



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

December 18, 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 Ahn Fielding or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at ahfielding@redwoodenergy.org, by noon the day of the meeting.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. 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.

3. 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.

3.1 Approve Minutes of November 20, 2017 Regular Board Meeting.

3.2 Approve Warrants.

3.3 Accept Financial Reports.

3.4 Authorize Staff to approve and execute a contract with Nylex.NET Inc. for professional services upon final approval of General Counsel.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1 Revisions to RCEA Board of Directors Operating Guidelines

Adopt Resolution 2017-6, Revisions to RCEA Board of Directors Operating Guidelines.

6. NEW BUSINESS

6.1 Update to the RCEA Harassment Policy

Adopt Resolution 2017-7, Adopting the RCEA Harassment Policy and Complaint Procedure, and replace the previously adopted RCEA Unlawful Harassment Including Sexual Harassment Policy.

6.2 Humboldt County Airport Solar-microgrid Project

Accept the proposal for the Humboldt County Airport solar photovoltaic project submitted by McKeever Energy and Electric (ME&E) and direct staff to negotiate a contract with ME&E if funding is secured and subject to final Board approval of the project.

6.3 Offshore Wind – Principle Power

Receive report on activities to date and next-steps for community engagement, grid interconnection, site-selection, and federal leasing process.

6.4 2017 year-end Recap

Receive summary report on 2017 activities and outcomes.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighting voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Biomass Procurement Options Update

Consider options related to additional biomass procurement and direct staff to move forward toward a preferred option.

8. NEW CCE BUSINESS

None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Executive Director

- Work with the Governor's Office of Planning and Research on regional and state-level renewable energy planning

DISCLOSURE OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The Redwood Coast Energy Authority Board of Directors will meet in closed session to consider the items listed under agenda item number 11, "Closed Session."

10. PUBLIC COMMENT REGARDING THE CLOSED SESSION ITEM(S)

11. CLOSED SESSION

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957(b)(1):

11.1. Public Employee Performance Evaluation

11.1.1. Executive Director

12. RECONVENE TO OPEN SESSION

13. REPORT FROM CLOSED SESSION

14. ADJOURNMENT

NEXT REGULAR MEETING

January 22, 2017 3:15 p.m.

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

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MEETING MINUTES

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

**November 20, 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 Ahn Fielding or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at ahfielding@redwoodenergy.org, by noon the day of the meeting.

ROLL CALL

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

Present: Dean Glaser, Austin Allison, Estelle Fennell (arrived at 3:21 p.m.), Sheri Woo, Paul Pitino, Frank Wilson, Michael Sweeney (arrived at 3:18 p.m.), Dwight Miller, Bobbi Ricca

Absent: Michael Winkler

1. REPORTS FROM MEMBER ENTITIES

In Board Member Sweeney's absence, Board Chair Woo announced Ferndale is officially in the CCE. Staff Director Richard Engel confirmed the California Public Utilities Commission certified the implementation plan submitted in August (expanding service territory). In the month of January RCEA will enroll Ferndale customers and the last round of the net-metered solar customers across the County, which will complete Humboldt County's enrollment in the program.

Chair Woo also announced Staff Director of Power Resources Richard Engel is the Acting Executive Director for this meeting in Matthew Marshall's absence.

2. 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.

Member of the community Mary Sanger spoke as a representative of 350 Humboldt, an affiliate of 350.org. 350.org is launching a 3-part fossil-free campaign, which includes 1) no new fossil fuel infrastructure projects anywhere in the US, 2) to pass 100% clean energy resolutions through city councils, and 3) climate equity/justice. 350 developed a position paper stating biomass is not exactly a clean energy resource, despite the State of California definition that it is clean energy. She stated 350 Humboldt is less concerned with biomass in particular as a climate issue than they are with ensuring RCEA is getting the best possible value on the cleanest possible energy.

Dana Boudreau with RCEA congratulated the City of Arcata for finishing its multi-use trail.

3. 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.

3.1 Approve Minutes of October 16, 2017 Regular Board Meeting.

3.2 Approve Warrants.

3.3 Accept Financial Reports.

3.4 Approve Account Services Manager Job Description and Revised Org. Chart.

3.5 Approve Amendment No. 1 to Lease Agreement for 633 3rd Street removing short-notice cancellation clause and authorize the ED to sign the Amendment.

Chair Woo pulled consent calendar items 3.1, 3.3, and 3.4.

M/S/C: Ricca, Sweeney: Approve consent calendar items with the exception of 3.1, 3.3, and 3.4.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

3.1 Chair Woo thanked the clerk for the recording of the minutes.

M/S/C: Miller, Sweeney: Approve consent calendar item 3.1.

3.3 Chair Woo asked about the status of the audits. Staff Director Steve Edmiston reported the FY 14-15 audit is completed and field work for the FY 15-16 audit is scheduled for the 1st or 2nd week of December, with a January or February board meeting goal for a final report. Then the FY 16-17 audit work will begin. The local CPA firms are dependent on tax work which will impact spring deadlines.

M/S/C: Ricca, Miller: Approve consent calendar item 3.3.

3.4 Chair Woo asked for clarification on the organizational chart, specifically what positions are vacant. Staff Director Engel reported in addition to the agenda item for the Account Services Manager, there are three positions still vacant, a Community Strategies Coordinator, an IT Specialist in Operations, and a Coordinator position in HR & Finance. Staff Director Edmiston reported he anticipated filling his position at a later date when there is more physical space and as the work volume increases. Staff Director Engel noted recent and current active recruitments have been primarily for termed intern positions, usually students. He proceeded to review the 3.4 staff report and proposed deleting the “and/or” in the new proposed Account Services Manager job description.

M/S/C: Pitino, Ricca: Approve consent calendar item 3.4 with the deletion of “and/or” in the new proposed job description, as well as the revised organizational chart.

5. OLD BUSINESS

None.

6. NEW BUSINESS

6.1 Revisions to Board Operating Procedures

Adopt Revisions to RCEA Board of Directors Operating Guidelines.

Legal Counsel Nancy Diamond discussed the history and new proposed language in the RCEA Board of Directors Operating Guidelines. Key suggestions for board consideration are:

- Under Ad Hoc Committees and Working Groups, suggested language was added for board consideration around 1) how the board can create ad-hoc committees as needed, and 2) how the board can authorize the Executive Director to create a temporary committee.
- Under Community Advisory Committee: Other language to consider is how the committee agenda would be set: primarily by the ED with input from the Board.
- Under Agenda Development: Suggested language addresses how new agenda items are brought forward – agenda items could be added by the ED, or agenda items could be proposed at Board meetings by Board members or the public, with a Board vote required to approve a proposed item. The executive committee (Chair, ED, Legal Counsel and a rotating Board member) would meet prior to publishing each agenda to finalize it.

There was discussion about process for getting time-sensitive items on the board agenda in a timely manner while still being engaging and transparent. It was acknowledged that a special meeting could always be set if there truly was an exceptional need to hear an item. Legal Counsel Diamond noted most of the time board-generated items are policy driven thus not usually time-urgent.

Chair Woo discussed concerns regarding membership designation on informal working groups (section 5.4 of the draft), that it should be the board's responsibility to designate membership rather than staff. It was suggested that the second paragraph in section 5.4 be removed and language be added clarifying that when a task force or working group is formed that the board determine its representation/membership and/or a process to determine an application process if applicable.

Legal Counsel Diamond asked if the board was interested in addressing what to do with materials received after the board packet has been distributed but said material is relevant to a board agenda item. The board discussed a preference to not outline a process but rather to allow for situational responses on a case-by-case basis.

M/S/C: Fennel, Ricca: Staff and Legal Counsel prepare discussed revisions to RCEA Board of Directors Operating Guidelines and return to the board for consideration.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighting voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1 Biomass Procurement Options Update

Continue discussion of procurement options.

Staff Director Engel provided a PowerPoint presentation to review staff report 7.1.

RCEA staff have been working with The Energy Authority (TEA) to examine the potential impacts that more biomass procurement could have on continuing to achieve program targets.

In September, 2016 the Board adopted a set of strategy and target guidelines to structure financial performance, power objectives, existing renewables, other renewables, and customer programs. Director Engel reviewed these objectives and progress to-date on achieving them.

Looking ahead into TEA's 2018 cost analysis: Expected end of 2017 reserves are projected to exceed \$5MM on an accrual basis (not a cash basis). The forecasted supply costs have increased \$1.20/MWh since the Risk Management update at the October board meeting. The material change provision with HRC is unlikely to be triggered (a provision allowing us to renegotiate the contract if it looked like we were not able to offer our customers a 3% rate discount or where we could not put at least \$2MM in reserves per year). It would be financially difficult to add DG Fairhaven to the program while continuing current program goals. The net DG Fairhaven annual costs are roughly \$280,000/MW. The PCIA stress test – calculating a scenario with an unexpected PCIA increase would result in an annual cost increase over \$1MM. Headroom (the gross available for RCEA to invest in program expenditures) is looking a little less since the October report, bringing projected net reserves down from \$3.15MM to \$2.75MM. Staff Director Engel reviewed TEA's reserve projection charts with different scenarios, altering portfolio options and levels, with and without DG Fairhaven. He noted the PG&E rates and the value of the PCIA won't be available until January, therefore known values for the cost modeling can't be calculated until then.

Member Fennel asked if a stress test could be calculated without the optimum renewable portfolio.

Member of the public Bob Marino asked why the updated headroom on page 11 shows a decrease in PCIA, which is a different number than the expected PCIA + \$2 on page 16. Staff Director Engel stated it is likely due to the rapid changes of data and that they are predictions based on moving targets of data. Mr. Marino also asked about the 6MW feed-in tariff – whether or not that was taken into consideration on the PCIA stress test. Director Engel reported no because the discretionary customer program data is excluded in cost modeling as to not influence any material change provisions. Member of the public Rex Bohn stated he recalls earlier discussions regarding biomass goals, and the board had discussed using 2 out of 3 biomass plants, benefitting the timber products industry. He stated it's a safe renewable greenhouse gas. As a public benefit, he asked if we could think a little more locally than globally. He added that we have the facilities that have been working in the past, that we should look at adjusting

the pie chart of renewables, and that supporting local renewable generation trickles down into the local economy and adds to the community's bottom line.

Member Wilson expressed the importance of considering biomass generation redundancy and noted if the DG Fairhaven plant cannot be restored in the near term, it is unlikely dollars would be invested to return the plant to operational stage in the future. There is an impact on the economy.

Member Fennell agreed with previous comments and stressed the importance of focusing on local renewable value-added products, as well as the importance of redundancy and a safeguard in case one operation has issues so we wouldn't be without the biomass generation. She expressed concern about DG Fairhaven having to close if they cannot get an agreement, that we should support local business.

Member Sweeney asked if the forecast modeling looked at what it would take to include DG Fairhaven and if it was a matter of reducing reserves to do so. Staff Director Engel responded that the decision would be the Board's in determining portfolio balance and reserves, though there is some limitation on minimum reserve amounts based on our initial agreement with TEA – because TEA extended credit to RCEA for launch purposes, they set minimum reserve requirements for us.

Chair Woo acknowledged that if DG Fairhaven were included, we would have to change some of our guideline policies. She recalled some CCE launch workshops and board meetings where the messaging from the community members opposed to biomass power was that if we had more biomass they would opt-out of our program.

Member Fennell acknowledged those meetings and noted opponents opted out anyway. She stressed that people are tied to the idea of producing local energy of all types, wind, solar, and biomass. Including DG Fairhaven might be tight, but the benefits of local production are still high, and perhaps a material change clause can be written to address financial emergency situations.

Member Pitino asked about the quality of the chips which might be available to burn and if we would be reducing the supply of higher quality mass to burn by having another plant, as it is his understanding that there must be the inclusion of high grade product in the mix to burn cleanly. With the loss of Sierra Pacific and the decline/shut down of other mills, he has a concern.

Chair Woo acknowledged RCEA can't tell the plants how to run their operations, only that they must comply with the laws and environmental standards.

Member of the public Rex Bohn stated Korbels has been shut down and in the last 1.5 years \$35MM has been invested to reopen it, so that will be a new supply source and unless DG Fairhaven opens, they're probably going to put an on-site power plant for themselves.

Member Wilson added Sierra Pacific also exported chips.

Member Miller acknowledged there are a lot of variables to consider and he is concerned about levels of CO₂. He stated we need to consider if we can get cheaper sources of energy that don't produce CO₂. The issue of keeping people employed is an emotional issue. He added that behavioral economics, analyzing things based on how people feel rather than spreadsheets, is real. Also that though the air quality standards are set, the allowable levels can still cause cancer.

Member Allison acknowledged this is a tough issue and stressed the importance of making objective decisions and to consider all the facts. Biomass is expensive and the board has previously talked about RCEA creating reserves to purchase and invest in new renewable projects that are local. Alternative projects could be cheaper per kWh and less harmful to the environment.

Member Fennell mentioned consideration of CO₂ emissions from biomass versus wildfire or individuals burning slash. At least with biomass the emissions are regulated and monitored. She stressed that the present is equally as important as the future and we need jobs now as well as in the future.

Chair Woo asked that the slides be put on website and asked if perhaps the board needs to go through the presentation again in another meeting.

Member Sweeney recalled hearing a lot about particulate matter in early implementation workshops and meetings and that the standards don't address the health risks, but at that time what the board tried to do was create an optimal situation where the number of power plants (2) and the existing volume was limited to not expand and generate more than they already are so the emissions would be fixed, as well as relying on the air quality district to ensure they are meeting the standards.

Member of the public Bob Marino stated at the December meeting he would like to see action item, but it probably won't happen without confirmed PCIA information in January. He stated if he was in the board's position, he would be asking staff for a more detailed analysis of the bar graphs, as they are valuable, but also a bit general. It would be good to get down to nuts and bolts in December and see where and what can be done. He further stated DG Fairhaven can probably hold out another month, but their position is tenuous. He believes the board recognizes the value biomass has in the community. Without a biomass plant in Humboldt, all of the mill waste is either going to be open burned or trucked out of the area which is an even greater carbon footprint.

Member Sweeney clarified that the mill waste is lowest value of the waste, that all the value of the material has been removed and what is left is what is burned in the plants.

Member of the public Bob Marino confirmed the plants will burn anything that doesn't have a higher value. They don't burn chips, as chips get exported for other purposes.

Member Wilson requested more information be provided from the staff report (page 40 of the board packet) to better understand comparing costs (such as for every MW with DG Fairhaven, it adds approximately \$280,000 above the cost of procuring), what we're comparing it to, how we're comparing it, and whether it's a direct correlation or is it in lieu of whether we're going to still sell power.

Member Miller stated we need to bring together the central variables of the discussion, jobs, CO2, cost to us, all this information needs to be simplified in some way. All the concerns are conflicting and have merit and he needs more information.

Chair Woo directed staff bring the matter back to the board at the next meeting.

8. NEW CCE BUSINESS

None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1. Director of Business Planning and Development

- Principle Power Update

Staff Director Engel summarized the narrative included in item 9.1 staff report. He added there's an annual window that CAISO has for applying for an interconnection study (April 2018), so that's the driver for developing a next steps timeline.

Member Allison added Antoine Peiffer from Principle Power met with the City of Eureka Economic Developer to look at property and location possibilities for project development, and the city introduced Kevin Banister from Principle Power to Senator Mike McGuire.

DISCLOSURE OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The Redwood Coast Energy Authority Board of Directors will meet in closed session to consider the items listed under agenda item number 11, "Closed Session."

10. PUBLIC COMMENT REGARDING THE CLOSED SESSION ITEM(S)

11. CLOSED SESSION

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957(b)(1):

- 11.1. Public Employee Performance Evaluation**
 - 11.1.1. Executive Director**

12. RECONVENE TO OPEN SESSION

13. REPORT FROM CLOSED SESSION

Board Chair Woo announced there was nothing to report from closed session.

14. ADJOURNMENT

Board Chair Woo adjourned the meeting at 6:45 p.m.

Respectfully submitted: Ahn Fielding

Redwood Coast Energy Authority
Warrants Report
For the month of October, 2017

Type	Date	Num	Name	Memo	Amount
Check	10/02/2017	EFT	CoPower	October Premium	-226.80
ACH	10/02/2017	ACH	The Energy Authority	CAISO Invoice #20170928	-98,281.60
Check	10/03/2017	ACH	EDD	Payroll Liabilities - 09/30/2017	-551.60
Liability Check	10/03/2017	8251	Umpqua Bank	74-3104616	-558.36
Liability Check	10/03/2017	8252	Calvert	74-3104616	-9,588.31
Bill Pmt -Check	10/06/2017	8258	Ads in Motion		-3,360.00
Bill Pmt -Check	10/06/2017	8259	AM Conservation		-1,852.99
Bill Pmt -Check	10/06/2017	8260	City of Eureka-Water	Water service, 8/25/17-9/27/17	-134.30
Bill Pmt -Check	10/06/2017	8261	County of Humboldt	County of Humboldt Vendor/Benefits Fair	-35.00
Bill Pmt -Check	10/06/2017	8262	FedEx	Shipping documents	-15.25
Bill Pmt -Check	10/06/2017	8263	Headwaters Fund - Interest	RCEA loan September 2017 Interest 3846000 800190	-2,916.67
Bill Pmt -Check	10/06/2017	8264	HSU Fdn FCEV ARV-14-055		-945.08
Bill Pmt -Check	10/06/2017	8265	North Coast Cleaning	September Cleaning Service	-402.00
Bill Pmt -Check	10/06/2017	8266	North Coast Journal		-620.00
Bill Pmt -Check	10/06/2017	8267	Pacific Paper Company	Office Chairs	-1,006.88
Bill Pmt -Check	10/06/2017	8268	PG&E EV Account	EV stations July	-178.65
Bill Pmt -Check	10/06/2017	8269	Pierson's Home Ctr		-193.46
Bill Pmt -Check	10/06/2017	8270	Pitney Bowes-Rental	October postage meter rental	-21.69
Bill Pmt -Check	10/06/2017	8271	Times Printing Company	Move in mailing service mailers	-1,558.33
Paycheck	10/10/2017	8253	Paycheck	Payroll 9/16 - 9/30/17	-292.10
Paycheck	10/10/2017	8254	Paycheck	Payroll 9/16 - 9/30/17	-418.03
Paycheck	10/10/2017	8255	Paycheck	Payroll 9/16 - 9/30/17	-1,468.96
Paycheck	10/10/2017	8256	Paycheck	Payroll 9/16 - 9/30/17	-994.96
Paycheck	10/10/2017	8257	Paycheck	Payroll 9/16 - 9/30/17	-2,583.19
Paycheck	10/10/2017	Direct Dep	Paycheck	Payroll 9/16 - 9/30/17	-41,205.58
Liability Check	10/11/2017	E-pay	EDD	499-0864-3 QB Tracking # 508321877	-3,390.95
Liability Check	10/11/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 508322367	-19,099.44
Liability Check	10/11/2017	E-pay	EDD	499-0864-3 QB Tracking # 508322737	-242.81
Bill Pmt -Check	10/13/2017	EFT	VISA	September Statement 08/23/17 - 09/20/17	-10,005.12
Bill Pmt -Check	10/13/2017	8272	ABC Office Equipment	September print charges/service contract.	-409.36
Bill Pmt -Check	10/13/2017	8273	Arcata Community Pool	Arcata Community Pool self-install rebate/Audit 4139	-1,600.00

Redwood Coast Energy Authority
Warrants Report
For the month of October, 2017

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	10/13/2017	8274	Baginski, Eli	September mileage reimbursement	-19.80
Bill Pmt -Check	10/13/2017	8275	Bishop, M.	Mileage & purchase reimbursement	-139.30
Bill Pmt -Check	10/13/2017	8276	Bithell, M.	September mileage	-38.52
Bill Pmt -Check	10/13/2017	8277	Burks, K.	September mileage	-142.74
Bill Pmt -Check	10/13/2017	8278	Chapman, R.	September mileage	-60.56
Bill Pmt -Check	10/13/2017	8279	Citibank	September Statement 09/25/17	-968.11
Bill Pmt -Check	10/13/2017	8280	City of Arcata	August Grow House Tax	-6,357.54
Bill Pmt -Check	10/13/2017	8281	City of Arcata Recreation Division	CCE outreach gift certificates	-300.00
Bill Pmt -Check	10/13/2017	8282	City of Blue Lake	Utility Use Tax	-740.71
Bill Pmt -Check	10/13/2017	8283	Dell USA	DELL Monitors	-270.00
Bill Pmt -Check	10/13/2017	8284	Diamond, Nancy	September legal services	-560.00
Bill Pmt -Check	10/13/2017	8285	Eureka Books, LLC.	Eureka Books self-install rebate/Audit 4652	-1,100.13
Bill Pmt -Check	10/13/2017	8286	Fischer, A.	L. Fischer travel reimbursement: CivicSpark & CSDA	-745.64
Bill Pmt -Check	10/13/2017	8287	Freshwater School District	Freshwater School self-install rebate/Audit 4229.	-1,724.91
Bill Pmt -Check	10/13/2017	8288	Fuente Nueva Charter School	Fuente Nueva self-install rebate/Audit 4662	-150.00
Bill Pmt -Check	10/13/2017	8289	Green Ideals	Consulting for CCE program - September	-187.50
Bill Pmt -Check	10/13/2017	8290	Hilson, D.	September mileage reimbursement	-64.20
Bill Pmt -Check	10/13/2017	8291	Humboldt Bay Provisions	Sponsorship - 12 months.	-3,600.00
Bill Pmt -Check	10/13/2017	8292	Humboldt Grange #501	Humboldt Grange self-install rebate/Audit 4840	-168.42
Bill Pmt -Check	10/13/2017	8293	Ichien, D.	September mileage reimbursement	-77.58
Bill Pmt -Check	10/13/2017	8294	Means, M.	September mileage	-137.44
Bill Pmt -Check	10/13/2017	8295	Mission Uniform & Linen	Janitorial/mat cleaning services	-63.04
Bill Pmt -Check	10/13/2017	8296	North Coast Journal	CCA Advertising	-325.00
Bill Pmt -Check	10/13/2017	8297	Platt/Rexel	Bulbs	-13,029.86
Bill Pmt -Check	10/13/2017	8298	Ponting, W.	September mileage reimbursement	-85.33
Bill Pmt -Check	10/13/2017	8299	Recology	September garbage service	-85.40
Bill Pmt -Check	10/13/2017	8300	Scraper's Edge	Easel pads for communication training.	-88.94
Bill Pmt -Check	10/13/2017	8301	SDRMA Medical	November premium.	-20,398.00
Bill Pmt -Check	10/13/2017	8302	Terry, P.	September mileage	-191.53
Bill Pmt -Check	10/13/2017	8303	Verizon Wireless	Sep tablet/cell service for field staff/mobile broadband service.	-229.51
Bill Pmt -Check	10/13/2017	101317	Staples Charge Account	September Statement	-657.84

Redwood Coast Energy Authority
Warrants Report
For the month of October, 2017

Type	Date	Num	Name	Memo	Amount
ACH	10/16/2017	ACH	The Energy Authority	July 2017 Invoice	-4,735,135.89
ACH	10/16/2017	ACH	The Energy Authority	August 2017 Invoice	-2,402,092.67
ACH	10/17/2017	ACH	CalPine Energy Solutions	August 2017 Invoice	-113,193.18
WD	10/20/2017	WD	Umpqua Bank	Service Charge	-111.25
Bill Pmt -Check	10/20/2017	8305	APP Imprints, LLC	USB Sticks	-431.83
Bill Pmt -Check	10/20/2017	8306	Arcata Chamber of Commerce	Membership dues	-406.00
Bill Pmt -Check	10/20/2017	8307	Bear River Casino	Bear River self-install rebate/Audit 4697.	-407.69
Bill Pmt -Check	10/20/2017	8308	Best Cleaners	Best Cleaners self-install rebate/Audit 4771.	-512.60
Bill Pmt -Check	10/20/2017	8309	Cissna, A.	October mileage reimbursement	-11.16
Bill Pmt -Check	10/20/2017	8310	Courthouse Market	Courthouse Market self-install rebate/Audit 4779.	-4,105.38
Bill Pmt -Check	10/20/2017	8311	Environmental Indicator Accounting Svcs.	Training and report development.	-4,085.00
Bill Pmt -Check	10/20/2017	8312	Fieldbrook Market & Eatery	Fieldbrook Market self-install rebate/Audit 4853	-1,160.95
Bill Pmt -Check	10/20/2017	8313	Fischer, A.	Refreshments for all-staff training.	-128.13
Bill Pmt -Check	10/20/2017	8314	Freshwater School District	Freshwater School self-install rebate/Audit 4251.	-3,573.53
Bill Pmt -Check	10/20/2017	8315	Fuente Nueva Charter School	Fuente Nueva self-install rebate/Audit 3714	-845.20
Bill Pmt -Check	10/20/2017	8316	Gelinas James, Inc.	All staff training	-7,080.00
Bill Pmt -Check	10/20/2017	8317	Marshall, M.	Marshall Travel: CalCCA Meeting, Riverside CA	-1,163.05
Bill Pmt -Check	10/20/2017	8318	Mattio, B.	October purchase reimbursement	-26.65
Bill Pmt -Check	10/20/2017	8319	Peninsula School District	Peninsula Union School Dist self-install rebate / Audit 4480	-2,110.16
Bill Pmt -Check	10/20/2017	8320	PG&E CCA	October CCE Charges	-27,360.96
Bill Pmt -Check	10/20/2017	8321	Times Printing Company	Move in mailing service mailers	-993.42
ACH	10/23/2017	ACH	Humboldt Redwood Co	September 2017 biomass power	-328,285.20
Paycheck	10/25/2017	8304	Paycheck	Payroll 10/1 - 10/15/17	-2,583.20
Paycheck	10/25/2017	Direct Dep	Paycheck	Payroll 10/1 - 10/15/17	-45,238.46
Liability Check	10/27/2017	E-pay	EDD	499-0864-3 QB Tracking # 383583972	-3,414.43
Liability Check	10/27/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 383584152	-19,317.70
Liability Check	10/27/2017	E-pay	EDD	499-0864-3 QB Tracking # 383584402	-189.91
Bill Pmt -Check	10/27/2017	8322	Advanced Security	Security monitoring for Nov-Jan.	-118.50
Bill Pmt -Check	10/27/2017	8323	AM Conservation	LED Stock	-913.37
Bill Pmt -Check	10/27/2017	8324	AT&T	October Telephone Service	-611.12
Bill Pmt -Check	10/27/2017	8325	Bishop, M.	October purchase reimbursement - prism panels	-56.24

Redwood Coast Energy Authority
Warrants Report
For the month of October, 2017

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	10/27/2017	8326	Bithell, M.	October purchase reimbursements	-58.71
Bill Pmt -Check	10/27/2017	8327	Board of Equalization	Electrical Energy Surcharge Return	-46,341.00
Bill Pmt -Check	10/27/2017	8328	City of Arcata	September High Energy Use Tax	-3,041.27
Bill Pmt -Check	10/27/2017	8329	Fielding, A.	October travel & purchase reimbursement	-858.79
Bill Pmt -Check	10/27/2017	8330	Headwaters Fund - Interest	RCEA loan October 2017 Interest 3846000 800190	-3,013.89
Bill Pmt -Check	10/27/2017	8331	Local Government Commission	Annual Contributing Membership dues - Sustainable Energy Coaliti	-750.00
Bill Pmt -Check	10/27/2017	8332	North Coast Journal	Recruitment Advertising	-94.00
Bill Pmt -Check	10/27/2017	8333	PG&E Utility Account	September utilities/lighting upgrade financing	-610.91
Bill Pmt -Check	10/27/2017	8335	Pine Hill School	South Bay School self-install rebate/Audit 4330.	-3,852.48
Bill Pmt -Check	10/27/2017	8336	SDRMA Dental	November Premium	-1,440.00
Bill Pmt -Check	10/27/2017	8337	Times-Standard	Notice Inviting Bids - Southern Humboldt Unified School District	-799.48
Bill Pmt -Check	10/27/2017	8338	Ulhar, D.	October mileage reimbursement	-17.02
Bill Pmt -Check	10/27/2017	8339	City of Arcata	September Utility User Tax	-8,364.99
Bill Pmt -Check	10/27/2017	8340	Winzler, John	Office Lease - November	-4,223.00
Liability Check	10/27/2017	8341	Umpqua Bank	74-3104616	-558.36
Liability Check	10/27/2017	8342	Calvert	74-3104616	-10,004.00
ACH	10/31/2017	ACH	CalPine Energy Solutions	September 2017 invoice	-114,156.81
Paycheck	10/31/2017	8391	Paycheck	Final paycheck	-1,056.91
Total					-8,161,769.47

Redwood Coast Energy Authority
Visa

For the month of October, 2017

Date	Num	Name	Memo	Amount
10/01/2017	October	Square	Card Reader Fee	40.00
10/06/2017	ADB01474480	Adobe Systems, Inc.	Acrobat Pro DC membership	29.98
10/09/2017	0555463	Amazon.com	20-pack GearIt Cat 6 Ethernet cable	35.59
10/09/2017	3994609	Amazon.com	Dell DisplayPort to DVI Single Link Adapter	12.20
10/10/2017	5224776	Amazon.com	Wall organization system	116.59
10/11/2017	315746	Versare	Cubicle walls and posts for admin office.	3,023.00
10/12/2017	5017114332	Adobe Systems, Inc.	Adobe Creative Cloud membership	49.99
10/16/2017	October	U-Verse	October DSL	95.94
10/16/2017	7855447	Amazon.com	TechFlex braided sleeving	16.92
10/25/2017	October	Uberconference	Conference call subscription	11.06
TOTAL				3,431.27

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Redwood Coast Energy Authority

Balance Sheet

As of October 31, 2017

	<u>Oct 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
1075 · Umpqua Reserve Account 2300	1,000,890.62
1070 · Umpqua Deposit Cntrl Acct 1687	3,453,961.26
1062 · Chase DD Checking	25.00
1060 · Umpqua Checking-9271	470,105.66
1000 · COUNTY TREASURY 3839	4,207.73
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,037.26
Total Checking/Savings	<u>4,944,641.88</u>
Accounts Receivable	
1100 · Accounts Receivable	314,325.54
Total Accounts Receivable	<u>314,325.54</u>
Other Current Assets	<u>6,585,139.50</u>
Total Current Assets	11,844,106.92
Fixed Assets	44,983.39
Other Assets	4,100.00
TOTAL ASSETS	<u><u>11,893,190.31</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	177,540.20
Total Accounts Payable	<u>177,540.20</u>
Credit Cards	705.25
Other Current Liabilities	
2001 · Accounts Payable-Other	6,939,544.09
2100 · Payroll Liabilities	64,862.66
2210 · Retentions Payable	1,208.96
Total Other Current Liabilities	<u>7,005,615.71</u>
Total Current Liabilities	7,183,861.16
Long Term Liabilities	
2700 · Long-Term Debt	
2701 · Lighting Upgrade	6,520.63
2702 · Headwaters Credit Line	700,000.00
Total 2700 · Long-Term Debt	<u>706,520.63</u>
Total Long Term Liabilities	<u>706,520.63</u>
Total Liabilities	7,890,381.79
Equity	
2320 · Investment in Capital Assets	38,462.75
3900 · Fund Balance	337,549.02
Net Income	3,626,796.75
Total Equity	<u>4,002,808.52</u>
TOTAL LIABILITIES & EQUITY	<u><u>11,893,190.31</u></u>

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

	Jul - Oct 17	Budget	% of Budget
Income			
Total Revenue - government agencies	110,784	268,835	41%
Total Revenue - program related sales	13,942	15,000	93%
Total Revenue-nongovernment agencies	359,338	1,570,364	23%
5500 - Energy Sales Revenue	-	-	0%
Electricity Sales Revenue			
Electricity Sales - Retail Revenue	16,489,141	46,735,993	35%
Electricity Sales - Uncollectable Accounts	(49,468)	(140,208)	35%
Total Electricity Sales Revenue	16,439,673	46,595,785	35%
Total Income	16,923,737	48,449,983	35%
Expense			
WHOLESALE POWER SUPPLY			
CAISO			
Total CAISO Energy	(3,468,605)	5,336,455	-65%
Total CAISO Non-Energy Charges	514,424	1,830,563	28%
Total CAISO	(2,954,181)	7,167,018	-41%
Bilateral Activity			
Resource Adequacy	599,936	2,572,007	23%
Energy Hedges Notional Value	7,179,804	19,298,480	37%
Low Carbon Settlements	4,531,056	518,145	874%
Total Bilateral Activity	12,310,796	23,106,420	53%
Local Power Purchase Agreements			
Humboldt Redwood Company	1,685,641	4,862,651	35%
Total Local Power Purchase Agreements	1,685,641	4,862,651	35%
TOTAL WHOLESALE POWER SUPPLY	11,042,256	35,136,090	31%
 PERSONNEL EXPENSES	 659,960	 2,506,578	 26%
 FACILITIES AND OPERATIONS	 42,154	 232,976	 18%
 COMMUNICATIONS AND OUTREACH	 49,631	 200,041	 25%
 TRAVEL AND MEETINGS	 10,397	 48,617	 21%
 PROFESSIONAL AND PROGRAM SERVICES			
Contracts - Program Related Services	37,649	242,029	16%
Wholesale Services - TEA	188,332	567,821	33%
Procurement Credit - TEA	253,842	725,576	35%
Data Management - Calpine	358,614	921,508	39%
Regulatory	-	25,000	0%
Accounting	15,000	45,000	33%
Legal	12,240	85,000	14%
PROFESSIONAL AND PROGRAM SERVICES	865,676	2,611,934	33%

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

	Jul - Oct 17	Budget	% of Budget
PROGRAM EXPENSES	394,642	965,897	41%
INCENTIVES AND REBATES	216,713	460,000	47%
NON OPERATING COSTS	15,511	65,610	24%
Total Expense	13,296,940	42,227,742	31%
RESERVE REQUIREMENT CONTRIBUTIONS	1,000,000	6,000,000	17%
Net Income	2,626,797	222,241	1182%

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STAFF REPORT
Agenda Item # 3.4

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Dana Boudreau, Director of Operations
SUBJECT:	Contract for Information Technology Professional Services

BACKGROUND

As presented to the Board on September 18, 2017 as Agenda Item # 9.1, RCEA's Information Technology (IT) infrastructure is at capacity or overtaxed based on our growth from a small to a medium-sized entity. Staff has evaluated services and hardware options to update our computer and communication infrastructure, and is ready to proceed with a professional services contract for IT deployment and support during 2018.

Staff inquired to three local IT firms that each provided a proposal for professional services. Staff evaluated the proposals based on how they addressed RCEA's requirements for level and type of support, pricing, and flexibility of contract terms. Staff is recommending contracting with the vendor that provided the best overall fit for the organization:

Name: Nylex.NET Inc.
Primary contact: Mohsin Aziz, MAziz@nylex.net
Licenses: CA Contractor's C7-License #1010754
Phone: (707) 443-4944; Fax: (707) 443-4949
Website: www.nylex.net

The vendor has provided a proposal for 32 hours of support per month for 12 months at a cost of \$3,200 per month. The scope of work includes ongoing support and management and is outlined in the attached draft contract and service level agreement. Per the agreement, labor associated with deploying new infrastructure will be billed separately and will be equal to 20% of the materials cost. Planned major IT projects for the RCEA office include migrating to a server-based computing environment, deploying a Microsoft Exchange server for email services, and assisting with our new Microsoft 365 productivity software deployment. RCEA staff has begun a purchasing process and review, and anticipates materials cost for these projects to total \$25K.

This plan assumes that we back-fill the existing IT Specialist role to internally manage projects, purchase materials, and assist the outside vendor with onsite deployment and support. The role will also provide IT expertise to RCEA programs. A job search is actively underway to fill the IT position, with a goal to complete the hiring process within 30 days.

FINANCIAL IMPACT

The professional services contract for ongoing support and maintenance is expected to total \$38,400 for the calendar year, with half (\$19,200) expended during the current fiscal year, plus an additional \$5,000 of labor to assist with deployment of one-time infrastructure upgrades during this fiscal year. For reference, the current fiscal year's IT and telecommunications budget of \$83,500 is included in the Facilities and Operations budget line item.

STAFF RECOMMENDATION

Authorize staff to approve and execute a contract with Nylex.NET Inc. for professional services upon final approval of general counsel.

ATTACHMENTS:

1. DRAFT Agreement for Professional Services between the RCEA and Nylex
2. Nylex Managed Network Support Service Level Agreement

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE REDWOOD COAST ENERGY AUTHORITY
AND NYLEX**

This Agreement is made and entered into this ____ day of _____, 2018, by and between the Redwood Coast Energy Authority ("RCEA"), a regional Joint Powers Authority, and NYLEX.net, Inc. ("CONSULTANT"), an information technology services company.

RECITALS

WHEREAS, RCEA is in need of information technology services required to support and sustain RCEA's computer network and data systems.

NOW, THEREFORE, based on the conditions recited herein and made a material part hereof, the parties mutually agree as follows:

1. **Scope Of Services.** CONSULTANT agrees to provide all of the services described in Exhibit "A", consisting of 10 pages, which is attached hereto and incorporated by reference. All services shall be performed in accordance with generally accepted professional practices and principles and to RCEA's satisfaction.
2. **Term.** CONSULTANT agrees to commence work as of January 1, 2018 and is valid until further notice. This Agreement is subject to earlier termination as provided herein.
3. **Compensation.** Compensation for services rendered under this Agreement shall be based on section 6.3 of the Exhibit "A".
4. **Payment.** CONSULTANT shall submit invoices by the tenth (10th) working day of the month along with reports, which shall itemize all work completed and costs incurred as of the invoice date. Portions of the invoice not approved by the RCEA, if any, shall be promptly returned to CONSULTANT with an explanation as to why such portions were not approved. All invoices shall be submitted to RCEA, 633 3rd Street, Eureka CA 95501, Attention: Accounting, or emailed to accounting@redwoodenergy.org. RCEA will remit payment to CONSULTANT within thirty (30) days to 722 W Washington St. Eureka, CA 95501.
5. **Hold Harmless And Indemnification.** CONSULTANT agrees to indemnify, defend and hold harmless RCEA, its Governing Board, its officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting from any and all subcontractors, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged as a result of the CONSULTANT, its agents and employees, pertaining to the performance of this Agreement.

RCEA agrees to indemnify, defend and hold harmless CONSULTANT, its Governing Board, its officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting from any and all subcontractors, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged as a result of the RCEA, its agents and employees, pertaining to the performance of this Agreement.
6. **Relationship Of Parties.** CONSULTANT shall perform all work and services as described herein as an independent contractor. No person performing any of the work or services described herein shall be considered an officer, agent, servant or employee of the RCEA, nor shall any such person be entitled to any benefits, including but not limited to Workers Compensation Benefits, available or granted to employees of

RCEA. CONSULTANT shall be solely responsible for the acts or omissions of its officers, agents, employees, and subcontractors. Nothing herein shall be construed as creating a partnership or joint venture between RCEA and CONSULTANT.

7. **Additional Terms and Conditions.** CONSULTANT and RCEA shall be bound by the terms and conditions in the NYLEX Managed Network Support Service Level Agreement between RCEA and CONSULTANT, attached as Exhibit "A".

8. **Assignment.** Neither party shall assign its obligations under this Agreement without the prior written consent of the other, except that CONSULTANT may assign the proceeds due under this Agreement to any bank or person without such written consent. Any assignment by CONSULTANT in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. Subject to the provisions of this Section, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

9. **Subcontracting.** CONSULTANT shall not subcontract any portion of the work required by this Agreement without prior written approval of the RCEA, except for any sub-contract work identified herein. If CONSULTANT shall cause any part of the project to be performed by a subcontractor, the provisions of this contract shall apply to such sub-contractor, and CONSULTANT shall be liable hereunder for all acts and negligence of the subcontractor.

10. **Books Of Record And Audit Provisions.** CONSULTANT shall maintain detailed payroll records. These documents and records shall be retained for at least five years from the completion of this Agreement. CONSULTANT will permit RCEA to audit all books, accounts or records relating to this Agreement.

11. **Ownership of Work Product.** All documents or other information developed as part of this Agreement or received by CONSULTANT become the property of RCEA and must be made available to RCEA upon demand or termination of this Agreement.

12. **Confidentiality.** RCEA and CONSULTANT acknowledge that either party may provide certain information to the other that is considered to be confidential. RCEA and CONSULTANT shall take reasonable precautions to protect such confidential information. Such precautions shall involve at least the same degree of care and precaution that either Party customarily uses to protect its own confidential information.

13. **Nondiscriminatory Employment.** In connection with the execution of the Agreement, CONSULTANT shall not discriminate against any employee or application for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons.

14. **Entirety Of Contract.** This Agreement shall constitute the entire Agreement between the parties relating to the subject matter of this Agreement, and shall supersede any previous agreements, promises, representation, understanding and negotiation, whether oral or written, concerning the same subject matter. Any and all act which may have already been consummated pursuant to the terms which are embodied in this Agreement are hereby ratified.

15. **Amendment.** No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

16. **Termination.** If, in the opinion of the RCEA, CONSULTANT fails to perform the services required under this Agreement within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation, or other law which applies to its performance herein, the RCEA may terminate this Agreement with 14 days written notice. In such event, the RCEA shall pay to CONSULTANT an equitable portion of the total remuneration as compensation for the portion of the work deemed acceptable by the RCEA, less the amount of any damages sustained by the RCEA as a result of CONSULTANT's breach of this Agreement. The RCEA shall be entitled to take possession of all studies,

drawings, computations and specification, insofar as they are complete and acceptable to the RCEA. At any time and for any reason, upon thirty days written notice to CONSULTANT, the RCEA may terminate this Agreement and pay only for those services rendered as of the date when termination is effective.

17. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered if personally delivered, or three (3) business days after mailing if mailed by certified mail, postage prepaid, return receipt requested, and shall be addressed as follows:

Notices shall be given to RCEA at the following address:

Lexie Fischer, Administrative Specialist, Grants & Contracts
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

Notices shall be given to CONSULTANT at the following address:

Nylex
722 W Washington St.
Eureka, CA 95501

18. Compliance With Applicable Laws. CONSULTANT shall comply with any and all applicable federal, state and local laws affecting the services covered by this Agreement.

19. Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

20. Severability. If any paragraph, section, sentence, clause or phrase contained in this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining paragraphs, sections, sentences, clauses or phrases contained in this Agreement shall not be affected thereby.

21. Waiver. The waiver of any breach of any provision hereunder by any party hereto shall not be deemed to be a waiver of any preceding or subsequent breach hereunder.

22. Warranty of Authority. Each of the undersigned hereby warrants that he/she has authority on behalf of his or her principal to execute this Agreement.

23. Counterpart Signatures. This Agreement may be signed in separate counterparts, and all counterparts, when signed, shall constitute an enforceable agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first herein above written.

(Signatures on following page)

CONSULTANT:

Date: _____

Name, Title
Nylex.net LLC

RCEA:

Date: _____

Matthew Marshall, Executive Director
Redwood Coast Energy Authority

EXHIBIT A: NYLEX MANAGED NETWORK SUPPORT SERVICE LEVEL AGREEMENT

See attached document.

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**NYLEX Managed Network Support
Service Level Agreement (SLA)
For Redwood Coast Energy Authority**

By

Nylex.net

Effective Date:

01/01/2018

Document Owner:	Nylex.net
------------------------	-----------

Version

Version	Date	Description	Author
1.0		Service Level Agreement	Mohsin Aziz

Approval

(Signature(s) below indicates agreement to all terms and conditions outlined in this Agreement.)

Approved by	Role	Signed	Approval Date
Nylex.net	<i>Provider</i>		
Redwood Coast Energy Authority	<i>Customer(s)</i>		

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1. Agreement Overview

This Agreement represents a Service Level Agreement ("SLA" or "Agreement") between NYLEX (henceforth referred to as "**Provider**") and **Redwood Coast Energy Authority** (henceforth referred to as "**Customer**") for the provisioning of IT services required to support and sustain **Customer's** computer network and data systems.

This Agreement remains valid until superseded by a revised agreement mutually endorsed by the stakeholders.

This Agreement outlines the parameters of all IT services covered as they are mutually understood by the primary stakeholders. This Agreement does not supersede current processes and procedures unless explicitly stated herein.

2. Goals & Objectives

The **purpose** of this Agreement is to ensure that the proper elements and commitments are in place to provide consistent IT service support and delivery to the **Customer** by the **Provider**.

The **goal** of this Agreement is to obtain mutual agreement for IT service provision between the **Provider** and **Customer**.

The **objectives** of this Agreement are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities.
- Present a clear, concise and measurable description of service provision to the **Customer**.
- Match perceptions of expected service provision with actual service support & delivery.

3. Stakeholders

The following **Provider** and **Customer** will be used as the basis of the Agreement and represent the **primary stakeholders** associated with this SLA:

IT Provider: NYLEX.net, Inc. ("**Provider**")

IT Customer: Redwood Coast Energy Authority ("**Customer**")

4. Periodic Review

This Agreement is valid from the Effective Date outlined herein and is valid until further notice. This Agreement should be reviewed at a minimum once per fiscal year; however, in lieu of a review during any period specified, the current Agreement will remain in effect.

The **Business Relationship Manager** is responsible for facilitating regular reviews of this document. Contents of this document may be amended as required, provided mutual agreement is obtained from the primary stakeholders and communicated to all affected parties. The Business Relationship Manager will incorporate all subsequent revisions and obtain mutual agreements/approvals as required.

Business Relationship Manager: NYLEX.net

Review Period: Yearly (12 months)

Previous Review Date: -----

Next Review Date: 01/01/2019

5. Service Agreement

5.1. Service Scope

- NYLEX will provide NYLEX Managed Security Gateway [web/email filter, antivirus protection, and network security services] at the entrance to your network
- NYLEX will provide Email Relay
- NYLEX will monitor the network and backup systems remotely and alerts will be sent to the technician's phone via email.
- NYLEX will submit monthly monitoring reports via email to the Customer's designated staff

Staff member email address/phone number

- NYLEX will update servers with released updates by software vendors such as Microsoft. We will schedule with Customer's staff any updates which require a reboot of the servers.
- NYLEX will perform research related activities required to maintain the **Customer's** network equipment.
- NYLEX will provide printer software support.
- NYLEX will maintain all network infrastructure ie: switches, access points, network servers and all other assets present on the Customer's data network at the signing of this agreement as outlined in Documentation of Existing Hardware Section 5.2. This agreement only covers servers, laptops, desktops, switches and routers installed and in use at the time of this Agreement.

5.2.Documentation of Existing Hardware (To be finalized after signing).

a.Location 1 :

- **Servers**
 - **Server 1:**
 - **Server 2:**
- **Switch:**
- **Routers :**
 - **Router 1:**
 - **Router 2:**
- **Access Points:**
- **User workstations**
- **Modems**
- **Fiber Converters**

5.3. Desktop and End User Support

On-site/Remote/Telephone support is provided during the hours of 8:00-5:30, Monday through Friday. Server/Network support provided outside of the above mentioned business hours will be billed at our current, after- hour rates.

5.4. New Equipment/Infrastructure Upgrades

Any new equipment purchased from NYLEX will incur a fixed 20% setup charge. For example, a \$1,000 laptop will have a fixed setup and data transfer charge of \$200...a \$3,000 server will have a fixed setup and install charge of \$600. NYLEX will provide printer software support for printers purchased through NYLEX. Equipment purchased from another source will be setup using NYLEX current hourly rates or agreed upon project cost. All equipment is covered by manufacturer's warranty.

5.5. Customer Requirements

Customer responsibilities and/or requirements in support of this Agreement include:

- Payment for all support costs at the agreed interval as outlined in Section 6.3.
- **Customer is** responsible for all mileage, food and lodging expenses incurred to service **Customer** owned equipment or facilities outside of Eureka as outlined in Section 6.4- Pricing for Maintenance Services.
- Reasonable availability of **Customer** representative(s) when resolving a service related incident or request.
- **Customer** is responsible for the maintenance and licensing of contracts for third party software.

5.6. Provider Requirements

Provider responsibilities and/or requirements in support of this Agreement include:

- Meeting response times associated with emergency service related incidents
- Appropriate notification to **Customer** for all scheduled maintenance.
- Priority cell phone numbers for assigned technicians will be made available to **Customer's** management and staff for emergency and after business hours phone calls.

5.7. Service Assumptions

Assumptions related to in-scope services and/or components include:

- Changes to services will be communicated and require consent by all stakeholders.
- **NYLEX.net** is not a printer service center.
- **NYLEX.net** is not a warranty repair provider.
- **NYLEX.net** is an authorized Microsoft, Cisco, HPE, Lenovo, and IBM reseller- including hardware and software. However, **Customer** may choose to purchase equipment and software from another source. We may recommend products, brands, and suggest where to purchase products at **Customer's** request.
- *Incidental expenses incurred within the normal conduct of business, such as small parts, cables, etc.,* will be billed to **Customer** and include a 15 % handling fee.
- **NYLEX.net** may finance software or hardware purchases.
- **NYLEX.net** can provide cabling services if **Customer** chooses (additional charges apply- refer to Section 6.4). Cabling run by a third party vendor must be certified to ensure trouble-free connectivity.
- Video surveillance, security systems, and phone systems are not covered under this agreement. Support for these services can be added to this contract upon request.
- **NYLEX.net** will provide and maintain a Help Desk Portal for **Customer** to initiate and track trouble tickets.
- Connection setups to outside facilities, agencies, clients, or vendors will be billed separately at our current hourly rate.
- Any significant changes to the size and/or complexity of the **Customer's** network may result in contract changes to be agreed upon by both **Customer** and **NYLEX.net**.
- This agreement may be terminated by either party after a 30 day notice and a good faith attempt by both parties to resolve any issues that arise.

6. Service Management

Effective support of in-scope services is a result of maintaining consistent service levels. The following sections provide relevant details on service availability, monitoring of in-scope services, and related components.

6.1. Service Availability

b. During business hours:

- Onsite/Remote support: 8:00 A.M. to 5:30 P.M. Monday – Friday
- Telephone support: 8:00 A.M. to 5:30 P.M. Monday – Friday
- Email support: Monitored 8:00 A.M. to 5:30 P.M. Monday – Friday

c. After business hours:

Additional charges will apply see Section 6.4

- Calls received outside of office hours will be forwarded to the on-call technician's mobile phone and best efforts will be made to answer/action the call.
- Emails received outside of office hours will be collected, however no action can be guaranteed until the next working day.
- Telephone/Remote support on an as needed basis and billed accordingly.

6.2. Service Requests

- Service requests should be made by submitting a trouble ticket through the Help Desk Portal.
- Emergency requests should be made by calling the primary technician's mobile or office phone and will be returned on a priority basis.

NYLEX will respond to Emergency Service requests submitted by the **Customer** within two hours.

6.3. Pricing for Maintenance Services

- **Customer** agrees to pay a sum of \$3,200 per month for the Maintenance Services described herein.
- The first payment is due in full at the signing of this agreement.
- Commencing one year (1) after the effective date referenced in Section 4 and on each anniversary date thereafter, pricing for the Maintenance Services described herein will be reviewed.

6.4. Additional Pricing

- All mileage and/or lodging charges incurred during the performance of these services outside of Eureka will be forwarded to **Customer** at cost for reimbursement.
- Incidental equipment, parts, software, and/or tools purchased exclusively for use at **Customer's** offices will be billed to **Customer** with a 15% handling/carrying fee.
- NYLEX will provide cabling services at an additional charge.
- Connection setups to outside facilities, agencies, customers, clients, or vendors will be billed separately using current hourly rate.
- New projects will be billed separately using current hourly rates or agreed upon project cost
- Support provided during normal business hours (8:00am – 5:30pm M-F), **that is outside the scope of this agreement**, will be billed separately using current hourly rates.
- Support provided **outside of normal working hours, holidays, or weekends** will be billed separately using current, after hours/holiday rate.
- Any significant change in the size or complexity of the **Customer's** network may result in contract changes to be agreed upon by both **Customer** and NYLEX

Hourly Rates Listed by Type of Service Performed

1. Support and installation time is billed on a per incident basis. The minimum time unit billed will be a half hour, and total time will be rounded up to the next half hour.
2. Remote, on-site, and in-house PC and desktop support, virus and spyware removal, workgroup troubleshooting, wireless, hardware, software installation and support, application support, smart phone setup, desktop operating system trouble-shooting: **\$105.00 per hour.**
3. Server operating systems, directory services, VPN, terminal services, security configurations, installation, and support: **\$125.00 per hour.**
4. Cisco switches and routers, VOIP phone and PBX, MPLS/DS3/T1, and Polycom video installation and support: **\$150.00 per hour**
5. **NYLEX.net, Infrastructure Group:** running CAT5, CAT6, RG6, fiber optic, installation and repair of copper Ethernet cabling, other types of data line wiring, installing punch panels, wall outlets, cover molds, and campus and municipal wireless system installation and support: **\$100.00 per hour.**
6. Tower climbing for wireless antenna and bridge installation (does not include man-lift rental or equipment configuration): **\$150.00**

7. **RATE TABLE:** Billing rates and charges

	Mon-Fri 8-5:30	Sat-Sun	After Hours Scheduled/Emergency	Holidays
Hourly Customers	Hourly Rate	1.5xHourly Rate 2 hour minimum	1.5xHourly Rate 2 hour minimum	2xHourly Rate 2 hour minimum
Block of Time Customers	BOT Rate	1.5xBOT Rate 2 hour minimum	1.5xBOT Rate 2 hour minimum	2xBOT Rate 2 hour minimum
Service-Level Agreement Customers	See SLA	See SLA	See SLA	See SLA

If work started during working hours extends into afterhours, then only work performed after 5:30 will be subject to over time rates. All parts billed separately.



STAFF REPORT
Agenda Item # 5.1

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Nancy Diamond, General Counsel
SUBJECT:	Revisions to RCEA Board of Directors Operating Guidelines

BACKGROUND

The RCEA Board considered revisions to the Board's Operating Guidelines during its November 2017 meeting to clarify 1) the process by which the RCEA meeting agenda is developed, and 2) RCEA processes and strategies for public engagement, including the structure and function of the Community Advisory Committee (CAC).

Agenda development is generally left to the discretion of the Executive Director. As proposed, the Executive Director would continue to take the lead in developing the meeting agendas, however individual Board members and members of the public would be able to request specific items be placed on future agendas. Requests could be made either in writing submitted to the Executive Director or orally at a Board meeting. During an itemized agenda item, a majority of the Board would be required to agree that specifically requested items be placed on a future agenda for Board review and/or discussion. Based on Board direction given at the November meeting, the proposed revisions would give the Executive Director would have discretion to place specifically requested time sensitive matters on a future agenda for full Board discussion without the Board's prior approval.

The proposed revisions seek to encourage public engagement through stated goals and outcomes, including through the Community Advisory Committee. In addition, the proposed revisions define the structure of the CAC, how its members are appointed, and the length of their terms. Additionally, the proposed revisions clarify the Board's authority to create focused ad hoc or working groups to be created and tasked by specific Board action.

The proposed revisions are shown in the attached Appendix A to Resolution 2017-6 using red font.

STAFF RECOMMENDATION

Adopt Resolution 2017-6, Revisions to RCEA Board of Directors Operating Guidelines

ATTACHMENTS

- 1) Appendix A: Proposed Revisions to RCEA Board of Directors Operating Guidelines
- 2) Resolution 2017-6

Appendix A
Proposed Revisions to RCEA Board of Directors Operating Guidelines



BOARD OF DIRECTORS OPERATING GUIDELINES

(Adopted December 12, 2016, Resolution 2016-4)
(Revised December 18, 2017, Resolution 2017-6)

Section 1: INTRODUCTION AND OVERVIEW

1.1 Background and Purpose

The Redwood Coast Energy Authority (“RCEA” or “Authority”) was established on April 22, 2003 pursuant to the execution of the Redwood Coast Energy Authority Joint Powers Agreement (“Agreement”) by the County of Humboldt and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District (each agency is designated a “Member Agency” or “Member”). RCEA was initially formed to undertake a pilot project created and funded by the California Public Utilities Commission (“CPUC”) and the Local Government Commission (“LGC”), a California nonprofit membership organization, designed to encourage the formation of regional organizations to promote energy efficiency, conservation and increased local self-reliance.

The RCEA Member Agencies adopted an Amended and Restated Joint Exercise of Powers Agreement effective as of December 15, 2015 (“Agreement”), authorizing RCEA to implement and administer an electric service enterprise called a Community Choice Aggregation (“CCA”), which is available to the electric customers of Members electing to become CCA program participants. Pursuant to this Authority, the RCEA developed and is operating a CCA program (synonymously referred to as the Community Choice Energy (“CCE”) program).

RCEA has established these Guidelines pursuant to Section 3.2 of the Agreement to assist the RCEA Board members in achieving RCEA’s purposes, including implementation of the Agreement’s weighted voting provisions for CCA program matters.

1.2 Board Member Appointment

RCEA Board members are appointed ~~for one-year terms~~ by their respective Member Agencies. Member Agencies also appoint alternate Board members to attend RCEA Board meetings when the primary Board member is unavailable. It is the responsibility of the primary and alternate members to coordinate RCEA meeting schedules between themselves when the primary member is unable to attend a meeting. Board members serve at the pleasure of their respective Member Agencies, and it is the Board member’s responsibility to regularly inform their respective Member Agencies of RCEA’s actions and decisions.

Once appointed, a Board Member has full authority to vote on RCEA matters based on the best interests of RCEA. Individual Board Members are not required to obtain specific direction from their respective Member Agencies prior to voting.

1.3 Board Meetings

Regular meetings of the Board occur every month, generally on the third Monday of each month. The Board approves the annual calendar of regular meetings every year at its January meeting. Regular meetings may be changed or cancelled by Board action, or cancelled by the Executive Director if there is no quorum. Special meetings may be scheduled as needed. All Board meetings are subject to Ralph M. Brown Act advance noticing.

Board meeting agendas and packets are distributed to Board members electronically, with hard copies available on request. The Board agenda and packet will be made available 5 days prior to the meeting, and Board members have the responsibility to review them before the meeting.

1.3.1 *Agenda Development*

The Board meeting agenda is generally developed by the Executive Director. No later than 10 days prior to a regular meeting the Executive Director shall meet with the Chair, a rotating member of the Board, General Counsel, and staff as deemed appropriate by the Executive Director, to discuss the draft agenda.

The Board will review all agenda item requests made by individual Board members or members of the public. Any Board member or member of the public may request that an item be placed on a future Board meeting agenda by bringing the matter to the full Board at the appropriate time of a noticed meeting or by submitting a written request to the Executive Director. The Executive Director will bring written requests for future agenda items to the Board for its determination during a noticed public meeting of whether to place the item on the agenda.

Written requests for items to be placed on the agenda must, at a minimum, contain all of the following:

1. A substantive outline or summary of the information that will be presented to the Board;
2. A concise statement of the specific action, if any, the Board will be asked to take on the item; and,
3. A statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the Board to consider this subject matter and to take the requested action.

Items requested to be placed on a future agenda by individual Board members or members of the public must be agreed to by a majority of the Board. Items approved for future agendas shall be placed on the agenda as soon as possible with consideration for scheduling issues. The Executive Director may place time sensitive items requested by an individual Board member or member of the public on the agenda for full Board discussion without the Board's prior approval.

1.4 Selection of Board Chair and Vice Chair

By simple majority vote, the RCEA Board selects its Chair and Vice Chair every year at its January meeting. The responsibilities of the Chair include:

- Conducting the monthly and special meetings
- Attending the monthly agenda review meeting
- Being available to sign checks when necessary

The Vice Chair's responsibilities include:

- Conducting the monthly and special meetings when the Chair is unable to
- Attending the monthly agenda review meeting when the Chair is unable to
- Being available to sign checks when necessary

1.5 Overview of Basic RCEA documents

The Board has approved several key operational and planning documents, some of which come before the Board for approval on an annual basis. The following lists some of these documents.

- Amended and Restated Joint Powers Agreement
- Annual Budget
- Annual Audit
- Comprehensive Action Plan for Energy (CAPE)
- RePower Humboldt
- Guidelines for the RCEA Community Energy Program Launch-period Strategy and Targets
- CCA Implementation Plan
- Organization Chart
- Salary and wage schedule
- Board Operating Guidelines (this document)

1.6 New Board Member Orientation

In order to prepare new Board Members, the Executive Director provides an annual orientation for new Board Members. Continuing Board Members as well as Member Agency legislative members and staff are welcome and encouraged to attend.

Section 2: BOARD VOTING

2.1 Non-CCA Program Items, Full-Board Voting Equal Weighting

A majority of the full Board constitutes a quorum for the transaction of non-CCA Program business. Each Board member present at the meeting has an equal vote in all non-CCA program business matters. The following lists the types of items considered to be non-CCA program related:

- Adopting the annual budget
- Contracting, including CCA procurement contracts
- Organizational policies
- Organizational positions on legislative or regulatory matter (even if only related to CCA)
- Personnel matters
- Financial operating policies and procedures
- Litigation or other legal matters
- Program related matters for any programs not funded by the CCA
- Agency-wide risk management matters, including primary energy-risk management policies/procedures

2.2 CCA Program Items, Participating Members Weighted Voting

Only Board members representing Member Agencies that are CCA Program participants are eligible to vote on CCA program items. However, all Board members are eligible, and encouraged, to participate in Board discussions of CCA Program matters. The vote from each Board member representing a Participating Member consists of:

- 1) 1/3 fixed pro rata share based on total number of Participating Members; and
- 2) 2/3 proportional share of electric accounts in Participating Member's jurisdiction.

The method of computation of these two vote components is set out in the Amended and Restated Joint Powers Agreement at Section 4.4. The initial weighted voting shares and total votes, which is subject to update every two years beginning in 2017 on or before March 1, is set out in the Amended and Restated Joint Powers Agreement at Exhibit A. These documents are attached here in Appendix A.

A majority of the Board members representing Participating Agencies constitutes a quorum for the transaction of CCA Program business. Each Board member representing a CCA program Participating Agency and present at the meeting shall have a weighted vote in CCA program items. The following lists the types of items considered to be CCA program related:

- Setting of Overall CCA Program Objectives
- Determining power content targets
- CCA budget decisions (which will be incorporated in the overall organizational budget)
- Setting customer rates
- Procurement strategy and procedures
- CCA-funded program allocations
- Any policies that apply exclusively to CCA operations

If there is uncertainty whether a particular Board decision is CCA program business or non-CCA program business, RCEA General Counsel will be consulted for a determination on which voting structure applies.

Section 3: CONDUCT OF MEETINGS

3.1 Rules of Procedure

The RCEA is governed by the same laws and regulations that control its Member Agencies concerning the conduct of meetings. This primarily includes the Ralph M. Brown Act, however specific laws may apply in individual situations. When no state or federal law governs a particular procedure, the Board elects to follow as guidelines the parliamentary rules of procedure set out in Rosenberg Rules of Order: Parliamentary Procedure for the 21st Century. A copy of these Rules is attached as Appendix B. It may also be found at: https://www.cacities.org/Resources/Open-Government/RosenbergText_2011.aspx

Section 4: INTERACTIONS WITH MEMBER AGENCIES AND MEMBER AGENCY STAFF

The legislative members of the Member Agencies as well as their staff are encouraged to contact the Executive Director at any time questions or concerns arise. Upon direction by the Board or request of a Member Agency, the Executive Director will attend a regular meeting of the Member Agency legislative body to present items of concern and answer questions.

Section 5: PUBLIC ENGAGEMENT

5.1 Purpose and Goals

The underlying purposes of RCEA's public engagement efforts include:

- Provide clarity to the public and the Board on RCEA Programs, especially the Community Choice Aggregation Program (CCA)
- Provide education to increase understanding and awareness of RCEA programs
- Build trust and confidence in the programs with the public
- Create inclusion for members of the public so they are—and feel—heard and understood
- Build community support for RCEA programs

- Provide input to the Board and staff before decisions are made
- Engage a broad diversity of community stakeholders
- Ensure that RCEA decisions are made in alignment with explicitly stated criteria

The goals and desired outcomes of RCEA's public engagement efforts include:

- Community enthusiasm and support for RCEA decisions
- High participation in the public engagement process
- Establish and maintain high standards for public engagement strategies and processes
- High CCA customer participation rate (>90%)

5.2 Public Engagement Principles

RCEA and the Board will apply the following principles to public engagement:

- **Accountability and Transparency:** RCEA will enable the public to participate in decision-making processes by providing clear information on the issues, the ways to participate, and how their participation contributes to the decision.
- **Fairness and Respect:** RCEA will maintain a safe environment that cultivates and supports respectful public engagement.
- **Accessibility:** RCEA will respect and encourage participation by providing ample public notice of opportunities, resources, and accommodations that enable all to participate.
- **Predictability and Consistency:** RCEA will prepare the public to participate by providing meeting agendas, discussion guidelines, notes, and information on next steps.
- **Efficient Use of Resources:** RCEA will balance its commitment to provide ample opportunities for public involvement with its commitment to delivering government services efficiently and using RCEA resources wisely to make effective forward progress on RCEA's goals.
- **Evaluation:** RCEA will monitor and evaluate its public participation efforts to identify and act on opportunities to improve its processes.

5.3 Community Advisory Committee

The Board has established a Community Advisory Committee (CAC) to support RCEA public engagement efforts and to provide decision-making support and input to the RCEA Board.

- 5.3.1 The CAC will have up to 15 members, appointed by the RCEA Board. Each Board Member shall recommend appointment of one CAC member of their choosing. In order to accommodate outlying/unincorporated communities, the County representative shall recommend appointment of a total of 3 individuals. Up to 4 at-large members will be selected through an open application process and voted on by

- the full Board. CAC members will be appointed for 2-year terms, but can be removed at any time by the Board.
- 5.3.2 All CAC members shall have their primary residence in Humboldt County.
 - 5.3.3 The Board will appoint at least one RCEA Board member as a CAC liaison that will attend CAC meetings, but will not vote.
 - 5.3.4 Regular CAC meetings will be held quarterly at a regular date and time that will be established annually by the CAC. Special CAC meetings may be held to address specific topics or situations as needed. The Board may hold a joint Board and CAC meeting at its discretion.
 - 5.3.5 CAC meeting agendas will be developed by the Executive Director and shall include those items requested by the Board as well as those items the Executive Director determines appropriate.

5.4 Ad hoc committees and working groups

In addition to the CAC, the Board may at its discretion create ad hoc committees, working groups or task forces, to address specific topics or projects as specified by the Board. These ad hoc committees, working groups and task forces may be comprised of Board members, community members, or a combination of both, to be appointed as determined by the Board. These committees may be subject to the Ralph M. Brown Act.

APPENDIX A

Amended and Restated Joint Powers Agreement Section 4.4, Board Voting Related to the CCA Program, and Exhibit A, Initial Weighted Voting Shares and Total Votes

4.4 Board Voting Related to the CCA Program

- (a) Eligibility to Vote. Only Directors from Participating Members shall be eligible to vote on matters specifically related to the CCA Program.
- (b) Participating Member Vote. For purposes of the CCA Program, each Participating Member shall have a total vote comprised one third of a fixed Pro Rata Voting Share based on the total number of Participating Members, and two thirds of the proportional share of Electric Customers in the Participating Member's jurisdiction.
- (c) Computation. The Participating Member Vote shall be computed based on the following formulas:
 - i. *Pro Rata Voting Share*. Each Director shall have an equal voting share determined by the following formula: $([1/\text{total number of Directors}] \text{ multiplied by } 1/3)$; and
 - ii. *Customer Base Voting Share*. Each Director shall have an additional voting share determined by the following formula: $([\text{Number of Electric Customers in Director's jurisdiction} / \text{Total Number of Electric Customers in CCA}] \text{ multiplied by } 2/3)$, where "Electric Customers" means the total number of electricity customer accounts for all rate schedules as of December 31.
 - iii. *Total Vote*. The total vote for each Participating Member shall be the sum of its Pro Rata Voting Share plus its Customer Base Voting Share rounded to the nearest whole number, excepting that any sum greater than zero and less than 1.0 shall be rounded to 1.0. The initial Pro Rata Voting Shares, Customer Base Voting Shares, and total votes are set forth in Exhibit A, attached hereto and incorporated herein. Beginning in 2017, the Board's Executive Director shall update Exhibit A at least every two years no later than March 1 to reflect changes in the number of Electric Customers and Participating Members, and such update shall not constitute an amendment to this Agreement. Any updated Exhibit A shall be provided to the Board at the regular meeting immediately following the update, and to the executive officers of the Participating Members within 30 days after the update.

4.5 Quorum, Approval Requirements Related to CCA Program. A majority of the Participating Members must be present and a majority of the CCA total vote must be represented by the present Participating Members to establish a quorum for the transaction of business on any matter specifically related to the CCA Program. Except as otherwise provided in this Agreement, the action of the Board for any matter specifically related to the CCA Program shall require the affirmative vote of a majority of the Participating Members present at the meeting where such vote is taken. The affirmative vote shall be established by adding the total votes of the present Participating Members as set out in Section 4.4, above.

**Exhibit A to Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement
Board Voting Shares for Community Choice Aggregation Business**

Jurisdiction	Electric customer accounts (Dec 2014)	Percentage of total accounts (jurisdiction's accounts divided by total accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total votes, prior to rounding	TOTAL VOTES
City of Arcata	8,203	12.41%	8.31	4.125	12.44	12
City of Blue Lake	664	1.00%	0.67	4.125	4.80	5
City of Eureka	13,965	21.13%	14.16	4.125	18.29	18
City of Ferndale	939	1.42%	0.95	4.125	5.08	5
City of Fortuna	5,584	8.45%	5.66	4.125	9.79	10
City of Rio Dell	1,508	2.28%	1.53	4.125	6.06	6
City of Trinidad	272	0.41%	0.27	4.125	4.40	4
County of Humboldt (unincorporated)	34,950	52.88%	35.44	4.125	39.57	40
Total	66,085	99.99%	66.99	33	100.03	100

- Due to rounding, totals will differ at various stages of the calculation process.
- The percentages of total accounts are rounded to two decimal places prior to calculating the Customer Base Voting Share.
- Customer Base Voting Share = 67 multiplied by the % of total accounts, rounded to two decimal places.
- Total votes are the sum of the Pro Rata Voting Share and the Customer Base Voting Share, rounded to the nearest whole number.
- The allocation of voting shares will be updated every two years, and as-needed to adjust for changes in the make-up of jurisdictions participating in the CCA.

APPENDIX B
Rosenberg's Rules of Order:
Parliamentary Procedure for the 21st Century

**RESOLUTION NO. 2017-6
OF THE REDWOOD COAST ENERGY AUTHORITY
REVISION OF THE RCEA BOARD OPERATING GUIDELINES**

WHEREAS, RCEA is committed to putting in place a robust set of policies that align with local government best practices to support RCEA's effectiveness and establish a solid organizational foundation for RCEA's programs and projects; and

WHEREAS, the RCEA Board of Directors wishes to revise its operating guidelines to support the effective functioning of the Board and its efforts toward successfully implementing RCEA's mission and purposes.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby revises the RCEA Revised Board Operating Guidelines as set forth in Appendix A, attached hereto and incorporated herein.

Adopted this ____ day of _____, 2017

ATTEST:

Sheri Woo, RCEA Board Chair

Ahn Fielding, Clerk

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-6 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

APPENDIX A

REDWOOD COAST ENERGY AUTHORITY REVISED BOARD OPERATING GUIDELINES



STAFF REPORT
Agenda Item # 6.1

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Nancy Diamond
SUBJECT:	Adoption of RCEA Harassment Policy and Complaint Procedure

BACKGROUND

The RCEA Board adopted a workplace harassment policy as part of its employee personnel policy and procedures in 2012. While the harassment policy satisfies the requirements of state law, an outside Human Resources (HR) consultant retained by RCEA to audit its personnel and HR policies, procedures and practices recommended that RCEA's General Counsel update the policy to provide more specificity for the Executive Director when conducting harassment investigations.

The proposed new policy Harassment Policy and Complaint Procedure provides specific procedural protocols for the Executive Director to use when investigating and responding to harassment complaints, and clarifies the confidentiality of harassment files. The proposed revised policy additionally updates the definition of classes protected from workplace harassment consistent with applicable state law. In addition, the revised Policy includes a new provision to prohibit intimidation or bullying regardless of protected class status. Intimidation and bullying harassment is not currently prohibited by state law; however, mandatory harassment training is required to include a component about this type harassment.

The proposed revised Policy would replace RCEA's existing Unlawful Harassment including Sexual Harassment policy.

STAFF RECOMMENDATION

Adopt Resolution 2017-7, Adopting the RCEA Harassment Policy and Complaint Procedure, and replacing the previously adopted RCEA Unlawful Harassment Including Sexual Harassment policy

ATTACHMENTS

- 1) Appendix A: Proposed RCEA Harassment Policy and Complaint Procedure
- 2) Resolution 2017-7

Appendix A
Proposed Harassment Policy and Complaint Procedure



Harassment Policy and Complaint Procedure

Redwood Coast Energy Authority

(Adopted by Board Resolution 2017-7, December 18, 2017)

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Harassment Policy and Complaint Procedure

RCEA is committed to the policy that every employee has the right to be treated with respect. RCEA strictly prohibits unlawful harassment and discrimination. This includes harassment or discrimination on the basis of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person or any other protected class under applicable law ("protected classes").

In addition to prohibiting all forms of discrimination and harassment, RCEA also prohibits any form of harassment by "intimidation or bullying" in the workplace including offsite work related locations such as at offsite trainings or events.

This policy applies to all phases of the employment relationship, including recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training. This policy applies to all officers and employees of RCEA, including, but not limited to, full- and part-time employees, temporary employees, interns, supervisors, managers, directors, Board members, Committee members and persons working under contract for RCEA, with whom an employee comes into contact with. All such persons will be provided a copy of this policy when:

1. Hired or appointed;
2. At any time the policy is amended;
3. Upon request; and,
4. To any person who files a complaint under this policy.

In addition, this policy will be discussed at staff level meetings on a regular basis.

Harassment Defined: Harassment may consist of offensive verbal, physical, or visual conduct when such conduct is based on or related to an individual's membership in one of the above-described protected classifications, and:

- Submission to the offensive conduct is an explicit or implicit term or condition of employment; or
- Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or
- The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

Examples of what may constitute prohibited harassment include, but are not limited to, the following:

- Kidding or joking about sex or membership in one of the protected classifications;
- Hugs, pats, and similar physical contact;
- Assault, impeding or blocking movement, or any physical interference with normal work or movement;
- Cartoons, posters, e-mails and other materials referring to sex or membership in one of the protected classifications;
- Threats intended to induce sexual favors;
- Continued suggestions or invitations to social events outside the workplace after being told

such suggestions are unwelcome;

- Degrading words or offensive terms of a sexual nature or based on the individual's membership in one of the protected classifications;
- Prolonged staring or leering at a person;
- Similar conduct directed at an individual on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person or any other protected classification under applicable law.

Intimidation or Bullying Defined – Prohibited intimidation or bullying generally consists of severe or pervasive physical or verbal act or conduct that has or can reasonably be predicted to: 1) place an employee in reasonable fear of harm to the employee's person or property; 2) cause an employee to reasonably experience a substantially detrimental effect on his or her physical or mental health; or, 3) cause an employee to reasonably experience a substantial interference with his or her ability to work. It can include any intentional written, visual, verbal, or physical act, when the act or conduct has an effect as described above.

Intimidation or bullying comes in many shapes and sizes and can take many forms including, but not limited to, tormenting, taunting, abusive comments, using threatening gestures; pushing, shoving, punching, unwanted physical contact, or any use of violence; name-calling, yelling, sarcasm. Such conduct can also occur via use of electronic or telephonic communications such as the internet, email and chatroom misuse, text messaging or calls, or misuse of cameras and video equipment

Internal Reporting Procedure: Any employee who believes that he or she has been the victim of prohibited harassment, intimidation, or bullying by coworkers, supervisors, clients or customers, visitors, vendors, or others should immediately notify his or her supervisor, or, in the alternative, the Executive Director, depending on which individual the employee feels most comfortable in contacting. Additionally, supervisors, managers and directors who observe or otherwise become aware of harassment, intimidation, or bullying that violates this policy have a duty to notify the Executive Director so that affirmative steps are taken to promptly investigate and remedy such prohibited conduct and prevent its recurrence. The attached complaint form may be used.

If the incident directly involves the Executive Director, the employee should report the matter directly to the Chair of the Board of Directors or to the RCEA's General Counsel. Contact information for the Chair of the Board and/or General Counsel may be obtained in confidence from the Clerk of the Board.

External Reporting Procedure: Any employee who believes that he or she has been the victim of prohibited harassment, intimidation or bullying by coworkers, supervisors, clients or customers, visitors, vendors, or others may file a complaint with the California Department of Fair Employment & Housing (DFEH) or the United States Equal Employer Opportunity Commission (EEOC).

Investigation: The Executive Director is the person designated by RCEA to investigate complaints of harassment. The Executive Director may, however, delegate the investigation at his/her discretion, including the hiring of an outside investigator. The Executive Director is encouraged to consult with General Counsel during the investigation process.

Immediately upon receiving an allegation of conduct prohibited by this policy, the Executive Director will conduct a fair, timely and thorough investigation that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected. The investigation will be conducted as soon as feasible, and should proceed and conclude quickly. However, expediency is

not allowed to compromise the investigation's thoroughness or fairness. At all times during the investigation, the investigator shall be impartial, neutral and avoid the perception of bias. At a minimum, the Executive Director shall:

- Provide a copy of this policy to the complaining party, the accused party and any other applicable persons;
- Authorize and implement an immediate, effective, thorough, and objective investigation of the complaint. Interviews will be held with (1) the complaining party; (2) the accused party; and (3) any other persons the investigator has reason to believe may have relevant knowledge concerning the complaint, which may include employees who have experienced similar conduct. During the investigation, the complaining party may specify the type of relief they feel is warranted from the accused party, which will be considered in evaluating the complaint and in determining the appropriate disciplinary action, if the charge is confirmed;
- Review factual information gathered through the investigation process;
- Determine whether a violation of this policy has occurred, giving consideration to all the factual information and the totality of circumstances, including the nature of the conduct, and the context in which the alleged prohibited conduct occurred;
- Promptly report the results of the investigation and the determination as to whether this policy has been violated to appropriate persons, including the complaining party, the alleged harasser, the supervisor, the department head, and as appropriate, to all others directly concerned; and
- Take reasonable steps to protect the complaining party and/or other employees from any retaliation as a result of the complaint or the investigation.

In the event the prohibited conduct complaint is against the Executive Director, an investigator will be appointed by the Board of Directors and the Board will assume the role of the Executive Director throughout the process. Charges filed with the DFEH or EEOC are investigated by the DFEH or EEOC, respectively.

Internal Documentation Procedure: When an allegation of prohibited conduct is made, the person to whom the complaint is made shall immediately prepare a report of the complaint documenting the date of the occurrence(s), parties involved, allegations and facts known to the reporting person and submit it to the Executive Director. The person submitting the report should take care not to make conclusory statements.

The investigator shall make and keep a written record of the investigation, including notes of verbal responses made to the investigator by the person complaining of prohibited conduct, witnesses interviewed during the investigation, the person against whom the complaint prohibited conduct was made, and any other person contacted by the investigator in connection with the investigation. The investigator's notes shall be made at the time the verbal interview is in progress. Any other documentary evidence shall be retained as part of the record of the investigation.

Based on the report and any other relevant information, the Executive Director shall, within a reasonable period of time, determine whether the conduct of the person against whom a complaint has been made constitutes harassment, intimidation or bullying. In making that determination, the Executive Director shall look at the record as a whole and at the totality of circumstances, including the nature of the conduct in question; the context in which the conduct, if any, occurred; and the conduct of the person complaining of harassment. The determination of whether prohibited conduct occurred will be made on a case-by-case basis by the Executive Director.

Confidentiality: All records and information relating to the investigation of any alleged prohibited conduct and resulting disciplinary action shall be confidential, except to the extent disclosure is required by law, as part of the investigatory or disciplinary process, or as otherwise reasonably necessary. Information relating to the investigation may be shared on a limited basis only as necessary to complete the investigation and take appropriate action.

Remedies: Disciplinary Action--If the Executive Director determines that the complaint of prohibited conduct is founded, the Executive Director shall take immediate and appropriate disciplinary action consistent with the requirements of law and any personnel rules or regulations pertaining to employee discipline. Other steps may be taken to the extent reasonably necessary to prevent recurrence of the conduct and to remedy the complainant's loss, if any. Disciplinary action shall be consistent with the nature and severity of the offense, the rank of the harasser, and any other factors relating to the fair and efficient administration of the RCEA's operations.

If discipline is imposed, this will be communicated to the complainant. However, to protect the privacy rights of the accused, the complainant will not be told what the specific disciplinary action was. The nature and severity of the discipline will vary depending upon the nature and severity of the harassment, whether or not the employee was in a supervisory or management position, and/or any past history of misconduct.

If the charge is confirmed, the Executive Director shall take reasonable steps to protect the complainant and/or other employees from any further prohibited conduct.

In the event a complaint is filed with the DFEH, the DFEH will encourage voluntary settlement between the parties. If not settled, DFEH will continue its investigation to determine if California law was violated. If DFEH finds there were probable violations of the law, the case moves to DFEH's Legal Division. At that time, the parties are required to go to mediation. At mediation, the parties have the opportunity to reach an agreement to resolve the dispute and close the case. If mediation fails, the DFEH may file a lawsuit in court. Legal remedies available through DFEH for a successful claim by an applicant, employee, or former employee include possible reinstatement to a former job; award of a job applied for; back pay; front pay; attorneys' fees; and under appropriate circumstances, actual damages and/or administrative fines. In the alternative, DFEH may grant the employee permission to withdraw the case and pursue a private lawsuit seeking similar remedies.

Retaliation: Retaliation against anyone for opposing conduct prohibited by this policy or for filing a complaint with or otherwise participating in an investigation, proceeding or hearing conducted by RCEA, DFEH, or EEOC is strictly prohibited by RCEA and state law. It may subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

Employee Obligation: Employees are not only encouraged to report instances of harassment, they are obligated by state law to report instances of harassment.

Employees are obligated to cooperate in every investigation of harassment, including, but not necessarily limited to:

1. Coming forward with evidence, both favorable and unfavorable to a person accused of harassment; and
2. Fully and truthfully making a written report or verbally answering questions when required to do so during the course of an RCEA investigation of alleged harassment.

Knowingly falsely accusing someone of harassment, intimidation or bullying or otherwise knowingly giving false or misleading information in an investigation of prohibited conduct shall be grounds for disciplinary action, up to and including, termination of employment.

**REDWOOD COAST ENERGY AUTHORITY
DISCRIMINATION AND HARASSMENT COMPLAINT FORM**

Complainant's Name _____

Position: _____

Supervisor: _____

Alleged Harasser: _____

Position: _____

Name(s) of witness(es) (Including address and phone number if witness is not an employee)

Name

Address/Phone Number

Name

Address/Phone Number

Name

Address/Phone Number

Describe the specific incident(s) of discrimination or harassment. Include date(s), time(s), and place(s) of incident(s):

**RESOLUTION NO. 2017-7
OF THE REDWOOD COAST ENERGY AUTHORITY
ADOPTING THE RCEA HARASSMENT POLICY AND COMPLAINT PROCEDURE**

WHEREAS, RCEA is committed to ensuring a robust set of policies and procedures that are effective and fair in the protection of employees; and

WHEREAS, the RCEA Board of Directors adopted the *Unlawful Harassment Including Sexual Harassment* policy as part of its personnel handbook on January 23, 2012;

WHEREAS, the RCEA Board of Directors wishes to replace its current harassment policy to ensure continues effective and fair workplace protections.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby adopts the RCEA Revised Harassment Policy and Complaint Procedure as set forth in Appendix A, attached hereto and incorporated herein, to replace the previously adopted Unlawful Harassment Including Sexual Harassment policy.

Adopted this ____ day of _____, 2017

ATTEST:

Sheri Woo, RCEA Board Chair

Ahn Fielding, Clerk

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-6 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

APPENDIX A

REDWOOD COAST ENERGY AUTHORITY REVISED HARASSMENT POLICY AND COMPLAINT PROCEDURE



STAFF REPORT
Agenda Item # 6.2

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Development and Planning
SUBJECT:	Humboldt County Airport Solar Microgrid Project

SUMMARY

Background

At its September 2017 meeting the RCEA Board of Directors approved partnering with the Schatz Energy Research Center, PG&E, and County of Humboldt on a response to the CA Energy Commission's grant funding opportunity GFO-17-302 for the development of advanced microgrids. The Board also approved issuance of a request for proposals for construction of the microgrid's solar array to be included in the grant proposal.

The proposed project is to develop a microgrid at the Humboldt County Airport that will include:

- 2 MW solar array providing wholesale renewable energy for RCEA's power supply portfolio
- A 250 kW net-metered solar array that will supply power directly to the airport
- 2 MW/8 MWh Tesla battery energy storage system
- Advanced microgrid control systems and associated hardware
- An LED runway lighting upgrade
- Four electric vehicle charging stations

The microgrid will serve 18 electric accounts including Humboldt County's main commercial airport and a U.S. Coast Guard Air Station, two critical facilities in the event of a prolonged emergency. In the event of a grid outage the microgrid will seamlessly transition to an islanded state and provide nearly continuous renewable power to microgrid loads.

The Board, with community input, established a target of 15 MW of new local solar generation capacity within the next 5 years as part of the launch-period guidelines it adopted for the Community Choice Energy program in September 2016. This project's 2.25 MW of solar capacity will contribute toward that goal while also meeting RCEA's state (AB 2514) requirement as a load-serving entity to provide energy storage capacity equivalent to 1% of RCEA customer loads. Integrating the solar and storage into a microgrid at the airport supports these two RCEA objectives while providing additional benefits to our community including resiliency/emergency-preparedness and economic development associated with technology research and development.

As the proposed owner and primary beneficiary of the solar and battery storage components of the project, RCEA will provide a majority of the funding for these project elements through up-front financing to be repaid over time by the revenue generated from the operation of the system.

Current Project Status

The Schatz Energy Research Center successfully submitted the grant proposal and anticipates that the CEC will announce awards in early 2018. If awarded funding, the project will likely begin in fall 2018 and construction would be anticipated to begin in 2020.

The Schatz Energy Research Center has begun working with County staff on environmental review to ensure that the project will be on track to meet CA Energy Commission milestones related to CEQA environmental compliance should the grant be awarded.

RCEA has been approved as an eligible applicant for the USDA's Rural Utilities Service Electric Program low-interest loan program, and staff is working with USDA to develop a financing package to fund the RCEA portion of the microgrid project costs. Staff anticipates bringing a financing proposal to the RCEA Board for consideration in early 2018.

Additionally, staff is working to develop a "Plan B" that would continue RCEA's partnership with the County of Humboldt to complete a modified version of the proposed project should the CA Energy Commission grant not be awarded. This would entail relying solely on USDA financing and scaling back the project accordingly to only include the solar and batteries, but leaving the option open for future development of the full microgrid concept.

Solar RFP

Using the list of solar vendors pre-qualified through RCEA's Request for Qualifications for Energy Services Companies (RFQ-16-002), RCEA issued a request for proposals for the 2 MW and 250 kW solar arrays. Three proposals were received and scored based on the criteria contained in the RFP, including price, relevant experience, and local economic benefits. The highest scoring proposal was submitted by McKeever Energy and Electric based in Arcata. RCEA advised the vendors that award of the project is contingent upon funding of the CA Energy Commission grant.

The proposed action for the Board to take at the December 18, 2017 business meeting is to accept the McKeever Energy and Electric proposal and to direct staff to develop a contract for the Board's review and approval should funding be secured.

There is a pending federal trade case that may impose a tariff on imported solar panels, which will have an unknown impact on future prices for solar photovoltaic modules. A specific budget number was needed for the grant proposal but due to the uncertainty around this potential tariff, combined with the fact that project construction would not occur for some time, proposers were asked to provide a current "best price" assuming solar module prices do not go up, as well as a firm "not-to-exceed" price that included a buffer for the potential impact of the tariff. The final price within that range will be solidified in the proposed contract.

FINANCIAL IMPACT

The total budget for the microgrid project is approximately \$11.3 million, proposed to be covered by \$5 million in grant funding, \$6 million in USDA financing to be secured by RCEA toward the solar and battery system, and an additional \$300,000 in cost share being provided by Schatz Energy Research Center. The McKeever Energy and Electric solar proposal, at \$1.689/Watt, would constitute \$3.85 million of the total budget.

If RCEA's potential contribution toward the overall project is split between the solar and the Tesla battery storage system, the final wholesale cost of energy (including financing costs) from the solar array would be approximately \$87/MWh. This is well below the ~\$120/MWh estimate for local solar supply that RCEA and The Energy Authority (TEA) have been using for planning and technical analysis.

If the grant is not awarded and RCEA proceeds with a "Plan B" to develop a scaled back version of the project without the microgrid and with no grant funding, then the cost of the solar energy would be closer to \$102/MWh (which, while considerably higher, would still be below the local-solar cost estimate used in program planning).

Similarly, the Tesla battery storage system would cost RCEA \$171/kWh of capacity with the grant funding, or \$291/kWh without the grant funding (the second figure aligns with the current expected cost for an unsubsidized battery system).

STAFF RECOMMENDATION

Accept the proposal for the Humboldt County Airport solar photovoltaic project submitted by McKeever Energy and Electric (ME&E) and direct staff to negotiate a contract with ME&E if funding is secured and subject to final Board approval of the project.

ATTACHMENTS:

1. Microgrid Grant Executive Summary and factsheet
2. Solar proposal scoring
3. McKeever Energy and Electric Humboldt County Airport Solar Proposal

ACV Airport Microgrid Project: Demonstrating a Business Case Executive Summary

Project Description

The ACV Airport Microgrid (ACVMG) will consist of a 2 MW_{DC} PV array DC-coupled to a 2 MW/8MWh battery energy storage system, a 250 kW_{AC} net metered PV array, a LED runway lighting upgrade, four electric vehicle chargers, and associated circuitry and hardware. It will serve 18 PG&E electric accounts, including Humboldt County's main commercial airport and a U.S. Coast Guard Air Station, two critical facilities in the event of a prolonged emergency. The microgrid will be managed by a sophisticated microgrid controller and safely interconnected to PG&E's distribution feeder. In the event of a grid outage, it will seamlessly transition to an islanded state and provide nearly continuous renewable power to microgrid loads.

Project Goals and Objectives

The goal of the ACVMG Project is to design, install, and operate a multi-customer microgrid that will serve as a replicable business model for microgrids statewide. As shown in Figure 1, the business model derives from a confluence of three important trends affecting electric grids in California:

- Intensifying severity of natural disasters is producing a need for increased resilience for critical facilities.
- Utilities are transitioning to the smart grid of the future, integrating microgrids and distributed energy resources into their distribution systems.
- Community choice aggregators (CCAs) are funding projects to provide locally generated renewable electricity to their ratepayers, and they are obligated to install energy storage capacity equivalent to $\geq 1\%$ of their peak load.

The merging of these trends provides the motivation and funding for replication of microgrids in California.

The objectives of the ACVMG Project are to:

- Deploy the first front-of-the-meter, multi-customer microgrid in PG&E service territory,
- Increase the resilience of two critical emergency facilities: Humboldt County's main, commercial airport and a U.S. Coast Guard Air Station,
- Integrate a community-scale, direct DC-coupled PV array and battery storage system with PG&E's electric grid,
- Demonstrate use of a CCA-owned renewable generation as an asset for wholesale CAISO market participation while grid-connected and as a microgrid power supply when islanded,
- Provide a demonstration site that will assist PG&E and the Redwood Coast Energy Authority (RCEA, the CCA administrator) to develop the agreements, operating procedures, tariffs, and interconnection and safety protocols that will support future multi-customer microgrids,
- Demonstrate sophisticated DER management through innovative microgrid control architecture that supports the transition to the smart, sustainable grid of the future,
- Upgrade runway lighting to high-efficiency LED technology,
- Generate data, results, and lessons learned, and evaluate the ACVMG business model to inform other communities, CCAs, and IOUs and aid them in implementing future multi-customer microgrids.

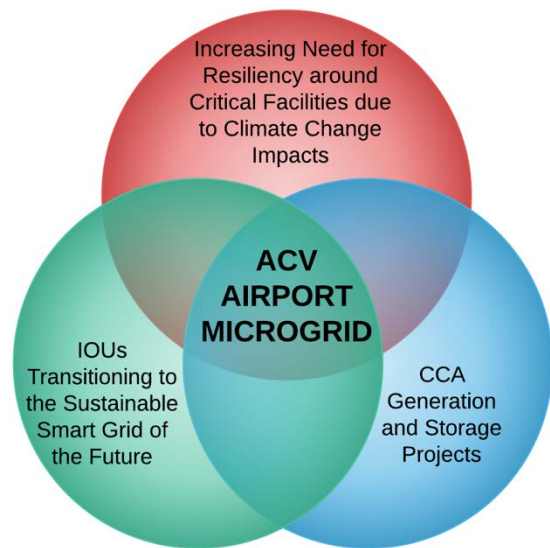


Figure 1: ACV Airport Microgrid Business Model

Explanation of How the Project Goals and Objectives will be Achieved and Measured

To successfully execute this project, SERC has assembled an experienced team (see below) with a proven track record of working together. Major partners PG&E and RCEA have worked with SERC on several large, successful projects.

Community support is outstanding. Project partner and co-funder the RCEA is contributing nearly \$6M in match funding, which is backed by the rate base of their highly successful CCA program. Humboldt County is contributing a 9-acre site at the airport. Extensive pre-proposal work insures that our design is robust, safe, and will meet all utility requirements; PG&E has committed to work closely with us during the project design, installation, and commissioning phases.

A measurement and verification (M&V) plan has been prepared to specify how project benefits will be measured and quantified. The M&V plan addresses the benefits provided by each of the project's three distributed energy resources: PV generation, energy storage, and energy efficiency. Measured costs and benefits will inform business model evaluation and market assessment. With an effective market outreach plan, project replication will follow.

The proposed project will demonstrate a replicable microgrid business model that will succeed without continued grant funding. This model rests on the fact that CCAs statewide have a common goal to provide locally generated renewable electricity for their ratepayers and are funding projects to accomplish that. CCAs are also required to install energy storage equivalent to $\geq 1\%$ of their peak demand. If the solar/storage combination is located adjacent to critical facilities—such as airports, hospitals, evacuation sites, National Guard/Coast Guard bases, etc.—and incorporated into a microgrid, it can allow these critical facilities to gain important energy resilience. When this resilience is stacked with other benefits, the small, incremental cost of the microgrid can be offset. This will be an attractive business model to CCAs, IOUs, and communities throughout California looking to increase the resilience of their electricity supply.

Project Task Description

Key tasks for this project include: Task 2—Project Initiation and Operational Agreements: We will initiate work and develop the necessary experimental tariffs and operational agreements. Task 3—Engineering, Permitting and Procurement: We will complete a detailed design and procure needed equipment and construction services. Task 4—Construction, Testing, Commissioning, Documentation, and Training: We will construct, test and commission the system. Task 5—Operation, Data Collection, and Analysis: We will collect and analyze data and assess system performance. Task 6—Business Model Evaluation and Market Replication Assessment: We will evaluate the business model, assess market potential, and prepare a replication plan. Task 7—Evaluation of Project Benefits: We will evaluate the benefits to ratepayers. Task 8—Knowledge and Technology Transfer Activities: We will disseminate project results and lessons learned.

Agreement Management Description

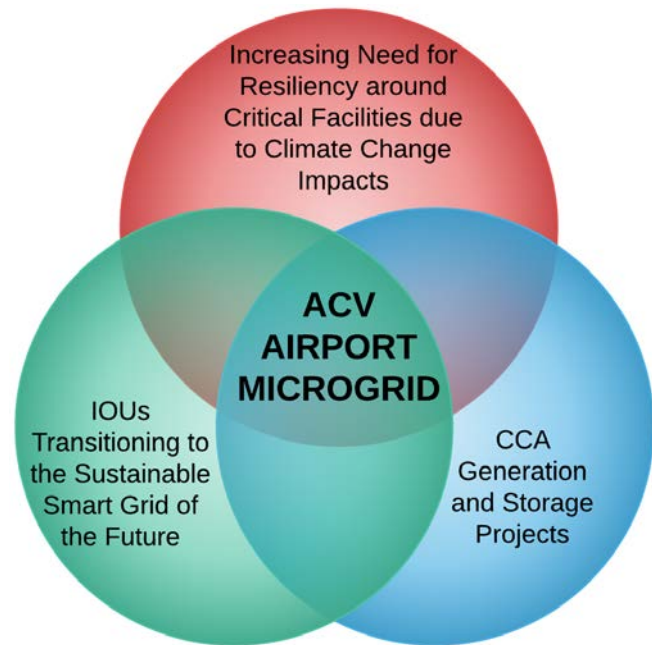
As the grant recipient and prime contractor, HSUSPF/SERC will be responsible for delivering the project to the CEC and will oversee all subcontractors. SERC's Principal Investigator is Dr. Peter Lehman and Project Manager is David Carter, PE. SERC will work closely with major subcontractors, vendors, and project partners, including RCEA, PG&E, the County of Humboldt, TRC, Tesla, Schweitzer Engineering Labs and McKeever Energy and Electric. SERC was the prime contractor and worked with many of these same partners on the highly successful, award winning Blue Lake Rancheria Microgrid Project (EPC-14-054). The current team has the experience, technical competence, passion, and leadership needed to carry out another successful project.

ACV Airport Microgrid Project

Demonstrating a Business Case for IOU/CCA Partnerships to Deploy Multi-Customer Microgrids at Critical Facilities using Replicable Protection and Control Strategies

The Issue

As load serving entities, Community Choice Aggregators (CCAs) are required to procure utility scale renewable generation and energy storage to serve their customer base. Investor Owned Utilities (IOUs) are working to transition to the sustainable grid of the future by updating interconnection processes, while grappling with the effects of more and more intermittent renewable energy on the grid. Meanwhile, climate change has increased the frequency and severity of natural disasters, highlighting the importance of keeping critical facilities operating to provide emergency services in times of dire need. The Schatz Energy Research Center's (SERC) ACV Airport Microgrid (ACVMG) Project will demonstrate a replicable business case for microgrids that address the needs of these three emerging trends.



Project Innovation + Advantages

The ACV Airport Microgrid Project will demonstrate the first multi-customer, front-of-the-meter microgrid with generation owned by a local CCA and the microgrid circuit owned by an IOU. It will provide low carbon resiliency to a commercial airport and U.S. Coast Guard Air Station, which are among the most critical facilities in the host community. The microgrid will include a megawatt scale PV array, which is direct DC-coupled to a lithium-ion battery system to allow the CCA to participate in the CAISO wholesale electricity market. During "blue sky" conditions, the CCA-owned generation system will store solar energy during peak sun hours and discharge it during the evening peak when wholesale prices are high. When islanded, the generation system will energize the microgrid, enabling extended operation on 100% renewable energy. The IOU will own, operate, and maintain the microgrid circuit, including protection and control devices, as well as control the microgrid during islanded operation.

Anticipated Benefits for California

The focus of this project is to deploy standardized, commercially available microgrid technology in an innovative configuration that offers measurable benefits to stakeholders, can be easily replicated, and can be shown to be economically viable. CCAs have the ability to finance renewable energy generation and it is typically part of their mission to do so. CCAs also must provide storage that is $\geq 1\%$ of their maximum load. The incremental cost of siting these generation/storage systems near critical facilities and upgrading the distribution system for microgrid readiness is small compared to the cost of the energy system itself and the resulting resiliency benefits. The ACVMG project will demonstrate the economic viability of this approach

to microgrid deployment and show how it can reduce barriers to the widespread deployment of multi-customer microgrids and DERs throughout California.

Pacific Gas & Electric (PG&E) will use this project to develop engineering standards, testing protocols, and equipment specifications for multi-customer, front-of-the-meter microgrids within their distribution system. PG&E and the CCA administrator, the Redwood Coast Energy Authority (RCEA), will collaborate to create experimental tariffs and agreements to determine how to:

- 1) fairly allocate the incremental cost for making a section of an IOU distribution circuit microgrid ready to those who benefit from the added resiliency,
- 2) compensate the generation asset owner when a bundled IOU customer is served by a third party generator during islanded microgrid operation, and
- 3) divide responsibilities between the generation owner and the microgrid circuit owner for operating the microgrid during grid connected and islanded states.

These tariffs and agreements will become important examples to other IOUs and CCAs, helping the business model developed under this project to be replicated across California.

The ACV Microgrid Project will also provide the following specific benefits:

- Reliability and resilience will be increased for two critical facilities. Because of the large PV array and storage battery, the microgrid will be able to supply nearly continuous power in the event of a prolonged emergency.
- Over 83 MWh/yr will be saved from energy efficiency measures and over 3100 MWh/yr of renewable energy will be generated, resulting in a CO₂ emission reductions of over 900 MT/yr and an annual economic benefit of approximately \$375,000.
- RCEA's CCA program will make significant progress in its mandate to deliver locally produced renewable electricity to its ratepayers.
- An estimated 37 FTE jobs will be created with \$1.5M in earnings and \$3.4 in economic output during the construction phase. 0.2 FTE jobs/yr will be created long term.
- The ACV Airport—a rural commercial airport that struggles with budget constraints—will save approximately \$70,000 on its electricity bill and the project will help ACV pursue LEED certification. This can lead to increased financial and regulatory support, and can help attract airlines, which has been a continuing local challenge.
- Direct DC-coupling of the PV and battery systems will lower project costs by reducing the number of inverters and reducing telemetry requirements for interconnection.

Contacts

Recipient: Schatz Energy Research Center/Humboldt State University Sponsored Programs Foundation

Phone: (707) 826-4345 Email: serc@humboldt.edu

Amount: \$5,000,000

Co-funded Amount: \$6,322,728

Project Location(s): California Redwood Coast – Humboldt County Airport, McKinleyville, CA

Project Term: June 2018 to June 2022

ACV Microgrid Solar Proposals - Review team scoring detail

Scoring Category	Max points	Cenergy	McKeever	Brightwave
Received by Deadline	P/F	Pass	Pass	Pass
Responsive	P/F	Pass	Pass	Pass
Relevant Experience	10	9.5	8	5
Understanding of Project role	10	7	10	6
Local Labor and Econ Development	5	2	5	2
Fit to needs and justified costs	25	23.3	21.7	16.3
Base price	10	10.2	9.6	6.0
firm NTE cost provided?	5	5	5	5
NTE price	9	8.2	6.1	4.3
Various options/configurations provided	1	0	1	1
TOTAL SCORE	50	41.8	44.7	29.3
Base cost		\$3,606,561	\$3,846,410	\$5,522,500
NTE Cost		\$4,067,091	\$5,023,790	\$5,862,450
Design Team Cost Estimate		\$4,600,000	\$4,600,000	\$4,600,000
Base % Cost Estimate		78.4%	83.6%	120.1%
NTE % of Cost Estimate		88.4%	109.2%	127.4%
Base price: 8pts +/- 1pt per 10% below/above cost estimate		10.2	9.6	6.0
NTE: 7pts +/- 1pt per 10% below/above cost estimate		8.2	6.1	4.3



Proposal
to Provide a Solar Photovoltaic System for the
California Redwood Coast – Humboldt County Airport

October 23, 2017



October 23, 2017

Redwood Coast Energy Authority
633 3rd Street
Eureka, California 95501

Attention: Lori Biondini, Director of Business Development and Planning
Subject: RCEA Solar Photovoltaic System for the California Redwood Coast – Humboldt County Airport

Dear Lori and the RCEA and SERC teams,

As members of the North Coast community, we believe deeply in the Redwood Coast Energy Authority's and the Schatz Energy Research Center's missions. The McKeever Energy & Electric, Inc. (ME&E) team looks forward to providing unparalleled local support on this project. Our friends, family, and community members will fly in and out of Arcata Airport time and time again for many years to come. When they look down on these arrays, they will know that they were designed and built by members of their community with immense pride and professionalism.

The ME&E brand is synonymous with integrity and performance. We have built the best team possible to build this land-mark Humboldt County project for you. We envision a collaborative environment where we can do this important work together. This is not just another job for our team - we are doing work that matters, supporting local firms that care about their people, their community, and our beautiful planet.

With admiration and excitement,

Nate McKeever
President
McKeever Energy & Electric, Inc.



Electrical Contracting | Solar Energy | Planning & Design
5000 West End Road #4 | Arcata CA 95521 | P: 707.822.0100 | F: 707.633.4214 | www.mckeeverenergy.com
DIR 1000004290 | Veteran-Owned Business DVBE 1732063 | CA C10 965286

Introduction

It is our privilege to present the following response in accordance with the:

- RCEA Solar Photovoltaic System Request for Proposal issued 11Oct2017.
- Addendum #1 issued 18Oct2017
- Addendum #2 issued 20Oct2017

The following proposal considers two options for the two proposed microgrid arrays. We are using Canadian Solar modules as Option 1, which is an industry standard placeholder for what may be on the market during procurement. Option 2 includes SunPower modules, a best-in-class module with unmatched warranty and superior product life cycle performance.

ME&E is committed to doing work that matters. Please contact Maile McWilliams with any questions or concerns.

Maile McWilliams, Director of Operations
McKeever Energy & Electric, Inc.
5000 West End Road #4
Arcata, California 95521
mckeeverenergy.com
maile@mckeeverenergy.com
Office: 707.822.0100
Cell: 707.502.1033



"Nate McKeever and his team are committed to our community and the important work they are doing. It was a pleasure working with them and I highly recommend them."

*-Carol Rische
Retired General Manager,
Humboldt Bay Municipal
Water District*

List of Similar Projects

ME&E designs and builds to the highest quality standards. We would be delighted to provide a tour of our local projects. The following projects represent some of our recent accomplishments.

Project Name: JP Arcata
System Size: 550kW
Location: Arcata, CA
Client Name: JP Arcata Partners
Engineering Team: Natron Resources
SEE Engineering
ME&E's Project Role: Design –Build
Contractor

Project Name: Blue Lake Rancheria
System Size: 503kW
Location: Blue Lake, CA
Client Name: REC Solar
Owner: Blue Lake Rancheria
Engineering Team: SERC
ME&E's Project Role: Subcontractor

Project Name: North Shore
Greenhouses
System Size: 499kW
Location: Thermal, CA
Owner: Northshore Greenhouses, Inc.
Engineering Team: Natron Resources
Russel Pacific, Inc.
ME&E's Project Role: Design-Build Contractor

Project Name: Arcata School District
System Size: 180kW
Location: Arcata, CA
Owner: Arcata School District
Client Name: RGS Energy
Engineering Team: Natron Resources
ME&E's Project Role: Subcontractor



Project Understanding

In pursuit of our mission and in alignment with our core values, we will be responsible for all aspects of an efficient and professional design and construction experience of the two co-located PV arrays described in the RFP dated October 11, 2017. Our role will be to provide exception design-build services, support and collaboration to the larger micro-grid project and its team of engineers, the project Owner (RCEA), the Authority Having Jurisdiction (AHJ), subcontractors, and vendors. We will handle everything within the footprint of the array including the fencing, piers/piles, racking, solar modules, combiners, conduits, conductors, wire management, Data Acquisition System (DAS), project management, waste diversion program, temporary facilities, safety protocols, quality control, testing, commissioning, and training.



In terms of the smaller array, we will provide string-based inverters, AC panelboard, switchgear and CT meter section per code and PG&E's Greenbook and all necessary components on the load-side of the meter, including the metering enclosure. All work on the line-side of the meter will be provided by others.

In regards to the larger array, we will terminate the array's DC output at eight locations. The termination enclosures will be furnished and installed by others. A conduit stub will be made available for our team to connect to, tug in our feeders and terminate the DC feeders. A more detailed narrative is included in the Scope of Services section of this document. This project will have its challenges and we are looking forward to tackling these three the most:

- 1) The Data Acquisition System (DAS) and the work that will need to be done with our team and the greater microgrid team to make sure that all the network protocol

"We at Pacific Builders will always look forward to any opportunity to work with McKeever Energy and Electric. This isn't just because of the tangible benefits of economy, dependability and quality of work, but also because of the intangibles of the mutual love of hard work, service to the client and a level of joy in the process."

*-Tony Lucchesi
President, Pacific Builders*

- is compatible, that the various third-party low voltage and communication system are designed, built and tested correctly.
- 2) Market volatility and evolution is always a challenge. By the time this project goes into procurement, the module class that we are using to conceptualize this design will no longer be available; they will have been replaced by several generations of solar modules. The solar panel market is liquid and fast-paced. We must try to secure the modules as soon as possible. Once the modules are secured, the design can be solidified. All systems are subordinate to the module make and name plate rating, including array area, racking, conductor sizes, conduit sizes, inverters, combiners, switchgear, and over-current protection devices.
 - 3) We are confident that we will be able to negotiate fair contract terms. One of the challenges of larger public works projects is cash-flow. We want to be sure that the proposed payment schedule does not inhibit our ability to furnish the project at a professional pace. We will support RCEA so that the project is successfully grant-funded.

Scope of Services

ME&E and team will design, permit, furnish, install, test, commission, and warranty:

- Array 1, one (1) 250kW CEC-AC array
- Array 2, one (1) 2MW DC-STC array

Our team will proceed with rigor and work diligently with the whole micro-grid team to execute the work. We will search for strategies to mitigate potential risks, and serve as a true project partner, with a local presence and staff to meet and collaborate in person. Details of our value and offering are as follows:



- 1) **Contracting Phase**
 - a. We will make ourselves readily available to the contract negotiations process and enter into a public works Design-Build Construction Contract with this fine team of local experts, to build this remarkable community choice clean energy project.
- 2) **Design Phase**
 - a. Our team will attend collaborative design meetings to discuss project constraints, best practices, work packages, and establish an excellent line of communication and

with the greater project design team.

- b. Engineered Construction Plans & Construction Documents in accordance with governing codes and standards. We will produce 25%, 50%, 90%, and 100% drawing packages. We will share our plan-set with the team for peer-review and acceptance as appropriate. Our design will take into consideration our proximity to the coastline (~3,800') and the marine influence on the project components and life-span. Within our scope, we will:
 - i. Control drafting and integrate our plan-set into the greater micro-grid plan-set as necessary.
 - ii. Provide detailed PV Syst System Performance Reports for both arrays.
 - iii. Obtain Solar Insolation data to support our design's performance.
 - iv. Provide Engineered E-sheets and associated calculations such as:
 - 1. Electrical Site Plan
 - 2. One Line Diagrams
 - 3. Three-Line Diagrams
 - 4. Conductors, Conduit and Vd tables
 - 5. String Sizing Tables
 - 6. Switchgear & Panelboard Schedules
 - 7. DAS System Design
 - v. Produce Engineered Civil Sheets & Calculations
 - 1. Civil Site Plan
 - 2. Trench Details
 - 3. Topographic Plan
 - vi. Produce Engineered S-Sheets & Calculations
 - 1. Mechanical Racking Calculations
 - 2. Wind Loads
 - 3. Geotechnical Reports
 - 4. Conduct Pull Tests & Obtain Pull Test Reports
 - 5. Fence Footing Details
 - 6. Concrete Footing & Slab Details
 - 7. Racking Structural Package & Plans
 - 8. Post/Pile Footings & Embedment Details
 - vii. Produce CSI-Type Project Specifications for:
 - 1. General Conditions
 - 2. Division 26 (Electrical)
 - 3. and other Divisions that pertain to our portion of the project.

3) Permitting Phase

During the Permitting phase, we will accomplish the following:

- a. Confirm that our plan-set is in conforms to the greater project plans-set.

- b. Submit to County of Humboldt's Building & Planning Department.
- c. Pay the permit fee
- d. Make corrections or provide explanation to all plan-check corrections or comments.
- e. Obtain a Building Permit.

4) Pre-Construction & Procurement Phase

During Pre-Construction and Procurement, we will accomplish the following:

- a. Issue Product Submittals & Shop drawings.
 - i. Participate in the Submittal Review Process. All products will be submitted for review/approval prior to procurement.
 - ii. Participate in Submittal peer-review and Owner acceptance by the Owner's Representative (SERC).
 - iii. Proceed with Procurement and timely delivery of all materials.
- b. Execute subcontracts and host kick-off meetings with our subcontractors.
- c. Prepare a Site Specific Safety Plan (SSSP)
 - i. Create, publish and fully adopt the SSSP in accordance with CalOSHA and ME&E policy.
- d. Prepare a Quality Control Plan
- e. We will create, publish and fully adopt the QC plan in accordance with the industries best practices and ME&E policy.
 - i. Insurance
- f. We will obtain certificates of additionally insured:
 - 1. Commercial General Liability (\$1MM, \$2MM aggregate)
 - 2. Worker's Compensation Insurance (\$1MM, \$2MM aggregate)
 - 3. Auto Insurance (\$1MM, \$2MM aggregate)
- g. Construction Schedule
 - i. We will collaborate with the team to build and submit a Gantt Chart-type construction schedule. Our schedule will include the milestones listed in the next section of this document.

5) Construction Phase

- a. Project Management & Administration
 - i. We will appoint a key-staff member as project lead during construction.
 - ii. We will host and attend weekly Project Management meetings during construction.
- b. Prevailing Wages
 - i. We will pay all prevailing wages in accordance with law. Our labor rates for the following trades have been responsibly indexed based on historic labor wage trends. We will deploy the follows trades:
 - ii. Inside Wiremen

- iii. Apprentice Electricians
- iv. Ironworkers
- v. Operating Engineers
- vi. Laborer's
- c. Summary of Construction Milestones
 - i. Mobilization
 - ii. Site Preparation
 - iii. Construction Staking
 - iv. Installation of Permanent Fence & gates. We plan to use the existing fence as the South and West fence lines. A new 6' fence with 3 stands of barbed-wire and two gates similar the existing fence shall be tied into the existing fence thus, providing a permanent perimeter fence line around the footprint of the new arrays.
 - 1. Fence Footing Inspection
 - 2. Fence Final Inspection
 - v. Installation of Pile Driven Piers
 - 1. Pier installation methodology and depth witnessed by the AHJ & any third party required.
 - vi. Trenching and Rough-In Conduit
 - 1. Trench Inspection
 - 2. Backfill with clean sand.
 - vii. Form and pour housekeeping Slabs
 - 1. Form & Rebar Inspections
 - 2. Pour concrete (typical 2500psi, 5-sac mix)
- d. Installation of Racking
 - i. Installation of WEEB (ground and bonding)
 - ii. Torque Inspection
 - iii. Tie out grounding and bonding
- e. Installation of solar modules
 - i. Torque Inspection
 - ii. Carboard recycling
- f. DC String Wiring
 - i. String home-run in purlin
 - ii. Wire management under arrays.
 - iii. Wiring, grounding & bonding inspection
- g. Installation of DC Combiners
 - i. Installation of DC fuses
 - ii. Polarity Checks
 - iii. Lock Out Tag-Out in effect.
 - iv. Insulation Test (Megger)

- h. Installation of Inverters (for small array)
 - i. Installation of DC fuses
 - ii. Polarity Checks
 - iii. Lock Out Tag-Out in effect.
 - iv. Insulation Test (Megger)
 - i. Installation of Switchgear
 - j. AC & DC Feeders
 - i. Tug in DC Feeders & terminate at 8 locations.
 - ii. Tug in AC Feeders (for small array) and terminate at AC panelboard.
 - iii. Lock Out Tag-Out in effect.
 - iv. Insulation Test (Megger)
 - k. DAS System
 - i. Narrative & Price coming from AlsoEnergy on Monday
 - l. Electrical Inspection (green-tag the meter for small array)
 - m. Permission to Operate issued by Utility.
 - n. Commissioning
 - i. Label all components, install placards
 - ii. Start-up
 - iii. QC Testing
 - iv. System Trails, Hot Check & Testing
 - v. DAS Trails & Testing
 - vi. Microgrid Tests
 - vii. Engineering Team Trails and Inspections.
 - viii. Final Inspection
 - ix. Commissioning & QC Report submitted to Owner's Rep.
 - o. On-Going Equipment Maintenance Plan Submitted and Adopted
 - p. Owner Training
 - q. Notice of Contract completion, warranty period beings.
- 6) Operations & Maintenance Phase**
- a. To be negotiated under separate scope and contract. Should our firm be selected for the project, we will provide the first year of O&M free of charge.

Price

The following table provides a breakdown of the pricing for Arrays 1 and 2, considering module Options 1 and 2, and the potential ITC Section 201 Case request. Further details regarding each of these arrays and options is included in the Description of System section of this proposal. Further information regarding the ITC Section 201 Case request is included in the Assumptions, Limitations, and Exclusions section of this proposal.

Array	Option(s)	Inverter Cost (\$/W DC STC)***	Racking Cost (\$/W DC STC) ***	Modules Cost (\$/W DC STC) ***	P&P Bonding (\$/W DC STC) ***	Total Turn-Key Price ((\$/W DC STC) including P&P Bonding)
1	Option 1 <u>without</u> ITC Section 201 Case request in effect.*	0.011	0.157	0.569	~0.0171	1.689
	Option 1 <u>with</u> 201 ITC Section 201 Case recommendations in effect (Guaranteed Maximum Price).**	0.011	0.157	1.157	~0.0209	2.206
	Option 2 <u>without</u> ITC Section 201 Case recommendations in effect.*	0.011	0.157	1.237	~0.0203	2.121
	Option 2 <u>with</u> ITC Section 201 Case recommendations in effect (Guaranteed Maximum Price).**	0.011	0.157	2.476	~0.04	3.330
2	Option 1 <u>without</u> ITC Section 201 Case recommendations in effect.*	-	0.157	0.569	~0.0171	1.689
	Option 1 <u>with</u> 201 ITC Section 201 Case recommendations in effect (Guaranteed Maximum Price).**	-	0.157	1.157	~0.0209	2.206
	Option 2 <u>without</u> ITC Section 201 Case recommendations in effect.*	-	0.157	1.237	~0.0203	2.121
	Option 2 <u>with</u> ITC Section 201 Case recommendations in effect (Guaranteed Maximum Price).**	-	0.157	2.476	~0.04	3.330

*** This price is based on a total system size of 2.277.33 kW STC-DC. It includes cost plus sales tax and mark-up. It does not include any freight or installation labor.

Statement of Price Durability

Yes, ME&E is committed to the guaranteed maximum price listed in this document based on our estimate of the highest module price that could be expected given the pending decision on the ITC complaint assuming the modules were ordered in Q4 2018, and other relevant factors accounted for in this proposal pursuant to our exclusions, assumption & limitations.



Description of System

We've provided two module options, with and without the ITC Section 201 Case recommendations in effect. The options are as follows, and are described in further detail below:

- Array 1, Option 1: 250kW CEC-AC Array with Canadian Solar modules
- Array 1, Option 2: 250kW CEC-AC Array with SunPower modules
- Array 2, Option 1: 2MW DC-STC Array with Canadian Solar modules
- Array 2, Option 2: 2MW DC-STC Array with SunPower Modules

1) Array 1, Option 1: 250kW CEC-AC Array with Canadian Solar modules

- a. DC System Size: 277.2 kW STC
- b. Load Ratio: 100-150 TBD
- c. Module Specs:
 - i. Canadian Solar | CS6-U330M
 - ii. Nominal Power | 330 W
 - iii. Power Tolerance | 0 ~ + 5 W
 - iv. Panel Efficiency | 16.97%
 - v. Rated Voltage (Vmp) | 37.5 V
 - vi. Rated Current (Imp) | 8.80 A
 - vii. Open-Circuit Voltage (Voc) | 45.9 V

- viii. Short-Circuit Current (Isc) | 9.31 A
- ix. Max System Voltage | 1000 V
- x. Solar Cells | Monocrystalline
- xi. Weight | 49.4 lbs.
- xii. Dimensions | 39.05 x 77.2 x 1.57 in.
- xiii. Power Warranty | 97.5% for the first year, -0.7%/yr to year 25 (80.7% at year 25).
- xiv. Product Warranty | Limited, 10 years.
- d. Inverter Specs: Same as above
- e. Tilt, Azimuth & Racking System Specs: same as above
- f. Metering Specifications: same as above
- g. Expected annual output to grid by month:

	GlobHor kWh/m ²	DiffHor kWh/m ²	T Amb °C	GlobInc kWh/m ²	GlobEff kWh/m ²	EArray MWh	E_Grid MWh	PR
January	52.0	28.49	8.17	72.0	67.4	17.93	17.60	0.881
February	74.4	38.34	8.31	94.5	88.7	23.42	23.02	0.879
March	112.1	59.82	8.71	127.7	120.0	31.52	31.00	0.876
April	138.0	74.45	9.20	140.1	131.7	34.42	33.84	0.872
May	173.8	70.45	11.30	166.9	157.1	40.02	39.32	0.850
June	184.9	81.97	12.44	170.2	159.9	40.99	40.27	0.853
July	185.5	81.87	13.62	179.9	169.4	43.14	42.40	0.850
August	157.9	77.78	13.64	156.3	146.9	37.67	37.04	0.855
September	125.1	61.40	12.57	142.3	134.2	34.45	33.87	0.858
October	94.4	42.21	11.43	118.9	111.9	28.85	28.36	0.861
November	64.1	29.13	9.57	87.9	82.4	21.62	21.24	0.872
December	49.2	27.10	8.45	68.0	63.3	16.90	16.60	0.881
Year	1411.4	673.01	10.63	1524.7	1432.9	370.92	364.54	0.863

Legends: GlobHor Horizontal global irradiation DiffHor Horizontal diffuse irradiation
T Amb Ambient Temperature GlobInc Global incident in coll. plane

GlobEff Effective Global, corr. for IAM and shadings EArray Effective energy at the output of the array E_Grid Energy injected into grid
PR Performance Ratio

2) Array 1, Option 2: 250kW CEC-AC Array with SunPower modules

- a. DC System Size: 272.78kW STC
- b. Load Ratio: 100-150 TBD
- c. Module Specs:
 - i. SunPower | SPR-X21-460-COM
 - ii. Nominal Power | 460 W
 - iii. Power Tolerance | +5/-0%
 - iv. Panel Efficiency | 21.3%
 - v. Rated Voltage (Vmpp) | 76.7 V
 - vi. Rated Current (Impp) | 6.00 A
 - vii. Open-Circuit Voltage (Voc) | 90.5 V
 - viii. Short-Circuit Current (Isc) | 6.39 A

- ix. Max System Voltage | 1000 V
- x. Solar Cells | Monocrystalline
- xi. Weight | 56 lbs.
- xii. Dimensions | 41.2 x 81.4 x 1.8 in.
- xiii. Power Warranty | 95% for the first 5 years, -0.4%/yr to year 25.
- xiv. Product Warranty | Hassel Free, 25 years.
- d. Inverter Specs:
 - i. Canadian Solar CSI-66KTL-GS Three Phase String Inverter
 - ii. Max Power | 90kW
 - iii. Max Input Voltage | 1000 V
 - iv. Input Stings | 4 MPPT | 16 DC Strings
 - v. NEMA | 4X
 - vi. Efficiency | 98.4% CEC
 - vii. Product Warranty | 10 yrs standard, with upgrade options to 25 yrs.
- e. Tilt, Azimuth & Racking System Specs
 - i. RBI Solar | Fixed Ground-Mounted
 - 1. Tilt | 32 degrees
 - 2. Azimuth | 225 degrees
 - 3. Module Orientation | Portrait
 - 4. Number of Modules High | 2
 - 5. Approximate Distance Between Posts | 21' 0" (varies)
 - 6. Average Minimum Module Clearance | 36" (+/-3")
 - 7. Post Configuration | Single, Cee Channel
 - 8. Foundation Type | Pile Driven
 - 9. Steel & Hardware | a variety of galvanized, pre-galvanized, hot-dipped galvanized and stainless-steel components.
- f. Metering Specifications
 - i. AlsoEnergy
 - 1. Hardware
 - a. Supply of central monitoring enclosure as required for AC array consisting of:
 - i. AlsoEnergy PowerLogger 1000 datalogger
 - ii. 3G/4G Cellular modem with firewall for secure access to cloud platform
 - iii. Input device for transformer alarm monitoring
 - iv. Revenue grade meter for customer production monitoring
 - v. Sufficient data ports for connections to field devices described in software section below
 - vi. UPS unit with 38Ah backup capacity

- b. Supply of central monitoring enclosure as required for AC array consisting of:
 - i. AlsoEnergy PowerManager 2000 SCADA server
 - ii. 3G/4G Cellular modem with firewall for secure access to cloud platform
 - iii. Acuvim DC energy meter
 - iv. Sufficient data ports for connections to field devices described in software section below
 - v. UPS unit with 38Ah backup capacity
 - vi. TCP converters or interface devices as needed
 - c. Supply of meteorological stations at each array to consist of:
 - i. (2) First class pyranometers for plane of array and global horizontal irradiance measurements
 - ii. (2) Module temperature sensors
 - iii. (1) Ambient temperature sensor
 - iv. (1) Anemometer
 - v. AlsoEnergy digitizer
 - d. All enclosures shall be UL listed, and NEMA4 or better.
2. Software/Services
- a. PowerTrack remote monitoring on data points defined above
 - b. AlsoEnergy on-site commissioning services for all provided equipment
- g. Expected annual output to grid by month:

	GlobHor kWh/m ²	DiffHor kWh/m ²	T Amb °C	GlobInc kWh/m ²	GlobEff kWh/m ²	EArray MWh	E_Grid MWh	PR
January	52.0	28.49	8.17	72.0	69.0	17.62	17.34	0.902
February	74.4	38.34	8.31	94.5	90.6	23.00	22.66	0.899
March	112.1	59.82	8.71	127.7	122.3	30.82	30.37	0.891
April	138.0	74.45	9.20	140.1	134.1	33.53	33.04	0.884
May	173.8	70.45	11.30	166.9	159.9	38.42	37.84	0.850
June	184.9	81.97	12.44	170.2	162.9	39.78	39.17	0.863
July	185.5	81.87	13.62	179.9	172.4	41.56	40.94	0.853
August	157.9	77.78	13.64	156.3	149.6	36.84	36.30	0.871
September	125.1	61.40	12.57	142.3	136.6	33.81	33.31	0.877
October	94.4	42.21	11.43	118.9	114.0	28.41	27.98	0.882
November	64.1	29.13	9.57	87.9	84.2	21.36	21.04	0.897
December	49.2	27.10	8.45	68.0	64.9	16.61	16.36	0.902
Year	1411.4	673.01	10.63	1524.7	1460.5	361.77	356.38	0.876

Legends: GlobHor Horizontal global irradiation DiffHor Horizontal diffuse irradiation
T Amb Ambient Temperature GlobInc Global incident in coll. plane

GlobEff Effective Global, corr. for IAM and shadings EArray Effective energy at the output of the array E_Grid Energy injected into grid
PR Performance Ratio

3) Array 2, Option 1: 2MW DC-STC Array with Canadian Solar modules

- DC System Size: 2,000.13 kW STC
- Load Ratio: n/a
- Module Specs: Same as above (Canadian Solar)
- Inverter Specs: Same as above
- Tilt, Azimuth & Racking System Specs: same as above
- Metering Specifications: same as above
- Expected annual output to grid by month:

	GlobHor kWh/m ²	T Amb °C	GlobInc kWh/m ²	GlobEff kWh/m ²	EArrMPP MWh	EArray MWh	E User MWh
January	52.0	8.17	72.0	67.4	127.4	122.6	122.6
February	74.4	8.31	94.5	88.7	166.4	160.6	160.6
March	112.1	8.71	127.7	120.0	224.0	216.8	216.8
April	138.0	9.20	140.1	131.7	244.7	236.8	236.8
May	173.8	11.30	166.9	157.1	284.6	274.6	274.6
June	184.9	12.44	170.2	159.9	291.3	283.2	283.2
July	185.5	13.62	179.9	169.4	306.7	296.9	296.9
August	157.9	13.64	156.3	146.9	267.7	260.5	260.5
September	125.1	12.57	142.3	134.2	244.8	238.2	238.2
October	94.4	11.43	118.9	111.9	205.0	199.3	199.3
November	64.1	9.57	87.9	82.4	153.6	148.8	148.8
December	49.2	8.45	68.0	63.3	120.1	115.3	115.3
Year	1411.4	10.63	1524.7	1432.9	2636.4	2553.7	2553.7

Legends: GlobHor Horizontal global irradiation T Amb Ambient Temperature GlobInc Global incident in coll. plane
GlobEff Effective Global, corr. for IAM and shadings

EArrMPP Array virtual energy at MPP

EArray Effective energy at the output of the array E User Energy supplied to the user

4) Array 2, Option 2: 2MW DC-STC Array with SunPower Modules

- DC System Size: 2,000.08 kW STC
- Load Ratio: n/a
- Module Specs: same as above (SunPower)
- Inverter Specs: Same as above
- Tilt, Azimuth & Racking System Specs: same as above
- Metering Specifications: same as above
- Expected annual output to grid by month: From Natron (PV Syst)

	GlobHor kWh/m ²	T Amb °C	GlobInc kWh/m ²	GlobEff kWh/m ²	EArrMPP MWh	EArray MWh	E User MWh
January	52.0	8.17	72.0	69.0	130.3	128.7	128.7
February	74.4	8.31	94.5	90.6	170.8	168.5	168.5
March	112.1	8.71	127.7	122.3	230.2	227.3	227.3
April	138.0	9.20	140.1	134.1	251.8	248.5	248.5
May	173.8	11.30	166.9	159.9	295.8	290.9	290.9
June	184.9	12.44	170.2	162.9	302.3	298.2	298.2
July	185.5	13.62	179.9	172.4	318.5	313.5	313.5
August	157.9	13.64	156.3	149.6	277.1	273.5	273.5
September	125.1	12.57	142.3	136.6	253.2	249.9	249.9
October	94.4	11.43	118.9	114.0	211.8	209.0	209.0
November	64.1	9.57	87.9	84.2	158.0	156.1	156.1
December	49.2	8.45	68.0	64.9	122.8	121.3	121.3
Year	1411.4	10.63	1524.7	1460.5	2722.7	2685.5	2685.5

Legends: GlobHor Horizontal global irradiation T Amb Ambient Temperature GlobInc Global incident in coll. plane
GlobEff Effective Global, corr. for IAM and shadings

EArrMPP Array virtual energy at MPP

EArray Effective energy at the output of the array E User Energy supplied to the user

Local Economic Development

ME&E's team offers RCEA the most comprehensive local team to design, permit, and construct the ACV microgrid project. ME&E's mission is to revolutionize the energy and electrical industries by minimizing our environmental footprint, providing unparalleled customer care, and by creating one of the best places to work on the North Coast.

We are committed to providing great jobs for our 14 "work family" members and creating positions for more staff in the future. Our staff members earn competitive wages and receive fringe benefits. We are a Western Electrical Contractors Association (WECA) member and an accredited training site in an effort to maintain excellence in craftsmanship and industry knowledge.



Our team lives in the community and we participate in the RCEA CCE program. We believe in the mission of RCEA and want to support the growth of their CCE program, so that our community can share in the tangible benefits of this forward-thinking program.

In addition to our own local presence, we will add local design professionals to our team from firms in Arcata and Eureka. With over 10 years of experience in the local design and construction industries, our team has created an extensive network of relationships with local professionals to provide competitive pricing, local expertise, and quality deliverables.

Assumptions, Limitations, and Exclusions

INVERTER WARRANTY OPTIONS

Inverters come with standard 10-year warranty, which can be extended to 15 years total for \$1200/ea or 20 years total for \$2400/ea.

BONDING RATES

Our total premium for payment and performance bonding is \$41,000 or \$.012\$/WDC-STC. The premium is included in our turn-key price(s). If bonding is not required, please deduct \$41,000 or \$.012\$/WDC-STC from the base bid(s). This is a pass-thru project cost (no mark-up). The method for calculating our premium is as follows:

Rates calculated are per \$1,000 of the contract price	Rate
First \$100,000	\$ 25.00
Next \$400,000	\$ 15.00
Next \$2,000,000	\$ 10.00
Next \$2,500,000	\$ 7.50

ASSUMPTIONS & LIMITATIONS

- We do not foresee any forthcoming code changes that would affect our price, however our price reflects current adopted code requirements (NEC, CEC, CBC, UBC, IBC, UL, ASTM, ASCE, T24, etc). The same assumption is being made regarding the current version of Rule 21 and the PG&E Greenbook. Any changes in code that will result in a price increase will require a contract change order request.
- Our team has assumed for Wind Load Category I (100MPH per ASCE 7-10) KZT 1.0 2012 IBC)
- Our team has assumed for 6' embedment Cee channel type system. A change order for a heavy duty (I-beam) type system due to poor or corrosive soil is unlikely but, may be required once Geotech and/or pull test results are in-hand. Those changes will not have large costs

impacts to the project, but they are not captured in our prices in an effort to keep our price aggressive.

- All wire, switchgear, modules, inverters and project equipment deliveries are subject to manufacturers lead times and submittal approval.
- The building permit fee is indexed at the current maximum price of \$12,400, for the solar array per County of Humboldt Building Dept. The fence, footings, trenches and concrete work is all subject to additional permit fees, and those fees are included in our price. No other building permit fees are covered or foreseen in our scope of work.
- County of Humboldt (McKinleyville, CA) Sales Tax qualified at today's tax rate of 7.750%. Our research sees no evidence of an emanate rate increase, therefor this price is not indexed to accommodate any additional sales tax during the duration of the project. If there is an unforeseeable increase in sales tax, we will issue a change order request for the addition cost.
- The proposed racking system is designed to follow the terrain. Standard racking can accommodate an approximate east-west slope of up to 10% without additional costs. Larger slopes may require additional layout work, racking material and breaks of the racking to accommodate. A topographical survey is required for slopes larger than 5% in order to provide an accurate layout. Slope of greater than 15% require evaluation to determine the most economical foundation solution for the site.
- In an effort to protect RCEA & ME&E, and price durability of the project; McKeever Energy & Electric, Inc., has taken into account responsible and predictable cost increases, based on historic trends. We have indexed our price to absorb predictable increases in commodity components, fuel costs and labor given the project timeline outlined in the RFP. Our price(s) are inclusive of all necessary costs, mark-up & profit required to responsibly execute the project, including but not limited to:
 - * Uncontrollable commodity pricing for commodities such as copper, steel, aluminum, plastics, etc are indexed at 6% based upon the project schedule outlined in the RFP, the index date is as of bid day, 23Oct2017. 6% is a reasonable average and is representative of predicable cost increases over the time span of this project. Events that can disrupt these patterns include but are not limited to; policy changes, acts of God, acts of war, union and trade agreement, etc. If we are burdened with an increase greater than our cost plus 6%, that increase shall be itemized and payable under change order request.
 - ** For the project's solar modules, we are indexing the two Guaranteed Maximum Price (GMP) options at a higher rate than 6% based on the assumption that the President of the United States accepts the recommendation of the ITC and that those recommendation are in alignment with what Suniva has asked for in its petition to the ITC. We have indexed the GMP option's solar module price at 130%, with our base module cost reference as of October 17, 2017 at \$0.39/W DC STC for a Tier 1 module and \$0.89/W DC STC for the SunPower module. These costs do not include sales tax, freight, storage or mark-up. The President has until January 12, 2018 to decide whether to accept

the ITC's recommendation and impose that relief. However, the President could impose an alternative relief, or not impose any relief at all. If an alternate relief is imposed that results in a price increase that is greater than our index and/or greater than what's contained in what Sunvia has asked for in its petition to the ITC, ME&E will request a change order to make up the difference. Mr. Trump has repeatedly vowed to boost domestic manufacturing through tariffs, renegotiated trade deals and other measures. The president makes the final call to impose any tariffs and has broad discretion to ignore the ITC's recommendations.

EXCLUSIONS

- Any costs associated with Witnessed or Special Inspections.
- Per the RFP, we will support the CEQA compliance process, but any dirt work and grading or related work and measures for erosion control, particulate matter control, archeological studies, entrance/exit grids, etc., are not included.
- Temporary facilities will include a toilet, hand wash station, material storage containers. No temporary lighting, surveillance, power or telecommunications are included or foreseen as being needed for our scope of work.
- Equipment storage fees, including any warehousing fees from the date of material purchase to the date of delivery to the project site.
- A building permit fee is included, no other permit or utility fees are.
- Fees associated with Public and Private utility location.
- Corrections of existing unsafe or non-code compliant conditions.
- Builder's Risk or Course of Construction Insurance.
- Liquidated damages.
- Water for concrete clean-up and general construction activities shall be provided by others.
- If despite good faith efforts to timely apply for and pursue applicable permit(s), information and work packages by others and ME&E does not receive them in time to support the Project Schedule, ME&E shall be entitled to a day-for-day adjustment to the Project Schedule until the date on which they are received.
- Subsequent project phases shall be negotiated in separate scopes of work under separate construction or design-build contracts as applicable.
- Site security to be provided by others.
- Work to be done during normal business hours.
- One-year workmanship warranty is provided for work performed by ME&E.
- ME&E is not responsible for project delays resulting from AHJ or utility inspections and approvals.
- Proposal valid for 30 days.
- This scope of work will require a power outage(s). Customer is responsible for backing up of all data storage systems, we are not liable for data loss. ME&E is not responsible if existing breakers fail to reset.

- Proposal is based upon a 40-hour work week only. No overtime is included.
- FAA Glare Study & any costs associated with FAA/airport extra requirements.

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REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item #6.3

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Offshore Wind

BACKGROUND

An update will be provided at the meeting on the current status and next steps of offshore wind energy development work with Principle Power. The update will include the following items:

1. 2017 outreach and meetings with key stakeholders, including fishermen, environmental groups, tribes, local government, PG&E, CA Independent System Operator, and economic development interests.
2. Status of State and Federal activities.
3. Progress on evaluating potential project lease area.
4. Plan for at least 2 public workshops in January and February to share information and get additional input on potential lease area.
5. Next steps for the grid-interconnection evaluation/application process.
6. Next steps in Bureau of Offshore Energy Management (BOEM) lease application and evaluation process.
7. Exploration of potential business structure for lease applicant and development entity.

FINANCIAL IMPACT

In addition to staff time, there will be some costs associated with hosting the planned workshops. The costs would be fairly minimal and well within the current budget for general workshops and community engagement.

STAFF RECOMMENDATION

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REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 6.4**

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	2017 Year-end Recap

BACKGROUND

A brief presentation will be provided at the meeting summarizing RCEA's 2017 activities and outcomes.

STAFF RECOMMENDATION

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STAFF REPORT

Agenda Item # 7.1

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Biomass Procurement Options

SUMMARY

Previously the Board has directed staff to pursue negotiations for a potential contract with DG Fairhaven for biomass power in addition to the biomass power RCEA is already procuring under a five-year agreement with Humboldt Redwood Company (HRC). Analysis to date has highlighted the financial risk of entering into such an agreement if DG Fairhaven is offered the same premium pricing used in the HRC contract at the volume of energy sales DG Fairhaven has requested.

Staff's final analysis is that at this time entering into a contract with DG Fairhaven is not in the best interests of RCEA and its ratepayers under current market and regulatory conditions.

Staff is aware of continued interest in contracting with DG Fairhaven on the part of at least some Board members; if the Board wants to take action toward that continued goal the staff recommendation would be as follows:

Staff continues to recommend waiting until PG&E's 2018 Power Charge Indifference Adjustment (PCIA) is set; this typically occurs in January. Once the PCIA is known, staff recommends calculating final best power purchase agreement terms for DG Fairhaven that RCEA can afford while 1) maintaining current rates, or at least maintaining the current rate differential below PG&E rates if PG&E's rates change substantively, 2) increasing the reserve by \$2 million in 2018, 3) maintaining the current target of a minimal margin of 5% lower emissions and 5% higher overall renewable power content compared to PG&E base power mix, and 4) allocating \$120,000 toward local programs.

The rationale behind this recommendation is as follows:

- 1. Providing lower rates than PG&E's is a critical factor in customer acceptance of the community choice energy program.** Staff recommends maintaining RCEA's current rates into 2018. In the event that PG&E changes its rates substantially in 2018 staff recommends adjusting RCEA rates to maintain the current 2017 customer rate savings. The current plan is to provide proposed RCEA 2018 rates at the January Board meeting.

2. **Building a solid reserve/rate-stabilization fund as soon as possible is critical to the overall long-term success of the program and its ability to deliver benefits to the community.** While the \$6 million contractually-obligated minimum reserve target may seem large, this just barely covers basic cash flow needs to operate the program, which at any given time has \$6-7 million in pending customer bill payments for power delivered (the time lag in revenue from customer billing and payment is significantly longer than the weekly and monthly schedules for wholesale power expenses). The Board's adopted goal of building between \$10 million and \$35 million reserve balance in the first 5 years remains a prudent target; although the lower end of this range would still put us below the reserves currently being built by other CCAs, in terms of reserves contribution as a percent of program revenue. The upper-end of this range is more desirable for providing both an effective risk mitigation tool, as well as for establishing a level of creditworthiness that will be required to support long-term contract requirements.
3. **The current CPUC proceeding to reform the PCIA makes it important to build reserves as soon as possible.** While the PCIA reform is expected to improve the predictability and stability of the PCIA, based on what the investor-owned utilities are strongly advocating for it is very probable that the revisions to the PCIA will also reduce the overall discretionary budget headroom between PG&E rates and RCEA's base cost of providing service. The PCIA proceeding schedule calls for a decision on a new methodology in July of 2018, which would allow for the new methodology to be rolled out in 2019. While that schedule might be pushed to 2020, it is quite possible that the next year or two may be RCEA's best opportunity in the next several years to make substantial contributions toward building an adequate reserve fund.
4. **Targeting a modest 5% improvement over PG&E power mix in reduced emissions and overall renewable energy content should be maintained.** Several member jurisdictions and many community members have stated renewable energy content and reducing emissions as key objectives for RCEA's CCA program. To underperform compared to PG&E would be a significant departure from RCEA's currently adopted plan and the goals that have been communicated to the member governments and the community.

Scaling back RCEA's already conservative targets on these state-level objectives would also conflict with RCEA's CPUC-certified Implementation Plan and make RCEA the only CCA in PG&E's territory with a worse GHG emissions factor and lower renewable power content than PG&E, which would weaken our position—and the position of CCAs overall—when facing legislative and regulatory negotiations such as the current PCIA proceeding.

5. **Support for local programs is built into Board guidelines for the CCE program and is one of the underlying rationales for launching the program.** The Board's CCE guidelines direct that up to \$1 million a year shall be set aside for community programs. Staff proposes \$120,000 as a programs budget target for 2018; this level of funding will allow RCEA to begin offering support for solar projects for local government agencies as previously presented to the Board.

6. RCEA has generally met its target for biomass, and exceeding that original target is not financially sustainable under current market and regulatory conditions.

Staff has strove to figure out a way to achieve a second contract to meet the Board-adopted guideline of “contracts with 1 to 2 local biomass contracts.” However, the current contract with HRC will exceed the Board’s guideline of 15% biomass power content when the contract volume ramps up in 2018.

Under current market and regulatory conditions, adding 10MW average of contract volume from DG Fairhaven would increase the overall headroom allocation committed to biomass to over \$6.5 million per year, which would consume the majority of RCEA discretionary headroom budget after delivering the targeted customer rate savings and incremental reductions in emissions relative to PG&E – leaving no budget for building reserves or pursuing any other objectives beyond biomass procurement. Staff does not believe it will be sustainable or feasible over the long term for RCEA to singlehandedly maintain a \$6.5 million/year subsidy to support two local biomass facilities without some other outside financial input or a significant change in market and/or regulatory conditions.

Staff’s estimate is that approximately 25MW of power plant capacity is required to process the full volume of mill waste expected to be generated in the County following the re-opening of the Korbel mill. The 32MW full capacity of the Scotia biomass plant (which is currently operating at partial capacity) could be capable of processing the majority of local mill waste, and staff’s understanding is that HRC is already in discussions with other mill operators to secure additional fuel supply to meet the ramp up of their contract in 2018.

HRC has also expressed to staff that they would be open to the possibility of increasing their power output if that became necessary to address the scope of the mill waste challenge; under the current contract with HRC any additional output would be delivered to RCEA at market-rate prices and so would not financially impact RCEA. If the Board wishes to maximize local biomass power procurement while managing financial risk for the CCE program, additional procurement from HRC is thus a substantially more affordable near-term means of doing this than through an additional contract at \$83/MWh or some similar above-market rate with DG Fairhaven.

Based on the above considerations, staff does not recommend substantively altering the Board-adopted guidelines at this time. These guidelines were developed with significant public input and community engagement, have been used to develop RCEA’s CPUC-certified Implementation Plan, and have been communicated widely to the community. While a second local biomass contract would provide numerous community benefits, staff does not recommend changing course and compromising all other program goals established by the Board after only eight months of operation to pursue that single objective.

FINANCIAL IMPACT

Staff's recommendation would be the following headroom allocations in 2018:

- Maintaining current 2017 customer rates, or at least maintaining the current rate differential below PG&E rates if PG&E's rates change substantively.
- Minimum \$2 million allocation to the reserve and rate-stabilization fund.
- Maintaining the target of 5% improvement over PG&E in emissions and overall renewable content, requiring an approximate \$1 million headroom allocation.
- Budgeting \$120,000 toward new customer programs in 2018; the original program target contained in the Implementation Plan is an allocation of \$400,000 in 2018 for local customer programs (such as solar energy for local public facilities and EV charging infrastructure), a ramp-up toward the Board's adopted goal of \$1 million in annual funding for programs.

Based on the above, if TEA's recent forecasts hold true approximately \$1 million of additional headroom would be available for an above-market contract price, which would allow RCEA to contract with DG Fairhaven for 10MW average at \$62/MWh. The total value of that contract would be \$5.4 million per year.

Based on negotiations to date staff does not anticipate this to be a viable option for DG Fairhaven. But if that is not the case, staff would recalculate these numbers once final PG&E rates and the 2018 PCIA are known to be able to make a final firm offer to DG Fairhaven for a 1- to 2-year contract with those options.

STAFF RECOMMENDATION/POTENTIAL BOARD ACTIONS

Staff's recommendation is that at this time entering into a contract with DG Fairhaven is not in the best interests of RCEA and its ratepayers under current market and regulatory conditions.

If the Board still wishes staff to pursue a contract with DG Fairhaven, staff recommends the following:

Once the PG&E generation rate and PCIA are known in 2018 staff and TEA can calculate final best power purchase agreement terms for DG Fairhaven that RCEA can afford while 1) maintaining current rates or at least the current rate differential below PG&E rates, 2) increasing the reserve by \$2 million in 2018, 3) maintaining the current target of a 5% lower emissions and 5% higher overall renewable power content compared to PG&E base power mix, and 4) allocating \$120,000 toward local programs.

If the resulting terms are not viable for DG Fairhaven, or if the Board does not vote to continue to pursue a contract with DG Fairhaven at this time, staff proposes to initiate discussions with HRC to work toward a solution where the Scotia power plant is able to process waste from other local mill operations.



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 9.1**

AGENDA DATE:	December 18, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Work with OPR on regional and state-level renewable energy planning

SUMMARY

At the Board Meeting the Executive Director will report on a December 13 workshop on regional solar energy planning hosted in Sacramento by the Governor's Office of Planning and Research (OPR).

Information will also be provided on a similar meeting focused on offshore wind energy scheduled for January in Sacramento.

STAFF RECOMMENDATION

N/A – Information only.