



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

MEETING AGENDA

**Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501**

**April 17, 2017
Monday, 3:15 p.m.**

RCEA will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Barbara Garcia at 269-1700 by noon the day of the meeting.

I. ROLL CALL

II. REPORTS FROM MEMBER ENTITIES

III. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral & written communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

IV. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted on one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

- A. Approve Minutes of March 20, 2017 Board Meeting.
- B. Approve attached Warrants.
- C. Accept attached Financial Reports.

V. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

VI. NEW BUSINESS

- A. Amendment No. 1 to Task Order No. 2 with The Energy Authority
Approve Amendment No. 1 to Task Order No. 2 with The Energy Authority, and authorize the Executive Director to execute the Amendment and any other documents and necessary
- B. Legislative Update
Consider position opposing SB 618.

VII. OLD BUSINESS

- A. Community Choice Energy Program Updates (informational-only item)
 - Power Procurement
 - May Service Launch

VIII. STAFF REPORTS

- A. Executive Director

IX. ADJOURNMENT



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

MEETING MINUTES

**Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501**

**March 20, 2017
Monday, 3:15 p.m.**

I. ROLL CALL

Board Chair Woo called the meeting to order at 3:15 p.m.

Present: Dwight Miller, Bobbie Ricca, Sheri Woo, Michael Winkler, Michael Sweeney, Austin Allison, Dean Glaser. Estelle Fennell arrived at 3:30 p.m.

Absent: Tim Marks.

II. REPORTS FROM MEMBER ENTITIES

- Director Glaser reported that he has a city council meeting later in the evening and may have to depart early.
- Director Winkler reported that he is part of the Building Decarbonization Group that is working on promoting fuel switching to heat pumps.

III. ORAL COMMUNICATIONS

None.

IV. CONSENT CALENDAR

- A. Approve Minutes of February 27, 2017 Board Meeting.
- B. Approve attached Warrants.
- C. Accept attached Financial Reports.
- D. Approve attached recommendation for authorized check signers.

M/S/C: Winkler, Miller: Approve consent calendar items A-D.

V. REMOVED FROM CONSENT CALENDAR ITEMS

None.

VI. NEW BUSINESS

A. Electric Vehicle Program

Executive Director Marshall stated that RCEA is the recipient of California Energy Commission grant funding for promoting local adoption of electric vehicles.

Board Chair Woo requested an updated staff organization chart with details about the various programs that the agency operates.

M/S/C Winkler, Sweeney: Approve CA Energy Commission Grant Agreement ARV-16-012 for \$109,651 for Electric Vehicle Readiness Plan Implementation.

VII. OLD BUSINESS

A. Humboldt Redwood Company Power Purchase Agreement

Executive Director Marshall presented an overview of local biomass energy resources, the lifecycle of the biomass waste stream, and summarized previous Board decisions that led to the proposed contract with Humboldt Redwood Company.

Executive Director Marshall explained the difference between the 9-month and 51-month Humboldt Redwood Company proposed contracts, pointing out the “materials change” clause that outlines several triggers for which RCEA would be able to renegotiate terms.

Director Fennell arrives at 3:30pm.

The Board discussed Community Choice Energy program operations, rate setting, and budgeting.

RCEA Legal Counsel Diamond explained environmental compliance language included in the agreements.

The Board discussed the environmental compliance clause.

Public comment:

An unidentified member of the public asked where the CCE power is from and whether the procurement prices are flexible.

Executive Director Marshall explained the CCE program procurement strategy and mentioned that there are power purchase agreements for short and long terms.

Stephen Kullmann of Blue Lake mentioned his concern about the environmental compliance portion of the contracts. Various regulatory agencies use different terminology to gauge the compliance of facilities, and he suggests RCEA be clear about the “out of compliance” status.

Katy Gurin stated preference for directing CCE funds towards other programs that benefit the community more directly rather than towards local biomass procurement.

Jana Ganion of the Blue Lake Rancheria asked whether the power purchase agreement has the “contractual teeth” to enable RCEA to act on the environmental compliance clause independently of what the regulatory agencies say.

Ellen Golla expressed distrust towards the air quality regulatory agency and seconds the opinion that RCEA should not rely on other agencies’ actions to enforce environmental compliance.

Colin Fisk voiced that regulatory compliance standards do not necessarily prevent threats to health and the environment and encouraged the Board to consider stricter health standards that reflect community values.

Bob Marino, General Manager of DG Fairhaven Power, explained that biomass plants have internal monitors that run 24/7 to ensure that the plant meets Title 5 compliance standards in addition to the federal test each year. Bob also mentioned that the 51-month lists the average capacity at 13.25 MW and a maximum of 17MW, which is above the original proposed amount of 12.5MW. He asked the Board whether this additional amount contracted with Humboldt Redwood Company precludes other biomass generation.

Adam Steinbuck of Humboldt Redwood Company mentioned that the contract includes a cap on the annual biomass production. He also stated that the new ownership has many upgrades scheduled and is committed to a high environmental compliance standard.

An unidentified member of the public asked for clarification about the flexibility RCEA has with respect to their ability to terminate the contract within 20 days of a compliance issue. Jana Ganion of the Blue Lake Rancheria voiced support for the staff recommendation regarding the HRC contracts.

Public comment closed.

Director Ricca asked how urgent these contracts are.

Executive Director Marshall explained that the Board will need to approve the contracts very soon if we want to begin receiving biomass power in June as proposed.

RCEA Legal Counsel Diamond clarified for the Board that staff will use the Humboldt Redwood Company contract language as a template for any other biomass energy contracts, though staff will negotiate all contracts separately at which point some language may be subject to change.

RCEA Legal Counsel Diamond clarified RCEA's contractual abilities within the environmental compliance clause.

Director Fennell expressed that she thinks the amount of authority RCEA has in the current environmental clause language is the right amount; too much more and we would have "mission drift".

Director Winkler stated that he agrees with Director Fennell on this point.

Director Glaser suggested adding in the factor of citizen's complaints to the clause.

Director Sweeney stated his support of the current environmental compliance clause.

Board Chair Woo asked staff to answer Mr. Marino's question regarding the contract including more than 12.5 MW.

Jeff Fuller of The Energy Authority responded that HRC had nominally framed its offer as 12.5 MW, however the detailed schedule of power delivery in the offer works out to an average of 13.25 MW and does not reflect an adjustment in the amount of HRC's original offer.

Director Ricca stated her support for the current clause and contracts.

Director Miller suggested establishing a periodic review of the Board guiding decisions and goals to ensure that it is up to date with current goals and values of the Board.

Board Chair Woo suggests that the Board specifically review the goals and guidelines documents.

Board Chair Woo asked RCEA staff to establish a mechanism for RCEA to receive notices and updates from environmental regulatory agencies so RCEA can stay informed on any changes that may affect our contract terms.

M/S/C Fennell, Miller: Approve 9-month and 51-month Power Purchase Agreements with Humboldt Redwood Company pending final review and approval by RCEA General Counsel.

M/S/C Miller, Ricca: Authorize Executive Director Marshall to execute the contracts and any other associated documents as necessary.

VIII. COMMUNITY CHOICE ENERGY (CCE) BUSINESS

CCE quorum confirmed.

IX. OLD CCE BUSINESS

A. Additional Biomass Power Procurement

Executive Director Marshall provided an overview of the RCEA power portfolio and the options for pursuing negotiations for additional biomass power with one or two more local facilities. He presented the staff recommendation that the Board select DG Fairhaven for this second round of negotiation, based on its Offeror's Viability score and the RFO review team's qualitative assessment that DG Fairhaven is a strong counterparty with a solid operational record.

Director Ricca stated her support of the staff recommendation.

Director Winkler stated his support of the staff recommendation.

Director Allison stated his support of the staff recommendation.

Director Glaser stated his support of the staff recommendation.

Director Fennell stated that she is concerned about the high power rates, but that this is a step in the right direction and voiced her approval of the staff recommendation.

Public comment:

Kit Mann presented a letter to the Board outlining several issues of the Blue Lake Power facility.

Pat Carr voiced his concern that any RCEA prospect of contracting with Blue Lake Power will hinder the CCE program and may likely induce program opt outs.

Stephen Kullmann stated his support of the staff recommendation and expressed concern that staff and the Board did not ask the RCEA environmental review committee for input on the final proposed biomass procurement decisions.

Alison Talbott stated her support of the staff recommendation and noted that she has worked with Bob Marino at the DG Fairhaven plant in the past.

Colin Fisk encouraged the Board to work rapidly towards developing non-biomass renewable power options in the region, and to take steps to ensure that the local biomass we are contracting is as carbon neutral and renewable as we can get. Colin Fisk also pointed out that the contacted biomass power is expensive and suggests considering the opportunity cost of these purchases as opposed to other options that support the same goals.

Bob Marino, General Manager of DG Fairhaven Power, thanked the Board and public members for their comments and noted that the local lumber companies need the DG Fairhaven facility to operate their business.

Frank Schmidbauer of Schmidbauer Lumber Inc. shared that his company works with DG Fairhaven and that it is crucial to their operations, and stated that a single biomass facility in the area is not enough to process all of the local biomass waste.

Adam Steinbuck of Humboldt Redwood Company stated his support for Bob Marino and the DG Fairhaven Plant as a partner in the biomass industry.

Public comment closed.

Director Winkler said local biomass power is great for providing baseload power, unlike other desirable renewable options like wind and solar.

Director Fennell stated her concern that DG Fairhaven's bid prices came in high, but looks forward to negotiations. Director Fennell also thanked the public for their input on this matter.

M/S/C Ricca, Allison: Approve opening negotiations with DG Fairhaven facility for additional biomass power procurements at \$83/MWh using the same Power Purchase Agreement that was approved for Humboldt Redwood Company.

B. Outreach and Customer Notification Update

Executive Director Marshall provided an outreach update, noting notice to direct access customers and the amount of opt outs to date (1.3 percent of customers as of 3/20/17).

Director Winkler asked about notices for Net Energy Metering (NEM) customers.

Richard Engel of RCEA explained that RCEA would enroll NEM customers in batches throughout the year based on their interconnection "true-up" date.

Richard Engel provided outreach and marketing details to the Board. He shared an updated list of local print, radio, and television ads and played the three new 30 second videos with the Board.

Richard Engel reported that staff is reaching out to "special categories" of customers that will receive additional information from RCEA, including Direct Access customers, PG&E Solar Choice customers, master-metered account holders, and time-of-use pilot program customers, and providing a Net Energy Metering Workshop on March 24th for solar installers and customers. Additionally, RCEA staff is currently planning a kick-off event in April for the CCE program launch.

Director Miller asked about the tenants in a master-metered area.

Richard Engel responded that the account holders make the decisions and RCEA is providing information to the account holders to share with their tenants.

Board Chair Woo requested adding a link to public engagement on the RCEA website home page.

Public comment:

Ellen Golla expressed that pictures of solar panels and wind turbines are not an honest depiction of the CCE power.

Public comment closed.

Board Chair Woo asked if the CCE's REpower+ rates are going to be cheaper than PG&E's Solar Choice program rates.

Richard Engel reported that the Solar Choice program has dynamic pricing across the different rate schedules, but that REpower+ will be slightly less expensive than Solar Choice rates.

Director Fennell noted that the RCEA website was down for a day.

Richard Engel explained that the website was under construction and noted that RCEA is currently in the process of hiring a Community Strategies Manager to work on the website.

X. ADJOURNMENT

Board Chair Woo adjourned the meeting at 5:22 p.m.

Redwood Coast Energy Authority

Warrants Report

As of April 10, 2017

Type	Date	Num	Name	Memo	Amount
Mar 11 - 31, 17					
Bill Pmt -Check	03/13/2017	EFT	VISA	February Statement 1/21/16 - 2/21/17.	-3,246.42
Bill Pmt -Check	03/13/2017	EFT	Staples Charge Account	February Statement	-70.49
Liability Check	03/22/2017	E-pay	EDD	499-0864-3 SDI/PIT QB Tracking # 438110217	-3,259.26
Liability Check	03/22/2017	E-pay	Internal Revenue Service	74-3104616 Q1 2017 QB Tracking # 438110627	-16,990.22
Liability Check	03/22/2017	E-pay	EDD	499-0864-3 ETT/UI QB Tracking # 438110957	-366.64
Liability Check	03/22/2017	7278	Calvert	March 2017 IRA Deposit.	-8,125.70
Liability Check	03/22/2017	7279	Umpqua Bank	74-3104616 March 2017 HSA Deposit	-558.36
Bill Pmt -Check	03/24/2017	7251	Arcata Presbyterian Church	Arcata Presbyterian Churchself-install rebate/Audit 4	-223.89
Bill Pmt -Check	03/24/2017	7252	AT&T	February Telephone Service	-861.77
Bill Pmt -Check	03/24/2017	7253	Best Cleaners	Coverall laundering	-13.75
Bill Pmt -Check	03/24/2017	7254	Central Office	CCE Mailers	-717.06
Bill Pmt -Check	03/24/2017	7255	City of Eureka-Water	Water service, 1/25/17-2/24/17	-143.45
Bill Pmt -Check	03/24/2017	7256	Diamond, Nancy	February Legal Services.	-4,761.95
Bill Pmt -Check	03/24/2017	7257	Headwaters Fund - Interest	RCEA loan Feb 2017 Interest 3846000 800190	-1,208.33
Bill Pmt -Check	03/24/2017	7258	HSU Fdn EVCN ARV-13-029	Q3 services - ARV13-029 00163/SP30404.	-92.19
Bill Pmt -Check	03/24/2017	7259	Humboldt Lock & Safe	Key Cabinet	-55.28
Bill Pmt -Check	03/24/2017	7260	Local Government Commission	CivicSpark fellowship	-3,576.60
Bill Pmt -Check	03/24/2017	7261	Mattio, B.	March purchase reimbursement	-10.00
Bill Pmt -Check	03/24/2017	7262	North Coast Cleaning	Cleaning Service	-402.00
Bill Pmt -Check	03/24/2017	7263	Owen, P.	December mileage reimbursement.	-48.15
Bill Pmt -Check	03/24/2017	7264	PG&E Utility Account	February utilities/lighting upgrade financing	-1,148.03
Bill Pmt -Check	03/24/2017	7265	Quill	Miscellaneous office supplies	-16.45
Bill Pmt -Check	03/24/2017	7266	Redwood Acres	Booth Fee: 2017 Home & Rec Show / Information t	-125.00
Bill Pmt -Check	03/24/2017	7267	SDRMA Medical	April premium.	-15,201.00
Bill Pmt -Check	03/24/2017	7268	Security Lock & Alarm	Trip charge - open office.	-60.00
Bill Pmt -Check	03/24/2017	7269	Stitch Witch	Logo Jackets, Hats & Shirts	-869.89
Bill Pmt -Check	03/24/2017	7270	Suddenlink Media	Booth Fee: 2017 Home & Rec Show	-375.00
Bill Pmt -Check	03/24/2017	7271	Thrifty Supply Company	Thrifty Supply Co. self-install rebate/Audit 4586	-561.67
Bill Pmt -Check	03/24/2017	7272	Valley Grocery	Valley Grocery self-install rebate/Audit 4583	-123.54
Bill Pmt -Check	03/24/2017	7273	Verizon Wireless	February tablet/cell service for field staff/mobile bro	-114.69
Bill Pmt -Check	03/24/2017	7274	Winzler, John	Office Lease - April	-4,100.00
Bill Pmt -Check	03/24/2017	7280	Quill		-304.65
Paychecks	03/24/2017		Payroll	Payroll	-44,100.78
Check	03/31/2017	7277	Redwood Coast Energy Authority	April Direct Deposit Payroll Advance	-84,000.00
Check	03/31/2017	7277	Redwood Coast Energy Authority	April Direct Deposit Payroll Advance	84,000.00
Mar 11 - 31, 17					-111,832.21
Apr 1 - 10, 17					
Check	04/01/2017	EFT	CoPower	April Premium	-237.00
Check	04/01/2017	7280	CoPower	Premium	0.00
Bill Pmt -Check	04/10/2017		Alexandre Dairy	Alexandre Dairy self-install rebate/Audit 4509.	-300.00
Bill Pmt -Check	04/10/2017		Alstone, A.	March purchase reimbursement.	-40.46
Bill Pmt -Check	04/10/2017		Arcata Presbyterian Church	Arcata Presbyterian Churchself-install rebate/Audit 4	-188.10
Bill Pmt -Check	04/10/2017		Bailey Electric	Loleta Volunteer Fire Rebate / Audit 4422	-801.44
Bill Pmt -Check	04/10/2017		Best Cleaners	Coverall laundering	-7.50

Redwood Coast Energy Authority

Warrants Report

As of April 10, 2017

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/10/2017		Bishop, M.	March mileage	-87.15
Bill Pmt -Check	04/10/2017		Burks, K.	March mileage	-136.26
Bill Pmt -Check	04/10/2017		Buschkamp, A.	March reimbursement - miscellaneous supplies	-35.03
Bill Pmt -Check	04/10/2017		Central Office	CCE Mailers & PACE Inserts.	-478.24
Bill Pmt -Check	04/10/2017		City of Blue Lake	City of Blue Lake-Prasch Hall self install rebate / Au	-460.00
Bill Pmt -Check	04/10/2017		City of Eureka-Water	Water service, 2/24/17-3/24/17	-114.93
Bill Pmt -Check	04/10/2017		Deluxe Check Printing	RCEA Check Stock, Deposit Slips, Envelopes	-640.40
Bill Pmt -Check	04/10/2017		Engel, R.	March mileage reimbursement.	-100.05
Bill Pmt -Check	04/10/2017		Express Liquor & Cigar	Express Liquor & Cigar self-install rebate/Audit 4573	-2,678.90
Bill Pmt -Check	04/10/2017		Gaynor Telesystems	System programming - two new lines.	-372.00
Bill Pmt -Check	04/10/2017		HSU Fdn EVCN ARV-13-029	July 2016 services - ARV13-029 00163/SP30181	-487.14
Bill Pmt -Check	04/10/2017		Martin, Des.	March mileage	-91.00
Bill Pmt -Check	04/10/2017		Mattio, B.	April purchase reimbursement	-10.00
Bill Pmt -Check	04/10/2017		Means, M.	February mileage	-34.45
Bill Pmt -Check	04/10/2017		Mission Uniform & Linen		-63.04
Bill Pmt -Check	04/10/2017		North Coast Cleaning	Cleaning Service	-402.00
Bill Pmt -Check	04/10/2017		Owen, P.	March mileage reimbursement.	-83.46
Bill Pmt -Check	04/10/2017		Pacific Paper Company		-141.26
Bill Pmt -Check	04/10/2017		PG&E EV Account	EV stations February	-108.55
Bill Pmt -Check	04/10/2017		Pierson's Home Ctr	Miscellaneous tool bank & facilities items.	-240.19
Bill Pmt -Check	04/10/2017		Schwalb, P.	March mileage reimbursement	-153.33
Bill Pmt -Check	04/10/2017		SDRMA Dental	April Premium	-1,098.00
Bill Pmt -Check	04/10/2017		Sonoma County Office of Education	Jan 2017 Professional Services.	-563.50
Bill Pmt -Check	04/10/2017		Terry, P.	March mileage	-155.95
Paychecks	04/10/2017		Payroll	Payroll	-42,604.38
Apr 1 - 10, 17					-52,913.71
TOTAL					-164,745.92

Redwood Coast Energy Authority

Visa

As of March 21, 2017

Type	Date	Num	Name	Memo	Amount	Balance
2006 - VISA-3751						21.74
Credit Card Charge	02/22/2017	NP121772968	Symantec Corp.	Norton Internet Security subscription renewal	199.99	221.73
Credit Card Charge	02/23/2017	1063539	FLOR	Carpet Tiles.	1,042.16	1,263.89
Credit Card Charge	02/23/2017	9288	Pitney Bowes-Rental	Postage meter rental	21.69	1,285.58
Credit Card Charge	02/25/2017	February	Uberconference	Conference call subscription February	10.98	1,296.56
Credit Card Charge	03/01/2017	10393	Square	March Card Reader Fee	45.00	1,341.56
Credit Card Charge	03/01/2017	MC02492649	MailChimp	Monthly plan 501-1000 subscribers.	15.00	1,356.56
Credit Card Charge	03/07/2017	Visa	Intuit	QB 90-Day Tech Support Service	89.95	1,446.51
Credit Card Charge	03/07/2017	0039	Pitney Bowes-Rental	Postage - Refill	500.00	1,946.51
Credit Card Charge	03/10/2017	105-2228569	Amazon.com	Privacy window film.	24.99	1,971.50
Credit Card Charge	03/10/2017	9194636	Amazon.com	Privacy window film	131.10	2,102.60
Credit Card Charge	03/20/2017	CF	Humboldt Green, LLC	Booth Space for CanniFest.	150.00	2,252.60
Total 2006 - VISA-3751					2,230.86	2,252.60
TOTAL					2,230.86	2,252.60

2:01 PM
04/07/17

Redwood Coast Energy Authority
Account QuickReport

As of March 25, 2017

Type	Date	Num	Name	Memo	Amount	Balance
2008 - CitiBank Travel Account						12.00
Total 2008 - CitiBank Travel Account						12.00
TOTAL						12.00

No activity during this time period.

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2016 through February 2017

	<u>Jul '16 - Feb 17</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	140,426.89	357,364.00	39.3%
Total 5100 · Revenue - program related sales	9,802.67	17,500.00	56.02%
5300 · Revenue - investments	0.00	200.00	0.0%
Total 5400 · Revenue-nongovernment agencies	792,246.79	1,553,570.00	51.0%
5 REVENUE EARNED - Other	679.65		
Total 5 REVENUE EARNED	<u>943,156.00</u>	<u>1,928,634.00</u>	<u>48.9%</u>
Total Income	<u>943,156.00</u>	<u>1,928,634.00</u>	<u>48.9%</u>
Gross Profit	943,156.00	1,928,634.00	48.9%
Expense			
7 EXPENSES - PERSONNEL			
7101 · Screening/Testing Services	218.12	600.00	36.35%
7102 · Safety	152.50	1,000.00	15.25%
7103 · Staff Training and Development	3,299.00	15,000.00	21.99%
7200 · Salaries, Wages & Benefits			
7210 · Salaries - staff	529,988.82	905,020.00	58.56%
7220 · Wages - interns	36,804.09	71,061.00	51.79%
7230 · Pension Plan Contributions	15,865.88	29,086.00	54.55%
7240 · Employee Benefits-Insurance	140,392.14	277,943.00	50.51%
7250 · Payroll Taxes Etc.	63,910.31	94,326.00	67.76%
7255 · Worker's Comp Insurance	5,982.12	7,400.00	80.84%
Total 7260 · Paid Time Off	96,888.52	142,331.00	68.07%
7265 · Jury Duty	249.41	500.00	49.88%
Total 7200 · Salaries, Wages & Benefits	<u>890,081.29</u>	<u>1,527,667.00</u>	<u>58.26%</u>
Total 7 EXPENSES - PERSONNEL	893,750.91	1,544,267.00	57.88%
8 NON-PERSONNEL RELATED EXP			
8100 · Non-Personnel Expenses			
8110 · Office Supplies	3,286.14	6,000.00	54.77%
8111 · Furniture & Equipment	2,270.40	2,800.00	81.09%
Total 8120 · Information Technology	5,558.82	25,000.00	22.24%
Total 8130 · Telephone & Telecommunications	4,607.43	6,500.00	70.88%
8140 · Postage & delivery	1,720.20	1,800.00	95.57%
Total 8170 · Printing & copying	6,348.93	7,500.00	84.65%
Total 8180 · Books, subscriptions, edu matls	775.72	1,000.00	77.57%
8190 · Exhibits & displays	0.00	1,800.00	0.0%
8195 · Tool bank	775.18	4,000.00	19.38%
Total 8100 · Non-Personnel Expenses	<u>25,342.82</u>	<u>56,400.00</u>	<u>44.93%</u>
8200 · Facility Expenses			
8210 · Office Lease	36,900.00	49,200.00	75.0%
Total 8220 · Utilities	8,173.69	11,500.00	71.08%
8230 · Janitorial	3,631.27	6,500.00	55.87%
8240 · Facility repairs & maintenance	2,504.08	3,500.00	71.55%

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2016 through February 2017

	Jul '16 - Feb 17	Budget	% of Budget
8250 · EV Station Repairs & Maintenananc	2,227.55	5,000.00	44.55%
Total 8200 · Facility Expenses	53,436.59	75,700.00	70.59%
Total 8300 · Travel & Meeting Expense	9,667.95	17,000.00	56.87%
Total 8320 · Meetings, workshops & events	4,018.77	12,000.00	33.49%
8500 · Other Expenses			
8513 · Organizational Development	144.56	500.00	28.91%
Total 8510 · Interest Expense	-102.09		
8520 · Insurance P&L	11,415.86	9,500.00	120.17%
8530 · Dues & Memberships	3,746.00	3,500.00	107.03%
Total 8560 · Website Expenses	90.00	1,000.00	9.0%
Total 8570 · Advertising & Marketing Expense	8,628.33	22,000.00	39.22%
8591 · Use Tax	0.00	300.00	0.0%
8592 · Service Charge	79.52	200.00	39.76%
8593 · Bank Charges	7,604.92	8,000.00	95.06%
8595 · Credit Card Processing Fees	461.94	500.00	92.39%
8596 · Flex Billing Service Fee	359.90	300.00	119.97%
8597 · EV Site Host Pmts	2,404.64	5,000.00	48.09%
Total 8500 · Other Expenses	34,833.58	50,800.00	68.57%
8600 · Capital Development - Facility	2,407.95	1,000.00	240.8%
8700 · Professional Services			
8710 · Contracts - Program Related Ser	113,766.32	261,005.00	43.59%
8720 · Accounting	23,866.80	45,000.00	53.04%
8740 · Legal	71,820.27	105,000.00	68.4%
8760 · Temporary Services	1,980.00		
Total 8700 · Professional Services	211,433.39	411,005.00	51.44%
Total 8 NON-PERSONNEL RELATED EXP	341,141.05	623,905.00	54.68%
Total 9 INCENTIVES & REBATES	135,340.71	460,000.00	29.42%
Total Expense	1,370,232.67	2,628,172.00	52.14%
Net Ordinary Income	-427,076.67	-699,538.00	61.05%
Other Income/Expense			
Other Income			
9500 · Debt proceeds	0.00	700,000.00	0.0%
Total Other Income	0.00	700,000.00	0.0%
Other Expense			
9800 · Repayment of Debt	1,272.32	19,008.00	6.69%
Total Other Expense	1,272.32	19,008.00	6.69%
Net Other Income	-1,272.32	680,992.00	-0.19%
Net Income	-428,348.99	-18,546.00	2,309.66%

Redwood Coast Energy Authority
Balance Sheet
As of February 28, 2017

	<u>Feb 28, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
1062 · Chase DD Checking	82,127.34
1060 · Umpqua Checking-9271	168,537.29
1000 · COUNTY TREASURY 3839	3,911.55
1010 · Petty Cash	108.29
Total 1050 · GRANTS & DONATIONS 3840	<u>15,037.26</u>
Total Checking/Savings	269,721.73
Total Accounts Receivable	286,562.15
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-7,260.54
1102 · Paypal Account Balance	19.87
1120 · Inventory Asset	71,592.60
1202 · Prepaid Expenses	29,241.71
1205 · Prepaid Insurance	21,540.26
Total 1210 · Retentions Receivable	49,921.43
1499 · Undeposited Funds	335.00
Total Other Current Assets	<u>165,390.33</u>
Total Current Assets	721,674.21
Fixed Assets	
1500 · Fixed Asset	93,591.39
1600 · Accumulated depreciation	-37,980.00
Total Fixed Assets	<u>55,611.39</u>
Other Assets	
1700 · Retained Deposits	<u>4,100.00</u>
Total Other Assets	<u>4,100.00</u>
TOTAL ASSETS	<u><u>781,385.60</u></u>

Redwood Coast Energy Authority
Balance Sheet
As of February 28, 2017

	<u>Feb 28, 17</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	64,414.29
Total Credit Cards	1,703.73
Other Current Liabilities	
2001 - Accounts Payable-Other	39,342.60
Total 2100 - Payroll Liabilities	65,938.59
Total 2210 - Retentions Payable	6,920.86
Total Other Current Liabilities	<u>112,202.05</u>
Total Current Liabilities	178,320.07
Long Term Liabilities	
2700 - Long-Term Debt	
2701 - Lighting Upgrade	6,520.63
2702 - Headwaters Credit Line	300,000.00
Total 2700 - Long-Term Debt	<u>306,520.63</u>
Total Long Term Liabilities	<u>306,520.63</u>
Total Liabilities	484,840.70
Equity	
2320 - Investment in Capital Assets	49,090.75
3900 - Fund Balance	675,803.14
Net Income	<u>-428,348.99</u>
Total Equity	296,544.90
TOTAL LIABILITIES & EQUITY	<u><u>781,385.60</u></u>

Redwood Coast Energy Authority
Profit & Loss
February 2017

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
5 REVENUE EARNED	
Total 5100 · Revenue - program related sales	391.92
Total 5400 · Revenue-nongovernment agencies	3,846.16
Total 5 REVENUE EARNED	<u>4,238.08</u>
Total Income	<u>4,238.08</u>
Gross Profit	<u>4,238.08</u>
Expense	
7 EXPENSES - PERSONNEL	
7200 · Salaries, Wages & Benefits	
7210 · Salaries - staff	86,859.47
7220 · Wages - interns	3,594.09
7230 · Pension Plan Contributions	2,466.65
7240 · Employee Benefits-Insurance	18,015.78
7250 · Payroll Taxes Etc.	10,634.05
7255 · Worker's Comp Insurance	882.97
Total 7260 · Paid Time Off	12,334.01
7265 · Jury Duty	0.00
Total 7200 · Salaries, Wages & Benefits	<u>134,787.02</u>
Total 7 EXPENSES - PERSONNEL	134,787.02
8 NON-PERSONNEL RELATED EXP	
8100 · Non-Personnel Expenses	
8110 · Office Supplies	651.51
8111 · Furniture & Equipment	486.09
Total 8120 · Information Technology	610.87
Total 8130 · Telephone & Telecommunications	636.71
8140 · Postage & delivery	893.06
Total 8170 · Printing & copying	1,800.16
8195 · Tool bank	5.96
Total 8100 · Non-Personnel Expenses	<u>5,084.36</u>
8200 · Facility Expenses	
8210 · Office Lease	8,200.00
Total 8220 · Utilities	333.84
8230 · Janitorial	515.56
Total 8200 · Facility Expenses	<u>9,049.40</u>
Total 8300 · Travel & Meeting Expense	425.99
Total 8320 · Meetings, workshops & events	25.87
8500 · Other Expenses	
8530 · Dues & Memberships	1,000.00
Total 8570 · Advertising & Marketing Expense	59.95
8593 · Bank Charges	7,010.00
8595 · Credit Card Processing Fees	46.05
8596 · Flex Billing Service Fee	18.92
Total 8500 · Other Expenses	<u>8,134.92</u>
8600 · Capital Development - Facility	2,407.95

Redwood Coast Energy Authority
Profit & Loss
February 2017

	<u>TOTAL</u>
8700 - Professional Services	
8710 - Contracts - Program Related Ser	7,809.78
8740 - Legal	4,761.95
8760 - Temporary Services	<u>1,980.00</u>
Total 8700 - Professional Services	<u>14,551.73</u>
Total 8 NON-PERSONNEL RELATED EXP	39,680.22
Total 9 INCENTIVES & REBATES	<u>20,066.15</u>
Total Expense	<u>194,533.39</u>
Net Ordinary Income	<u>-190,295.31</u>
Net Income	<u><u>-190,295.31</u></u>



STAFF REPORT

AGENDA DATE:	April 17, 2017
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	TEA Task Order 2 Amendment 1

SUMMARY

The California Independent System Operator (CAISO), the independent entity that manages the CA electricity transmission grid and CA electricity market, requires a security deposit up to \$500,000 from new Congestion Revenue Rights ("CRR") Holders that do not meet the CAISO minimum capitalization requirements of \$1 million tangible net worth or \$10 million total assets.

RCEA does not yet meet those capitalization requirements, and the proposed contract amendment would enable TEA to provide RCEA with the funds to cover the security deposit on a temporary basis over the first six months of Community Choice Energy Program operations. After that 6-month period RCEA is expected to meet the CAISO capitalization requirements and will be able to have the security deposit returned from CAISO and repaid to TEA.

FINANCIAL IMPACTS

Since RCEA should meet the CAISO capitalization requirement after six month and be able to have the security deposit (along with any accrued interest) returned to TEA, there should be no long-term costs to RCEA associated with this contract amendment and posting the CAISO security deposit.

One of the benefits of establishing RCEA as a CRR Holder is that RCEA can participate as a load-serving entity eligible to receive an allocation of "Congestion Revenue Rights" from CAISO. CRRs are financial instruments that enable CRR holders to manage variability in congestion costs that result from differences in locational marginal prices at generation and load price nodes. Congestion costs arise when there are constraints (bottlenecks) in the transmission system, requiring CAISO to dispatch higher-cost generation to relieve a transmission constraint in place of lower-cost generation that would otherwise have been used in the absence of the grid constraint.

CRRs allow a load-serving entity such as RCEA to receive a share of revenue generated through the CAISO congestion-management process that can offset costs incurred by RCEA related to grid congestion. Due to the specific details of how CAISO structures congestion-related revenue and cost allocations, TEA projects that participating in the CRR process will result in some net positive revenue to RCEA's overall CCE budget in addition to being a key risk management instrument.

RECOMMENDATION ACTION

“Approve Amendment No. 1 to Task Order No. 2 with The Energy Authority, and authorize the Executive Director to execute the Amendment and any other documents and necessary.”

Attachments

Amendment No. 1 to Task Order 2 of the TEA Resource Management Agreement

Amendment No. 1 to Task Order 2

This **Amendment No. 1 to Task Order 2** ("Amendment No. 1") is entered into effective as of the ____ day of April, 2017 (the "Effective Date"), subject to the terms and conditions of the Resource Management Agreement ("RMA") and Task Order 2 ("Task Order 2"), dated April 1, 2016, between **The Energy Authority, Inc.** ("TEA"), and **Redwood Coast Energy Authority** ("RCEA"). TEA and RCEA are sometimes referred to herein individually as a "Party," or collectively as the "Parties."

Recitals

WHEREAS, the Parties have previously entered into Task Order 2; and

WHEREAS, the Parties wish to amend Task Order 2, as hereinafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties agree to amend Task Order 2, as follows:

1. **Amendment to Task Order 2.**

The following is hereby added to the end of Section 2 (Credit Support):

"Section 2.3 CAISO Market Participation

Pursuant to the requirements of CAISO, new market participants which do not meet the CAISO minimum capitalization requirements of \$1 million tangible net worth or \$10 million total assets (the "MCR"), are required to deposit up to \$500,000 of financial security (the "Security Deposit") with CAISO. As Scheduling Coordinator to CAISO, TEA will provide such Security Deposit on a temporary basis, beginning on or after the Effective Date of this Amendment No. 1, and extending until six (6) months after the Power Start Date (the "Interim Period"). Unless otherwise agreed by the Parties, by the end of the Interim Period, RCEA will either (i) meet CAISO's MCR and obtain release of the Security Deposit held by CAISO, (ii) reimburse TEA for the amount of Security Deposit posted by TEA, or (iii) take other reasonable steps to allow CAISO to release such Security Deposit. Upon return by CAISO to RCEA of the Security Deposit, including accrued interest paid by CAISO, if any, RCEA will return such Security Deposit without delay to TEA. Until the Security Deposit is returned to TEA in full, as provided herein, RCEA hereby grants to TEA a present and continuing first-priority security interest in the Security Deposit."

2. **Representations.**

Each Party agrees that all representations made by it pursuant to Task Order 2 and this Amendment No. 1 are true and accurate as of the Effective Date.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to be executed by their respective authorized representatives to be effective as of the date first above written.

THE ENERGY AUTHORITY, INC.

REDWOOD COAST ENERGY AUTHORITY

By: _____

By: _____

Name: Joanie C. Teofilo

Name: Matthew Marshall

Title: President and CEO

Title: Executive Director



STAFF REPORT

AGENDA DATE:	April 17, 2017
TO:	Board of Directors
PREPARED BY:	Allison Campbell, Manager of Power Resources
SUBJECT:	Regulatory and Legislative Affairs Update

BACKGROUND

Membership in the California Community Choice Association (CalCCA) has afforded RCEA comprehensive and prioritized updates on active legislation that has the potential to impact the RCEA CCE program. As of this month, CalCCA is tracking over 45 pieces of legislation. Bills that merit attention in the near term are tabulated in the brief list below, and the RCEA Board of Directors will receive updates on prioritized legislation to track at future board meetings.

Bill Details	Status	CalCCA Position
SB 584 (De León) California Renewables Portfolio Standard Program. The California Renewables Portfolio Standard Program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the procurement requirements established by the program. The Legislature has separately declared that its intent in implementing the program is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise those legislative findings and declarations to state that the goal of the program is to achieve that 50% target by December 31, 2025, and for all electricity sold at retail to be generated by eligible renewable energy resources by December 31, 2045. The bill currently has support from Large-Scale Solar Association and Sierra Club. Commentary: The only substantive change in the next 8 years is to set the post-2020 RPS period to reach 50% by 2025 rather than 2030.	Referred to Committee on Rules	Support
SB 618: Load-serving entities Integrated Resource Plans <i>Bill has potential to limit our procurement authority.</i> Would require that the integrated resource plan filed by a load-serving entity be reviewed and <u>approved</u> by the Public Utilities Commission. The bill would require that the plans of all load-serving entities contribute to a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner and meets the specified emissions limits for greenhouse gases in proportion to each load-serving entity's load share so that there is no cost shifting among load-serving entities.	Originally scheduled to be heard 4/4/2017, now on calendar for 4/18/2017 in Committee on Utilities and Energy	Oppose

SB 618 was originally to be heard on 4/4/2017; however, it was postponed due to lack of support. This bill would take the authority of approving integrated resource plans from the board of directors of CCAs and place it into the hands of the Public Utilities Commission. It would increase the CPUC's control over CCAs, and may subject CCAs to CPUC procedures such as "least-cost, best fit" and their economic models for procurement, and diminish CCAs' ability to procure under the CCA's JPA board jurisdiction. The new hearing date is set for 4/18/2017, and a letter of opposition can still be sent directly from RCEA.

For bills like SB 618, staffers of the senators' offices have indicated that support/opposition letters that come directly from the CCA carry significant weight. Moreover, the majority of these bills are heard by the Senate Energy, Utilities, and Communications Committee, of which our State Senator Mike McGuire is a member.

RECOMMENDATION ACTION

Oppose SB 618 and direct staff to draft and submit a letter of opposition.

Attachments

CalCCA letter in opposition to SB 618

**Board Officers**

Barbara Hale, CleanPowerSF
President

Geof Syphers, Sonoma Clean
Power
Vice President

Dawn Weisz, MCE
Secretary

Tom Habashi, Silicon Valley
Clean Energy
Treasurer

Joseph Moon, Apple Valley
Choice Energy

Jason Caudle, Lancaster Choice
Energy

Jan Pepper, Peninsula Clean
Energy

Matthew Marshall, Redwood
Coast Energy Authority

Affiliate Members

Central Coast Power
(*Santa Barbara, San Louis
Obispo, and Ventura County*)
City of Corona
City of Hermosa Beach
City of San Jose
County of Los Angeles
County of Placer
Valley Clean Energy
(*City of Davis and Yolo County*)

**California Community
Choice Association**

1125 Tamalpais Ave
San Rafael, CA 94901

(415) 464-6689
info@cal-cca.org
www.cal-cca.org

March 1, 2017

The Honorable Ben Hueso, Chair
Senate Energy, Utilities & Communications Committee
State Capitol, Room 4035
Sacramento, CA 95814

Re: SB 618 (Bradford)—OPPOSE

Dear Senator Hueso,

The California Community Choice Association (CalCCA) writes to oppose SB 618 (Bradford), because it is unnecessary and contrary to the legislative and regulatory framework governing local control of Community Choice Aggregators (CCAs). The California Public Utilities Commission (CPUC) is already charged with certifying the resource plan of each CCA to ensure that it meets State law requirements.

CCAs have a mission to provide reliable, clean and affordable power while addressing the local needs of their communities. CalCCA's membership consists of 7 preoperational and 8 CCA members operating in more than 10 coastal and inland counties currently serving a peak load of 1917 MW and growing.

CCAs are local, non-profit agencies that are formed to respond to and invest in the needs of their communities. They are established by local governments to advance local policy priorities including procuring GHG-free renewable energy beyond the renewable portfolio standard, providing ratepayers with energy choice, providing less expensive energy and creating local programs for energy efficiency, storage and distributed generation, all while exercising local control over energy procurement. CCAs are governed and operated by boards consisting entirely of local elected officials who are directly accountable to their ratepayers/voters. Members of the community and public are active in this process and often show up to participate in city council meetings to hold accountable those ultimately responsible for the CCA.

In contrast, Investor Owned Utilities (IOUs) are for-profit corporations with a legal obligation to maximize profits for their shareholders. CPUC and CEC regulators exist, in part, to balance this motivation with the public interest. The CPUC must regulate IOUs to provide a degree of consumer protection including in the context of resource planning compliance with the RPS.

The CCAs were proud to support SB 350 (DeLeon, Clean Energy and Pollution Reduction Act of 2015), as it shared our mission of procuring more in-state renewable resources, while encouraging energy efficiency programs for our customers. SB 350 requires CCAs to participate in the same renewable portfolio standard program, subject to the same terms and conditions as an investor owned utility (IOU). In addition, all CCAs must submit an Integrated Resource Plan (IRP)

with the CPUC demonstrating that the CCA will meet regulatory mandates related to RPS, Greenhouse Gas reductions and Resource Adequacy. These plans are thoughtfully and substantively deliberated upon then approved by our own public governing boards in an open process.

Given CCAs are locally governed electricity providers without profit motive, SB 350 did not require CPUC approval of CCA IRPs. Rather, CCAs are required to submit these plans to the CPUC for certification. This ensures that CCAs meet the requirements of state law. Thus, like the California Energy Commission in the case of publicly owned utilities, the CPUC is already charged with ensuring that CCAs meet their statutory obligations.

SB 618 vests the CPUC with authority to approve or disapprove a CCA's IRP beyond assuring compliance with the requirements of state law. This unduly interferes with the ability of CCAs to locally control electricity procurement, subject to state mandates applicable to all load serving entities.

Finally, SB 350 became effective law on January 1, 2015, only 14 months ago. The CPUC is still in the process of implementing the CCA IRP process as directed in SB 350 and approved by the Senate. Thus, nothing has occurred since the passage of SB 350 that would warrant a change to the CCA IRP process established in SB 350. The Legislature should allow the CCA IRP process it created in SB 350 to operate before determining whether changes are needed.

For the above reasons, CalCCA must respectfully oppose SB 618 and asks that you not support the bill when it comes before your committee.

Sincerely,



Barbara Hale
President
CalCCA

Cc: Members of the Senate Energy, Utilities & Communications Committee
Jay Dickinson, Consultant, Senate Energy, Utilities & Communications Committee
Nidia Bautista, Consultant, Senate Energy, Utilities & Communications Committee
Kerry Yoshida, Republican Consultant, Senate Energy, Utilities & Communications Committee



REDWOOD COAST EnergyAuthority

STAFF REPORT

AGENDA DATE:	April 17, 2017
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	Community Choice Energy Program Updates

SUMMARY

The launch of the Community Choice Energy Program remains on track for the May 1 service start date on which participating customers will begin transition to RCEA generation service on their May meter read date.

Jeff Fuller of TEA will provide an update on the current status of power procurement along with a more in-depth informational overview of the specific “products” that RCEA is required to procure – energy, Renewable Portfolio Standard compliant energy (tracked through Renewable Energy Credits), and resource adequacy.

The presentation will also provide an update on the program launch process/status along with details about the process of ongoing, day-to-day operations after power delivery service commences.

RECOMMENDATION ACTION

Receive presentation – informational item, no recommended action