



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

**Board of Directors Meeting
Thursday, August 17, 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
Sausalito City Hall, 420 Litho Street, Sausalito, CA 94965
City of Fairfield, 1000 Webster Street, 4th Floor, Fairfield, CA 94533

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=SDF1NUpjZWZVRy9BRnBTSFJYcXZpUT09>

**Dial: (669) 900-9128
Webinar ID: 867 8499 2940
Passcode: 314955**

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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 6.15.23 Meeting Minutes
 - C.2 Approved Contracts for Energy Update
6. Deep Green Update and Adjustment to Default (Discussion/Action)

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7. Approval of Amendment to the MCE Operating Rules and Regulations (Discussion/Action)
8. MCE Climate Action Leadership Award Nomination (Discussion/Action)
9. Resolution No. 2023-09 Accepting Congressionally Directed Spending Project from the Golden Gate Fields Office of the U.S. Department of Energy (Discussion/Action)
10. Proposed Fiscal Year 2022/23 Deposit to MCE's Operating Reserve Fund (Discussion/Action)
11. Board Matters & Staff Matters (Discussion)
12. Adjourn

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

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation or an alternative format, please call MCE at 1 (888) 632-3674 at least 72 hours before the meeting start time to ensure arrangements for accommodation.

DRAFT

MCE BOARD MEETING MINUTES

Thursday, June 15, 2023

7:00 P.M.

Present:

Pat Ravasio, Alternate, Town of Corte Madera
Barbara Coler, Town of Fairfax
Cindy Darling, City of Walnut Creek
Alexis Fineman, Town of San Anselmo
David Fong, Town of Danville
Joelle Gallagher, Alternate, County of Napa and All Four Napa Cities
John Gioia, Contra Costa County
Kerry Hillis, Town of Moraga
Eduardo Martinez, City of Richmond, joined at 7:24pm
Aaron Meadows, City of Oakley
Lisa Motoyama, Alternate, City of El Cerrito
Laura Nakamura, Alternate, City of Concord
Beth Painter, City of Napa
Max Perrey, City of Mill Valley
Katie Rice, County of Marin
Matt Rinn, City of Pleasant Hill
Shanelle Scales-Preston, City of Pittsburg
John Vasquez, County of Solano
Susan Wernick, City of Novato
Sally Wilkinson, City of Belvedere

Absent:

Kari Birdseye, City of Benicia
Gina Dawson, City of Lafayette
Kevin Haroff, City of Larkspur
Janelle Kellman, City of Sausalito
C. William Kircher, Town of Ross
Maika Llorens Gulati, City of San Rafael
Devin Murphy, City of Pinole
Charles Palmares, City of Vallejo
Scott Perkins, City of San Ramon
Patricia Ponce, City of San Pablo
Holli Thier, Town of Tiburon
Brianne Zorn, City of Martinez
K. Patrice Williams, City of Fairfield

Staff

& Others: Jessica Brooks, Board Clerk
Michael Callahan, Associate General Counsel, Policy
Darlene Jackson, Lead Board Clerk

DRAFT

Vicken Kasarjian, COO
Caroline Lavenue, Legal Counsel
Catalina Murphy, General Counsel
Jamie Tuckey, Chief of Staff
Dawn Weisz, CEO
Amulya Yerrapotu, Policy Analyst

1. Roll Call

Chair Scales-Preston called the regular meeting to order at 7:06 p.m. with quorum established by roll call.

2. Board Announcements (Discussion)

There were comments from City of Concord Alternate Nakamura.

3. Public Open Time (Discussion)

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

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 4.20.23 Meeting Minutes
- C.2 Approved Contracts for Energy Update
- C.3 Board of Directors Voting Shares

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

Action: It was M/S/C (Vasquez/Rinn) **to approve Consent Calendar items C.1 - C.3.** Motion carried by unanimous roll call vote. (Absent: Birdseye, Dawson, Haroff, Kellman, Kircher, Gulati, Murphy, Palmares, Perkins, Ponce, Thier, Zorn, and Williams).

6. Proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq. (Discussion/Action)

Caroline Lavenue, Legal Counsel, introduced this item and addressed questions from Board members.

DRAFT

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

Action: It was M/S/C Darling/Rinn) to approve the Proposed Resolution No. 2023-07 Adopting a Reimbursement Policy for Board Members in Accordance with California Government Code § 53232 et seq. Motion carried by unanimous roll call vote. (Absent: Birdseye, Dawson, Haroff, Kellman, Kircher, Gulati, Murphy, Palmares, Perkins, Ponce, Thier, Zorn, and Williams).

7. Proposed Amendment to MCE Operating Rules and Regulations (Discussion/Action)

Caroline Lavenue, Legal 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 (Martinez/Rice) to authorize the Proposed Amendment to MCE Operating Rules and Regulations to proceed for approval at the next regular Board meeting. Motion carried by unanimous roll call vote. (Absent: Birdseye, Dawson, Haroff, Kellman, Kircher, Gulati, Murphy, Palmares, Perkins, Ponce, Thier, Zorn, and Williams).

8. Policy Update of Regulatory and Legislative Items (Discussion)

Michael Callahan, Associate General Counsel, Policy and Amulya Yerrapotu, Policy Analyst, 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.

9. Resolution 2023-08 Honoring Director Kevin Haroff (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 (Scales-Preston/Coler) to approve Resolution No. 2023-08 Honoring Board Member Kevin Haroff. Motion carried by unanimous roll call vote. (Absent: Birdseye, Dawson, Haroff, Kellman, Kircher, Gulati, Murphy, Palmares, Perkins, Ponce, Thier, Zorn, and Williams).

DRAFT

10. Board Member Additions 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 (Darling/Fong) to **approve addition of Board Members to Committees**. Director Wilkinson to the 2023 Ad Hoc Contracts Committee. Director Perrey to the 2023 Ad Hoc Audit Committee. Motion carried by unanimous roll call vote. (Absent: Birdseye, Dawson, Haroff, Kellman, Kircher, Gulati, Murphy, Palmares, Perkins, Ponce, Thier, Zorn, and Williams).

11. Board Matters & Staff Matters (Discussion)

There were no comments.

12. Adjournment

Chair Scales-Preston adjourned the meeting at 8:54 p.m. to the next scheduled Board Meeting on July 20, 2023.

Shanelle Scales-Preston, Chair

Attest:

Dawn Weisz, Secretary



August 17, 2023

TO: MCE Board of Directors

FROM: Anne-Reed Arnaudo, 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 or her delegate and, if applicable, the Chair of the Technical Committee, since the last regular Board meeting in June. This report does also include four contracts executed by the Chair of the Board since the last regular Board meeting in June, which are identified in the table below. 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 | June 2023 | Purchase of Resource Adequacy | \$3,245,000 | Under 1 Year |
| 2 | June 2023 | Purchase of Renewable Energy | \$149,600 | 1-5 Years |
| 3 | June 2023 | Purchase of Resource Adequacy | \$455,000 | Under 1 Year |
| 4 | June 2023 | Purchase of Resource Adequacy | \$275,000 | Under 1 Year |
| 5 | June 2023 | Purchase of CARB Allowance | \$114,520 | 1-5 Years |
| 7 | June 2023 | Purchase of Resource Adequacy | \$13,726,800 | 1-5 Years |
| 6 | July 2023 | Sale of Import Allocation Rights | \$19,420 | Under 1 Year |
| 8 | July 2023 | Purchase of Resource Adequacy | \$3,250,000 | Under 1 Year |
| 9 | July 2023 | Purchase of System Energy (Hedge)* | \$8,082,011 | 1-5 Years |
| 10 | July 2023 | Purchase of System Energy (Hedge)* | \$4,414,200 | 1-5 Years |
| 11 | July 2023 | Purchase of System Energy (Hedge)* | \$11,041,320 | 1-5 Years |
| 12 | July 2023 | Purchase of System Energy (Hedge)* | \$3,440,869 | 1-5 Years |
| 13 | July 2023 | Purchase of System Energy (Hedge) | \$868,500 | Under 1 Year |
| 14 | July 2023 | Sale of Resource Adequacy | \$2,906,900 | Under 1 Year |

*These four contracts were executed by the Board Chair since the last regular Board meeting in June.

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.



August 17, 2023

TO: MCE Board of Directors

FROM: Vidhi Chawla, Interim Vice President of Power Resources
John Dalessi, President and CEO, Pacific Energy Advisors

RE: Deep Green Update and Adjustment to Default (Agenda Item #06)

Dear Board Members:

Summary:

On August 18, 2022, MCE Board of Directors approved the staff proposal to make Deep Green 100% renewable energy the default service pilot option for New Accounts¹ receiving service with MCE, as of January 1, 2023. In addition to Deep Green service, customers starting a new account were also provided with the option to choose Light Green 60% renewable, Local Sol 100% local solar, or to opt out of MCE's electric generation service.

This pilot significantly accelerated MCE's progress towards achieving our mission to combat climate change by eliminating fossil fuel greenhouse gas emissions, producing renewable energy, and creating equitable community benefits. As of August 2023, Deep Green enrollments are at maximum capacity with over 67,000 accounts, representing a 406% increase since December 2022. Additionally, to ensure equitable access for lower income customers enrolled in discount rate programs, more than 7,500 customers are receiving Deep Green at no extra cost.

Due to this milestone achievement and the need to meet increased renewable demand, MCE recommends pausing Deep Green as the default service option.

¹ New Accounts refers to customers that are starting MCE service based on the creation of a new PG&E account. In the event of a new community enrollment, MCE will determine feasibility of default enrolment into Deep Green in partnership with the member jurisdiction subject to the approval of your Board.

Recent Market Activity and Impacts on Procurement

If Deep Green continues as the default, it is expected that MCE would likely add another 35,000 accounts by the end of the year. To serve all the new Deep Green customers projected through the end of the year, Staff would need to procure roughly 500 GWh of additional renewable energy in 2023.

To meet this new demand for renewable energy, MCE must rely on short-term renewable energy purchases since this new demand was not part of MCE's long term procurement plans. Figure 1 below shows a split between long- and short-term purchases expected for the next five years to meet the growing demand for renewable energy for MCE. As can be seen from the figure, as MCE continues to add more long-term resources, the reliance on the short-term market decreases over time. This change will take place over time but in the meantime, MCE must rely on the short-term markets to meet the renewable energy targets.

Historically, MCE has used both long- and short-term renewable energy purchases to meet customer demand and Staff didn't anticipate any issues with meeting the new demand with short term purchases when Deep Green was adopted as the default option. However, the renewable energy market has gone through significant changes in 2023, to the point where it is extremely difficult to find the needed quantities even at very high prices. With this unexplained shortage of renewable energy supply, there is a concern that MCE may not be able to meet all the additional demand due to the increase in Deep Green customers.

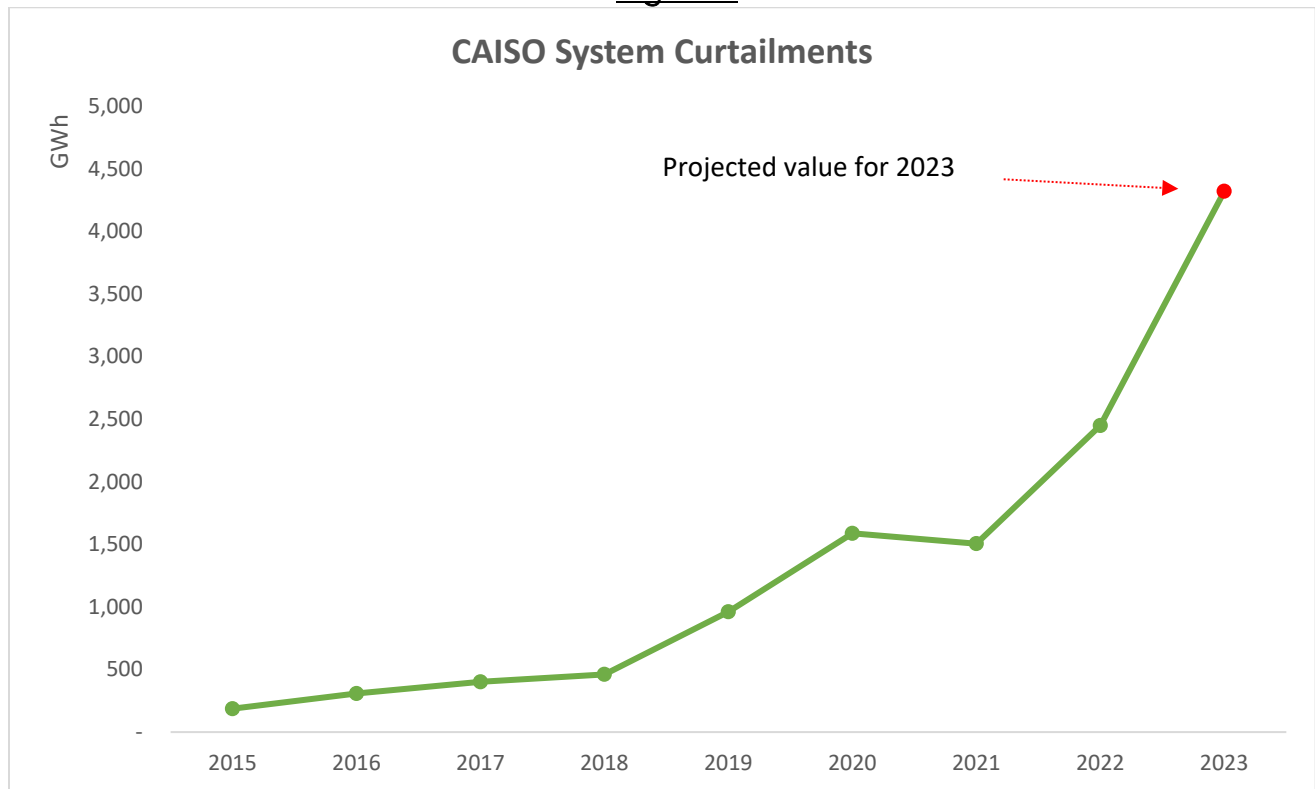
Figure 1



As part of other developments, the California Independent System Operator (CAISO)

system continues to experience increased curtailments for wind and solar resources, and this negatively impacts MCE's power supply. MCE must find replacement energy in the short-term markets to make up for the loss in generation due to curtailments. As shown in figure 2 below, curtailments are expected to double between 2022 and 2023 in CAISO on a system wide basis.

Figure 2



Recent Procurement Activities and Changes to the Procurement Strategy

MCE has made significant progress towards building a long-term renewable portfolio. Since the beginning of 2022, MCE has executed seven long term Power Purchase Agreements for renewable energy and storage, adding approximately 1200 GWh of renewable energy every year, once all the projects come online. Additionally, despite the shortages in the current market, Staff has managed to secure contracts for approximately 6% more renewable energy in 2023 compared to 2022 and will continue to pursue opportunities to procure more as available through the rest of the year. Moving forward, Staff also plans to incorporate a long-term contracting metric into the procurement strategy to minimize reliance on the short-term markets.

Based on the information above, the following next steps could be considered:

1. Pause automatic enrollments to Deep Green, and instead default customers to Light Green.
2. Explore a 100% GHG-Free product offering that will match hourly customer

load with supply.

3. Re-evaluate making Deep Green the default again in 2024.
4. Continue to build the long-term renewable portfolio to minimize reliance on the short-term renewable energy markets.

Fiscal Impacts:

At the August 2022 Board meeting, Staff had estimated the fiscal impacts of the additional Deep Green accounts to be approximately \$2.4 million in net revenue. However, due to the recent changes in the market, we estimate a net cost of \$4.3 million so far in 2023.

Recommendation:

1. Pause Deep Green auto enrollments and make Light Green the default service option at the end of the current billing cycle.
2. Direct Staff to explore a new service offering - 100% GHG-Free product that will match hourly customer load with supply.



August 17, 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 June 2023 Board meeting, your Board authorized the Proposed Amendment to MCE Operating Rules and Regulations ("ORR") to proceed for approval at the next regular Board meeting. Per Article VIII of the ORR, 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." The version that your Board authorized to proceed in June 2023 is the same version attached hereto.

For reference, the revisions to the ORR that the Board authorized to proceed for approval include:

- 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;
- 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.

Fiscal Impacts:

None.

Recommendation¹:

Approve the Proposed Amendment to MCE Operating Rules and Regulations for final adoption.

¹ As stated herein and pursuant to MCE's Operating Rules and Regulations, an amendment to the Operating Rules and Regulations requires a majority vote of the full membership. Therefore, with MCE's current number of member communities, at least 19 votes in favor of the amendment are needed for approval.

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:

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 meeting, 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

DEBTS, LIABILITIES AND OBLIGATIONS

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)

ARTICLE I

FORMATION

The Marin Clean Energy (“MCE”), formerly known as Marin Energy Authority ~~(the “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 ~~the Authority~~ MCE who executed the Agreement within 180 days of the establishment of ~~the Authority~~ MCE are the following:

The members of ~~the Authority~~ 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 ~~the Authority~~ MCE.

ARTICLE II

PURPOSES

~~The Authority~~ 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 ~~known as Marin Clean Energy~~ in accordance with the terms of the Agreement.

ARTICLE III

BOARD OF DIRECTORS

Section 1. ~~The Authority~~ 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 ~~the Authority~~ MCE one regular Director who shall be authorized to act for and on behalf of the Party on all matters within the power of ~~the Authority~~ MCE. The governing body of each Party also shall appoint and designate in writing to ~~the Authority~~ MCE one alternate Director who may vote on all matters when the regular Director is absent for a Board, Executive Committee meeting, 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 ~~the Authority.~~ 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 ~~of the Authority~~ shall be a Director. Duties of the Chairperson are to ~~supervise the preparation of review~~ the business agenda before MCE meetings, preside over ~~Authority~~ 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 Authority. The Board, the~~ term of the Secretary shall ~~be for one~~ 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 ~~the Authority~~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 ~~the Authority. Neither the Treasurer nor the Auditor needs to be a Director.~~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 ~~the Authority~~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. ~~Commencing in 2010, an annual~~A meeting of the Board shall be held ~~in June or near December~~ of each year to elect ~~the~~MCE Chairperson, Vice-Chairperson, and other officers of ~~the Authority~~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 ~~VHVI~~

VOTING

Section 1. Voting on ~~Authority~~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 ~~the Authority~~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.~~13~~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 ~~VIII~~VII

DEBTS, LIABILITIES AND OBLIGATIONS

As provided by Section 2.3 of the Agreement, the debts, liabilities and obligations of ~~the Authority~~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 ~~the Authority~~MCE. A Party who has not agreed to assume ~~an Authority~~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 ~~the Authority~~MCE.

ARTICLE ~~IX~~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.



August 17, 2023

TO: MCE Board of Directors

FROM: Stephanie Chen, Director of Legislative Affairs

RE: MCE Climate Action Leadership Award Nomination (Agenda Item #08)

Dear Board Members:

Summary:

MCE created the Climate Action Leadership Award in 2020 to celebrate policymakers and advocates who have made significant contributions toward California's fight against climate change through clean energy policies that benefit CCA customers. Each year, MCE's staff have recommended, and MCE's Board has selected, an individual who has made an important impact during the past year or over an extended career in service to the public. The award is open to 1) regulators, legislators, and other government decision-makers; and 2) stakeholders who have partnered with MCE to effectively advocate for policies that benefit MCE's communities and our planet.

In 2020, the inaugural Climate Action Leadership Award was presented to California Senator Mike McGuire (D-Healdsburg), and the 2021 Leadership Award was presented to California Assemblymember Cecilia Aguiar-Curry (D-Winters). Last year, the 2022 Leadership Award recipients included the four federal Senators and Members of Congress who secured MCE's first-ever community-directed spending proposals: Senator Dianne Feinstein, Senator Alex Padilla, Congressman John Garamendi, and Congressman Jared Huffman.

At this time, staff respectfully submits a nomination for Assemblymember Damon Connolly, who is a founding Board Member of MCE and was instrumental in building the community choice aggregation movement in California. Assemblymember Connolly continues to champion community choice and clean energy as a newly elected Assemblymember representing Marin and Sonoma counties.

Assemblymember Connolly has served the North Bay in the California State Assembly since November 2022. Assemblymember Connolly sits on key environmental and energy committees, including the Committees on Utilities and Energy, Environmental

Safety and Toxic Materials, and the Budget Subcommittee on Climate Crisis, Resources, Energy, and Transportation, as well as select committees on Electric Vehicles and Charging Infrastructure and Offshore Wind Energy in California. In his first year in office, Assemblymember Connolly has authored 22 bills, including Assembly Bill 998, which identifies opportunities to upgrade existing and shuttered biomass combustion plants to newer, cleaner technologies. This bill will support greenhouse gas reduction and air quality improvements in nearby communities, a key focus in Assemblymember Connolly's advocacy.

With nearly two decades in public service, Assemblymember Connolly has served as Marin County Supervisor, Vice Mayor of San Rafael, School Board President, and California Deputy Attorney General. In his role as County Supervisor, Assemblymember Connolly set Marin County on a path toward 100 percent renewable energy without compromising the County's fiscal house. In addition to being a founding Board Member, Assemblymember Connolly served as the Chair of the Board of Directors at MCE from June 2011 to November 2014.

Always a champion of clean energy, in his first year in office Assemblymember Connolly has shown his commitment to community choice and support of MCE.

Assemblymember Connolly continues to advocate for bills that maintain MCE's independent authority to buy renewable energy for our communities and represent our voice in committee hearings on reliability and interconnection. His leadership has and will continue to ensure climate protection for the State in addition to funding for California communities across a wide range of issue areas.

Fiscal Impacts:

None

Recommendation:

Approve staff's recommendation to present 2023 Climate Action Leadership Award to Assemblymember Damon Connolly at the annual Board Retreat.



August 17, 2023

TO: MCE Board of Directors

FROM: Catalina Murphy, General Counsel

RE: Resolution No. 2023-09 Accepting Congressionally Directed Spending Project from the Golden Fields Office of the U.S. Department of Energy (Agenda Item #09)

ATTACHMENT: Proposed Resolution No. 2023-09 Accepting Congressionally Directed Spending Project from the Golden Fields Office of the U.S. Department of Energy

Dear Board Members:

Summary:

In April, your Board accepted the awarded funds from two pending earmark awards that were included in the Federal budget process. The Proposed Resolution No. 2023-09 Accepting Congressionally Directed Spending Project from the Golden Fields Office of the U.S. Department of Energy ("Proposed Resolution") seeks to have your Board approve the third and final pending earmark awarded to MCE for Fiscal Year 2023. The third earmark will be administered by the Golden Fields Office of the U.S. Department of Energy ("DOE") for energy projects in support of energy efficiency and renewable energy and is for \$1,000,000 with a required match by MCE of 50% ("Awarded Funds"). For an award that requires matching funds, the DOE would provide \$500,000 and MCE would be required to contribute \$500,000 to total an award of \$1,000,000.

The Awarded Funds will be used to build upon MCE's efforts to provide financial and technical support to install customer-owned behind-the-meter battery energy storage paired with solar for at least 4 critical facilities, or those that provide essential services during emergencies, in MCE's service area. MCE's goal with the projects is to increase resiliency against power outages and overall electric grid stability, and to lower energy costs and carbon emissions by reducing or eliminating a participant's out-of-pocket costs of purchasing and installing solar storage systems.

The Proposed Resolution would allow MCE to accept the Awarded Funds and enter into

the necessary agreements with the DOE to use the funding for the projects described above, consistent with the DOE grant requirements. Staff recommends approval of the Proposed Resolution.

Fiscal Impacts:

If approved, MCE will receive \$500,000 from the DOE to fund at least 4 customer-owned battery energy storage projects paired with solar at critical facilities. MCE would also be required to provide a match fund of 50%, making the total contribution \$1,000,000. MCE's match funds would be funded through MCE's FY 23/24 Resiliency Fund of the Board-approved budget.

Recommendation:

Approve Proposed Resolution No. 2023-09 Accepting Congressionally Directed Spending Project from the Golden Fields Office of the U.S. Department of Energy.

RESOLUTION No. 2023-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY ACCEPTING CONGRESSIONALLY DIRECTED SPENDING PROJECT FROM THE GOLDEN FIELDS OFFICE OF THE U.S. DEPARTMENT OF ENERGY

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 Golden Field Office of the U.S. Department of Energy (“DOE”) is responsible for processing and administering an award for the Congressionally Directed Spending project identified for funding in the Energy and Water Development and Related Agencies Appropriations Act, 2023 as part of the Federal budget for Fiscal Year 2023 (“FY2023 Act”); and

WHEREAS, MCE has been awarded one grant under the FY2023 Act for energy projects in support of energy efficiency and renewable energy in the amount for \$1,000,000 with a required match of 50% by MCE (“MCE Awarded Funds”). For an award that requires matching funds, the DOE would provide \$500,000 and MCE would be required to contribute \$500,000 to total an award of \$1,000,000; and

WHEREAS, MCE intends to use the MCE Awarded Funds in furtherance of MCE’s existing efforts to provide financial and technical support to install behind-the-meter battery energy storage paired with new or existing solar for at least 4 critical facilities or nonresidential customers that provide emergency services in MCE’s service area; and

WHEREAS, the DOE may approve funding allocations for the MCE Awarded Funds, subject to the terms and conditions of the FY2023 Act requirements, the grant agreement, and any other any other requirements between DOE and MCE.

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

1. If MCE receives the MCE Awarded Funds from the DOE pursuant to the above referenced FY2023 Act, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state

and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the FY2023 Act, as well as the grant agreement and any other requirements between DOE and MCE.

2. The Chief Executive Officer of MCE (“CEO”) is hereby authorized and directed to receive the MCE Awarded Funds, in an amount not to exceed \$500,000 from the DOE and provide a match fund of \$500,000 by MCE, in accordance with all applicable rules and laws.
3. The CEO hereby agrees to use the MCE Awarded Funds for eligible activities as approved by DOE and in accordance with all program requirements, and other rules and laws, as well as in a manner consistent and in compliance with the grant requirements.
4. The CEO is authorized to execute the necessary grant agreements and any subsequent or modifications thereto, as well as any other documents necessary to complete the receipt of the MCE Awarded Funds, as DOE may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 17th day of August 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



August 17, 2023

TO: MCE Board of Directors

FROM: Garth Salisbury, Chief Financial Officer & Treasurer

RE: Proposed Fiscal Year 2022/23 Deposit to MCE's Operating Reserve Fund (Agenda Item #10)

ATTACHMENTS: A. MCE Policy 016: Operating Reserve Fund ("ORF Policy")
B. Resolution 2019-06 Establishing a New Operating Reserve Fund

Dear Board Members:

Summary:

In November of 2019 the Board of Directors approved Resolution 2019-06 creating the Operating Reserve Fund ("ORF"). The ORF allows MCE to defer revenue in years when financial results are strong to be used in future years when financial results may not be as strong. The ORF was created under Government Accounting Standard Board (GASB) Standard 62 which allows an accounting treatment where revenue is deferred into the future when it might be needed to satisfy covenants or other financial requirements. Revenue deferred from a fiscal year is not recognized in that year and reduces the net revenue and the addition to Net Position¹ in that year. As required by Resolution 2019-06 and the ORF Policy, the MCE Board must act to effectuate a transfer of revenues to, or from, the ORF. Since the creation of the ORF in 2019, the Board has approved transfers into the ORF totaling \$15 million.

Operating Reserve Fund Policy: The ORF Policy allows the Chief Financial Officer or Treasurer to defer revenues into the ORF when the net revenues (addition to Net Position) are projected to exceed 5% of total revenues in a fiscal year. The ORF Policy has a targeted maximum balance of 10% of the total revenues in the current fiscal year.

¹ Net Position: Defined as the cumulative difference between annual revenues (operating and non-operating) and annual expenses (operating and non-operating).

Fiscal Year 2022/23 Recommended Deferral into the ORF: In Fiscal Year 2022/23 which ended on March 31, the total addition to Net Position was approximately \$56 million. This represents 8.2% of total revenues, which exceeds the Policy's minimum transfer threshold of 5%. Staff recommends a transfer of **\$15 million** to the ORF for Fiscal Year 2022/23 which would bring the ORF total to \$30 million, representing 4.4% of total revenues, well below the targeted maximum balance of 10%.

Fiscal Impacts: A deferral of \$15 million to the ORF for the year will reduce the addition to Net Position from \$56 million to approximately \$41 million and increase the balance in the ORF to \$30 million.

Recommendation: Approve a deferral of \$15 million in Fiscal Year 2022/23 revenues into the ORF.

APPROVED

Date: 11/19/2020

MARIN CLEAN ENERGY



POLICY 016: Operating Reserve Fund

Policy Purpose

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

Policy Statement

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

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

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

Policy Directives

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

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

then current fiscal year.

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

NOV 21 2019

RESOLUTION 2019-06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
MARIN CLEAN ENERGY ESTABLISHING A NEW OPERATING RESERVE FUND**

WHEREAS, Marin Clean Energy (MCE) is a joint powers authority established on December 19, 2008, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, MCE members include the following communities: the County of Marin, the County of Contra Costa, the County of Napa, the County of Solano, the City of American Canyon, the City of Belvedere, the City of Benicia, the City of Calistoga, the City of Concord, the Town of Corte Madera, the Town of Danville, the City of El Cerrito, the Town of Fairfax, the City of Lafayette, the City of Larkspur, the City of Martinez, the City of Mill Valley, the Town of Moraga, the City of Napa, the City of Novato, the City of Oakley, the City of Pinole, the City of Pittsburg, the City of 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 Walnut Creek, and the Town of Yountville; and

WHEREAS, on February 18, 2016, the Board of Directors adopted a Reserve Policy (Policy 013), the terms of which, as amended from time to time, provide a policy framework for accumulating and maintaining a reserve in MCE's general operating fund (the "General Reserve") at a target funding level as part of MCE's annual budget and rate setting processes; and

WHEREAS, Policy 013 contemplates that the General Reserve may be utilized to satisfy working capital requirements, procure energy at competitive rates, adhere to loan covenants, cover unanticipated expenditures, and support rate stability, among other things; and

WHEREAS, the Board of Directors deems it prudent to establish, designate, and maintain, separately from the General Reserve, an operating reserve fund (the "Operating Reserve Fund") to provide a contingency available to satisfy financial covenants, rate stabilization, and such other matters as may be approved from time to time by the Board of Directors, and to be funded as deferred surplus revenues from time to time following annual funding and maintenance of the General Reserve at the level and in the manner specified in Policy 013; and

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

A. The Board of Directors hereby establishes an operating reserve fund designated the "Operating Reserve Fund," which shall be accounted for as a separate fund from all other MCE funds, although amounts credited to it may be commingled with other funds of MCE. The Operating Reserve Fund shall be subject to the Investment Policy (Policy 014) adopted by the Board of Directors, as in effect and amended by the Board of Directors from time to time.

B. The Board of Directors hereby authorizes the Chief Executive Officer, the Director of Finance, or the Treasurer, and their respective designees to deposit, from time to time, such amount as each such officer may determine as prudent and appropriate into the Operating Reserve Fund from any source of legally available surplus funds; provided, the Board of Directors later approves such deposit at the next scheduled meeting of the Board of Directors.

C. The Operating Reserve Fund shall be recognized by GASB 62 and provide a contingency available upon approval by the Board of Directors to satisfy financial covenants, rate stabilization, and such other matters as may be approved from time to time by the Board of Directors.

D. The Director of Finance, the Treasurer, and any designee appointed by the Director of Finance or the Treasurer, are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.


PASSED AND ADOPTED at a regular meeting of the MCE Board of Directors on this 21st day of November 2019, by the following vote:

| | AYES | NOES | ABSTAIN | ABSENT |
|-------------------------|------|------|---------|--------|
| County of Marin | ✓ | | | |
| Contra Costa County | ✓ | | | |
| County of Napa | | | | ✓ |
| County of Solano | | | | ✓ |
| City of American Canyon | | | | ✓ |
| City of Belvedere | ✓ | | | |
| City of Benicia | ✓ | | | |
| City of Calistoga | | | | ✓ |
| City of Concord | | | | ✓ |
| Town of Corte Madera | ✓ | | | |
| Town of Danville | | | | ✓ |
| City of El Cerrito | ✓ | | | |
| Town of Fairfax | ✓ | | | |
| City of Lafayette | ✓ | | | |
| City of Larkspur | ✓ | | | |
| City of Martinez | | | | ✓ |
| City of Mill Valley | | | | ✓ |
| Town of Moraga | ✓ | | | |
| City of Napa | | | | ✓ |

| | | | | |
|----------------------|---|--|--|---|
| City of Novato | | | | ✓ |
| City of Oakley | ✓ | | | |
| City of Pinole | ✓ | | | |
| City of Pittsburg | | | | ✓ |
| City of 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 Walnut Creek | ✓ | | | |
| Town of Yountville | | | | ✓ |


 CHAIR, MCE

Attest:


 SECRETARY, MCE



July 20, 2023

TO: MCE Board of Directors

FROM: Michael Callahan, Associate General Counsel

RE: Policy Update of Regulatory and Legislative Items

ATTACHMENT: Regulatory Packet with June Filings

Dear Board Members:

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

I. **Legislative Advocacy**

a. **State Legislative Advocacy**

Policy

The Legislature just finished its month-long summer recess and it now enters the final stretch before session wraps up on Thursday, September 14. Over the next few weeks, all bills will undergo final votes and either pass into law or not advance. The following table summarizes the bills still moving through the process that MCE has taken a position on.

| Bill Number and Author | Subject | MCE Position |
|------------------------------------|--|--------------|
| SB 233 (Skinner) | Bidirectional charging in EVs | Support |
| SB 306 (Caballero) | Equitable Building Decarbonization Program | Support |

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|-------------------------------------|---|---------|
| SB 511 (Blakespear) | GHG emissions inventories for cities and counties | Support |
| AB 593 (Haney) | Carbon neutral buildings strategy by 2045 | Support |
| AB 998 (Connolly) | Biomass and noncombustion technology | Support |
| AB 1373 (Garcia) | Central Procurement, Resource Adequacy, Integrated Resources Planning | Neutral |

State Budget

The Governor signed a basic state budget on Tuesday, June 27, which included funding for priority programs in efficiency, distributed energy resources, and transportation electrification. This \$310 billion spending plan is merely an outline, with adjustments expected throughout summer and fall as the state's revenues become more clear.

Policy bills associated with the budget (budget trailer bills) will continue to be negotiated throughout summer. Most notably, the energy/reliability trailer bill focused on central procurement is still undergoing policy discussions.

Assembly Leadership Transition

As of July 1, the State Assembly has a new leader - the transition to Speaker Robert Rivas brings about positive change for MCE's delegation in leadership roles. The following Assemblymembers have new positions:

- Assemblymember Aguiar-Curry will be the Assembly Speaker pro Tem
- Assemblymember Lori Wilson (Solano County) will be Majority Whip
- Assemblymember Connolly will chair the Joint Committee on Fairs Allocation and Classification

Governor's Infrastructure Package

The Governor's Infrastructure package - a key administration priority for water, energy, and transportation sectors - was signed into law Monday, July 10. This group of bills aims to streamline projects across the state by modifying permitting and environmental review processes for clean energy infrastructure.

b. Federal Legislative Advocacy

CCA Federal Fund Implementation Partner Letter

Representative Scott Peters (San Diego) is circulating a Dear Colleague joint legislator letter advocating in support of the important role CCAs, as community agencies, can play in implementing federal funds (like those made available in the Inflation Reduction Act) available to local governments and public agencies. MCE shared this with our federal delegation as well as other legislators representing communities served by CCAs.

II. California Public Utilities Commission

a. Energy Efficiency

On June 29, 2023 the CPUC voted unanimously in support of a Final Decision approving MCE and other program administrator's 2024-2027 energy efficiency ("EE") portfolio applications and 2028-2031 business plans. The Decision responds to MCE and program administrators ("PAs") application and business plan filings from winter of 2022. The Decision authorizes: (1) a total budget of \$4.3 billion dollars statewide from 2024-2027 for ratepayer funded energy efficiency programs; (2) approves \$78,217,316 dollars for MCE's energy efficiency programs from 2024-2027; (3) forecasts approving an additional \$80,063,445 for MCE's energy efficiency programs from 2028-2031; (4) In total, the Decision forecasts approving \$158,280,761 dollars in funding for MCE's energy efficiency programs from 2024-2031. The Decision approves all of MCE's proposed programs and funding requests outside of its event-based demand response program, the Peak FLEXmarket.

MCE filed opening comments on June 14, 2023, reply comments on June 22, 2023 and participated in three ex parte meetings with CPUC Commissioners' staff during June 2023. MCE advocated for greater integration of demand response measures and programs in the EE portfolio programs. In addition to advocating for the extension of its Peak FLEXmarket program, MCE successfully advocated for additional funding for the integrated demand side management program ("IDSM") and the market access approach ("MAP"). The Final Decision authorizes MCE and the investor-owned utilities to offer MAPs and all PAs to use up to \$4 million of its approved portfolio budgets on IDSM measures.

MCE further advocated (a) in support of CCA, local and regional EE programs in opposition of precedence and preference for statewide programs; (b) how to best layer complementary outside funds into portfolio programs; (c) for greater consideration of non-energy benefits; (d) in support of the creation of a regional local government program administrator called the Rural Regional Energy Network ("R-REN") and corresponding programs filed by Redwood Coast Energy Authority.

The Final Decision declined to adopt new precedence and preference for statewide programs over non-statewide programs, require ordering of outside funds and to consider non-energy benefits beyond the equity segment of portfolio programs. The Final Decision approved the R-REN and its proposed programs.

b. Integrated Resource Planning

On August 1, 2023, as part of its on-going Integrated Resource Planning (IRP) compliance obligations, MCE submitted to the CPUC its biannual filing demonstrating MCE's full compliance with all near- and mid-term reliability procurement mandates to date.

To meet urgent and intensifying reliability challenges over the next decade, the CPUC has issued a series of procurement mandates since 2019 to drive load-serving entities (LSEs) to procure sufficient amounts of new capacity every year. MCE has met and exceeded its share of this procurement for years 2021 through 2023, and is on track towards meeting requirements for years 2024-2028. In all, MCE's procurement share amounts to upwards of 500 MW of net qualifying capacity by 2028, representing various technology types and resource attributes. To date, MCE has brought online approximately 150 MW of net qualifying capacity (representing approximately 210 MW of nameplate generation capacity and 65 MW of battery storage) towards this requirement and has the balance of its obligations largely under contract. Nameplate capacity is the maximum output that an energy generation facility can produce under ideal conditions. Net qualifying capacity, on the other hand, takes into account certain factors, such as equipment maintenance or system losses, that may affect the actual output of energy generation facility.

c. Resource Adequacy

i. Final Decision Approved

Resource adequacy (RA) is a CPUC requirement for electricity providers to contract with enough generation resources to meet 116% of their expected peak needs to ensure there are adequate resources on the grid to account for outages and emergencies.

On June 29, 2023 the CPUC approved a Final Decision addressing near-term changes to the RA requirements for 2024 Compliance Year. In addition to resolving the traditional annual RA issues, as described in the June Policy Update, the Final Decision ultimately adopted the controversial new RA penalty that would apply to CCAs that fall short of RA requirements. Under the newly adopted penalty, a CCA cannot expand to serve new communities unless the CCA has complied with its RA obligations during the two calendar years prior to submitting a revised implementation plan.

MCE supports a robust and resilient RA compliance program that strongly incentivizes RA procurement and, prior to the CPUC's vote, filed comments and met with Commissioners' offices to challenge the proposed expansion prohibition rule. MCE argued that the

CPUC's approach was ill-advised as it would undermine CCA competition with utility providers, and if pursued, the expansion prohibition rule needed to allow for LSEs to cure RA deficiencies in time to avoid any expansion prohibition. Curing RA deficiencies would (a) demonstrate a LSE's ability to procure its RA obligations, (b) incentivize LSEs to ultimately provide needed capacity to support grid reliability; (c) avoid increasing RA compliance costs for solely for non-utility LSEs; and (d) better tailor the penalty to the RA market realities and capacity shortages with which all LSEs are contending.

In response to party comments, the CPUC modified the expansion prohibition rule to allow for limited application if (a) an LSE cured any year-ahead RA deficiency at least two years before serving new load; or (b) RA deficiencies in either the year-ahead or month-ahead time frame were less than 1% of a LSE's system RA requirements.

To date, MCE is fully compliant with all RA obligations and is not affected by the expansion prohibition rule.

ii. CalCCA Application for Rehearing

On July 26, 2023, CalCCA filed an Application for Rehearing (AfR) of the RA Final Decision summarized above, challenging the expansion prohibition rule and asserting that the CPUC, in adopting the rule, (a) exceeds its statutory jurisdiction over CCAs' implementation plans by creating new enforcement powers; (b) discriminates against non-utility LSEs; and (c) acted in a manner unsupported by the record established in the proceeding.

The CPUC has 60 days to rule on the merits of the AfR.

d. Provider of Last Resort

On July 10, 2023, and July 31, 2023, CalCCA filed its Opening and Reply Brief in the CPUC's Provider of Last Resort (POLR) proceeding, respectively. The proceeding is intended to evaluate the state's POLR regulations to ensure reliability and continuity of service for customers whose Load Serving Entity (LSE) fails.

CalCCA's filings reiterated positions that had been advocated for throughout the proceeding, aiming to ensure that any changes to POLR requirements, including Financial Security Requirements for CCAs, do not unnecessarily burden or threaten the financial health of CCAs.

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

e. Demand Flexibility

In its Demand Flexibility rulemaking, the CPUC is currently evaluating several proposals to implement Income Graduated Fixed Charges (IGFC) for residential customers on the PG&E and other Investor Owned Utilities' (IOU's) components of customer bills, as required by legislation passed in 2022. IGFCs can impact demand flexibility because they can limit the portion of the bill a customer can influence through behavior or equipment changes.

On July 31, 2023, CalCCA filed a response to an Administrative Law Judge Ruling requesting comments on the implementation of the IGFCs. CalCCA's comments recommend that that CPUC require the IOUs to: (1) begin outreach to customers regarding the IGFC before the implementation phase begins; (2) include CCAs in any working groups related to IGFC implementation, marketing, education and outreach; and (3) only include fixed costs (e.g. delivery costs for poles and wires and not volumetric energy costs) in the IGFC.

MCE will continue to engage in this proceeding with CalCCA and will update the Board as the proceeding progresses. A decision on IGFC implementation is expected in Q1 2024.

f. Demand Response

On July 14, 2023, MCE, alongside 4 other CCAs (the Joint CCAs), submitted an Opening Brief to the CPUC 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.

The Joint CCAs called for: (1) a working group process to support data exchange between DR programs; (2) modifications to the CPUC's ELRP to improve the transparency of results and value for ratepayers; and (3) allowing CCA DR programs to qualify for customers receiving certain financial incentives that also require participation in a DR program.

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

MCE continues to participate in the Green Access Programs Application for Review proceeding alongside other CCAs to protect and expand successful CCA community solar programs. On July 31st, 2023, MCE joined the Joint CCAs in filing opening comments on an ALJ ruling requesting more information on cost effectiveness of existing programs. The Joint CCAs emphasized the importance of equity focused programs like the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs which serve low-income customers living in disadvantaged communities, ensuring they have access to clean solar generation and deep bill discounts.

Additionally, MCE, alongside three other CCAs, has been meeting with staff from the offices of President Reynolds, Commissioner Douglas, Commissioner Reynolds, and Commissioner Houck to advocate for the existing DAC-GT and CS-GT programs, highlighting the historic success of DAC-GT and suggesting modifications to CS-GT to improve project viability.

III. California Energy Commission

a. Equitable Building Decarbonization Program

On June 30th, 2023 MCE submitted comments on the CEC's Equitable Building Decarbonization (EBD) program Draft Guidelines. MCE comments: (1) supported the goals of the program to offer beneficial electrification and decarbonization measures to historically underserved customers facing barriers to clean energy programs; (2) argued for consideration of locally-led and CCA administered direct install programs; (3) supported self-attestation to verify income in direct install programs serving low-to-moderate income customers, as MCE also utilizes in its Home Energy Savings (HES) energy efficiency program; (4) argued for a public process to appropriate EBD funds to expand existing programs; (5) and shared both lessons learned and details on MCE's related equity focused direct install programs. MCE met virtually with CEC staff leading on EBD implementation on July 27th, 2023 to share its perspective on successful implementation strategies. The CEC plans to issue final program Guidelines in the fall of 2023 and offer solicitations for the program in the fall/winter of 2023.

IV. California Independent System Operator

a. Extended Day Ahead Market Enhancements Initiative

On June 28, 2023 CalCCA submitted limited comments addressing technical elements of CAISO's Extended Day Ahead Market Enhancements (EDAM) initiative. This CAISO initiative seeks to improve market efficiencies and California's access to resources by extending the current day-ahead CAISO market to other, out-of-state market participants within the West. Extension of the CAISO market will help CAISO optimize and schedule resources on a day-ahead basis by accessing resources across a larger geographic footprint. CalCCA's comments focused on technical constraints and requirements related to limiting the export of energy from California and ensuring resource sufficiency.

b. Capacity Procurement Mechanism Enhancements

The Capacity Procurement Mechanism (CPM) is a tool that allows CAISO to buy additional RA to ensure sufficient resources are procured to meet system needs, particularly if LSEs did not procure sufficient RA.

On July 24, 2023 CalCCA submitted comments supporting CAISO's proposal to increase the soft offer cap (e.g. the expected price CAISO would pay) for CPM resources to more accurately represent the market and resource costs.

c. Day Ahead Market Enhancements Initiative

On July 25, 2023 CalCCA submitted comments on the CAISO's Day Ahead Market Enhancements (DAME) initiative. This CAISO initiative seeks to better optimize CAISO's current day ahead market to minimize uncertainty and deviations between day ahead forecasting and scheduling and the real time market. CalCCA's comments focused on CAISO's proposal to implement changes to the day-ahead market so that CAISO's settlement processes have sufficient flexibility for LSEs to ensure revenues from committed RA resources are correctly allocated between the RA supplier and the LSE.

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 EE decision will nearly double MCE's existing EE budget. The RA decision may result in higher penalties if MCE is deficient in its RA requirements and delay the ability for MCE to include new communities. Changes adopted in the POLR proceeding may increase costs for CCAs in order to provide additional funding to a POLR if one is needed. The DAC-GT and CSGT advocacy may result in continued and expanded funding for MCE's community solar programs in areas of community need. The CEC's EBD program may supplement MCE's customer programs budgets. The CAISO EDAM and DAME initiatives are expected to lead to changes that help optimize the use of resources and reduce costs for all participants. The CAISO CPM Enhancement initiative may reasonably increase costs for RA purchased by CAISO to make up for MCE RA shortfalls. The remaining policy issues will result in uncertain or no direct fiscal impacts.

Recommendation: There are no recommended actions at this time.