

October 9, 2018

With all due respect for the many projects that each of you have on your plate, including the many hours that you have spent on the community strategic plan, your approval of this project in Ag Watershed and Ag Preserve is of concern in that you do not have sufficient time to gain expertise for a project of this magnitude.

I have spent hundreds of hours researching this project. I have interviewed government agents in Sacramento, Marin, Solano and Napa. I am far from an expert in this field, but I can assure you that there is far more negative impact than what initially meets the eye. (Exhibit A in my possession).

I most certainly understand your reasoning, as it was also my initial response, "Put it in American Canyon". However, the big picture is far more complicated. The underlying strategy that the developer has created is, in reality, quite a work of "art".

Mr. Halami has known all along that he would meet resistance to the Palm Drive project. He saw it at the community meeting and he has heard it from us over coffee and emails. He used the palm Drive project to get the County to do exactly what you are planning to do...settle on American Canyon. He even told us that he would not withdraw the permit for Palm Drive if we did not write a letter of support for the AC project.

October 1:

To be clear, if I were to entertain withdrawing the Palm Drive Solar project, I would need an assurance from you, Eileen, Laura and others that you would not intervene with the process on American Canyon and actually support the project. I'd be looking for a written statement of support from each of you. Given the tremendous amount of time, effort and capital our company has put into the development of both projects, it would be difficult for us to justify walking away from Palm Drive.


In short, we are all being "duped". And it is not only by Arron, the developer, it is by MCE.

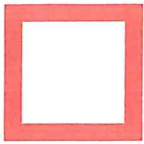
Jim Phelps: "Suggested edit: The proposed solar farm is in fact a privately held investment where the developer enters into an energy sales arrangement with Marin Clean Energy. Marin would be perfectly happy to carpet Napa with solar panels in order to advertise that Marin sells lots of clean energy. Napa's land use would be better served if these panels were located on building roofs. The solar farm is incompatible with the agricultural..."

By approving the AC project, Napa Planners are setting a precedent for MCE and developers to "carpet" Napa Valley. With no regulations in place, Napa County is the weak-link for MCE. All of the surrounding counties are aware of this situation and have protected themselves with legal restrictions. This project is just the "tip of the iceberg".

It is irresponsible and unreasonable to place a project of this magnitude in our County with no regulations in place. The WDO (Winery Definition Ordinance) was created to define, refine, and regulate wineries, the Conservation Regulations were created to regulate vineyard development. Why should solar be any different?

I realize this is close to the last minute before the October 17 public meeting and final declaration by the Planning Commission. However, I assure you that you are avoiding years of conflict and loss of respect by approving this project. You are shaping our future. If any person that owns land that cannot otherwise generate income is allowed to "plant" acres of silicone solar panels, Napa Valley will be the laughingstock of the Bay area.


LAURA TINTOFF



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MCE Shell Games -- v.2018

Posted by: [Jim Phelps](#) - March 10, 2018 - 10:14am

The history of MCE is marked by consumer deception and false advertising about the true cleanliness of the energy it delivers in the fight against global warming. In 2015, in response to public criticism, MCE claimed it would sever ties with Shell Oil: that by 2017 it would be free of Royal Dutch Shell's subsidiary Shell Energy North America.

Following mounting public criticism, MCE also promised to cease its use of renewable energy certificates, known as [RECs](#). This latter commitment garnered the support of the Sierra Club, whose attorney's referred to the use of RECs as "[deceptive marketing](#)" when PG&E proposed using these instruments in its now-abandoned "Green Option" that was proposed to compete with MCE.



Out with Shell...

In 2017, without fanfare, MCE's full services contract with Shell expired. Long-time critics and environmentalists watched in anticipation for this new day to arrive, when the misdeeds and misdirections of MCE and its CEO, Dawn Weisz, might cease along with MCE's exports of cash to Royal Dutch Shell in the Netherlands -- which, to date, top one-half *billion* dollars.

However, with MCE there is frequently a caveat.

Even though MCE announced it would no longer engage Shell with a "full-services" contract, a pipeline of energy purchases continued to flow to the oil giant. Those contracts ranged from \$10,000 to a [\\$27.3 million contract](#) that Weisz executed last month.

In a curious twist, MCE Chair Kate Sears was embroiled in a conflict of interest charge in late 2017

because she held Royal Dutch Shell stock while voting on MCE contracts with Shell. According to Supervisor Sears' Form 700 filings with the County of Marin, she also holds stock in Exxon-Mobil, Phillips 66, Occidental Petroleum, BP, Total (French oil company), Conoco Phillips, Chevron, and oilfield services company Schlumberger.

Nevertheless, with Shell's departure as manager of MCE's energy portfolio and energy scheduling, MCE was in immediate need of expertise to fill that void.

... in with conflicts of interest and investigations

MCE received six bids from firms that proposed managing MCE's energy portfolio and scheduling energy deliveries. MCE awarded a contract to [ZGlobal](#) by unanimous vote of the board, in June 2016. Part of the justification for selecting ZGlobal was that it offered what's known as "shadow settlement" services, which is a parallel reconciliation of the myriad of charges accrued during the delivery of electric power.

Ironically, Weisz ignored a public question about shadow settlements in 2009, when she brought her MCE entourage to Novato, seeking support for the pending launch of her fledgling enterprise.

MCE presumably conducted due diligence on ZGlobal, but it failed to identify that the company had caught the eye of investigators who were zeroing in on its conflicts of interest and double-dealing with southern California's Imperial Irrigation District (IID). [The Desert Sun](#), which was central to exposing financial improprieties, identified nearly \$100 million in billings and now-cancelled contracts involving ZGlobal. Those issues remain open.

ZGlobal will have a close relationship with MCE, particularly as pressure mounts for MCE to deliver on California's growing requirement for increased energy volumes starting in 2021. These needs will include solar development, engineering, and procurement of energy from new renewable resources. Many of these areas are similar to those at IID.

Birds of a feather?

MCE's selection of ZGlobal is telling of its decision-making and its peculiar attraction to companies embroiled in controversy. Previously, MCE became involved in a 120 acre solar development that failed, due in large part to [less than competent](#) management by MCE.

North American Power Group (NAPG) was to construct a 15 megawatt solar farm outside

Sacramento, in Rocklin, California. MCE's technical consultant, Kirby Dusel (Pacific Energy Advisors, located in Folsom, California, where ZGlobal is also located) referred to the contract with NAPG as a "fleeting" opportunity when recommending Rio Solar to MCE's board.

In reality, Rio Solar existed only as a concept. While MCE's technical consultants failed to grasp the multi-year time requirement for environmental reviews, MCE's board believed Rio Solar was just months away from commercial production.

After coming to terms with NAPG's zero-progress, including a sudden announcement to relocate the planned solar farm 300 miles south to Bakersfield, Rio Solar was quietly [cancelled](#) by Weisz.

The absence of Rio Solar's energy was the equivalent of Marin County's *entire residential electric load for three months*. Contrary to its prior assurances, MCE covered the clean energy shortfall with RECs.

NAPG itself subsequently came under Department of Justice investigation (eighteen months ago NAPG settled charges involving its carbon sequestration project with the Department of Energy). The DOJ found NAPG's owner "[fraudulently](#) transferred millions of dollars of award monies into his personal bank account and used the award monies to fund an extravagant lifestyle."

MCE's controversy was not limited to NAPG.

MCE entered into a \$190 million solar contract with a San Diego company by the name of enXco. MCE selected the firm over California's SunPower and domestic supplier LSPower. Weisz was careful to refer to "enXco," ignoring the identity of the company that actually owned enXco, when trumpeting the solar contract to Marin cities, during MCE's update tour about MCE's success.

A firestorm ignited when Marin residents discovered that enXco was a subsidiary of Électricité de France (EDF), the world's largest nuclear power company, headquartered in Paris.

The uncovering of EDF should have been an embarrassment for Weisz, who also touted MCE's rejection of nuclear power and calls for the closure of PG&E's Diablo Canyon nuclear power plant. However, the public's outrage only galvanized her resolve about retaining her rightful place as MCE's leader.

MCE went on to execute a 20-year contract valued at \$200 million for energy from "Desert Harvest." MCE's website, which identifies the 2016 agreement under its key documents as [Resolution T2016-](#)

01 takes viewers to some other agreement. According to a table in MCE's 2018 Integrated Resource Plan, Desert Harvest is owned by EDF.

To most public administrators, MCE's behavior would have been awkward for an agency that claimed transparency and community allegiance as justification for its existence compared to PG&E.

None of it mattered

For Weisz, a former county Planner earning \$54,000 per year and now closing in on \$300,000 at the helm of MCE, all of this was simply noise as Shell faded from the headlines. ZGlobal marked the close to a public relations fiasco.

With Shell's departure, Weisz & company wiped their hands and declared they had delivered on what was promised to the public. Shell was gone. That box was checked... in pencil.



Now it was time for Weisz to get back to work.

There were issues involving MCE's shifting positions on RECs; and operating costs that MCE and other CCAs had, for the time being, off-loaded onto PG&E. And, most urgent of all, a looming threat to CCA independence and its "self-regulated" existence from the utilities commission that was

beginning to piece together energy [problems](#) in California that were caused by CCAs.

But first things, first. Weisz's immediate priority was the continued shaping of the public narrative in order to better position MCE's public relations and to offset its critics. To achieve that, Weisz invoked a familiar posture that compelled her onlookers to take up a rallying cry, that caused local media to come to MCE's defense, that compelled MCE's board to circle the wagons around the MCE enterprise and cede its judgment to her.

The "Victim" -- Take 1:

When MCE launched into business in May 2010, PG&E sent a letter alerting customers to be aware of a coming energy change, that they would be switched into a program known as Community Choice Aggregation. PG&E's [letter](#) was information only -- neutral on the merits of CCA. Compared to MCE's Opt-Out notice, the primary difference was that PG&E's font size was large and easier to read, whereas MCE's notice was small and had the appearance of [junk mail](#).

In response, Weisz acted as if she couldn't believe PG&E's egregious behavior. How dare the big utility company engage in these anti-CCA practices by sending such a letter. PG&E was acting contrary to AB 117, the law that created CCAs. Could the California Public Utilities Commission (CPUC) please help her reign in PG&E's anti-competitive actions?

That plea prompted the CPUC to shut down PG&E's conversation about the advent of CCA with its customers. If PG&E protested, the Commission was ready to levy heavy fines. And if any customers called PG&E with questions, the utility was to remain neutral while those customers were switched into MCE.

Ironically, at the same time that the CPUC shut down PG&E's voice, Marin consumers, who lacked an arbitrator, were complaining about MCE's [unfair](#) Opt-Out practices.

Victim of the Unions & Sacramento – Take 2:

California legislators reacted to the shortcomings of CCAs by introducing AB 2145. The legislation would change the Opt-Out mechanism to Opt-In, meaning consumers would have to take action and elect to sign up for the program, rather than automatically being enrolled, thereby eliminating concerns of gaming and manipulating the Opt-Out enrollment system.

AB 2145 created an instant backlash in the CCA community, who feared that they would not be able

to build their businesses without the automatic enrollment feature. MCE claimed that AB 2145 was part of grand scheme that threatened jobs, cost savings, renewable energy, and of course, “choice.”

Of note, with the exception of three solar jobs that MCE claims, MCE has not created any on-going, full-time jobs in Marin, except those of its staff. MCE’s last cost savings compared to PG&E was *six-hundreds of 1%*, and its contribution to the renewable energy through the solar farms constructed through its "feed-in tariff program" is *one-tenth of 1% of its total energy load*.

A feed-in tariff is where a developer funds the complete construction of a solar farm and then receives a guaranteed fixed-payment for each megawatt-hour of energy that is delivered to MCE for resale. Except for public relations, MCE’s feed-in tariff program has been a financial loss – MCE pays more than twice current market prices for its feed-in tariff energy.

To combat AB 2145 legislative efforts, Weisz again positioned MCE as a victim of what she termed were PG&E's unfair business practices.

MCE told the CPUC and State Senators of the Energy, Utilities, and Communications Committee that private parties, including the International Brotherhood of Electrical Workers (IBEW), were distributing “very inaccurate and misleading information” about Shell and AB 2145. MCE also included this writer in those complaints. (My MEA truth.org site was abandoned after Marin Clean Energy rebranded itself "MCE" and no longer referred to anything as "MEA" (Marin Energy Authority). www.MEAtruth.org was purchased by MCE when the URL license lapsed, ostensibly to eliminate the possibility of resurrecting a site where controversial information resided along with a library of source documents.)

MCE asked the CPUC to [shut down](#) public discourse about MCE – a government agency -- and Shell and, most importantly, AB 2145.

The IBEW’s letter responding to MCE is included [here](#).

Even though the CPUC did not act on MCE’s request, MCE successfully set the foundation for its showdown in Sacramento. CCA proponents packed the legislative chambers for a final vote on AB 2145.

MCE told legislators that the Opt-Out mechanism was its birthright, and that MCE could not survive without it when everyone was spreading rumors and bad news about MCE.

Besides, MCE claimed, communities everywhere were benefitting by its significant [reductions](#) of greenhouse gas (GHG) emissions compared to PG&E in the fight against global warming. (MCE averages 43% higher GHG emissions per megawatt-hour than PG&E from 2011 through 2015, the last year of available data).

State Senators took the temperature of the room and determined their re-elections were better assured if they didn't alienate voters. AB 2145 was defeated, preserving CCA's Opt-Out / automatic enrollment program.

Shaping the MCE Board's perception

MCE's board is comprised of municipal councilmembers from each city or town that MCE serves. None of the members are energy professionals and so they rely on MCE staff for technical guidance. Competent boards require a rudimentary understanding of the business they govern.

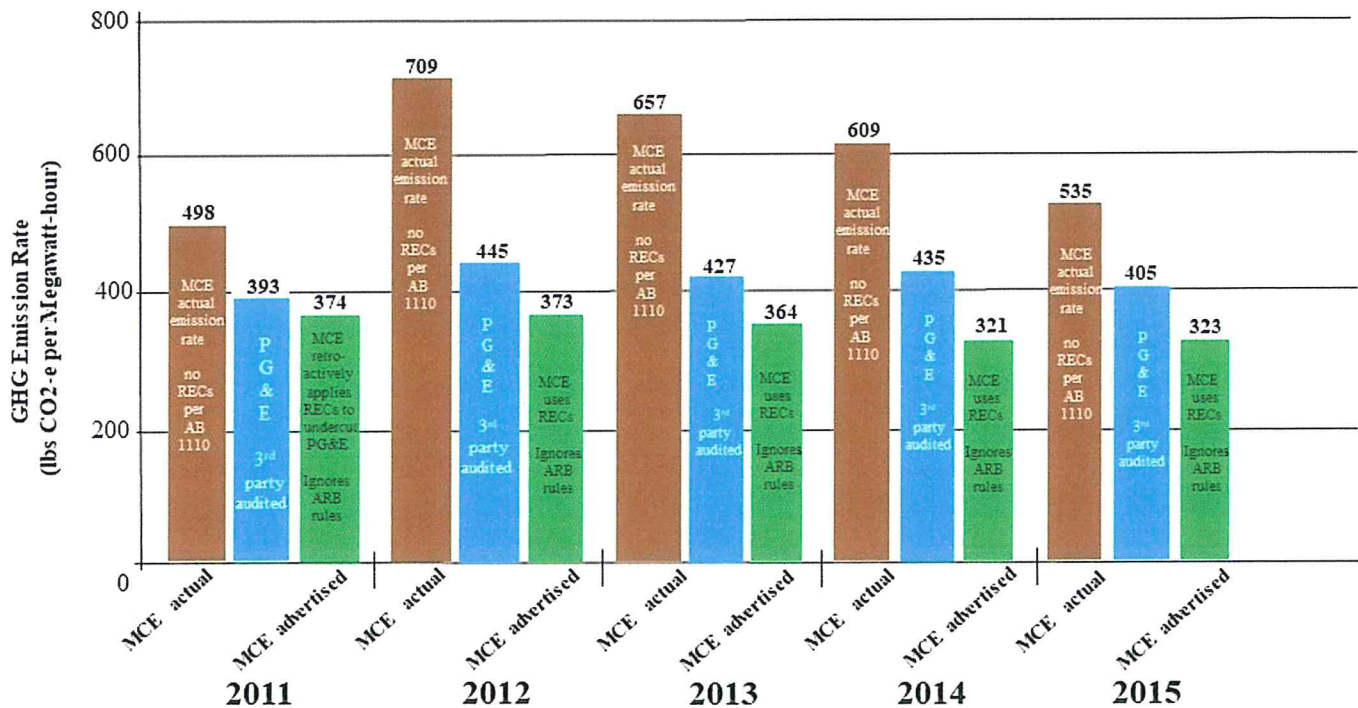
According to MCE's board meeting minutes from June 2014, the board did not understand even the basic component of renewable energy, known as "[Bucket 1](#)." This was after four years of operations.

This meeting occurred after MCE was exposed for [doctoring](#) its annual greenhouse gas emission rates after PG&E's unexpectedly lower number was published. Two years later, MCE was exposed for [rebranding](#) coal-fired imports into California that it reported as "clean" energy deliveries to its customers.

MCE's Annual GHG Emission Rates

Unbundled RECs removed; corresponding actual Greenhouse Gas (GHG) emissions applied per AB 1110

2016 data not yet available



Sources: 2011 – "Understanding MCE's (2011) GHG Emission Factors," June 6, 2013 MCE Board meeting, agenda item #8, by Kirby Dusal.
 2011 – Jim Phelps December 2, 2013 letter to Kathrin Szara, MCE Board Vice-Chair; Dawn Weisz December 5, 2013 letter to Jim Phelps.
 2012 – MEA Proposed Annual Report to California Energy Commission for year ending December 21, 2012.
 2013 – MCE (MEA) Proposed Annual Report to California Energy Commission for year ending December 21, 2013.
 2014 and 2015 -- MCE (MEA) Proposed Annual Report to California Energy Commission for year ending December 21, 2014, and MCE's "Understanding MCE's GHG Emission Factors," by Pacific Energy Advisors consultant Kirby Dusal.
 PG&E Currents <http://www.pgecurrents.com/2015/01/30/pge-cuts-carbon-emissions-with-clean-energy/>

J. Phelps
June 2, 2017

Click on image to enlarge

In both cases, Weisz authored letters that obfuscated details from her board of non-energy professionals.

If there was any hope of someone directing MCE to begin operating with integrity, it wasn't going to come from a board that took its cue from its CEO.

In her first letter, regarding MCE's altering its annual GHG emission rate numbers, Weisz wrote that "MCE made a commitment to deliver a lower emission factor than PG&E, and that commitment was honored." MCE's revision-after-PG&E-announced-its-numbers was merely a "true up."

MCE board meeting minutes, dated the same day as Weisz's true up letter, identify that "Ms. Weisz responded to questions from the board specifically related to the correspondence received from Mr.

Phelps.”

It is doubtful that Weisz shared thoughts with her board that were similar to those of California Air Resources Board Chair, who, five days later, wondered if MCE was engaged in [consumer fraud](#).

In her second letter, Weisz denied that MCE’s import of “clean” coal-fired power had occurred, then claimed it was all “unexpected and unfortunate” misunderstanding before blaming Shell and the California legislature for her problem.

It remains unclear whether Weisz fully grasps what occurred involving coal imports and associated Bucket 2 e-tagging issues, because even though she signed the September 2015 letter, according to [invoice](#) records, it was authored by her consultant at Pacific Energy Advisors.

Ceding its authority

All agenda items and the vision of MCE fall to Weisz. Of the thousands of agenda items that board has considered since MCE’s May 2010 business launch, not a single “no” vote has been cast by any single member on any single item. The odds of this occurring in a company that is fully disclosing all aspects of its operations and decisions is probably zero.

Of note, MCE’s board is now 28 strong, 10 more than the largest corporate board on record – General Electric Company, which recently announced its board is downsizing to 12 members (the most recent enterprise value of GE is \$243 billion).

Part 2 of this series addresses MCE’s cash hoard, and may be found [here](#).

About the Author:

Jim Phelps is retired after serving the power, petrochemical, and geothermal industries for nearly 35 years as a power contractor and utility rate analyst. He is not now, nor has he ever been, employed by PG&E. He has not received any money from PG&E for his work tracking Community Choice Aggregation and Community Choice Energy activities. He has also completed consulting and thermal performance test work for Shell Oil at one of its Gulf Coast refineries. Shell is formerly MCE's full-services energy manager and currently one of its regular energy providers.

Mr. Phelps operates one of Marin's largest residential solar electric systems at his home in Novato. Several years ago he initiated

contact with PG&E about its carbon emission practices and also with MCE about its emission practices. He requested clarification from MCE and other CCAs about several business conduct issues, however, those CCAs declined to provide answers. To this time, MCE's only input about its business is to ignore Public Records Act requests, to identify the costs for copies of public documents, or to deny the existence of basic information, such as invoices detailing its procured volumes of system power (fossil energy).

Chart Through 2015 Mbc

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John Parulis • 7 months ago

Link posted to Greenpeace Alumni Facebook pages, which are read by Greenpeace International executive directors. I'll attempt to send links to the ShellNo campaign in Seattle as well. Thanks Jim.

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ALSO ON MARIN POST

July 12, 2018

3 comments • 3 months ago

Tamsen — I completely agree Peter. E-Bikes belong on the roads, not on MUP's. And I'm a little tired of seeing them, along with most ...

July 24, 2018

1 comment • 2 months ago

John Parulis — Total agreement Peter. Thanks

The Marin Post

1 comment • 3 months ago

Charles Cornwell — Thanks Don for the tip! I requested the DVD from the Marin County Free Library - they own 4 copies. Voyager 1 ...

July 16, 2018

1 comment • 3 months ago

RosesandGrapes — Niether should San Rafael. Go fight city hall!

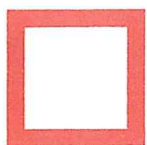
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Shell Games - Part II: MCE's cash hoard

Posted by: [Jim Phelps](#) - March 25, 2018 - 9:13pm

Marin Clean Energy is sitting on a mountain of cash that continues to grow. The cash doesn't belong to MCE, a not-for-profit government agency, it belongs to its ratepayers. MCE has no plans of returning it.

MCE's pre-launch commitments with the community included:

- Delivering cleaner energy than PG&E;
- Lower prices than PG&E;
- Payment of customers' monthly exit fees that are levied by PG&E. This broken commitment amounts to more than \$100 million that MCE did not honor.

MCE has failed in serving the community while it feathers its own nest.

MCE – Massive Cash Exploit

MCE now holds \$37 million in cash and expects that to more than triple to [\\$118 million](#) by the end of its 2019/20 fiscal year. This behavior is more fitting of a private for-profit company that claims altruistic social objectives, then takes advantage of busy consumers who aren't aware of what is happening.

MCE's cash accumulation has not been used to reduce prices, unless [6/100 of 1%](#) below PG&E prices is considered low; nor has the cash been applied to the purchase and delivery of *real* clean energy to MCE's customers during the past few years.

Where's the money going?

To assuage onlookers' potential objections, MCE claims the cash is needed for "working capital requirements." However, as a percent of operations, MCE's desired cash dwarfs its previous requirements, as identified in each generation of its several revised Implementation Plans.

MCE also claims the cash is needed for "rate stability" and to "procure energy at competitive rates." That is a reasonable suggestion, but it must be weighed against MCE's record. It is just as reasonable to ask: How can MCE have banked \$37 million in cash if it's not already procuring energy at competitive rates?

Discovery of MCE's cash horde prompted one energy trader in Oregon to offer the following off-the-record observation:

The place is gorging on cash. MCE is, to be generous, nothing more than a trading house -- a broker -- that is not exposed to having risk associated with acquiring and maintaining an inventory while holding it to fulfill customer demands for that inventory. MCE's inventory is dispatched instantaneously. MCE has no power resources to maintain. It doesn't even pay to clean the panels at its "local" solar power plants -- those solar farms are owned by private developers who bankrolled and own those resources. So, what does MCE's staff need all of this cash for? Legal, consulting fees, staff salaries, and bonuses."

Those comments are more troubling after examining MCE's history of choreographed bait & switch that extends through all of its operations with fashionable, headline-grabbing commitments that it quietly changes when it believes no one is reconciling its behavior. This includes:

- Continued support of oil ([Shell](#)) after declaring it is severing ties;

- Private support of nuclear (EDF (aka Électricité de France) and [Palo Verde](#) nuclear in Arizona) while publicly rejecting support of the nuclear industry and the purchase of nuclear generated electricity;
- Import of coal and nuclear that it repackages as "clean" energy (MCE lobbied for the cessation of including granular e-Tag data in public reports that was included at the end of this [letter](#) -- these data identified MCE's imports);
- Use of [RECs](#) (renewable energy certificates) that is rebranded fossil-fired power;
- Commitment to pay ratepayers' PG&E exit fees, then cancelling that commitment, and keeping the cash for itself;
- Amassing enormous sums of cash as a government agency, rather than returning it to its ratepayers.

MCE got it "wrong" even before its business launch, when its leadership failed to prioritize its customers first, and instead favored its staff and consultants. MCE elicits a communal awareness of environmental sell-out each time it tells consumers that Shell is gone and that it has cleaned up its own oily mess, then surreptitiously cuts another million-dollar payment to Royal Dutch Shell for electricity purchases.

MCE is beyond tone-deaf.

Imagine the bait & switch uproar at MCE if, instead of receiving paychecks, staffers were suddenly given coupons that identified someone else, someplace else, had already completed similar work to what they completed and that, as a result, the coupon could be redeemed for pennies on the dollar.

This is akin to what MCE does to the community each time it enters into a REC transaction. Consumers paid for clean energy, but MCE delivers fossil-loaded power (known as "Unspecified power," sourced through California's electric grid manager, [CAISO](#)). This arrogance extends to, and is underwritten by, MCE's board. The cash hoarding occurs under its watch.

Think the deviations won't happen to your CCA board if you're forewarned?

Yes. They will.

The list of MCE's bait & switch is exhaustive and illuminates the absence of integrity in community choice aggregation (CCA). It's a problem that will only grow as CCA (aka community choice energy (CCE)) boards grow in number, as municipal representatives come aboard to take their representative

positions on unwieldy large governing bodies.

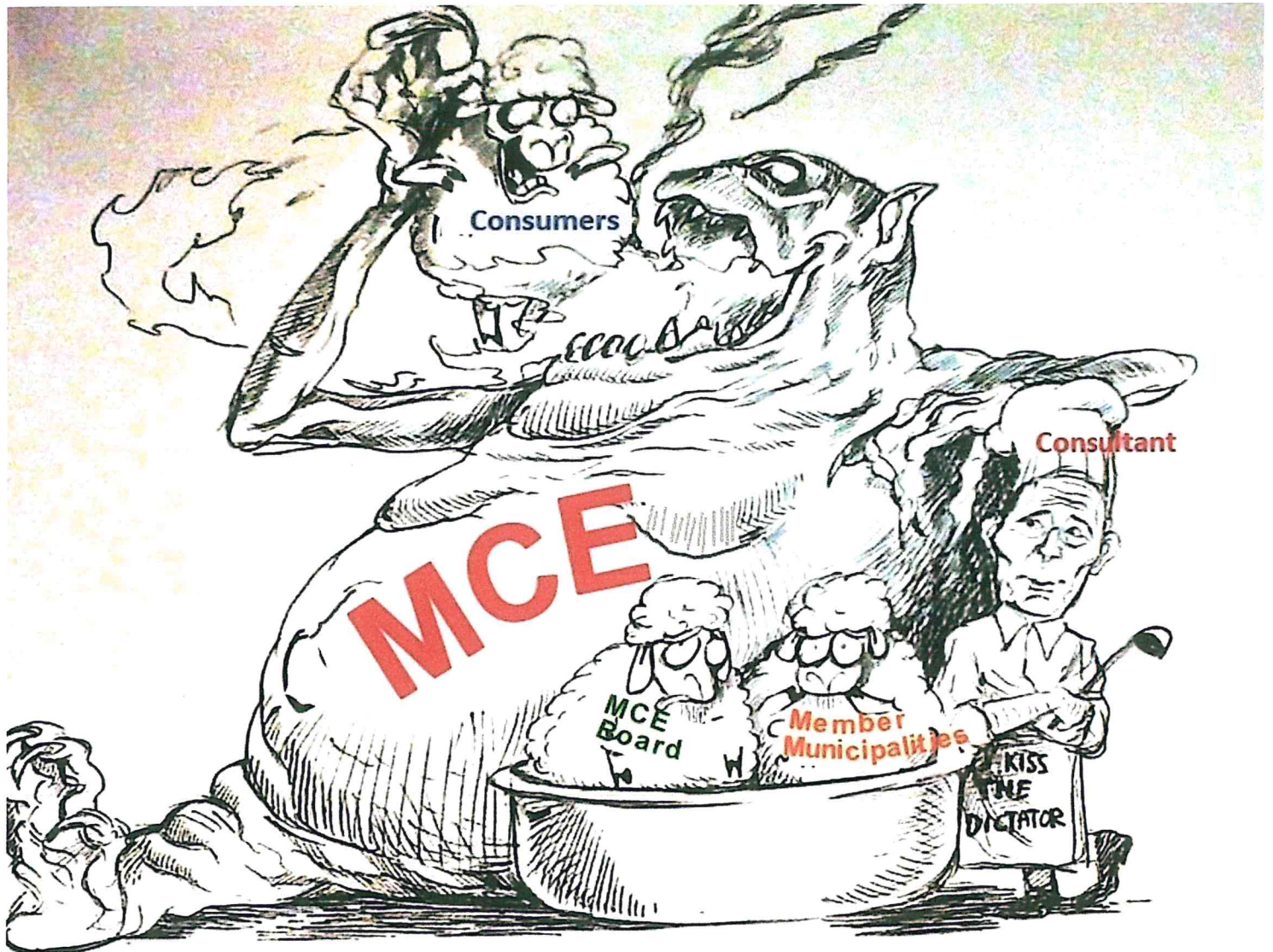
It's a matter of conversion and indoctrination. Group-think boards are shaped by ambitious executives and shrewd consultants who hone their skills from experience and information-sharing with other consultants at other CCAs.

The loss of critical and independent thinking by MCE's board was evident when meeting with one of its board members in January 2015, after one year of his service on MCE's board (see the comments at bottom of board member's [post](#)). When MCE's green-washing activities with RECs was discussed, he denied what had happened and said, "That's not my understanding of it." Fair enough.

When he was shown MCE's Business Plan identifying MCE's unlikely use of RECs, he bristled, "It says 'potentially' right there! MCE isn't doing anything with RECs it said it wouldn't. So, what's the problem?"

Here is the [problem](#).

Language is carefully twisted. Today, to combat objections, proposed CCAs throughout California promise one thing during public presentations, while their Business Plans include parsed wording that includes loopholes big enough to pass a coal-fired power plant through. Los Angeles' CCE believes it can ignore California's clean energy mandates and simply make up its own rules. [Footnote 1]



MCE has become what it claimed it wouldn't – greedy, overly dependent on consultants, and dismissive of consumers

Why hasn't MCE spent its cash on clean energy deliveries to its customers over the past several years? MCE's prices are $\frac{6}{100}$ of 1% lower than PG&E prices. Why hasn't MCE put its cash (ratepayers' cash) into lowering its energy prices these last several years?

Through 2015 -- five years of available data -- MCE's energy portfolio emits an average of 43% more greenhouse gas (GHG) than PG&E's energy, or 181 pounds more GHG per megawatt-hour, per anti-REC legislation AB 1110. According to MCE's own filings with state regulators, one of its biggest "clean" electricity providers is New Mexico's [San Juan](#) coal-fired power plant.

San Juan's power is cheap. Why are MCE's prices high?

Who is MCE's top priority, cuz it's not MCE's customers

MCE recently submitted a proposal to its Executive Committee on behalf of its CEO, Dawn Weisz. The compensation study called for adjusting Weisz's annual salary to upwards of \$332,062, putting her in the highest echelon of public service pay in California. Weisz came to MCE as a [county planner](#) with zero electricity experience.

CCA executive pay is skewed by comparisons to CEO pay at other CCAs. These government agencies mirror and escalate one another's executive pay, creating a compensation bubble that is not based upon government energy agencies in California.

Appropriate executive pay is more aptly [found](#) in the government agencies that regulate all of California's energy sector, and carry responsibilities that dwarf MCE's brokerage house existence. Similar to MCE, these agencies have no power generation fleet to maintain or transmission & distribution maintenance costs:

- President of the California Public Utilities Commission (CPUC), Michael Picker: \$149,226
- Chair of California Air Resources Board, Mary Nichols: \$166,710
- Executive Director of California Energy Commission, Drew R. Bohan: \$178,508
- MCE CEO Dawn (Brown) Weisz current [regular](#) pay (2015 data): \$259,744
- MCE CEO Dawn (Brown) Weisz requested pay (2018): \$316,250 + 5%, or [\\$332,062](#)

MCE's cash king

Weisz is set to take a large sum from MCE's coffers, along with her many consultants, lawyers, and wholesalers -- collectively known as "CLAW" -- who also feed at MCE's trough. Some of MCE's outside legal counsel collects more than \$500 per hour.

However, MCE's money grab winner is Pacific Energy Advisors (PEA). After its help off-loading MCE liabilities, Weisz was indebted to share MCE's wealth.

MCE's combined payments to PEA's two main principals since MCE launch, including the late arrival of a third person at PEA, is \$4 million through March 2018.

MCE's masterpiece: its multi-hundred-million dollar swindle that began in 2010 and continues today

When MCE launched into business in 2010, it committed to pay all customers' exit fees levied by PG&E. PG&E's fee is known as "PCIA," or Power Charge Indifference Adjustment. PCIA covers long-term energy contract obligations that PG&E assumed before MCE switched consumers from PG&E into its program, via its Opt Out mechanism.

Weisz made presentations throughout Marin before MCE's launch, and in the months afterward. MCE would provide each customer with an "energy credit" on their monthly electricity bill as full reimbursement of PG&E's exit fees.

The credit would show as a deduction on each customer's monthly electricity bill from PG&E (PG&E includes MCE's charge for "Generation" on its monthly electricity bills).

PG&E's exit fee currently amounts to about 3.5¢ per kilowatt-hour, almost \$18 per month for a typical MCE home.

Dawn Weisz's titanic problem – who to blame?

MCE's original Implementation Plan, submitted to the California Public Utilities Commission (CPUC), identified MCE's "phase in" first-five-years of exit fees (energy credits to be paid by MCE) as [\\$27.4 million](#). This would be applied to each MCE customer's monthly bill, based upon their energy usage. [2] [3]

But there was a problem. A big financial problem.

The energy credits calculated by MCE weren't coinciding with the exit fees charged by PG&E. There was a \$2 million-plus shortfall in the first year alone.

Weisz was alarmed. MCE's ballooning liability, which would ultimately prove to be \$48 million over its first five years of operations, could torpedo her ship, along with the salaries and fees that MCE staff and consultants garnered each month from her agency.

But Weisz had a plan, and she engaged her chief consultant, John Dalessi, in its execution.

Smoke & mirrors

Nine months after its business launch, MCE announced a 14% price reduction. The news captured [headlines](#) of Marin's primary media outlet, the Marin Independent Journal (IJ). Weisz touted MCE's

“superior product,” while Dalessi claimed the price cut would bring MCE prices into parity with PG&E.

As part of its 14% price slash, MCE quietly *cancelled* its energy credit.

The cancellation instantly shifted hundreds of millions of dollars of MCE’s long-term liability onto its customers.

The 14% deal was complex and beyond the focus of Marin’s busy consumers. MCE's price cuts weren't uniform through its five price tiers. Furthermore, each residence’s energy use was different each month. Quantification of savings was next to impossible.

Nevertheless, a 14% price-cut was a good deal, right?

Consumers, unable to decipher what they were getting in the deal, did what they always did -- glanced at the multitude of line item charges on their monthly PG&E bill, cursed, and paid the amount due.

Average ratepayers realized an 18% **increase** in their total electricity costs. High-electricity-use residences benefitted the most, realizing about 4% savings after also paying the exit fees that MCE had off-loaded onto them. Ultimately, any savings that consumers realized vanished with MCE’s next price increase.

Weisz was privately exuberant. She had achieved the tantamount of a bloodless coup right under her customers’ noses. Successfully off-loading MCE’s ever-growing, monster-sized exit fee liability onto her ratepayers was a watershed event that signaled revitalized life for her new career. Life was better than good.

No one was the wiser.

Sleight of hand -- MCE’s board didn’t see a thing

Dalessi’s **recommendation** to MCE’s board, which was reviewed by MCE’s CEO, Weisz, said that MCE’s energy credit was being eliminated “in the interest of *rate simplification and in anticipation of the reduction in PG&E’s exit fees* – its power charge indifference adjustment” (emphasis added).

The red herring was lost on MCE’s board, which lacked financial acumen. There was no rate

simplification. Rates remained as convoluted as before, through five tiered price levels.

Most troubling of all was this...

If Weisz and Dalessi “anticipated” a reduction in PG&E’s exit fees (a reduction in MCE’s corresponding energy credit liability), why, after only nine months of operation, would they suddenly recommend that MCE cancel payment of its energy credit? Wasn't this a cornerstone of what MCE sold to consumers?

After all, Weisz and her consultant were regularly tracking PG&E’s exit fees – they effectively had CPUC regulators on their speed-dial -- everything was on the up-and-up, wasn't it?

- Shortly after MCE’s “14% price reduction” was implemented PG&E’s exit fees increased 3.3%.
- Through 2015, MCE’s ratepayers were left holding more than \$112 million of costs that MCE had previously committed to pay in the form of its monthly energy credit.

\$118 million cash – it’s not MCE’s – it belongs to the ratepayers

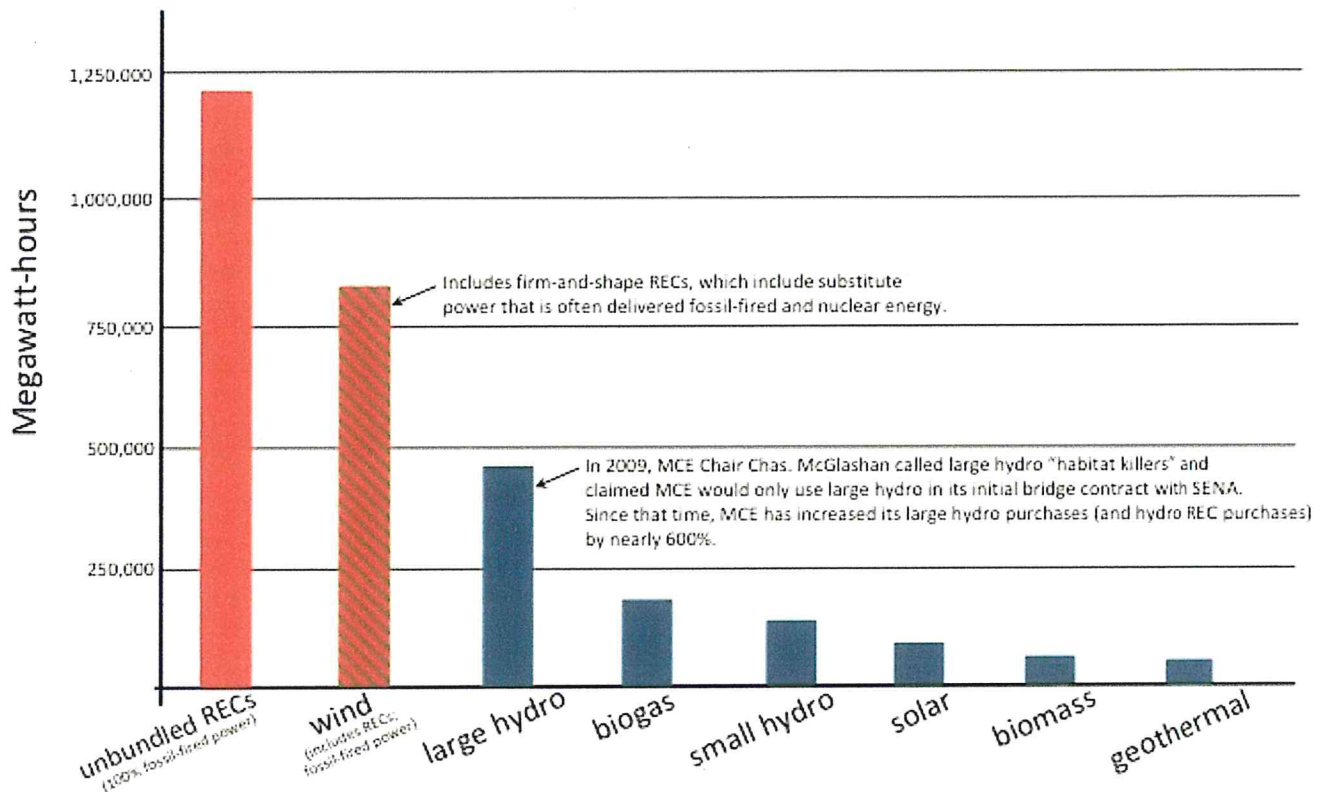
MCE is a government agency that is supposed to be a not-for-profit.

The cash that MCE is accumulating belongs to MCE’s ratepayers. Those ratepayers paid higher prices for the delivery of low-quality fossil energy that was, and is, loaded with GHGs while MCE, and other CCAs (CCEs) following the MCE model, rebrand it “clean.” Contrary to Dawn Weisz’s claim, MCE does not deliver a “superior product.”

Marin Clean Energy "Clean" Energy Volumes

Through 2015

(2016 and 2017 data not yet available)



Sources: "CY 2010 Energy Sources Breakdown," Marin Energy Authority Technical Committee (Oct 24, 2011) detailing MEA Supply CY 2010; "Understanding MCE's GHG Emission Factors," 2011, 2012, 2013, 2014. Author: Kirby Dusel, MCE consultant (Paradigm Energy Consulting, now as Pacific Energy Advisors); Marin Energy Authority (Marin Clean Energy) Power Source Disclosure report to California Energy Commission for years ending December 31, 2011, 2012, 2013, 2014, and 2015. J. Philips, March 2017

[Click image of chart to enlarge](#)

To date, Weisz ignores inquiries about returning its cash to MCE's ratepayers.

What to do?

Opt Out of MCE at (888) 632-3674. You will need your PG&E bill in hand to refer to your account number. You may also complain to your city council or, if you reside in an unincorporated area, County Supervisors.

It is recommended that MCE's board does the following six things to introduce integrity to its operations:

- Return its cash to its customers in the form of a large, one-month credit on their energy bills.

Credits would reflect the amount of time a given customer has been an MCE ratepayer;

- Cease all cash accumulation activities;
- Freeze, or reduce, energy prices for three years;
- Sever all ties with Pacific Energy Advisors;
- Engage an executive search firm for the replacement of MCE's current CEO, Dawn Weisz.
- Redesign the board so that it is staffed with representatives who are not prone to group-think, and who have a skill set that is suitable for serving on the board of an energy reseller.

FOOTNOTES

[1] LACCE Business Plan, dated June 30, 2016. Page 21, Exhibit 15, shows LACCE (aka Clean Power Alliance of Southern California) believes it can satisfy California's clean energy requirements with 100% Bucket 2 energy. However, California regulations limit Bucket 2 to a maximum of 25%.

[2] Marin Energy Authority Community Choice Aggregation Implementation Plan and Statement of Intent, January 2010: Retail Sales (MWh), p. 29, and Marin Clean Energy Summary of CCA Program Phase-In (January 2010 through December 2015), p. 43.

[3] PG&E Power Charge Indifference Adjustment Rates, updated 5/31/2016 by MCE. See also footnote 2.

Part 1 in this series may be found [here](#).

Part 3 in this series will discuss (1) MCE's public rejection of false green energy – renewable energy certificates (RECs) – and its concurrent use of a front organization that lobbies for the continued use of RECs; and (2) MCE's quid pro quo outreach where jobs are promised in exchange for favorable public relations in its coming fight with legislators and utility companies.

About the Author:

Jim Phelps is retired after serving the power, petrochemical, and geothermal industries for nearly 35 years as a power contractor and utility rate analyst. He is not now, nor has he ever been, employed by PG&E. He has not received any money from PG&E for his work tracking Community Choice Aggregation and Community Choice Energy activities. He has also completed consulting and thermal performance test work for Shell Oil at one of its Gulf Coast refineries. Shell is formerly MCE's full-services energy manager and currently one of its regular energy providers.

Among the former power company clients of Mr. Phelps' are Pacific Corp, Utah & Power Light, Kansas Power & Light, Duke Power Company, Cincinnati Gas & Electric, Pacific Gas & Electric, and Carolina Power & Light.

Mr. Phelps operates one of Marin's largest residential solar electric systems at his home in Novato. Several years ago he initiated contact with PG&E about its carbon emission practices and also with MCE about its emission practices. He requested clarification from MCE and other CCAs about several business conduct issues, however, those CCAs declined to provide answers. To this time, MCE's only input about its business is to ignore Public Records Act requests, to identify the costs for copies of public documents, or to deny the existence of basic information, such as invoices detailing its procured volumes of system power (fossil energy).

MCE Clean Energy Volumes

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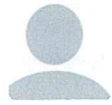
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Tamsen — I completely agree Peter. E-Bikes belong on the roads, not on MUP's. And I'm a little tired of seeing them, along with most ...

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Charles Cornwell — Thanks Don for the tip! I requested the DVD from the Marin County Free Library - they own 4 copies. Voyager 1 ...

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