

# Strategic Collaboration Pathways Between MCE and a Bolinas Spark Community Utility

## Executive Summary

This white paper explores potential collaboration pathways between [Marin Clean Energy \(MCE\)](#) and a proposed Bolinas Spark Community Utility (SCU). The [SCU](#) model - a parallel, opt-in municipal utility that builds new infrastructure alongside existing systems - presents unique opportunities for strategic alignment rather than competition.

[Bolinas](#) offers ideal conditions for exploring this innovative model: a motivated community of ~1,500 residents on a vulnerable radial feeder, demonstrated local funding capacity, and [BCPUD](#) board support. The community's manageable scale allows for meaningful innovation while limiting risk exposure for all parties.

These exploratory pathways recognize existing constraints - regulatory frameworks, contractual obligations, and institutional governance structures - while identifying areas where collaboration could enhance both organizations' core missions. Each pathway includes natural evaluation points and can be pursued independently or in combination, allowing both parties to calibrate involvement based on results and strategic priorities.

## The Strategic Context

### Why Bolinas, Why Now

Bolinas sits at the intersection of vulnerability and opportunity. Its position on a single radial feeder creates frequent outages, while its engaged community has repeatedly demonstrated capacity for collective action. This combination makes it an ideal testbed for resilience innovations that neither MCE nor PG&E can efficiently deliver under current structures.

The SCU model's parallel architecture fundamentally changes the collaboration calculus. Unlike [traditional municipalization](#), which creates zero-sum competition for customers, [an SCU operates alongside existing utilities](#). Residents maintain their MCE/PG&E service while opting into additional SCU services - [behind-the-meter](#) solar, battery storage, and eventual microgrid participation. This additive structure transforms [potential conflict](#) into complementary value creation.

## Mutual Strategic Advantages

**For MCE:** Partnership with a Bolinas SCU offers a low-risk innovation laboratory outside normal [CPUC constraints](#). MCE can test new approaches to resilience, distributed generation, and customer engagement without endangering its core operations or regulatory standing. Success in Bolinas could inform strategies for MCE's broader service territory.

**For Bolinas SCU:** Collaboration provides access to MCE's technical expertise, vendor relationships, and capital markets - resources a small community utility couldn't efficiently develop independently. MCE's established credibility with regulators and funders de-risks the SCU's launch phase.

## Near-Term Collaboration Pathways

### 1. Coordinated DER Development

**Current Foundation:** MCE has already demonstrated commitment to Bolinas resilience through the [Community Center's 23 kWh battery system](#) and planned [microgrids at five West Marin critical facilities](#). These projects establish precedent for targeted, community-scale interventions.

**Potential Evolution:** An SCU could serve as a local implementation partner for expanded DER deployment, leveraging its community relationships and site knowledge while MCE provides technical design and co-financing. The SCU's ability to own and operate assets directly (unlike MCE, which must work through PG&E's distribution system) enables more flexible project structures.

#### **Practical Implementation:**

- SCU identifies and secures sites, manages local permitting, coordinates community engagement
- MCE contributes engineering expertise, vendor relationships, and access to wholesale equipment pricing
- Projects structured with clear ownership delineation and operational responsibilities
- Revenue sharing from grid services or resilience subscriptions allocated based on capital contribution

**Evaluation Metrics:** Number of sites deployed, MW/MWh installed, outage hours avoided, customer participation rates, project economics versus traditional utility alternatives.

### 2. Innovative Financing Structures

**Opportunity:** Bolinas has demonstrated remarkable fundraising capacity (e.g., [\\$300k for COVID testing](#)). Initial discussions with potential private funders indicate that this community

could channel local capital toward energy infrastructure, blending it with MCE's institutional funding access.

**Potential Structure:**

- Community investment cooperatives for local solar/storage projects
- MCE provides subordinated debt or credit enhancement to reduce community investor risk
- Returns structured to provide both financial and resilience benefits to local investors
- Projects could qualify for federal and state investment incentives, with benefits passed to community investors

**Risk Mitigation:** Clear documentation of investment risks, professional project management, insurance requirements, and potential use of escrow accounts for community funds until projects reach operational milestones.

### 3. Program Delivery Partnership

**Current Challenge:** MCE's programs (efficiency retrofits, demand response, electrification incentives) face adoption barriers in rural communities. Generic marketing and remote program administration limit effectiveness.

**SCU Value-Add:** Local presence enables trusted, face-to-face engagement. The SCU could:

- Conduct energy audits using local contractors familiar with Bolinas's building stock
- Aggregate demand for bulk purchasing (heat pumps, batteries, EV chargers)
- Provide hands-on assistance with incentive applications and contractor selection
- Implement Bolinas-specific rate designs or resilience tariffs through its independent billing system

**Implementation Framework:** Formal program delivery agreement with performance metrics, cost-sharing formula for program administration, and clear delineation of customer data handling responsibilities.

## Long-Term Strategic Possibilities

### 4. Community Microgrid Co-Development

**Technical Innovation:** Deploy software-defined distribution architecture (e.g., [EnergyNet](#)) that enables DC-native operation with 5-10% efficiency gains over traditional AC systems. This technical differentiation, combined with avoiding PG&E's distribution charges (currently \$0.15-0.20/kWh), justifies parallel infrastructure investment.

## Operational Model Under Exploration:

- MCE maintains [Load Serving Entity](#) role ([CAISO scheduling](#), [wholesale procurement](#))
- SCU operates as local [Distribution System Operator](#) for participating customers
- Shared microgrid controller enables real-time optimization and emergency islanding
- Tiered resilience offerings ([VOR123 model](#)) create sustainable revenue for infrastructure
- Customers maintain grid connection for reliability while drawing primarily from lower-cost SCU infrastructure

**Economic Framework:** The combination of distribution fee avoidance and efficiency gains could deliver 25-35% cost savings compared to traditional delivery. These savings – rather than ratepayer subsidies – would finance the infrastructure investment, creating a self-sustaining model that improves with scale.

**Regulatory Considerations:** Would require clear delineation of safety responsibilities and liability allocation. The parallel infrastructure approach operates within municipal utility authority, avoiding the complexities of asset acquisition or service territory disputes.

## 5. Wholesale Supply Relationship

**Potential Evolution:** If the SCU eventually serves customers directly (beyond supplemental services), MCE could become a wholesale energy supplier - similar to how municipal utilities purchase from power agencies.

### Strategic Benefits:

- MCE retains Bolinas load (albeit restructured) while fulfilling clean energy mission
- SCU avoids complex [CAISO](#) market operations and scheduling requirements
- Enables custom local rate structures impossible under PG&E's [billing constraints](#)
- Creates precedent for CCA-municipal utility collaboration statewide

**Prerequisites:** SCU would need to establish sufficient operational capability, secure necessary regulatory approvals for direct service, and develop appropriate creditworthiness for wholesale transactions.

## 6. Joint Advocacy and Policy Innovation

**Regulatory Collaboration:** United advocacy for enabling policies:

- Streamlined interconnection procedures for community microgrids
- Recognition of resilience value in resource adequacy frameworks
- Pilot program authorization for innovative utility structures

**Strategic Positioning:** MCE's established regulatory relationships combined with SCU's compelling community narrative could influence policy evolution. Success in Bolinas could establish precedents benefiting both organizations' long-term objectives.

# Implementation Considerations

## Governance and Decision Framework

Each collaboration pathway would benefit from:

- Memorandum of Understanding establishing exploratory framework
- Clear decision points for evaluating continuation/expansion
- Defined exit provisions protecting both parties' interests
- Regular joint review sessions with predetermined metrics

## Risk Allocation Principles

- Technical risk: Allocated to party with relevant expertise
- Financial risk: Proportional to capital contribution
- Regulatory risk: Shared, with MCE leading CPUC interactions
- Community relations: SCU leads locally, MCE supports regionally

## Success Metrics Framework

Near-term (6-12 months from launch):

- Successful completion of 1-2 pilot projects
- Documented cost savings versus traditional alternatives
- Measurable resilience improvements

Medium-term (1-3 years):

- Expanded project portfolio with proven economics
- Regulatory recognition/approval for innovative approaches
- Replicable model for other MCE communities

Long-term (3+ years):

- Sustainable operational model for both organizations
- Demonstrated emissions reductions and resilience gains
- Policy changes enabling broader deployment

## Conclusion

The proposed Bolinas SCU represents more than another distributed energy project - it offers a fundamentally different model for community energy resilience. By operating in parallel rather than competition with existing utilities, the SCU creates space for innovation that benefits all stakeholders.

For MCE, partnership provides a low-risk pathway to test approaches that could enhance service across its territory. For Bolinas, collaboration accelerates access to technical and financial resources while preserving local control. Most importantly, both organizations can demonstrate that community energy autonomy and regional clean energy goals are not merely compatible but mutually reinforcing.

These exploratory pathways are offered as starting points for discussion, recognizing that successful collaboration will require careful negotiation of details and continued alignment of interests. The opportunity, however, is substantial: to pioneer a model that enhances resilience, accelerates decarbonization, and empowers communities while working within - rather than against - existing institutional frameworks.

The question is not whether this collaboration makes strategic sense, but rather which pathways offer the most promising near-term demonstration of value. Beginning with modest, clearly-defined projects allows both organizations to build trust, refine approaches, and scale successes while managing risks appropriately.

This evolution - from tactical cooperation to strategic partnership - could ultimately serve as a template for community energy innovation throughout California, demonstrating that the future of energy resilience lies not in monolithic utilities but in networked, collaborative, locally-responsive systems that serve both community and climate imperatives.