretary will supervise the preparation of the meeting minutes and the maintenance of the records of MCE. Once appointed by the Board, the term of the Secretary shall continue each year until the Secretary wishes to step down from the role and/or the Board decides to remove the Secretary pursuant to subsection (g) below. The Secretary does not need to be a Director.
- d. Treasurer and Auditor. The Treasurer shall have custody of all the money of MCE and shall have all of the duties and responsibilities specified in Government Code Section 6505.5. The Treasurer shall report directly to the Board and shall comply

with the requirements of treasurers of incorporated municipalities. The positions of Treasurer and Auditor may be combined into one position known as the Treasurer/Auditor of MCE. The term of the Treasurer and Auditor shall be for one year. The Board may transfer the responsibilities of the Treasurer and Auditor to any person or entity permitted by law. Neither the Treasurer nor the Auditor needs to be a Director.

- e. Initial Terms of Office. Notwithstanding the one-year term generally established for officers above, the terms of the initial officers elected by the Board shall not expire until the annual meeting of the Board held in June 2010.
- f. No Term Limits. There are no limits on the numbers of terms that an officer of MCE may serve.
- g. Removal. An officer of the Board shall be subject to removal with or without cause at any time by a majority vote of the full Board.
- h. Committees. The Executive Committee and all other Committees of the Board shall be selected as provided by Sections 4.6 and 4.7 of the Agreement. Each duly established Committee may establish any Standing or Ad Hoc Committees determined to be appropriate or necessary. The duties and authority of all Committees shall be subject to the approval and direction of the Board.
- i. Committee of the Whole. To allow full participation by Board members at meetings of Standing Committees, each Standing Committee meeting except the Executive Committee also shall be noticed as a “Committee of the Whole” meeting. In the event that a quorum of Board members are present at a Standing Committee meeting, the Standing Committee will automatically convert into a Committee of the Whole. Likewise, if there is no longer a quorum of the Board present, then the Committee of the Whole will automatically convert back into a Standing Committee. The chair of the Standing Committee will serve as Chair of the Committee of the Whole. Any item acted upon by the Committee of the Whole will be considered advisory to the Board of Directors and require consideration and action by the Board of Directors at a noticed Board meeting before adoption or approval of the item.

The agenda for each Standing Committee, other than the Executive Committee, shall include the following statement:

“This Committee may be attended by Board Members who do not serve on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. Any item acted upon by the Committee of the Whole will be considered advisory to the Board of Directors and require consideration and action by the Board of Directors at a noticed Board meeting before adoption or approval of the item.”

ARTICLE V

MEETINGS

Section 1. A meeting of the Board shall be held on or near December of each year to elect MCE Chairperson, Vice-Chairperson, and other officers of MCE. The Board by resolution shall establish the date, time, and meeting location of all regular meetings of the Board. Special meetings may be called upon the request of a majority of the members of the Board or by the Chairperson.

Section 2. The meetings of the Board, the Executive Committee and all other committees established by the Board shall be governed by the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

ARTICLE VI

VOTING

Section 1. Voting on MCE matters shall be held in accordance with the requirements of Sections 4.9 and 4.10 of the Agreement.

Section 2. Under Section 4.10 of the Agreement, each member of the Board shall have one vote on general administrative matters and energy programs not involving Community Choice Aggregation unless otherwise provided by the Agreement or these Operating Rules and Regulations. Unless the Agreement or these Operating Rules and Regulations require a two-thirds vote, action on these items shall be determined by a majority vote of the quorum present and voting on the item except for the following matters which shall be approved only by a majority vote of the full membership of the Board:

- a. The approval of the issuance of bonds or any other financing even if program revenues pay for such financing.
- b. The hiring of an Executive Director and General Counsel.
- c. The appointment or removal of an officer.
- d. The adoption of the Annual Budget.
- e. The adoption of an ordinance.
- f. The initiation of litigation where MCE will be the plaintiff, petitioner or cross complainant or cross petitioner.
- g. The adoption and amendment of the Operating Rules and Regulations.
- h. The approval of any program or other activity requiring financial contributions by individual Parties subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to Section 4 of this Article.

Section 3. The approval of an Administrative Services Agreement under Section 4.14 of the Agreement for planning, implementing, operating and administering the CCA Program shall be subject to the voting requirements of Section 4.9 of the Agreement.

Section 4. The Board shall provide at least 45 days prior written notice to each Party before it considers a program or activity for adoption at a Board meeting not involving CCA that requires financial contributions by individual Parties. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of such program or activity may elect to opt-out of participation in the program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

ARTICLE VII

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As provided by Section 2.3 of the Agreement, the debts, liabilities and obligations of MCE shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of MCE. A Party who has not agreed to assume a MCE debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of MCE.

ARTICLE VIII

AMENDMENTS

These Operating Rules and Regulations may be amended by a majority vote of the full membership of the Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Board for final adoption. The proposed amendment shall not be finally acted upon unless each member of the Board has received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken. The notice shall include the full text of the proposed amendment.

MARIN CLEAN ENERGY ~~AUTHORITY~~
OPERATING RULES AND REGULATIONS
(As Amended)

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June 15, 2023

TO: MCE Board of Directors

FROM: Michael Callahan, Associate General Counsel

RE: Policy Update of Regulatory and Legislative Items (Agenda Item #08)

ATTACHMENT: Regulatory Packet with April and May Filings

Dear Board Members:

Below is a summary of the key activities at the state and federal legislatures, the Federal Energy Regulatory Commission (FERC), the California Public Utilities Commission (CPUC), the California Independent System Operator (CAISO), the California Energy Commission (CEC), and the California Office of Energy Infrastructure Safety (OEIS) impacting Community Choice Aggregation (CCA) and MCE.

State Legislative Advocacy

1. Policy

The state legislative session just passed its halfway point, with all active bills required to be voted out of their house of origin by Friday, June 2. Second-house policy committee hearings are underway through mid-July, at which point the legislature will break for its month-long summer recess.

Given the stark budget constraints currently faced, many bills (including several that MCE has supported) will not advance this year. The following table summarizes MCE's positions taken to date on state legislation. Bills not advancing this year are noted as 2-year bills.

Bill Number and Author	Subject	MCE Position	Status
SB 57 (Gonzalez)	Prohibit utility shutoffs during extreme weather events	Support	2-year bill
SB 233 (Skinner)	Bidirectional charging in EVs	Support	
SB 306 (Caballero)	Equitable Building Decarbonization Program	Support	
SB 488 (Alvarado-Gil)	CCA access to Bio Renewable Auction Mechanism Program (Bio RAM)	Support	2-year bill
SB 507 (Gonzalez)	Equitable charging station distribution data	Support	2-year bill
SB 511 (Blakespear)	GHG emissions inventories for cities and counties	Support	
SB 527 (Min)	Neighborhood Decarbonization Program	Support	2-year bill
SB 529 (Gonzalez)	EV car sharing program for affordable housing	Support	2-year bill
AB 538 (Holden)	Regionalization	Support	2-year bill
AB 593 (Haney)	Carbon neutral buildings strategy by 2045	Support	
AB 625 (Aguiar-Curry)	Extending sunset date for Bioenergy Market Adjusting Tariff Program (BioMAT)	Support	2-year bill
AB 998 (Connolly)	Biomass and noncombustion technology	Support	
AB 1373 (Garcia)	Central Procurement, Resource Adequacy, Integrated Resources Planning	Neutral	
AB 1538 (Muratsuchi)	Clean Energy Reliability Program	Support	2-year bill

1. [AB 1373 \(Garcia\)](#) - Position Change

MCE previously took an Oppose Unless Amended position on AB 1373, which is the Assembly's policy vehicle for a set of energy procurement proposals originally introduced

by the Governor through the state budget process. The Senate is still addressing these proposals through the budget process. Meanwhile, AB 1373 has taken a number of amendments that make the bill far less concerning for affordability, market conditions, and CCA autonomy than previous versions. As such, both MCE and CalCCA have removed our Oppose Unless Amended position and moved to Neutral on AB 1373. Both MCE and CalCCA continue to work toward similar amendments in the budget vehicle.

2. State Budget

The deadline for the legislature to approve a state budget is June 15. However, the budget passed on that date will be an incomplete picture at best, due in part to the extension of tax filing deadlines for many counties to October. As such, staff anticipate additional budget measures later in the year, potentially even into the fall, before the state budget can be deemed fully complete. The Governor's "May Revise," which is an update to the original January budget proposal, retained the vast majority of climate and clean energy funding promised last year, though some funds are deferred to future years. As of the May Revise, the state budget deficit for fiscal year 2023-2024 is expected to be over \$31 billion, which is forcing a lot of difficult decisions for the administration and the legislature.

Federal Legislative Advocacy

1. 2023 Community Project Funding Request

As noted at the April Board meeting, Representative DeSaulnier has submitted a \$1.6 million Community Project Funding request on behalf of MCE to the federal appropriations process. The request, if funded, would support "prehabilitation" work needed to enable approximately 300 income-qualified customers to participate in electrification incentive programs. "Prehabilitation" can include electric panel upgrades, new or upgraded wiring, and/or ancillary light construction required before a customer can install an electric heat pump water heater, EV charger, or other electrification measures.

Federal Energy Regulatory Commission

1. CAISO Tariff Amendments to Battery Storage Dispatch Rules

On April 18, 2023 MCE submitted a Motion to Intervene and Comments at the Federal Energy Regulatory Commission (FERC) regarding the CAISO's request for tariff amendments. The proposed amendments aimed to enhance CAISO's ability to optimize and dispatch energy storage resources during summer 2023. MCE did not oppose the extension of CAISO's Minimum State-of-Charge requirement for battery storage resources but requested more information on the market and settlement impacts, particularly related to mid-day discharging and requiring recharging at higher prices. FERC approved the tariff amendments while acknowledging MCE's concerns. MCE also submitted similar comments on CAISO's longer-term battery storage approach, raising greater awareness and encouraging CAISO to minimize unnecessary mid-day dispatch of storage assets.

California Public Utilities Commission

1. Power Charge Indifference Adjustment (PCIA)

The PCIA is a fee that former customers of Investor Owned Utilities (IOUs) must pay to the IOUs after they have departed for other providers (e.g. CCAs). The PCIA accounts for high-priced commitments IOUs made on certain generation resources before those customers departed. CCA customers and IOU customers have the same exposure to these costs but CCA customers do not receive the same benefits as IOU customers from the resources. Some of these generation resources are greenhouse-gas free (GHG-Free) including large hydroelectric dams and nuclear energy.

Currently, Pacific Gas & Electric (PG&E) is required to offer MCE separate, voluntary allocations of large hydropower and nuclear energy from resources covered by the PCIA. This treatment is set to end in 2023 and the CPUC is currently evaluating how to handle these resources in 2024 and beyond.

On March 24, 2023, MCE submitted reply comments agreeing with CalCCA comments that both hydroelectric and nuclear energy should be available for allocations and MCE further advocated that benefits still need to be shared in the event that a CCA does not accept its nuclear allocation (as MCE has done in the past under Board direction). MCE proposed the CPUC should also apply a credit equal to the market value of the nuclear GHG-Free attributes, which would serve as an offset to customers' rates through the PCIA.

On May 4, 2023 the CPUC issued a Proposed Decision (PD), rejecting proposals to place market value on nuclear GHG-free attributes, finding that there is insufficient data to do so at this time, but does find that large hydropower energy has a GHG-Free value that should be attributed to customers who pay for those resources. The PD would allow PG&E to choose to: (1) continue to allocate large hydropower GHG-Free energy; or (2) retain the GHG-Free energy but apply a credit equal to the market value to the PCIA.

CalCCA filed opening comments on the PD on May 24, 2023 supporting the Commission's finding that GHG-Free energy has incremental value to fossil fuel energy, and reply comments on May 30, 2023 advocating to preserve the valuation of large hydropower's GHG-free attributes.

The PD is expected to be voted on at a June CPUC meeting. If any changes are made to the final decision, Staff will provide an update in the next Board packet. MCE is currently evaluating the impacts of the PD, with a particular focus on evaluating how the potential discontinuation of large hydropower allocations from PG&E beginning in 2024 may impact its portfolio.

2. Energy Efficiency

On May 26, 2023 the CPUC released a proposed decision on MCE's application for continued and expanded energy efficiency funding. If approved by a vote of the CPUC, the proposed decision would approve MCE's proposed energy efficiency and demand management programs to benefit customers, reduce greenhouse gas emissions and support grid reliability. The proposed decision also would approve MCE's proposed new equity programs designed to provide energy efficiency and electrification benefits to households and businesses in environmental and social justice (ESJ) communities in MCE's service area. This includes a budget of \$158, 280,761 for MCE over 2024-2031. As drafted, the proposed decision does not appear to approve MCE's Peak FLEXmarket program budget request of approximately \$26 million. MCE is actively advocating for approval of the Peak FLEXmarket program in the final decision.

3. Resource Adequacy

On May 25, 2023 the CPUC issued a PD addressing near-term changes to its RA Program for the 2024 Compliance Year. Most importantly, the PD adopted a new RA penalty that would apply to CCAs that fall short of any RA requirements. Under the new penalty framework, a CCA cannot file a revised implementation plan to expand to new communities unless the CCA was fully compliant with all of its RA obligations during the two calendar years prior to submitting a revised implementation plan. If formally adopted by the CPUC, this penalty framework would have the potential to delay a CCA's expansion efforts by at least 3 years if the CCA was unable to meet any portion of its RA requirements.

MCE staff is analyzing the PD and coordinating with CalCCA to respond to the PD's conclusions. The CPUC is set to adopt a Final Decision at its June Meeting.

4. Provider of Last Resort

On January 6, 2023 a CPUC Administrative Law Judge (ALJ) issued a Ruling seeking comments on an Energy Division (ED) analysis and proposal to address the state's reliability needs in the event that a CCA or Energy Service Provider (ESP) fails and its customers must be served by a Provider of Last Resort (POLR) to ensure continuity of service. Currently, PG&E serves as the POLR for MCE customers.

The ED proposal highlights four issues, including:

1. Continuity of Service: Evaluating options to ensure the POLR has access to energy resources in the event that it needs to serve involuntarily returned customers.
2. Financial Monitoring: Establishing a framework and triggers for financial reporting requirements from CCAs to the CPUC.
3. Cost Recovery: Updating the methodology for the existing financial security requirements for CCAs and re-entry fees for involuntarily returned CCA customers.
4. Load Serving Entity (LSE) Deregistration: Establishing a process for LSE's who plan to involuntarily return their customers to the POLR.

On April 18, 2023 and May 5, 2023 CalCCA filed comments on the Ruling advocating that any changes to POLR related requirements, in particular those related to financial monitoring of, and Financial Security Requirements payments from CCAs be done in a reasonable and accurate manner that ensures not only the solvency of the POLR but the CCAs as well.

MCE will continue to monitor and engage in this proceeding with CalCCA. A proposed decision is expected later this year.

5. Demand Response

On April 21, 2023, MCE, alongside 5 other CCAs (the Joint CCAs), submitted two sets of filings to the Commission in response to PG&E's Demand Response Application which requests continued funding for PG&E's demand response (DR) programs, including the Emergency Load Reduction Program (ELRP), through 2027.

First, the Joint CCAs recommended that the CPUC develop a process to prevent dual enrollment in DR programs and enable better CCA load forecasting by exchanging participation data between the CCAs and utilities.

Second, the Joint CCAs advocated for (1) implementing stricter rules and increased transparency surrounding the impact evaluation of the ELRP, (2) discontinuing customer auto-enrollment under the ELRP, (3) moving the ELRP from a pilot to a full program with cost effectiveness requirements, and (4) ensuring that CCA programs are appropriately considered when updating rules and requirements for ratepayer-funded DR, and other clean energy programs.

6. Microgrids

On April 6, 2023, the CPUC approved the new \$200 Million Microgrid Incentive Program (MIP). The MIP provides incentives for community-scale, multi-customer microgrids for both microgrid generation and storage technologies (i.e., solar, storage fuel cells etc.), as well as the required transmission and distribution (T&D) system upgrades. The program is geared at targeting vulnerable communities - community microgrids must be located in an area with a high risk of electrical outages and must serve a disadvantaged vulnerable community (e.g, disadvantaged community (DAC), low-income census tract etc.). Projects under the program must meet emission standards, i.e. project emissions in islanding mode cannot exceed equivalent grid power emissions. Each community microgrid can receive up to \$18 million in funds under the program. The MIP is expected to launch in summer of 2024.

On April 27, 2023, the Commission published Resolution E-5261 approving PG&E's plan to develop a Clean Substation Microgrid Pilot Project at the Calistoga substation. The goal of the pilot is to mitigate transmission-level Public Safety Power Shutoffs (PSPS) events in Calistoga. PG&E has contracted with Energy Vault to build an 8.5MW project consisting of a green hydrogen fuel cell and an energy storage system which can power the Calistoga substation for 48 hours during PSPS events. The contract term is 10.5 years

with an initial delivery date of 6/1/24. Importantly, the project is only set up to run during PSPS events, it is not intended to function during normal grid operations (i.e., “blue sky conditions”). The Commission required that the project be a “clean” microgrid and PG&E estimates that total annual greenhouse gas (GHG) emissions of the projects will range around 30% of current California grid mix emissions. The emissions mostly incur due to fuel transportation (with diesel trucks), ancillary electricity usage and refrigerants. While the exact project costs are confidential, the project cannot exceed twice the expected cost of diesel generation up to a maximum of \$46 million.

7. CCA Participation in the CPUC’s BioMAT Program

AB 843 authorizes CCAs to participate in the CPUC’s Bioenergy Market Adjusting Tariff (BioMAT) program and be eligible to receive cost recovery for bioenergy projects. In late April, the CPUC hosted a workshop to identify how to integrate CCAs into the BioMAT program. MCE staff attended the workshop as panelists and addressed: (a) CCAs’ interest in pursuing bioenergy procurement, with an emphasis on MCE’s Responsible Biomass Procurement Principles; (b) feasible frameworks to track CCA bioenergy procurement costs; and (c) an efficient cost recovery process for CCAs to demonstrate reasonable and prudent management of its BioMAT contracts.

MCE is coordinating with CalCCA to develop written comments to enhance CCAs’ proposals for BioMAT participation. The CPUC is expected to issue a PD adopting mechanics for CCA participation in Q3 2023.

8. Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs

On April 3, 2023, MCE submitted its annual budget advice letter for the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs, reconciling the 2022 budget and forecasting program spending for 2024. MCE requested a total budget of \$809,170 for Program Year 2024.

MCE continues to participate in the Green Access Programs Application for Review alongside other CCA program administrators. The Joint CCAs filed an opening briefing conveying the success of the CCA DAC-GT programs, most of which are fully subscribed, delivering 100% solar energy and a 20% bill discount to participating CARE and FERA customers living in disadvantaged communities. MCE has reached its capacity cap, procuring 4.64 MW of solar located in a disadvantaged community and has reached full enrollment, serving 3,265 CARE and FERA customers living in MCE DACs under the program. Given this demonstrated success, the Joint CCAs continue to advocate for expanding the capacity cap for the DAC-GT program. The Joint CCAs also suggested several modifications to the DAC-GT program and CS-GT program to improve program efficiency and see greater success. These modifications include creating processes to transfer unused program capacity between program administrators, expanding eligibility criteria for project location, allowing paired solar and storage projects in the program, and creating an automated billing solution with PG&E. The Joint CCAs continued to advocate for these positions in reply briefing filed on May 30, 2023.

California Independent System Operator

1. Transmission Planning Process Initiative

On April 25, 2023 MCE submitted comments on the CAISO 2022-2023 Transmission Planning Process (TPP) initiative. The TPP is an annual CAISO initiative to assess transmission limitations and opportunities to reinforce, upgrade, and expand the in-state transmission system. The annual output of this proceeding is CAISO's Transmission Plan. This plan evaluates the CAISO-controlled grid, adopts the resource development conclusions of the Commission's IRP process, and determines what transmission projects need to be developed or upgraded to accommodate the state's clean energy and reliability needs.

The CAISO Board adopted the Transmission Plan on May 18, which approves an unprecedented 45 transmission-related projects at an estimated cost of \$7.3 billion. This reflects the historic level of investment in, and build-out of, the state's transmission system to meet California's long-term clean energy goals and reliability needs. The approved projects are expected to support approximately 40 GW of new resource development over the next 10 years.

MCE's comments supported the Transmission Plan, but also called for additional analysis related to a specific congested grid area that does not see relief under the 2022-2023 Transmission Plan. MCE provided alternative technical analysis that would support the feasibility and reliability benefits of transmission upgrades in this area. Although CAISO did revise its Transmission Plan accordingly, CAISO is working with MCE to address its concerns.

California Energy Commission

1. Demand Side Grid Support Program

On May 11, 2023, CalCCA submitted comments to the California Energy Commission (CEC) on the proposed Second Edition of the Demand Side Grid Support (DSGS) Program Guidelines. DSGS is a demand response (DR) program intended to achieve emergency load reductions during times of grid stress. First, CalCCA advocated for allowing CCAs to become program administrators to increase the pool of eligible customers and further support grid reliability in California. Second, CalCCA requested that CCAs receive customer participation data from aggregators participating under the programs to enable more accurate load forecasting. Third, CalCCA recommended that CCAs should be involved in developing processes to prevent dual enrollment between the DSGS program and other demand response (DR) programs such as the utilities' Emergency Load Reduction Program (ELRP) or the CCAs' DR programs (such as MCE's Peak FLEXmarket program).

Office of Energy Infrastructure Safety

1. PG&E Wildfire Mitigation Plan (WMP)

On May 26, 2023, MCE joined Pioneer Community Energy, Sonoma Clean Power, East Bay Community Energy, and the Rural County Representatives of California (RCRC) in submitting comments on PG&E's Wildfire Mitigation Plan regarding PG&E's enhanced powerline safety settings (EPSS) program. PG&E's EPSS program enables fast trip settings on 44,000 miles of circuit, causing lines to automatically de-energize, when certain criteria are met to avoid causing ignitions. These outages occur without warning causing potentially life-threatening disruption for customers that rely on electricity to maintain basic life functions. MCE has worked with the CCAs, RCRC, and the Joint Local Governments in advocating for greater CPUC oversight of the EPSS program, including better reporting of EPSS impacts and increased attention on mitigating the effects of sudden power shutoffs.

In the comments on PG&E's WMP, the Joint CCAs urged OEIS to (1) instruct PG&E to file a formal Application for CPUC approval of its EPSS program, (2) instruct PG&E to develop and implement interim measures to protect the public from EPSS outages during extreme temperature events, (3) instruct PG&E to immediately begin collecting and reporting data regarding the impact of each of its EPSS outages, and (4) expand its Portable Battery Program eligibility criteria to better include EPSS-impacted life-support customers.

Fiscal Impacts

It is not yet possible to quantify precise fiscal impacts for the items covered in this report. The bills MCE supported will have various impacts with energy procurement proposals in AB 1373 and the associated budget trailer bill potentially leading to changes to the market structure for procurement activities and other bills leading to additional programmatic and funding opportunities for MCE. The earmark requests may provide additional funding for MCE programs. The CAISO storage dispatch rules may increase costs for battery charging to improve reliability. If approved, the proposed PCIA decision would help eliminate a cost shift from CCA to IOU customers through more appropriately valuing GHG-free resources. The proposed energy efficiency decision would both continue and nearly double the size of MCE's program budget. The proposed RA decision may result in higher penalties and delay MCE's ability to include new communities if MCE is deficient in its RA requirements. The staff proposal in the POLR proceeding may increase costs for CCAs in order to provide additional funding to a POLR if one is needed. The BioMAT proceeding is expected to eventually provide additional funding to support MCE biomass and biogas project development. The DAC-GT and CSGT advocacy may result in continued and expanded funding for MCE's community solar programs in areas of community need. If granted, the ability to administer DSGS funding may supplement MCE's customer programs budgets. The remaining policy issues will result in uncertain or no direct fiscal impacts.

Recommendation

There are no recommended actions at this time.

RESOLUTION 2023-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY HONORING BOARD MEMBER KEVIN HAROFF

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, the City of Larkspur executed the Joint Powers Agreement (JPA) establishing membership in MCE on November 3, 2011, and

WHEREAS, Kevin Haroff was elected to the City of Larkspur Council in 2013 where he served as Mayor (2016, 2020) and Vice Mayor (2016, 2020) for two terms; and

WHEREAS, Director Haroff was appointed to serve as the Larkspur representative on the MCE Board of Directors on February 6, 2014, where he has served for nine years, additionally serving as a member of the Executive Committee (2014-2023, Chair 2021-2023), Technical Committee (2014-2023), Ad Hoc Audit Committee (2020-2023), Ad Hoc Bonding Committee (2020-2021), Ad Hoc Contracts Committee (2014, 2018, 2020-2023), and Ad Hoc Ratesetting Committee (2016, 2018, 2019, 2021); and

WHEREAS, Director Haroff worked alongside MCE staff on legislative efforts, often traveling to meetings with key stakeholders in his district to help explain and to advocate for MCE's efforts; and

WHEREAS, Director Haroff has represented his Larkspur constituents skillfully and effectively as a member of the MCE Board of Directors, playing a key role in advocating for MCE within the Marin Climate and Energy Partnership and connecting the agency to environmental and sustainability staff at the City of Larkspur; and

WHEREAS, Director Haroff has demonstrated a strong commitment to advocating on behalf of the public on environmental and renewable energy policy

issues, and serves as a representative on the Marin County Council of Mayors and Councilmembers Committee on Climate Change; and

WHEREAS, Director Haroff serves as a Board member and has played a key role in the development of MarinCAN, a nonprofit organization that aims to dramatically reduce greenhouse gas emissions, prepare for climate change impacts, and meaningfully address and integrate equity, wherein Director Haroff helped secure over \$2 million in funding to support 4 MarinCAN endorsed solutions: Zero Emissions Vehicles, Community Resilience Hubs, Marin Biomass Project, and the Marin Carbon Farming Initiative; and

WHEREAS, Director Haroff serves as a representative on multiple city, county, and regional committees including the Central Marin Fire Authority, the Marin County Community Development Block Grant Priority Setting Committee, the Ross Valley Sanitary District and the Association of Bay Area Governments, among others; and

WHEREAS, in addition to his role in local government, Director Haroff serves as the managing partner of Haroff Law, a San Francisco and Marin County-based law firm, and is a nationally recognized environmental and land use attorney and litigator, admitted to practice law in California, New York, Texas, and Oregon.

WHEREAS, Director Haroff inspires joy and empowerment and has embraced a commitment to climate action, displayed by his leadership and conscientious and thoughtful service; and

WHEREAS, the MCE Board of Directors and staff thank Director Haroff for his support and engagement with the agency, its mission, and its vision.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of MCE that the MCE Board and Staff do hereby extend to Kevin Haroff our appreciation for his dedicated service, our congratulations on his future endeavors, and our best wishes for his continued success, happiness, and good health in the years to come.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 15th day of June, 2023, 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 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