

# Town of Fairfax Response to Grand Jury Report

**Report Title:** MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes

**Respondent/Agency Name:** Town of Fairfax

**Report Date:** June 16, 2026

## Findings

- I (we) agree with the findings numbered: F4
- I (we) disagree *partially* with the findings numbered: F5
- I (we) disagree *wholly* with the findings numbered: None

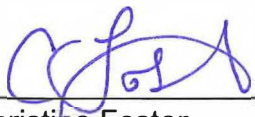
## Recommendations

- I (we) agree with the recommendations numbered: R5
- I (we) disagree *partially* with the recommendations numbered: R6
- I (we) disagree *wholly* with the recommendations numbered: None

Dated: 8/6/26

Signed:   
Stephanie Hellman  
Mayor of Fairfax

ATTEST:

  
Christine Foster  
Deputy Town Clerk

Number of pages attached: 3

## **RESPONSE TO GRAND JURY FINDINGS**

**F4. Many Board members have — quite understandably — limited expertise regarding a large and complex company such as MCE.**

**Response: Agree MCE is a large and complex public agency operating in a highly technical energy market.**

Unlike most public agencies, CCAs such as MCE must operate in competitive energy markets alongside sophisticated investor-owned utilities and other market participants. MCE does not own power plants or other generating assets. Instead, it must buy enough electricity through contracts and market purchases to serve its customers. It also uses financial tools, including clean-energy attribute purchases, hedging transactions, and prepay bonds, that can involve legal, tax, financing, and market-risk issues. In addition, MCE must meet state requirements for renewable energy (the State RPS Portfolio requirements), grid reliability, long-term planning, supplier diversity, and power-source disclosure. Effective Board oversight of these activities requires more than general public-agency experience. It requires some understanding of energy markets, public finance, utility regulation, contract risk, and state compliance requirements. MCE Board members are local elected officials whose primary experience is in municipal governance, not energy procurement or utility finance. Their ability to provide effective oversight is further limited by regular Board turnover, inconsistent attendance, and the lack of sufficiently strong onboarding and ongoing training. As a result, Board members may become overly dependent on staff recommendations regarding rates, budgets, contracts, and policy decisions, without the benefit of fully informed Board-level discussion. The limited state oversight of CCAs, compared with investor-owned utilities, makes strong Board oversight especially important. However, the CPUC has very close relationships with the Investor-Owned Utilities (“IOUs”, e.g. PGE, SDGE, SCE) and that has resulted in extraordinary benefits for the IOUs and many feel provide “too much” deference to the IOUs.

**F5. All MCE Board members are local elected officials who face competing demands on their limited time and resources; as a result, meeting attendance has often been poor, and insufficient for optimally effective governance.**

**Response: The Town partially disagrees with this finding.**

The elected officials who serve on MCE’s Board are largely unpaid local-government representatives, many of whom have full-time employment and numerous competing public-service obligations. It is common for city/town councilmembers to serve on multiple committees within their own agencies, while also representing their jurisdictions on regional or multi-jurisdictional boards. As a result, councilmembers must balance their MCE responsibilities against the needs of their own jurisdictions and other public service commitments. MCE’s broad geographic scope and large Board size may add to that burden. Board members may be required to travel significant distances to attend meetings at MCE’s San Rafael or Concord offices, while representatives from Napa and Solano counties often participate remotely. Meeting packets are lengthy and highly technical, and meetings intended to last two hours can extend late into the evening. Service on MCE’s Executive Committee, Technical Committee, and Finance Committee also requires additional preparation and time. Given the additional time commitments, this may contribute to inconsistent attendance for some, quorum challenges, delayed meeting starts, and the loss of institutional knowledge when long-serving Board members leave office. These challenges appear to vary by jurisdiction, however, the Town of Fairfax has experienced consistent representation at MCE Board meetings and will continue to ensure consistent representation, including through the use of a designated

alternate when the Town's primary representative is unavailable. It should also be noted that the Investor-Owned Utilities have Board members who have many other responsibilities and competing priorities for their time commitment to the IOU Board, and that they are highly compensated for serving on these Boards.

---

## RESPONSE TO GRAND JURY RECOMMENDATIONS

The Marin County Civil Grand Jury recommends the following:

**R5. By December 31, 2026, all of MCE's Marin jurisdictions, and preferably all 38 jurisdictions covered by MCE, should implement a process by which its appointed Board member, or, in that person's absence, the designated alternate member, commits to attending each regular Board meeting.**

**This recommendation has been in place by Fairfax for more than a decade The Town agrees with this recommendation.**

The Town's current councilmember who serves at the MCE representative has faithfully attended scheduled meetings. She is the longest serving Board member for MCE, serving 12-13 years. In those many years, she has missed less than 5 Board meetings and has always informed her alternate so that he/she can attend. She also serves on the Executive Committee and has served on other standing committees, faithfully attending all. In the instance when the primary representative has not been able to attend, the alternate was contacted to attend in their absence. Each member agency should review its MCE Board representative's attendance record when making annual committee and regional-agency appointments. If the primary representative has not attended meetings consistently, the agency should consider appointing a different representative and should ensure that the designated alternate attends when the primary representative is unavailable. MCE should also consider whether its existing attendance rules are being enforced. Article III, Section 3 of MCE's Operating Rules and Regulations provides that an MCE Director may be removed by the Board for cause for either of the following reasons: unexcused absences from three consecutive Board meetings, or unauthorized disclosure of confidential information or documents from a closed session or otherwise provided to the Director on a confidential basis where public disclosure may be harmful to MCE's interests. To the Town's knowledge, the attendance-related removal provision has not been enforced or meaningfully raised. MCE should consider whether consistent enforcement of this provision, together with regular attendance review by member agencies, would improve Board participation and governance.

**R6. By December 31, 2026, all of MCE's Marin jurisdictions, and preferably all 38 jurisdictions covered by MCE, should reassess their appointments of chosen Board members to prioritize those with the most extensive financial and energy expertise.**

**The Town partially disagrees with this recommendation.**

This is a worthwhile goal. When making appointments to the MCE Board, member agencies should consider whether a councilmember has relevant financial, energy, utility, legal, regulatory, or governance experience. The Town's councilmember who currently serves as the MCE representative has a depth of knowledge and experience in all relevant categories. That said, it may not always be realistic to expect

each city council to have a member with specialized expertise in energy markets, utility regulation, public finance, or complex contracting. Member agencies should nevertheless try to appoint the representative best able to understand MCE's operations and provide meaningful oversight. Attendance, institutional knowledge, and continuity of service should also be considered, particularly given the regular turnover of elected officials on MCE's Board. For these reasons, the Town partially disagrees with the recommendation to the extent it assumes that financial and energy expertise should be the overriding factor in all appointments. Such expertise is important, but it should be weighed together with attendance, availability, critical thinking, good judgement, institutional knowledge, willingness to read all packet materials and question areas of concern or that require clarification (if feasible do so prior to the Board meetings) and the representative's ability to serve consistently. It is also not feasible to require that all Board members have extensive knowledge or experience in all these fields. One of the benefits of a larger Board can be that different members bring differing areas of expertise. It should also be noted that it is highly unlikely that all the IOUs Board members each have expertise in all these fields. The Town also notes that this recommendation is, at best, an interim measure. It may improve appointments within the current governance structure, but it does not address whether that structure (including the size and composition of the Board) provides the expertise, continuity, and effective oversight needed for an agency of MCE's size and complexity.