



Redwood Coast Energy Authority

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MEETING AGENDA

NOTE MEETING LOCATION:

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

**February 27, 2017
Monday, 3:15 p.m.**

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

I. ROLL CALL

II. REPORTS FROM MEMBER ENTITIES

III. ORAL COMMUNICATIONS

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

IV. CONSENT CALENDAR

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

- A. Approve Minutes of January 23, 2017 Board Meeting.**
- B. Approve attached Warrants.**
- C. Accept attached Financial Reports.**

V. REMOVED FROM CONSENT CALENDAR ITEMS

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

VI. NEW BUSINESS

A. FY 2016-17 Budget

Approve FY16-17 budget adjustments of a decrease to information technology expenses by \$30,000, an increase to legal expenses by \$57,000, and an increase to bank charges by \$7,800.

B. Records Retention

Adopt Resolution No. 2017-2 of the Redwood Coast Energy Authority Adopting a Records Retention Policy.

VII. 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.

VIII. NEW CCE BUSINESS

A. Power Procurement Update

- Update on market procurement activities – wind and solar
- Update on biomass request for offers

Provide direction to staff regarding biomass procurement options.

B. Outreach and Customer Notification Update

IX. STAFF REPORTS

A. Executive Director

- California Community Choice Association (CalCCA) membership
- California Forestry Association annual meeting presentation
- RCEA/PG&E joint workshop for local energy efficiency trade pros
- Policy/process for agenda development
- Electric Vehicle Program funding
- Staffing/hiring updates

X. ADJOURNMENT



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MEETING MINUTES

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

January 23, 2017
Monday, 3:15 p.m.

I. ROLL CALL

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

Present: Bobbie Ricca, Michael Winkler, Austin Allison, Sheri Woo, Michael Sweeney, Estelle Fennell, Dean Glaser, Dwight Miller

Absent: Tim Marks

II. REPORTS FROM MEMBER ENTITIES

Director Allison shared information about an initiative to develop a City of Eureka solar ordinance in an effort to reduce costs for solar permitting.

Director Winkler reported that the City of Arcata is developing a time of sale ordinance to disclose energy performance information, City staff is currently looking into an updated HVAC system for the City Hall building, and that the City is averaging over \$20,000 in revenue per month with the excess energy use tax.

III. ORAL COMMUNICATIONS

Bob Marino shared that DG Fairhaven Power was discouraged that they were not on the short list of power providers, but remain committed to the community and are willing to negotiate.

M/S/C: Glaser, Ricca: Close public comment period.

Director Fennell voiced support for local biomass energy production, with the goal of developing clean local renewable energy sources once the program is up and running.

Director Woo requested a report from the Biomass RFO review committee.

The Board discussed the pros and cons of local biomass energy production.

Executive Director Matthew Marshall reported that details of the RFO review process and the draft power contract will be included on the agenda for the next regular meeting.

IV. CONSENT CALENDAR

A. Approve Minutes of November 21, 2016 Board Meeting.

C. Approve attached Warrants.

D. Accept attached Financial Reports.

E. Approve 2017 Board Meeting Calendar.

F. Approve Amendment No. 2 to Agreement for Employment of Executive Director.

M/S/C: Winkler, Sweeney: Approve consent calendar items A and C-F. Director Fennell and Director Ricca abstain voting on item A.

V. REMOVED FROM CONSENT CALENDAR ITEMS

B. Approve Minutes of December 12, 2016 Board Meeting.

Director Woo pointed out that the phrasing in VI Old Business section E was unclear.

Executive Director Marshall clarified the section of notes.

No public comment.

M/S/C: Sweeney, Glaser: Approve consent calendar item B, as amended by removing “starting in” from section E of item VI Old Business in the minutes. Director Fennell and Director Ricca abstain.

VI. NEW BUSINESS

A. Select RCEA Board Chair and Vice Chair and authorize them as signers on RCEA bank accounts.

No public comment.

M/S/C: Winkler, Glaser: Select Director Woo as RCEA Board Chair.

M/S/C: Glaser, Allison: Select Director Winkler as RCEA Board Vice Chair.

M/S/C: Glaser, Ricca: Authorize Director Woo and Director Winkler as signers on RCEA bank accounts.

VII. COMMUNITY CHOICE ENERGY (CCE) BUSINESS

CCE Quorum Confirmed.

VIII. NEW CCE BUSINESS

A. 2017 Customer Rate Setting

Executive Director Marshall provided a summary of the CCE program activities and milestones completed in 2016, including the relevant Board decisions and guiding documents leading to the current position in the CCE program launch timeline.

Jeff Fuller of The Energy Authority (TEA) provided the background, qualifications, and main roll of TEA in RCEA's CCE program.

John Putz of TEA provided an update and explanation of the CCE electric rates, Net Energy Metering (NEM) tariff, and power procurement strategy.

The Board discussed the electric rates, the Net Energy Metering (NEM) tariff, and the power procurement strategy.

No public comment.

M/S/C: Fennell, Allison: Adopt Resolution 2017-1 Setting Community Choice Energy Program 2017 Customer Rates as amended by the addition of “Community Choice Energy Participating Members of the” after “be it resolved, that the”.

Ayes: Ricca, Winkler, Allison, Fennell, Glaser, Miller

Noes: none.

Abstentions: Woo, Sweeney

Director Ricca departed at 4:56 p.m.

B. Outreach and Customer Notifications

Richard Engel of RCEA provided a description of the four required notifications that will be mailed to each CCE customer, highlighting the draft Terms and Conditions language.

The Board discussed the contents of the drafted notice.

Public comment: Community member Ellen Golla noted that Calpine Company had previously proposed bringing a liquid natural gas terminal to the area.

M/S/C: Allison, Winkler: Adopt Community Choice Energy Program Customer Terms and Conditions.

Ayes: Winkler, Allison, Fennell, Glaser, Miller

Noes: none.

Abstentions: Woo, Sweeney

Richard Engel of RCEA presented an update of the CCE program outreach planned and continuing efforts, which include a program brochure, presentation and events, radio advertisements and underwriting, bus advertisements, social media campaign, and stakeholder mapping for additional targeted outreach.

The Board discussed the outreach efforts.

Richard Engel of RCEA provided the information to access the draft CCE website and showed the Board a draft promotional video.

Public comment: Community member Ellen Golla stated that she was planning to opt out of the CCE program.

IX.ADJOURNMENT

Board Chair Woo adjourned the meeting at 5:31 p.m.

Redwood Coast Energy Authority
Warrants Report
As of February 22, 2017

Type	Date	Num	Name	Memo	Amount
Jan 17 - 31, 17					
Bill Pmt -Check	01/17/2017	EFT	Staples Charge Account	December Statement	-81.61
Bill Pmt -Check	01/17/2017	EFT	Verizon Wireless	December tablet/cell service for field staff/mobile broadband service.	-114.75
Bill Pmt -Check	01/17/2017	EFT	VISA	December Statement 11/19/16 - 12/20/16.	-1,862.74
Check	01/17/2017	7111	EUC Assessment:Oberlies, Scott	EUC Project Completion Refund	-500.00
Bill Pmt -Check	01/19/2017	ACH	Citibank	November & December Statements	-524.32
Bill Pmt -Check	01/19/2017	7089	AMEX	December Statement 12/25/16	-37.18
Bill Pmt -Check	01/19/2017	7090	Bishop, M.	December mileage	-106.87
Bill Pmt -Check	01/19/2017	7091	Blue Lake Rancheria	Site Host Reimbursement 7/1/16-9/30/16 003-BLU-RAN-003/004	-221.21
Bill Pmt -Check	01/19/2017	7092	Burks, K.	December mileage	-100.33
Bill Pmt -Check	01/19/2017	7093	City of Arcata	Site Host Reimbursement 7/01/16 - 9/30/16	-266.59
Bill Pmt -Check	01/19/2017	7094	City of Blue Lake	Site Host Reimbursement 7/01/16 - 9/30/16	-7.16
Bill Pmt -Check	01/19/2017	7095	City of Trinidad	EV Site Host Reimbursement 7/1/16 - 9/30/16 006-TRN-LIB 007, 008	-37.69
Bill Pmt -Check	01/19/2017	7096	Cornerstone Computers	Office 2013 (3), Networking switch	-1,179.94
Bill Pmt -Check	01/19/2017	7097	Daynard Electric	The Hutch self-install rebate / Audit 4464	-1,575.00
Bill Pmt -Check	01/19/2017	7098	GHD	Site Host Reimbursement 7/1/16 - 9/30/16	-118.77
Bill Pmt -Check	01/19/2017	7099	Greenway Partners	VOID: Site Host Reimbursement 7/1/16 - 9/30/16 007-ARC-ATC-009 & 010	0.00
Bill Pmt -Check	01/19/2017	7100	Martin, Des.	December mileage	-53.41
Bill Pmt -Check	01/19/2017	7101	Means, M.	December mileage	-53.73
Bill Pmt -Check	01/19/2017	7102	North Coast Cleaning	December Cleaning Service	-402.00
Bill Pmt -Check	01/19/2017	7103	North Coast Unified Air Quality	EV Site Host Reimbursement 7/1/16 - 9/30/16	-35.94
Bill Pmt -Check	01/19/2017	7104	Pacific Paper Company	Office supplies, Front Desk Ergonomic Assessment	-200.93
Bill Pmt -Check	01/19/2017	7105	Quill	Brother L5850 laser multifunction printer	-347.99
Bill Pmt -Check	01/19/2017	7106	St. Joseph Hospital	EV Site Host Reimbursement 7/1/16 - 9/30/16 013-EUR-STJ-021, 022, 023, 024	-361.96
Bill Pmt -Check	01/19/2017	7107	Terry, P.	December mileage	-74.25
Bill Pmt -Check	01/19/2017	7108	Tolley, M.	December mileage	-75.65
Bill Pmt -Check	01/23/2017	7109	SDRMA Dental	November Premium	-998.87
Liability Check	01/24/2017	E-pay	EDD	DE88 Q1 2017 SDI/PIT January 2017 QB Tracking # 422102887	-1,536.93
Liability Check	01/24/2017	E-pay	Internal Revenue Service	941 Q1 2017 January QB Tracking # 422105297	-10,371.32
Paycheck	01/25/2017	7110	Payroll	1/1-1/15/17 Payroll	-1,690.88
Paycheck	01/25/2017	8157	Payroll	January Net Payroll	-28,330.19
Check	01/26/2017	Debit	California Chamber of Commerce	2017 Workers' Comp Pamphlets	-21.99
Liability Check	01/27/2017	E-pay	EDD	DE88 Q1 2017 ETT/UI January QB Tracking # 334926132	-1,407.09
Bill Pmt -Check	01/27/2017	7112	AM Conservation	LED Stock	-223.92
Bill Pmt -Check	01/27/2017	7113	AT&T	January Telephone Service	-262.40
Bill Pmt -Check	01/27/2017	7114	Best Cleaners	Coverall laundering	-11.25
Bill Pmt -Check	01/27/2017	7115	Central Office	Outside printing/copying	-496.73
Bill Pmt -Check	01/27/2017	7116	City of Eureka-Water	Water service, 11/23/16 - 12/23/16	-100.67
Bill Pmt -Check	01/27/2017	7117	Cutten School District	Ridgewood Elementary self-install rebate	-2,450.14
Bill Pmt -Check	01/27/2017	7118	Daynard Electric	Cutten Elementary self-install rebate / Audit 4402	-1,350.00
Bill Pmt -Check	01/27/2017	7119	Diamond, Nancy	December Legal Services.	-5,160.00
Bill Pmt -Check	01/27/2017	7120	Eureka City Schools	Winship Campus self-install rebate / Audit 4569.	-3,600.00
Bill Pmt -Check	01/27/2017	7121	Eureka Rubber Stamp	Boad meeting nameplates.	-105.90
Bill Pmt -Check	01/27/2017	7122	Fortuna Elementary School District	Audit rebates - multiple school locations	-2,478.75
Bill Pmt -Check	01/27/2017	7123	Greenway Partners	CAPE Strategic Plan Review 11/29/16 thru 12/31/16	-2,750.00
Bill Pmt -Check	01/27/2017	7124	Holly Yashi, Inc.	Self-install rebate / Audit 4313	-2,853.77
Bill Pmt -Check	01/27/2017	7125	HSU Fdn FCEV ARV-14-055	September contract services 000163/SP30422	-158.91
Bill Pmt -Check	01/27/2017	7126	HSU Fdn Alt Fuel ARV-13-012	Retention for ARV13-012. SP30197/000163.	-15,804.57
Bill Pmt -Check	01/27/2017	7127	HSU Fdn EVI ARV-14-046	September contract services 000163/SP30423	-5,009.26
Bill Pmt -Check	01/27/2017	7128	Jackson & Eklund	Accounting services.	-1,221.00
Bill Pmt -Check	01/27/2017	7129	Kneeland School	Self-install rebate / Audit 4265	-705.54
Bill Pmt -Check	01/27/2017	7130	Mary Anne Properties	Daisy Drygoods self-install rebate / Audit 4417	-535.35
Bill Pmt -Check	01/27/2017	7131	Mission Uniform & Linen	Janitorial/mat services	-64.63
Bill Pmt -Check	01/27/2017	7132	Murray Motors	Murray Motors self-install rebate / Audit 4513	-240.00
Bill Pmt -Check	01/27/2017	7133	North Coast Journal	Recruitment advertising	-75.00
Bill Pmt -Check	01/27/2017	7134	Peninsula School District	Peninsula Union School Dist self-install rebate / Audit 4482	-1,073.12
Bill Pmt -Check	01/27/2017	7135	Petrella, A.	January mileage.	-139.10

Redwood Coast Energy Authority
Warrants Report
As of February 22, 2017

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	01/27/2017	7136	PG&E EV Account	EV stations December	-94.94
Bill Pmt -Check	01/27/2017	7137	PG&E Utility Account	December utilities/lighting upgrade financing	-1,220.29
Bill Pmt -Check	01/27/2017	7138	Pierson's Home Ctr	Miscellaneous tool & repair items.	-115.87
Bill Pmt -Check	01/27/2017	7139	Pitney Bowes-Rental	December postage meter rental	-21.69
Bill Pmt -Check	01/27/2017	7140	Premier Financial Group	Self-install rebate / Audit 4145	-811.19
Bill Pmt -Check	01/27/2017	7141	Purchase Power-Postage	Purchase Power 8000-9090-0934-5542	-23.48
Bill Pmt -Check	01/27/2017	7142	Recology	December garbage service	-82.30
Bill Pmt -Check	01/27/2017	7143	Renne Sloan Holtzman Sakai	VOID: HR Audit Services	0.00
Bill Pmt -Check	01/27/2017	7144	SDRMA Dental	December Premium	-1,050.48
Bill Pmt -Check	01/27/2017	7145	SDRMA Medical	December premium	-20,127.66
Bill Pmt -Check	01/27/2017	7146	SDRMA P&L	Additional Insured Cert #25 & 24	-100.00
Bill Pmt -Check	01/27/2017	7147	Southern Humboldt Chamber	2017 Annual chamber membership	-325.00
Bill Pmt -Check	01/27/2017	7148	Tolley, M.	January mileage	-139.80
Bill Pmt -Check	01/27/2017	7149	Wallace & Hinz	Accrued interest on materials for self-install / Audit 3829	-523.55
Bill Pmt -Check	01/27/2017	7150	Winzler, John	Office Lease - February	-4,100.00
Check	01/27/2017	7151	Redwood Coast Energy Authority	February Direct Deposit Payroll Advance	-57,000.00
Check	01/27/2017	7151	Redwood Coast Energy Authority	February Direct Deposit Payroll Advance	57,000.00
Bill Pmt -Check	01/27/2017	7152	Renne Sloan Holtzman Sakai	HR Audit Services	-3,150.00
Check	01/30/2017	7153	Umpqua Bank	LOC annual fees and release fee Note 69011220-1	-228.66
Liability Check	01/30/2017	7154	Umpqua Bank	January HSA Deposit	-558.36
Liability Check	01/30/2017	7155	Calvert	January Deposit / 10684	-5,622.30
Bill Pmt -Check	01/30/2017	7156	Arcata Technology Center	Site Host Reimbursement 7/1/16 - 9/30/16 007-ARC-ATC-009 & 010	-114.45
Jan 17 - 31, 17					-137,977.32

Feb 1 - 22, 17

Check	02/01/2017	EFT	CoPower	February Premium	-237.00
Check	02/04/2017	Debit	Costco	Office supplies	-74.14
Liability Check	02/07/2017	E-pay	EDD	Q1 2017 SDI/PIT February QB Tracking # 429373027	-1,755.12
Liability Check	02/07/2017	E-pay	Internal Revenue Service	941 Q1 2017 February QB Tracking # 429373597	-11,570.22
Liability Check	02/07/2017	E-pay	EDD	DE88 Q1 2017 ETT/UI February QB Tracking # 429373927	-1,302.95
Paycheck	02/08/2017	5883	Payroll	February Net Payroll	-32,849.13
Paycheck	02/08/2017	7157	Payroll	1/15-1/31/17 Payroll	-1,690.90
Bill Pmt -Check	02/13/2017	7158	ABC Office Equipment	Toner & maintenance fees.	-511.89
Bill Pmt -Check	02/13/2017	7159	Arcata Technology Center	Site Host Reimbursement 10/1/16 - 12/31/16 007-ARC-ATC-009 & 010	-139.83
Bill Pmt -Check	02/13/2017	7160	Bishop, M.	January mileage	-95.28
Bill Pmt -Check	02/13/2017	7161	Blue Lake Rancheria	Site Host Reimbursement 10/1/16-12/31/16 003-BLU-RAN-003/004	-192.46
Bill Pmt -Check	02/13/2017	7162	Burks, K.	January mileage	-103.63
Bill Pmt -Check	02/13/2017	7163	CAISO	Application fee for Congestion Revenue Rights.	-1,000.00
Bill Pmt -Check	02/13/2017	7164	City of Arcata	Site Host Reimbursement 10/01/16 - 12/31/16	-433.00
Bill Pmt -Check	02/13/2017	7165	City of Blue Lake	Site Host Reimbursement 10/01/16 - 12/31/16	-3.86
Bill Pmt -Check	02/13/2017	7166	City of Eureka-Water	Water service, 12/23/16 - 1/25/17	-95.05
Bill Pmt -Check	02/13/2017	7167	City of Trinidad	EV Site Host Reimbursement 10/1/16 - 12/31/16 006-TRN-LIB 007, 008	-40.23
Bill Pmt -Check	02/13/2017	7168	Cornerstone Computers	IT purchases.	-410.88
Bill Pmt -Check	02/13/2017	7169	Diamond, Nancy	January Legal Services.	-2,803.00
Bill Pmt -Check	02/13/2017	7170	Engel, R.	January mileage reimbursement.	-32.10
Bill Pmt -Check	02/13/2017	7171	FedEx	Return shipping.	-31.90
Bill Pmt -Check	02/13/2017	7172	Fourth Street Market, Inc.	Fourth St. Market self-install rebate/Audit 4468.	-2,680.56
Bill Pmt -Check	02/13/2017	7173	GHD	Site Host Reimbursement 10/1/16 - 12/31/16	-152.67
Bill Pmt -Check	02/13/2017	7174	HCOE	Franklin Site self-install rebate/Audit 3455.	-8,869.54
Bill Pmt -Check	02/13/2017	7175	Humboldt Lock & Safe	Key copies - electronics cabinet.	-73.24
Bill Pmt -Check	02/13/2017	7176	HWMA	CFL & flourescent disposal	-142.20
Bill Pmt -Check	02/13/2017	7177	Jackson & Eklund	Accounting services.	-300.00
Bill Pmt -Check	02/13/2017	7178	Local Government Commission	CivicSpark services.	-15,505.74
Bill Pmt -Check	02/13/2017	7179	Martin, Des.	January mileage	-29.64
Bill Pmt -Check	02/13/2017	7180	Means, M.	January mileage	-47.67
Bill Pmt -Check	02/13/2017	7181	Mission Uniform & Linen	January mat/janitorial supplies.	-63.04
Bill Pmt -Check	02/13/2017	7182	North Coast Unified Air Quality	EV Site Host Reimbursement 10/1/16 - 12/31/16	-8.28

Redwood Coast Energy Authority
Warrants Report
As of February 22, 2017

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/13/2017	7183	PG&E Utility Account	Community Choice Aggregation Data Charge.	-1,840.00
Bill Pmt -Check	02/13/2017	7184	Pierson's Home Ctr	Miscellaneous tools & facility expenses.	-150.93
Bill Pmt -Check	02/13/2017	7185	Pitney Bowes-Rental	January postage meter rental	-21.69
Bill Pmt -Check	02/13/2017	7186	Ramone's	Food services for workshops.	-235.44
Bill Pmt -Check	02/13/2017	7187	Recology	January garbage service	-82.30
Bill Pmt -Check	02/13/2017	7188	Schwalb, P.	January travel reimbursement.	-41.30
Bill Pmt -Check	02/13/2017	7189	SDRMA Dental	January Premium	-1,098.00
Bill Pmt -Check	02/13/2017	7190	SDRMA Medical	January premium	-15,201.00
Bill Pmt -Check	02/13/2017	7191	Sonoma County Office of Education	Legal services Oct/Nov 2016	-2,156.00
Bill Pmt -Check	02/13/2017	7192	St. Joseph Hospital	EV Site Host Reimbursement 10/1/16 - 12/31/16 013-EUR-STJ-021, 022, 023	-267.61
Bill Pmt -Check	02/13/2017	7193	Times-Standard	Legal Notice: Notices Inviting Bids.	-321.25
Bill Pmt -Check	02/13/2017	7194	Verizon Wireless	January tablet/cell service for field staff/mobile broadband service.	-116.01
Bill Pmt -Check	02/13/2017	7195	Visual Concepts	Electrical safety stickers.	-77.21
Bill Pmt -Check	02/16/2017	EFT	VISA	January Statement 12/21/16 - 1/20/17.	-397.44
Check	02/21/2017	7196	Redwood Coast Energy Authority	February Direct Deposit Payroll Advance - Additional Funds	-2,000.00
Check	02/21/2017	7196	Redwood Coast Energy Authority	February Direct Deposit Payroll Advance - Additional Funds	2,000.00
Liability Check	02/22/2017	E-pay	EDD	SDI/PIT QB Tracking # 434715777	-2,871.48
Liability Check	02/22/2017	E-pay	Internal Revenue Service	Q1 February QB Tracking # 434717147	-15,559.44
Liability Check	02/22/2017	E-pay	Internal Revenue Service	Q1 February QB Tracking # 434718017	-989.10
Liability Check	02/22/2017	E-pay	EDD	ETT/UI QB Tracking # 434718487	-902.90
Liability Check	02/22/2017	E-pay	EDD	SDI/PIT QB Tracking # 434718797	-255.20
Liability Check	02/22/2017	E-pay	EDD	ETT/UI QB Tracking # 434719567	-0.91
Feb 1 - 22, 17					-125,830.36
TOTAL					-263,807.68

Redwood Coast Energy Authority

Umpqua Visa Detail

As of January 20, 2017

Type	Date	Num	Name	Memo	Amount
2006 - VISA-3751					
Credit Card Charge	12/23/2016	6069	SnuggPro	Modeling report - job #72229	25.00
Credit Card Charge	12/25/2016	December	Uberconference	Conference call subscription	10.99
Credit Card Charge	12/30/2016	OL-TR-01277	Calcerts	HERS 2016 Update Course-Ben Mattio / P	120.00
Credit Card Charge	01/01/2017	January	Square	Card Reader Fee	45.00
Credit Card Charge	01/12/2017	January	CiviSMTP	Nov-January Listserve	45.00
Credit Card Charge	01/16/2017	January	U-Verse	January DSL 1/9-2/8/17	95.86
Credit Card Charge	01/20/2017			Service Charge	39.00
Credit Card Charge	01/20/2017			Interest	16.59
Bill	01/20/2017	January	VISA	January Statement 12/21/16 - 1/20/17.	-397.44
Total 2006 - VISA-3751					0.00
TOTAL					0.00

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

	<u>Jul - Dec 16</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	113,303.15	357,364.00	31.71%
Total 5100 · Revenue - program related sales	8,888.20	17,500.00	50.79%
Total 5 REVENUE EARNED	<u>819,018.03</u>	<u>1,928,634.00</u>	<u>42.47%</u>
Total Income	<u>819,018.03</u>	<u>1,928,634.00</u>	<u>42.47%</u>
Gross Profit	819,018.03	1,928,634.00	42.47%
Expense			
7 EXPENSES - PERSONNEL			
7101 · Screening/Testing Services	218.12	600.00	36.35%
7102 · Safety	922.50	1,000.00	92.25%
7103 · Staff Training and Development	3,299.00	15,000.00	21.99%
7200 · Salaries, Wages & Benefits			
7210 · Salaries - staff	391,614.88	905,020.00	43.27%
7220 · Wages - interns	27,981.88	71,061.00	39.38%
7230 · Pension Plan Contributions	11,403.31	29,086.00	39.21%
7240 · Employee Benefits-Insurance	104,006.26	277,943.00	37.42%
7250 · Payroll Taxes Etc.	43,802.70	94,326.00	46.44%
7255 · Worker's Comp Insurance	4,405.31	7,400.00	59.53%
Total 7260 · Paid Time Off	63,925.91	142,331.00	44.91%
7265 · Jury Duty	249.41	500.00	49.88%
Total 7200 · Salaries, Wages & Benefits	<u>647,389.66</u>	<u>1,527,667.00</u>	<u>42.38%</u>
Total 7 EXPENSES - PERSONNEL	<u>651,829.28</u>	<u>1,544,267.00</u>	<u>42.21%</u>
8 NON-PERSONNEL RELATED EXP			
8100 · Non-Personnel Expenses			
8110 · Office Supplies	2,158.60	6,000.00	36.0%
8111 · Furniture & Equipment	1,784.31	2,800.00	63.7%
Total 8120 · Information Technology	4,947.95	55,000.00	9.0%
Total 8130 · Telephone & Telecommunications	3,485.47	6,500.00	53.6%
8140 · Postage & delivery	728.38	1,800.00	40.5%
Total 8170 · Printing & copying	3,773.03	7,500.00	50.3%
Total 8180 · Books, subscriptions, edu matls	753.73	1,000.00	75.4%
8190 · Exhibits & displays	0.00	1,800.00	0.0%
8195 · Tool bank	745.75	4,000.00	18.6%
Total 8100 · Non-Personnel Expenses	<u>18,377.22</u>	<u>86,400.00</u>	<u>21.3%</u>
8200 · Facility Expenses			
8210 · Office Lease	24,600.00	49,200.00	50.0%
Total 8220 · Utilities	6,490.29	11,500.00	56.4%
8230 · Janitorial	2,634.65	6,500.00	40.5%
8240 · Facility repairs & maintenance	2,047.32	3,500.00	58.5%
8250 · EV Station Repairs & Maintenanc	2,227.55	5,000.00	44.6%
Total 8200 · Facility Expenses	<u>37,999.81</u>	<u>75,700.00</u>	<u>50.2%</u>
Total 8300 · Travel & Meeting Expense	<u>8,565.29</u>	<u>17,000.00</u>	<u>50.4%</u>

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

	Jul - Dec 16	Budget	% of Budget
Total 8320 · Meetings, workshops & events	3,784.50	12,000.00	31.5%
8500 · Other Expenses			
8513 · Organizational Development	125.00	500.00	25.0%
8520 · Insurance P&L	11,415.86	9,500.00	120.2%
8530 · Dues & Memberships	975.00	3,500.00	27.9%
Total 8560 · Website Expenses	45.00	1,000.00	4.5%
Total 8570 · Advertising & Marketing Expense	7,184.63	22,000.00	32.7%
8591 · Use Tax	0.00	300.00	0.0%
8592 · Service Charge	0.00	200.00	0.0%
8593 · Bank Charges	15.00	200.00	7.5%
8595 · Credit Card Processing Fees	281.44	500.00	56.3%
8596 · Flex Billing Service Fee	167.10	300.00	55.7%
8597 · EV Site Host Pmts	2,401.71	5,000.00	48.0%
Total 8500 · Other Expenses	22,610.74	43,000.00	52.6%
8600 · Capital Development - Facility	0.00	1,000.00	0.0%
8700 · Professional Services			
8710 · Contracts - Program Related Ser	90,778.14	261,005.00	34.8%
8720 · Accounting	23,116.80	45,000.00	51.4%
8740 · Legal	58,178.01	48,000.00	121.2%
Total 8700 · Professional Services	172,072.95	354,005.00	48.6%
Total 8 NON-PERSONNEL RELATED EXP	263,410.51	589,105.00	44.7%
Total 9 INCENTIVES & REBATES	105,171.61	460,000.00	22.9%
Total Expense	<u>1,020,411.40</u>	<u>2,593,372.00</u>	<u>39.3%</u>
Net Ordinary Income	-201,393.37	-664,738.00	30.3%
Other Income/Expense			
Total Other Income	0.00	700,000.00	0.0%
Total Other Expense	1,113.28	19,008.00	5.9%
Net Other Income	<u>-1,113.28</u>	<u>680,992.00</u>	<u>-0.2%</u>
Net Income	<u><u>-202,506.65</u></u>	<u><u>16,254.00</u></u>	<u><u>-1,245.9%</u></u>

Redwood Coast Energy Authority

Balance Sheet

As of December 31, 2016

	<u>Dec 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1062 · Chase DD Checking	11,057.82
1060 · Umpqua Checking-9271	109,694.36
1000 · COUNTY TREASURY 3839	53,911.55
1010 · Petty Cash	191.35
Total 1050 · GRANTS & DONATIONS 3840	<u>15,037.26</u>
Total Checking/Savings	189,892.34
Total Accounts Receivable	341,066.15
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-7,260.54
1102 · Paypal Account Balance	19.87
1120 · Inventory Asset	71,592.60
1202 · Prepaid Expenses	30,818.52
1205 · Prepaid Insurance	21,540.26
Total 1210 · Retentions Receivable	<u>46,900.72</u>
Total Other Current Assets	<u>163,611.43</u>
Total Current Assets	694,569.92
Total Fixed Assets	55,611.39
Other Assets	
1700 · Retained Deposits	<u>4,100.00</u>
Total Other Assets	<u>4,100.00</u>
TOTAL ASSETS	<u><u>754,281.31</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	114,057.26
Total Credit Cards	501.27
Other Current Liabilities	
2001 · Accounts Payable-Other	39,342.60
Total 2100 · Payroll Liabilities	68,737.76
Total 2210 · Retentions Payable	<u>5,817.95</u>
Total Other Current Liabilities	<u>113,898.31</u>
Total Current Liabilities	228,456.84
Total Long Term Liabilities	<u>8,429.11</u>
Total Liabilities	236,885.95
Equity	
2320 · Investment in Capital Assets	47,182.27
3900 · Fund Balance	672,719.74
Net Income	<u>-202,506.65</u>
Total Equity	<u>517,395.36</u>
TOTAL LIABILITIES & EQUITY	<u><u>754,281.31</u></u>

Redwood Coast Energy Authority

Profit & Loss

December 2016

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
5 REVENUE EARNED	
Total 5000 · Revenue - government agencies	32,953.80
Total 5100 · Revenue - program related sales	317.00
Total 5400 · Revenue-nongovernment agencies	133,470.36
5 REVENUE EARNED - Other	256.60
Total 5 REVENUE EARNED	166,997.76
Total Income	166,997.76
Gross Profit	166,997.76
Expense	
7 EXPENSES - PERSONNEL	
7102 · Safety	125.00
7103 · Staff Training and Development	1,020.00
7200 · Salaries, Wages & Benefits	
7210 · Salaries - staff	73,478.73
7220 · Wages - interns	3,647.81
7230 · Pension Plan Contributions	2,248.08
7240 · Employee Benefits-Insurance	23,458.52
7250 · Payroll Taxes Etc.	11,051.21
7255 · Worker's Comp Insurance	809.19
Total 7260 · Paid Time Off	14,473.29
7265 · Jury Duty	158.13
Total 7200 · Salaries, Wages & Benefits	129,324.96
Total 7 EXPENSES - PERSONNEL	130,469.96
8 NON-PERSONNEL RELATED EXP	
8100 · Non-Personnel Expenses	
8110 · Office Supplies	83.12
Total 8120 · Information Technology	1,269.89
Total 8130 · Telephone & Telecommunications	622.31
8140 · Postage & delivery	67.94
Total 8170 · Printing & copying	496.73
Total 8100 · Non-Personnel Expenses	2,539.99
8200 · Facility Expenses	
8210 · Office Lease	4,100.00
Total 8220 · Utilities	1,339.24
8230 · Janitorial	568.07
8240 · Facility repairs & maintenance	115.44
Total 8200 · Facility Expenses	6,122.75
Total 8300 · Travel & Meeting Expense	707.98
Total 8320 · Meetings, workshops & events	33.12
8500 · Other Expenses	
8520 · Insurance P&L	100.00
8530 · Dues & Memberships	120.00

Redwood Coast Energy Authority

Profit & Loss

December 2016

	TOTAL
8595 · Credit Card Processing Fees	50.97
8597 · EV Site Host Pmts	1,237.94
Total 8500 · Other Expenses	1,508.91
8700 · Professional Services	
8710 · Contracts - Program Related Ser	18,305.74
8720 · Accounting	771.00
8740 · Legal	6,041.50
Total 8700 · Professional Services	25,118.24
Total 8 NON-PERSONNEL RELATED EXP	36,030.99
Total 9 INCENTIVES & REBATES	13,145.40
Total Expense	179,646.35
Net Ordinary Income	-12,648.59
Other Income/Expense	
Total Other Expense	159.04
Net Other Income	-159.04
Net Income	-12,807.63



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	February 27, 2017
TO:	Board of Directors
PREPARED BY:	Director of Business Development and Planning
SUBJECT:	Mid-Year Budget Adjustment

SUMMARY

In reviewing the approved 2016-17 fiscal year budget versus actual expenditures to date, some line items have a notable variance. Based on this review and projection of spending through the end of the fiscal year, RCEA is proposing adjustments to the following budget line items:

8120 – Information Technology

At the time the 2016-17 budget was prepared we anticipated developing a new database to manage the customer and project information associated with our Redwood Coast Energy Watch program. Staff will not have the time to start and complete this proposed database before the end of the year, and with the incorporation of CCE business activities into the organization a more comprehensive customer and project management system than originally envisioned may be necessary anyway. Database improvements will be addressed in a subsequent fiscal year once needs are more clearly defined. **Propose decreasing budget from \$55,000 to \$25,000.**

8740 – Legal

The CCE planning and launch activities spurred a lot of legal needs, including contract preparation, review, and negotiations, as well as organizational capacity building associated with change and growth which involved development of several new policies and procedures. These services were essential to limit RCEAs exposure to liability along with the anticipation of increased responsibility. Because we required more regular and specific legal assistance, it also was important to have legal counsel attend our regular Board business meetings, executive committee meetings, and meet with staff on occasion. The HR consulting services with Renne Sloan Holtzman Sakai, which were not originally in the budget, are also categorized under Legal Services. **Propose increasing budget from \$48,000 to \$105,000.**

8593 – Bank Charges

The Headwaters Loan administration fee of \$7,000 paid to Redwood Regional Economic Development Commission (RREDC) was posted to the Bank Charges category. **Propose increasing budget from \$200 to \$8,000.**

Additional information of note:

- The Headwaters Loan line of credit has been approved and we are currently drawing from it as planned.
- We are tracking CCE contractor costs at the time they are incurred even though payment for their services is deferred per our contract terms. This means that incurred costs during CCE planning and launch-phase implementation may make the budget look unbalanced for a period of time before the repayment schedule begins. Our accountants have advised tracking these expenses in a separate “Deferred Payment” category that will be set-up once our Finance and HR Director begins work.
- Once we have a finalized CCE budget, we will do another mid-year budget adjustment to include anticipated CCE expenses (mostly power procurement) and revenue in May and June. The finalized budget is expected to be ready for adoption later this spring.

RECOMMENDED ACTION:

Approve the proposed budget adjustments of a decrease to information technology expenses by \$30,000, an increase to legal expenses by \$57,000, and an increase to bank charges by \$7,800.



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	February 27, 2017
TO:	Board of Directors
PREPARED BY:	Director of Business Development and Planning
SUBJECT:	Records Retention Policy

SUMMARY

Attached is a proposed resolution to adopt a records retention policy. The proposed policy establishes the process and schedule for records retention and destruction based on the CA Secretary of State's Local Government Records Management Guidelines.

RECOMMENDED ACTION:

Adopt Resolution No. 2017-2 of the Redwood Coast Energy Authority Adopting a Records Retention Policy.

RESOLUTION NO. 2017-2
OF THE
REDWOOD COAST ENERGY AUTHORITY
ADOPTING A RECORDS RETENTION POLICY

WHEREAS, the Redwood Coast Energy Authority (RCEA) wishes to improve its records management practices through the adoption of a records retention policy; and

WHEREAS, RCEA recognizes the value of adopting a records retention policy to provide legal authority for the destruction of nonpermanent RCEA records when they are no longer needed and the permanent retention of RCEA records that have enduring value; and

WHEREAS, the Secretary of State of California has made available Local Government Records Management Guidelines, as a framework for adoption by California local governments with or without local exceptions; and

WHEREAS, adoption of the Redwood Coast Energy Authority Records Retention Policy (hereinafter the "Policy") will benefit RCEA, its member agencies and clientele by providing minimum retention periods for RCEA records; and

WHEREAS, RCEA wishes to adopt the Policy, as based on the framework provided by the Secretary of State of California, and as it may be subsequently revised and amended from time to time.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby adopts the Redwood Coast Energy Authority Records Retention Policy as based on the framework provided, and as it may be subsequently revised and amended from time to time, as set forth in Appendix A, attached hereto and incorporated herein.

Adopted this 27th day of February, 2017

ATTEST:

Sheri Woo, RCEA Board Chair

Matthew Marshall, Clerk

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-2 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 27th day of February, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

APPENDIX A

**REDWOOD COAST ENERGY AUTHORITY
RECORDS RETENTION POLICY**

REDWOOD COAST ENERGY AUTHORITY RECORDS RETENTION POLICY

1. Purpose

The Redwood Coast Energy Authority (RCEA) agrees with the principles of record management set forth in the California Secretary of State's *Local Government Records Management Guidelines*. These principles are that effective records management ensures that records are kept only as long as they serve the immediate administrative, legal, and/or fiscal purposes for which they were created. When records no longer serve these purposes, they should be promptly disposed of.

2. Statement of Policy

RCEA has chosen to follow the schedule of typical retention periods for administrative records as detailed in Attachment A of the *Local Government Records Management Guidelines* (a copy of which is attached). This schedule reflects the needs of RCEA as best as possible. This policy is subject to additions and updates as deemed necessary by RCEA staff and in compliance with local and state law. This policy has been adopted by resolution of the Board of Directors of the Redwood Coast Energy Authority.

3. Procedure for Scheduling Records Retention

For purposes of scheduling records retention, and disposing of records as scheduled, RCEA requires the statement/signature of the Director of the associated department, the Executive Director, and RCEA General Counsel.

Reference to retention periods, unless otherwise stated, is in years. This includes the current year in which the item is created. Therefore, a retention period of "3" for any item means that only the 2017, 2016, and 2015 versions of the item should still be on file with RCEA. Unless otherwise stated, files without a "permanent" retention period are to be destroyed at disposition.

Administrative Records - Typical Retention Periods

Type of Record	Years	Remarks
<u>Correspondence</u>		
Chron Files	2	
General/Public	3	
Controlled	2	
Reports	3	
Subject Files	3	
Reproduction/Printing Requests	2	
<u>Financial</u>		>4/7 = 4 yrs for state funds/7 for federal funds<
Expense Reports	4/7	Or until audited, whichever is first
Budgets	4/7	Or until audited, whichever is first
Billing/Accounting Reports	4/7	Or until audited, whichever is first
Budget Change Proposals	4/7	Or until audited, whichever is first
Budget Change Concepts	4/7	Or until audited, whichever is first
Audits	4/7	
Invoices	4/7	Or until audited, whichever is first
Fees/Receipts	4/7	Or until audited, whichever is first
Checks/Ledgers/Registers	4/7	Or until audited, whichever is first
Cal Stars Reports	Active+1	Active until new budget approved*
Cost Recovery - Federal	Active+7	Active until claim paid then 7 or until audited, whichever is first*
Cost Recovery - State	Active+4	Active until claim paid then 4 or until audited, whichever is first*
Grants	Active+2	Active until end of grant year*
<u>Equipment/Supplies/Space</u>		
Inventory	Active	Active until revised*
Purchase Request/Order	Active+4/7	Active until items received(4/7 if subject to audit)*
Service Orders/Authorizations	Active	Active until service performed*
Vendor Information	Active	Active until revised*
Building Maintenance/Leases	Active	Active until lease terminates*
Inspection Reports/Moves/Space	Active	Active until revised/rescinded/superseded*
Equipment Maintenance	Active+2	Active until maintenance complete*
Hardware/Software Documentation	Active	Active until revised/rescinded/superseded*
Vehicle Files	2	
<u>Personnel</u>		
Duty Statements	Active	Active until revised*

Employee Records	Active+1	Active until employee leaves/terminates. PRA 6254, IPA 1798.40, Confidential Destruction. (CD)*
Attendance	Active+1	Active until employee leaves/terminates. PRA 6254, IPA 1798.40, CD.*
Travel	Active+1	Active until travel complete. PRA 6254, IPA 1798.40, CD.*
Training	3	PRA 6254, IPA 1798.40, CD.
Applications	2	PRA 6254, IPA 1798.40, GC 12946, CD.
Interview Documents	2	PRA 6254, IPA 1798.40, CD.
Affirmative Action	Active	Active until revised*
Merit Awards	3	PRA 6254, IPA 1798.40, CD.
Superior Accomplishments	3	PRA 6254, IPA 1798.40, CD.
Labor Relations	2	
Production/Assignment Logs	2	
Overtime Logs	2	PRA 6254, IPA 1798.40, CD.
Action Requests/Grievances	2	PRA 6254, IPA 1798.40, CD.
Toxic Exposure Reports	Active	Active until employee leaves/terminates. PRA 6254, IPA 1798.40, CD. Transfer Rpt with employee.*
<u>Policy/Procedure/Organization</u>		
Policies (All)	Active	Active until revised*
Procedures (All)	Active	Active until revised*
Compliance Requirements	Active	Active until revised*
Organization Charts	Active	Active until revised*
Mission Statements	Active	Active until revised*
Associations	Active	Active while membership is current*
Meetings/Minutes/Agendas	2	
Activity Reports	2	
Studies/Statistics	3	
Feasibility Studies	5	
Request for Proposals	3	
Delegation Orders	Active	Active until revised/superseded/Revoked*
Conferences/Committees	3	
Contracts	Active+4/7	Active until contract terminates/+4/7 if subject to audit*
Emergency Preparedness	Active	Active until revised*
Public Hearings	5	
Health/Safety	3	
Plans and Goals	Active	Active until revised/rescinded/superseded/Complete*
<u>Records Management</u>		
Records Retention Schedule	Active	Active until revised*
Records Transfer List (STD 71)	Active	Active until disposal of records*
Records Destruction Authorization	4	

Forms File	Active+1	Active until revised/rescinded/superseded*
<u>Legislation/Regulations/Legal</u>		
Bill Analysis	3	PRA 6254
Research Information	3	PRA 6254
Proposed Legislation/Regulations	4	PRA 6254
Legal Opinions	Active+1	Active until issues resolved*
Law Suits/Small Claims	Active+1	Active until litigation complete*
Enrolled Bill Report	4	PRA 6254
PRA/IPA Files	2	
<u>Public Relations</u>		
Clippings	2	
Press Releases	2	
Speeches	2	

* “Active” retention is for Perpetual Records that remain “active” until some event occurs. After the event occurs the records are disposed of or may require retention for an additional short period of time.

The “Remarks” section of a retention schedule also identifies records not subject to public disclosure because of code or statute, as well as any other unusual or significant characteristics about a record series. PRA refers to the California Public Records Act and IPA refers to the Information Practices Act. CD stands for Confidential Destruction.

Most administrative records are small in volume and the records retained for less than five years.

Program Records:

There are no typical retention periods for program records because they are unique to the individual office. They represent the reason the office exists and their retention is usually specified in some statute or regulation that established the office or program. A few program records may be identified for permanent retention however most will be retained for a specific number of years, or as perpetual records with an “Active” period, just like administrative records.

Most program records are large in volume and may be required much longer than administrative records. As with administrative records, program records should be retained only as long as they have some administrative, fiscal, or legal value. After that they should be disposed of in accordance with an approved Records Retention Schedule.



REDWOOD COAST Energy Authority

STAFF REPORT

AGENDA DATE:	February 27, 2017
TO:	Board of Directors
PREPARED BY:	Executive Director
SUBJECT:	Local Biomass Request for Offers

BACKGROUND

Following the technical analysis and community input meetings completed over the summer and fall, in September 2016 the Board adopted CCE Program Guidelines for the first 5 years of operation, which include the target of contracting with 1-2 local biomass facilities for around 20 MW of energy (which is equal to about 15% of RCEA's projected customer load). The Guidelines also include the targets of offering competitive rates equal to or lower than PG&E's, and building a minimum financial reserve of \$10 million by year 5; both of these targets are important to the long-term viability and stability of the program.

In September the Board also discussed and adopted *Process Guidelines for Development of a Request for Offers (RFO) for Local Biomass Power*, and then approved issuing the RFO at the October meeting. Local biomass facilities could submit offers for 1, 3, and 5 year terms, with offers being scored on the following criteria:

- **Net Market Value:** The net market value of the offers were calculated by TEA based on the price that was bid versus the market value of the quantifiable components of the offers, including factor such as the base value of the energy that the facility produces and the renewable attributes for that energy (Renewable Energy Credits).
- **Offeror's Viability:** Qualitative factors related to the viability of the biomass generator include, but are not limited to, the track record of meeting all permitting, reporting and compliance requirements; the experience of the offeror's team to successfully and sustainably operate the facility; offeror's history of investment in maintaining and improving the facility; worker safety record; the offeror's historical and projected financial position; and any other factors that may influence its ability to deliver energy products under an executed agreement with RCEA.
- **Portfolio Fit:** Preference for offers that have lower volume requirements, contract lengths and/or provide generation in hours that reduce RCEA's wholesale market risk.
- **Acceptance of Power Purchase Agreement (PPA):** Preference for responses that accepted the terms and conditions of the PPA as provided in the RFO.

RCEA received a range of 1, 3, and 5 year offers from the three local biomass plants, with bid prices ranging from the low \$80s to over \$100 per MWh (RCEA's technical analysis and planning used an estimated price of \$85).

The offers were reviewed, evaluated and scored according to the criteria described in the RFO by the evaluation committee selected by the Board. Based on the resulting scores, the evaluation committee recommends short-listing a single offer, Humboldt Redwood Company's

offer of 12.5 MW of contract capacity for a 5-year period. The offer prices, terms and scoring are summarized below:

Project	Average Price per MWh	Duration (years)	Quantitative Net Market Value Score (50%)	Qualitative Factors Score (50%)	Total Score
Blue Lake	\$83.10	5	45.7	34.3	80.0
Blue Lake	\$81.50	3	50.0	29.3	79.3
Blue Lake	\$83.10	1	42.4	24.3	66.8
Fairhaven	\$102.50	5	5.0	34.8	39.9
Fairhaven	\$99.70	3	11.7	37.8	49.5
Fairhaven	\$95.00	1	26.2	41.8	68.1
HRC - 12.5 MW	\$83.00	5	44.7	45.3	90.0
HRC - 12.5 MW	\$100.00	1	2.9	26.3	29.2
HRC - 15 MW	\$85.00	5	40.1	41.3	81.4

In January 2017, PG&E rates and customer PCIA (exit) fees were set for 2017 and TEA completed an initial round of power procurement for RCEA's 2017 market-based power portfolio needs. Based on the cost factors and RCEA's reserve requirements, RCEA can only afford to contract for approximately 5 MW of biomass (based on HRC's \$83/MWh price) in 2017. HRC has indicated its willingness to negotiate a lower capacity contract for an initial period.

KEY DECISION FACTORS

There are a number of key decision factors for the Board to consider when weighing options related to biomass power procurement and their associated benefits, costs, and risks:

- Local biomass facilities are important to the local forest products sector, which depends on the facilities to locally and economically process mill waste and other material that would otherwise have to be trucked out of the area for disposal elsewhere or open burned. No single biomass plant currently operates at a capacity that can handle all of the local mill waste. This led to the Board's preference of contracting with more than one local biomass plant.
- Local biomass power production is more expensive than other renewable energy sources; the offers at the low end of the prices that RCEA received are around \$30/MWh more than the current market prices for power from utility scale solar from elsewhere in California.
- When considering RCEA's minimum cost to provide service and meet state renewable energy requirements, we have a limited amount of discretionary budget "headroom" to allocate, while still maintaining competitive rates compared to PG&E. As noted above, in 2017 the available budget headroom can only accommodate ~5 MW of biomass at an above-market price premium.

Particularly relevant factors to RCEA's year-one constraints are:

- **Uncertainty on opt-outs:** Until the enrollment and customer notification period has been completed early this summer, RCEA must still tolerate significant uncertainty about what % of customers will choose to opt-out of RCEA service. Based on other recent CCE program

launches, it is hoped that RCEA's estimate of 10% opt-outs is conservative. Once the opt-out rate is known later in the year (and predicted to remain fairly stable after that—assuming a continuation of competitive rates) RCEA will have greater certainty on overall budget headroom.

- **PG&E Rates and PCIA fees:** This is an ongoing risk that RCEA will manage every year, but our near-term power procurement strategy is structured to minimize this risk by timing the bulk of annual procurement on a schedule that allows RCEA to adaptively respond to PG&E pricing. Longer-term commitments (particularly at above-market prices) increase our exposure to this risk, although building up a reserve quickly will additionally offset that risk exposure in future years.
- **Year-1 Reserve Requirements:** RCEA has a requirement to build \$6 million in financial reserves by the end of the first 12 months of operation. Once the initial reserve level is met by April 2018, RCEA will have more discretion on how to allocate overall budget headroom. For example: after April 2018, reserve accumulation could be reduced to \$2 million per year, which would allow us to be on track to achieve the \$10 million reserve target in 2020. At current market prices and PG&E rates, reducing the speed of accumulating our reserve would add \$4 million per year of discretionary headroom. This could then allow procurement of a biomass power around the targeted 20 MW.

CURRENT OPTIONS

Based on all of the above factors, the Board has several options, and staff has been working with TEA to develop some power purchase agreement (PPA) terms and structures that will work toward the CCE's local power procurement goals while still addressing the associated constraints and risks. Since staff does not believe that RCEA may accept any of the offers as-is, and based on the year-one constraints for 2017, these options include:

Option 1-A: Award contract to Humboldt Redwood Company with modifications to its 12.5 MW 5-year offer. Accept staff's recommendation to short-list HRC's offer, but accommodate RCEA constraints by directing staff to negotiate modifications to HRC's offer around the following parameters and by splitting the PPA into two successive power delivery obligations:

- An initial PPA term of 9 months for 5 MW at HRC's \$83/MWh offer price, with additional flexibility for HRC to, at its discretion, provide additional power to RCEA but only at the unsubsidized pass-through market price that RCEA would otherwise be paying. RCEA would have no financial risk exposure to any power produced above the 5 MW.
- A second PPA term for the remaining 51 months of the offer at HRC's full offer price and full volume. However the PPA would include a "pressure relief" clause to ensure that the PPA commitment doesn't jeopardize the overall viability and long-term success of the CCE. This would entail evaluating (likely annually around the beginning of each year) the available headroom between RCEA's base cost of services (operations, reserve, market-priced power) and PG&E rates and fees.

If the headroom is not sufficient to maintain competitive customer rates and meet other central program budget requirement at the full volume and offer price, then RCEA would

have the option to reduce the volume of power procured at the offer price to not exceed available headroom. Any generation over that reduced volume would be purchased at market-price terms and flexibility similar to the initial 9 month PPA terms.

Option 1-B: Explore 5-year contract options for one or both other facilities. In addition to proceeding with Option 1-A, staff can develop for the Board's consideration additional options that would provide a 5-year contract option for one or both of the other local facilities. Any additional contracting option would at a minimum include similar conditions to the risk-protection provisions of the HRC PPA and could use HRC's offer price as a basis, and would also be in a secondary position/priority for funding after the HRC PPA.

Option 1-C: Bridge agreements for one or both other facilities and/or second RFO round. Rather than developing a longer-term contract option for one or both other facilities they could be offered a short-term bridge agreement for 2017 that would be on a pass-through market cost basis. This could be followed by RCEA issuing a second RFO (which could be made open to only the two non-shortlisted facilities) or other procurement mechanism such as a feed-in-tariff for any additional procurement, potentially beginning mid-2018 with a structure and terms to be determined based on identified needs and analysis available at that time.

Option 2: Reject all offers and engage in direct negotiations. The Board could reject all offers and direct staff to directly negotiate with one or more facilities for different pricing and terms that align with RCEA objectives and constraints (which could include shorter time frames).

Option 3: Reject all offers and rebid. The Board could reject all offers and direct staff to develop a new RFO to rebid using current information to refine and adjust the terms around RCEA's objectives and constraints.

Some pros and cons of these options are summarized below.

Option	Pros	Cons
1-A	Moves forward with procurement with highest scoring offer, provides longer-term commitment to HRC while still managing RCEA risk.	Only supports agreement with one facility, which could impact other local mills not operated by HRC.
1-B	Would expedite the potential for a contract with a second facility with a more-stable/longer-term structure.	Increases near-term complexity and potentially longer-term financial commitments/risk.
1-C	Keeps open option for a second contract but with less near-term complexity and commitment.	More uncertainty for biomass plants, and longer period of uncertainty, than option 1-B.
2	Could pursue different approach than what was envisioned as the outcome of the RFO process, potentially benefiting from more current information. Could be faster than option 3.	Would delay biomass procurement without necessarily providing any benefits in the final outcome.
3	Could pursue different approach than what was envisioned as the outcome of the RFO process, potentially benefiting from more current information. Would maintain more competitive process than option 2.	Would delay biomass procurement without necessarily providing any benefits in the final outcome.

STAFF RECOMMENDATION:

Staff recommends that the Board approve options 1-A and 1-B outlined in the staff report, and direct staff to negotiate the terms of a modified PPA with HRC. The final HRC PPA would be brought back to the Board for final review and approval, as well as one or more options for potentially contracting with one or more additional facility.

This approach most expeditiously moves RCEA forward with local power procurement, and balances RCEA's financial risk exposure with the goals of using local power. Additionally, this approach allows for the possibility of purchasing power from more than one local biomass facility. It should be noted that technical projections suggest that the total volume of biomass power procured at above-market prices would likely be limited to approximately 20 MW as included in the Program Guidelines.