



City of Larkspur

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September 2, 2026

The Honorable Judge Stephen P. Freccero
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903

Dear Judge Freccero and Foreperson:

We write to submit the City of Larkspur's responses to the Marin Civil Grand Jury report, MCE, Marin Clean Energy: A Series of Missteps Highlight Need for Governance Changes.

We commend the Marin Civil Grand Jury for its exceptionally well-researched and meticulously documented report. The jury clearly devoted significant time and effort to this thorough investigation, interviewing numerous stakeholders and reviewing extensive public records. The report did an excellent job synthesizing findings and bringing to light serious systemic deficiencies in MCE's governance, oversight, internal controls, financial management and accountability.

As a public agency, ratepayers and other stakeholders have the right to accurate and timely information regarding an agency's operations and performance. When performance falls short, an honest accounting and transparent explanation is required. The Civil Grand Jury has provided a vital public service by identifying organizational shortcomings and offering actionable recommendations for improvement. This report serves as a crucial catalyst for meaningful reform at MCE.

The City of Larkspur joined MCE in 2011. Many of our residents knew the late Supervisor Charles McGlashan and supported him as he launched MCE. Our community supports clean, renewable energy and the principle of local utility choice. The City of Larkspur and its residents have pushed for reform at MCE because we want a stronger, more resilient agency that is built for long-term success. We call upon the agency to return to its core mission of providing clean, renewable energy at affordable and competitive prices.

The Grand Jury Report enumerates 14 findings and 13 recommendations. While the City of Larkspur is required to respond to two findings (F4 & F5) and two recommendations (R5 & R6), we agree, in whole or in part, with all of the Civil Grand Jury's findings and recommendations and urge the MCE Board to adopt and implement the Civil Grand Jury's recommendations.

The City of Larkspur remains committed to the foundational vision of a robust, transparent, and environmentally impactful community choice aggregation program. We believe that acknowledging these systemic governance and organizational deficiencies is not a detriment to MCE's mission, but a vital step toward ensuring its long-term survival and success. We urge the MCE Board and our fellow member jurisdictions to embrace the Civil Grand Jury's roadmap and enact the structural reforms necessary to protect our ratepayers and restore public trust.

Respectfully submitted,

Stephanie Andre
Mayor, City of Larkspur

Signed by:

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Signature

9/2/2026
Date

RESPONSE TO GRAND JURY REPORT FORM

Report Title: "MCE, MARIN CLEAN ENERGY: A SERIES OF MISSTEPS HIGHLIGHT NEED FOR GOVERNANCE CHANGES."

Report Date: June 16, 2026

Agenda Date: September 2, 2026

Response by: Stephanie Andre

Title: Mayor, City of Larkspur

FINDINGS:

- We agree with the findings numbered F4-F5
- We disagree wholly or partially with the findings numbered n/a

RECOMMENDATIONS:

- Recommendations numbered R5-R6 have been implemented.
- Recommendations numbered n/a have not yet been implemented but will be implemented in the future.
- Recommendations numbered n/a require further analysis.
- Recommendations numbered n/a will not be implemented because they are not warranted or are not reasonable.

Number of pages attached: 2

FINDINGS AND RECOMMENDATIONS

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

RESPONSE: The City of Larkspur agrees with the finding.

The energy sector is highly technical, rapidly evolving, and capital-intensive. While elected officials bring vital community perspectives and a commitment to public service, they rarely possess the specific, deep expertise in energy procurement, regulatory compliance, risk management, and utility finance required to oversee an agency with MCE's mission and function. Relying solely on a rotating body of generalist elected officials leaves the board overly dependent on staff-driven analysis and recommendations, and weakens independent, structural oversight.

Unlike investor-owned utilities, Community Choice Aggregators (CCAs) operate under limited regulatory supervision from agencies like the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC). The state legislature should conduct an evaluation of the current CCA regulatory framework to determine whether increased oversight is warranted.

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 City of Larkspur agrees with the finding.

A 38-member governing body is fundamentally unwieldy for executing rigorous oversight. The expansive size dilutes individual director accountability and creates an environment where deep questioning can be lost, suppressed or ignored.

The elected officials on MCE's Board are unpaid local representatives, many balancing full-time jobs alongside extensive public service duties. City councilmembers frequently juggle internal city committees with roles on multiple regional boards. MCE's geography (spanning 4 counties) and overly large Board compound these problems, where some members must travel long distances to meeting offices in San Rafael or Concord, or call in remotely. Achieving a quorum at regular meetings is occasionally challenging; and scheduling special meetings, workshops, or seminars outside regular hours where a quorum can attend is nearly impossible. Furthermore, meetings require significant preparation, where directors must digest lengthy, highly technical meeting materials. Additional committee assignments—such as Finance, Technical, or Executive—demand even more preparation time. These burdens result in uneven meeting attendance and reduce the effectiveness of the governing body.

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.

RESPONSE: The City of Larkspur agrees with this recommendation and has already implemented it.

The City of Larkspur supports this recommendation and has already implemented it.

The City of Larkspur appoints both a primary and alternate representative from its City Council to sit on the MCE Board. The City of Larkspur's primary representative has worked to ensure the City has representation at all board and nearly all committee meetings, and will have the alternate attend if the primary is not available.

While insufficient by itself to constitute effective governance, consistent attendance at board meetings is a basic requirement for carrying out a director's oversight and fiduciary obligations on behalf of ratepayers.

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 enforce the attendance policies established in its foundational documents. Article III, Section 3 of MCE's Operating Rules and Regulations (ORR) states that an MCE Director may be removed by the MCE Board for either of the following reasons: a) unexcused absences from three consecutive Board meetings, or b) 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 City of Larkspur's knowledge, the attendance-related removal provision has never been enforced. The MCE Board should either enforce its attendance requirements or amend its ORR to reflect actual expectations.

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 City of Larkspur agrees with this recommendation and has already appointed two of its members with strong financial and business expertise to the primary and alternate positions on the MCE Board.

The City of Larkspur recognizes that the MCE Board is undergoing a governance assessment. In line with our responses to F4 and F5 above, we hope the assessment will fairly decrease the size of the board while adding critical energy and financial expertise. Unlike traditional public agencies, MCE directly competes with well-capitalized, private sector firms for energy contracts, CAISO hedges, and resource adequacy. These competitors utilize sophisticated trading platforms and dedicated procurement professionals. MCE needs a smaller, nimble board with energy sector and financial expertise to maintain long-term competitiveness and deliver strong strategic oversight.