



# Redwood Coast Energy Authority

633 3<sup>rd</sup> Street, Eureka, CA 95501

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

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## **MEETING AGENDA**

**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 3<sup>rd</sup> Street, Eureka, or by calling 269-1700, or by e-mail at [ahfielding@redwoodenergy.org](mailto: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 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 Organizational Chart.

**3.5** Approve Amendment No.1 to Lease Agreement for 633 3<sup>rd</sup> Street removing short-notice cancelation clause and authorize the Executive Director to sign the Amendment.

#### **4. REMOVED FROM CONSENT CALENDAR ITEMS**

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

#### **5. OLD BUSINESS**

None.

#### **6. NEW BUSINESS**

**6.1** Revisions to Board Operating Procedures

Adopt Revisions to RCEA Board of Directors Operating Guidelines.

## **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.

### **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

## **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**

December 18, 2017 3:15 p.m.

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



# Redwood Coast Energy Authority

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## **MEETING MINUTES**

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

**October 16, 2017  
Monday, 3:15 p.m.**

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### **ROLL CALL**

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

Present: Dean Glaser, Jack West, Austin Allison, Frank Wilson, Estelle Fennell, Sheri Woo, Michael Winkler, Bobbi Ricca

Absent: Michael Sweeney

### **1. REPORTS FROM MEMBER ENTITIES**

None.

### **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.

None.

### **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 September 18, 2017 Regular Board Meeting.

**3.2** Approve Warrants.

**3.3** Accept Financial Reports.

**3.4** Approve 2017-2018 CivicSpark Program service agreement for \$51,000 with the Local Government Commission

Chair Woo pulled consent calendar item 3.3.

**M/S/C: Winkler, Glaser: Approve consent calendar items 3.1, 3.2, and 3.4.**

### **4. REMOVED FROM CONSENT CALENDAR ITEMS**

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

Chair Woo asked for clarification on revenue and expenditures: based on what percentage of the fiscal year has passed versus the actual revenue and expenditures.

- 1) Revenue earned – Electricity Sales- Un-collectable accounts: percentage of overall budget estimate set-aside placed in reserves to cover potential loss from unpaid customer accounts. This amount gets adjusted over the year as actual payments are received.
- 2) Expenses – Low Carbon Settlements – 617% above budget: an untypical structure of one of RCEA's hydropower transactions results in RCEA receiving large credits on CAISO Energy invoices which are balanced out subsequent monthly bills. This structure is beneficial to RCEA for cashflow purposes and overall actual total net income/expense balance out accurately, but in results in budget line item totals that don't accurately reflect to true final costs for CAISO Energy and Low Carbon Settlements. Staff is going to work with TEA to adjust and update how these transaction are reported so they align with the budget.
- 3) Regulatory line item – 679% above budget – Some costs currently included in this line item are budget for elsewhere and need to be recategorized.

**M/S/C: Winkler, Wilson: Approve consent calendar item 3.3.**

**5. OLD BUSINESS**

None.

**6. NEW BUSINESS**

**6.1 November 2017 Board of Directors Meeting Date**

**Change Date of November Board of Directors Meeting**

There was discussion whether the board wanted to consider changing the November board meeting date because of its proximity to the Thanksgiving holiday. It was confirmed that there would be a quorum for the November meeting and though ED Marshall will not be present at that meeting, the board concluded they could still conduct board business in his absence. The board did not take action to change the meeting date.

**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 Summary of Previous DG Fairhaven Discussion**

Executive Director Marshall reviewed the staff report on item 7.1, concluding with a goal to provide the board with additional information and options for consideration and discussion at the next board meeting.

**8. NEW CCE BUSINESS**

**8.1. Energy Risk Management Quarterly Report**

**Accept Energy Risk Management Quarterly Report**

Jeff Fuller and Shehzad Wadalawala from The Energy Authority (TEA) provided a Procurement and Risk Management quarterly report. Overall the CCE program is going well. Renewable and non-fossil fuel targets are higher than projected, and other program and budget targets are generally on track.

While the program is on track so far, there remain significant potential risk that need to be managed, and RCEA will need to consider balancing procurement commitments with ensuring reserves for potential price spikes or PCIA increases. 2018 budget headroom is projected to tighten relative to 2017.

2017 headroom update (headroom is the gross available for RCEA to invest in program expenditures, rate savings, biomass purchases, procuring RPS over just what the state mandates, and zero carbon supply to get the non-fossil fuel component higher.): January 2017 projection had a unit cost of \$16.07 per MWh, whereas the October (current) outlook is below the January projections with a unit cost at \$13.81 per MWh, equaling approximately \$600,000 less than anticipated at the beginning of the year.

2018 Headroom — projecting lower headroom in 2018 due to projected higher energy costs, higher resource adequacy prices, slightly higher CAISO charges, and a higher PCIA charge — projecting a 21% bump in PCIA next year (21% is the equivalent of a little over \$5.50/MWh). Actual 2018 PCIA costs will not be known until January.

Reserves – Net bottom line and outlook for 2018: Assuming a repeat of high level objectives next year as this year, 40% RPS-eligible renewable energy, 80% non-fossil-fuel resources, and 2.7% customer rate discount on the generation rate. Based on these parameters the current projection for 2018 reserve accumulation is \$3.2mm, but there are risks in these calculations due to uncertainty around the 2018 PCIA charge. The probability that reserves would be at or above \$2mm is 69% and the probability that reserves could be at or below \$0 is 5%. There is a material change clause in the Humboldt Redwood Company power purchase agreement should projected annual reserve accumulation dip below \$2mm.

High PCIA scenario – reasons PCIA rates have gone up include the value of energy has been declining for several years as well as the cost of renewables coming down. This results in legacy PG&E contracts that must be remarketed being increasing out of market prices, resulting in a loss that is recovered through the PCIA. With a high PCIA scenario, annual and cumulative reserves would be slow growing until 2020 when IOU legacy contracts start to expire.

Upcoming changes to procurement requirements: Contract for storage resource equal to 1% of peak load by 2020 and online by 2024. Effective 2021, 65% of renewable generation supply must be contracted on a 10-year or greater term.

The importance of reserves was discussed, as there is a significant lag between paying power supply costs, when the customer gets their bill, and when RCEA ultimately receives payment. Reserves are required to pay those costs prior to receiving payment. The baseline cashflow reserve required is approximately \$6mm. Discussed encouraging customer direct payment options.

The Energy Risk Management Quarterly Report will be posted on the Board of Directors webpage.

**M/S/C: Fennel, Ricca: Accept Energy Risk Management Quarterly Report.**

**Ayes: Ricca, Winkler, Allison, West, Glaser, Wilson, Fennell**

**Noes: none**

**Absent: Sweeney**

**Not Voting: Woo**

## 8.2. Principle Power MOU

### Approve Memorandum of Understanding and Intent to Cooperate with Principle Power

Executive Director Marshall reviewed the agenda item 8.2 staff report recommending approving an MOU and intent to cooperate with Principle Power, which does not commit dollars or contracts, but formalizes a relationship to work with Principle Power to engage the community and perhaps find a suitable site for a local offshore wind project. A non-disclosure agreement associated with the MOU was still in the process of legal review and approval.

Member Fennel asked how this MOU would take form, noting the importance of the public being apprised of what RCEA is doing with respect to this project exploration. The MOU provides a message to the public that RCEA is working with them to try to identify projects which work in this community. She suggested regular staff updates to the Board regarding activities taken place on this topic. Executive Director Marshall noted on November 9 he and Principle Power will be presenting to the HSU Sustainable Future Speakers' Series.

The Board discussed the importance of being open and having open discussions with the community regarding their concerns and ideas.

Joao Metelo, CEO of Principle Power, Kevin Banister, and Antione Peiffer spoke on behalf of Principle Power, noting their interest in working with RCEA. The offshore wind energy sector is a growing industry and Principle Power would like to see a project closer to their home base of Emeryville, California.

**M/S/C: Fennell, Wilson: Approve Memorandum of Understanding and Intent to Cooperate with Principle Power, contingent upon legal counsel approval of the non-disclosure statement.**

**Ayes: Ricca, Winkler, Allison, West, Glaser, Wilson, Fennell**

**Noes: none**

**Absent: Sweeney**

**Not Voting: Woo**

## 8.3. Peak Day Pricing Program

### Approve Extension of 2017 Peak Day Pricing Program Through 2018

Staff member Andrea Alstone presented staff report on agenda item 8.3. Board Member Winkler asked if RCEA would be establishing a Peak Day notification system. Ms. Alstone confirmed RCEA would be providing peak day notifications to customers.

**M/S/C: Fennell, Ricca: Approve Extension of 2017 Peak Day Pricing Program Through 2018 with the addition of notification services.**

**Ayes: Ricca, Winkler, Allison, West, Glaser, Wilson, Fennell**

**Noes: none**

**Absent: Sweeney**

**Not Voting: Woo**

## **END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

### **9. STAFF REPORTS**

#### **9.1. Demand-side Management**

Staff member Lou Jacobson provided an update on the Demand-side Management program; 1) 2017 Implementation Update, and 2) Engagement with local trade professionals.

His presentation will be posted on the Board of Directors webpage.

#### **9.2. Executive Director**

Executive Director Matthew Marshall reported he attended the CalCCA annual meeting in Riverside, CA. A central focus topic was discussing the upcoming PCIA proceedings.

Professional Development: There was a recent 2-day all-staff training with Mary Gelinas focused on internal communication, meeting effectiveness, and how to improve communications internally and with the public.

Community Engagement: On November 9 Executive Director Marshall will be a panelist in a Public Speakers' series at HSU focused on new renewable opportunities, such as microgrid projects. As staff member Lou Jacobson reported, there will be a Lighting EXPO on Tuesday October 24. There was a Sustainable Living EXPO in Arcata this past weekend which staff member Nancy Stephenson and other staff tabled at. Pastels on the plaza was the weekend prior and a picture of the square sponsored by RCEA was provided in the Executive Director's report.

## **DISCLOSURE OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

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### **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 6:00 p.m.

Respectfully submitted: Ahn Fielding



# Redwood Coast Energy Authority

## Balance Sheet

As of September 30, 2017

	<u>Sep 30, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1075 · Umpqua Reserve Account 2300	1,000,890.62
1070 · Umpqua Deposit Cntrl Acct 1687	5,764,425.00
1062 · Chase DD Checking	25.00
1060 · Umpqua Checking-9271	491,643.30
1000 · COUNTY TREASURY 3839	4,207.73
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,037.26
<b>Total Checking/Savings</b>	<u>7,276,643.26</u>
<b>Accounts Receivable</b>	
1100 · Accounts Receivable	333,596.29
<b>Total Accounts Receivable</b>	<u>333,596.29</u>
<b>Other Current Assets</b>	<u>6,368,461.48</u>
<b>Total Current Assets</b>	13,978,701.03
<b>Fixed Assets</b>	44,983.39
<b>Other Assets</b>	4,100.00
<b>TOTAL ASSETS</b>	<u><u>14,027,784.42</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	153,158.54
Credit Cards	-152.28
<b>Other Current Liabilities</b>	
2001 · Accounts Payable-Other	10,242,870.50
2100 · Payroll Liabilities	75,100.61
2210 · Retentions Payable	1,208.96
<b>Total Other Current Liabilities</b>	<u>10,319,180.07</u>
<b>Total Current Liabilities</b>	10,472,186.33
<b>Long Term Liabilities</b>	
2700 · Long-Term Debt	
2701 · Lighting Upgrade	6,520.63
2702 · Headwaters Credit Line	700,000.00
<b>Total 2700 · Long-Term Debt</b>	<u>706,520.63</u>
<b>Total Long Term Liabilities</b>	<u>706,520.63</u>
<b>Total Liabilities</b>	11,178,706.96
<b>Equity</b>	
2320 · Investment in Capital Assets	38,462.75
3900 · Fund Balance	326,724.11
Net Income	2,483,890.60
<b>Total Equity</b>	<u>2,849,077.46</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>14,027,784.42</u></u>

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

	<b>Jul - Sep 17</b>	<b>Budget</b>	<b>% of Budget</b>
<b>Income</b>			
Total Revenue - government agencies	110,784	268,835	41%
Total Revenue - program related sales	94	15,000	1%
Total Revenue-nongovernment agencies	309,638	1,570,364	20%
Electricity Sales Revenue			
Electricity Sales - Retail Revenue	12,169,342	46,735,993	26%
Electricity Sales - Uncollectable Accounts	(36,509)	(140,208)	26%
Total Electricity Sales Revenue	12,132,833	46,595,785	26%
<b>Total Income</b>	<b>12,553,348</b>	<b>48,449,983</b>	<b>26%</b>
<b>Expense</b>			
<b>WHOLESALE POWER SUPPLY</b>			
<b>CAISO</b>			
Total CAISO Energy	(1,687,530)	5,336,455	-32%
Total CAISO Non-Energy Charges	320,728	1,830,563	18%
Total CAISO	(1,366,803)	7,167,018	-19%
Bilateral Activity			
Resource Adequacy	467,620	2,572,007	18%
Energy Hedges Notional Value	5,044,380	19,298,480	26%
Low Carbon Settlements	3,198,585	518,145	617%
Total Bilateral Activity	8,710,584	23,106,420	38%
Local Power Purchase Agreements			
Humboldt Redwood Company	1,049,000	4,862,651	22%
Total Local Power Purchase Agreements	1,049,000	4,862,651	22%
<b>TOTAL WHOLESALE POWER SUPPLY</b>	<b>8,392,782</b>	<b>35,136,090</b>	<b>24%</b>
 <b>PERSONNEL EXPENSES</b>	 504,915	 2,506,578	 20%
 <b>FACILITIES AND OPERATIONS</b>	 26,928	 232,976	 12%
 <b>COMMUNICATIONS AND OUTREACH</b>	 47,883	 200,041	 24%
 <b>TRAVEL AND MEETINGS</b>	 5,987	 48,617	 12%
 <b>PROFESSIONAL AND PROGRAM SERVICES</b>			
Contracts - Program Related Services	37,649	242,029	16%
Wholesale Services - TEA	141,249	567,821	25%
Procurement Credit - TEA	200,067	725,576	28%
Data Management - Calpine	269,086	921,508	29%
Regulatory	185,757	25,000	743%
Accounting	15,000	45,000	33%
Legal	8,466	85,000	10%

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

	<b>Jul - Sep 17</b>	<b>Budget</b>	<b>% of Budget</b>
<b>PROFESSIONAL AND PROGRAM SERVICES</b>	857,274	2,611,934	33%
<b>PROGRAM EXPENSES</b>	93,244	965,897	10%
<b>INCENTIVES AND REBATES</b>	128,694	460,000	28%
<b>NON OPERATING COSTS</b>	9,781	65,610	15%
<b>Total Expense</b>	10,067,488	42,227,742	24%
<b>RESERVE REQUIREMENT CONTRIBUTIONS</b>	1,000,000	6,000,000	17%
<b>Net Income</b>	<b>1,485,860</b>	<b>222,241</b>	<b>669%</b>

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

Type	Date	Num	Name	Memo	Amount
Check	09/01/2017	EFT	CoPower	September Premium	-208.20
Paycheck	09/01/2017	8161	Paycheck	Final Paycheck	-76.52
Bill Pmt -Check	09/01/2017	8162	City of Arcata	May Excessive Use Utility User Tax	-303.42
Bill Pmt -Check	09/01/2017	8163	FedEx	Shipping documents to PUC	-27.47
Bill Pmt -Check	09/01/2017	8164	KVIQ	CCA Advertising	-1,275.00
Bill Pmt -Check	09/01/2017	8165	Lost Coast Communications	CCA Advertising - wildcard pick.	-125.00
Bill Pmt -Check	09/01/2017	8166	PG&E EV Account	EV stations July	-114.42
Bill Pmt -Check	09/01/2017	8167	PG&E Utility Account	July utilities/lighting upgrade financing	-603.10
Bill Pmt -Check	09/01/2017	8168	School and College Legal Services	July 2017 Legal Services.	-225.00
Bill Pmt -Check	09/01/2017	8169	SDRMA Dental	September Premium	-1,206.00
Bill Pmt -Check	09/01/2017	8170	Stephenson, Nancy	August mileage reimbursement	-26.75
Bill Pmt -Check	09/01/2017	8171	Times-Standard	CCA Advertising	-1,288.98
Bill Pmt -Check	09/01/2017	8172	City of Arcata	June Excessive Use Utility User Tax	-4,634.73
Bill Pmt -Check	09/01/2017	8173	City of Arcata	July Excessive Use Utility User Tax	-4,042.74
Bill Pmt -Check	09/01/2017	8174	Lost Coast Communications	Advertising	-675.00
Bill Pmt -Check	09/01/2017	8176	Enterprise Tolls	Toll Fine: Rental agreement # 8MR6V6	-11.70
ACH	09/01/2017	ACH	CalPine Energy Solutions	July 2017	-114,605.53
ACH	09/05/2017	ACH	The Energy Authority	RCEA - CAISO Invoice #20170831	-30,708.69
Liability Check	09/06/2017	E-pay	EDD	499-0864-3 QB Tracking # 502520667	-0.75
Liability Check	09/06/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 502521077	-12.78
Liability Check	09/06/2017	E-pay	EDD	499-0864-3 QB Tracking # 502521397	-2.85
Paycheck	09/08/2017	8177	Paycheck	8/16 - 8/31/17 Payroll	-111.28
Paycheck	09/08/2017	8178	Paycheck	8/16 - 8/31/17 Payroll	-2,583.20
Bill Pmt -Check	09/08/2017	8179	ABC Office Equipment	August print charges/service contract.	-407.26
Bill Pmt -Check	09/08/2017	8180	Boudreau, D.	August mileage & purchase reimbursement	-38.24
Bill Pmt -Check	09/08/2017	8181	Central Office	Signs for CCE display board	-16.28
Bill Pmt -Check	09/08/2017	8182	City of Eureka-Water	Water service, 7/25/17-8/25/17	-164.22
Bill Pmt -Check	09/08/2017	8183	Cornerstone Computers	Superspeed USB External Hard Drive	-103.08
Bill Pmt -Check	09/08/2017	8184	Diamond, Nancy	August Legal Services	-2,349.15
Bill Pmt -Check	09/08/2017	8185	Ellis Art	Large format color copies	-67.70
Bill Pmt -Check	09/08/2017	8186	Headwaters Fund - Interest	RCEA loan August 2017 Interest 3846000 800190	-3,013.89
Bill Pmt -Check	09/08/2017	8187	Hilson, D.	August mileage reimbursement	-47.78
Bill Pmt -Check	09/08/2017	8188	HSU Fdn EVI ARV-14-046	Reimbursement of expenses	-36,466.93
Bill Pmt -Check	09/08/2017	8190	Marshall, M.	Marshall Travel: TEA Meeting, WA 8/2-8/3 & CPUC 8/16-8/17	-612.32
Bill Pmt -Check	09/08/2017	8191	Mission Uniform & Linen	August janitorial/mat cleaning	-121.22
Bill Pmt -Check	09/08/2017	8192	North Coast Cleaning	August Cleaning Service	-402.00
Bill Pmt -Check	09/08/2017	8193	Ponting, W.	August mileage reimbursement	-43.87
Bill Pmt -Check	09/08/2017	8194	SDRMA Medical	October premium.	-16,702.00
Bill Pmt -Check	09/08/2017	8195	SDRMA WC	Audited Premium FY 2016-17 Member #7260	-4,604.84
Bill Pmt -Check	09/08/2017	8196	Verizon Wireless	Aug tablet/cell service for field staff/mobile broadband service.	-229.18
Paycheck	09/08/2017	EFT	Paycheck	8/16 - 8/31/17 Payroll	-45,003.19
Bill Pmt -Check	09/11/2017	8197	City of Arcata	Rental of Redwood Lounge on 10/4-10/5/17	-700.00
ACH	09/11/2017	ACH	The Energy Authority	June 2017	-3,646,321.45
Bill Pmt -Check	09/12/2017	EFT	Staples Charge Account	August Statement	-916.88
Bill Pmt -Check	09/12/2017	EFT	VISA	August Statement 07/21/17 - 08/22/17	-985.50
Bill Pmt -Check	09/15/2017	8189	Ichien, D.	August purchase reimbursement	-46.07
Bill Pmt -Check	09/15/2017	8198	Anderson, Greg	Audit rebates	-476.64
Bill Pmt -Check	09/15/2017	8199	Best Cleaners	Coverall laundering	-12.50
Bill Pmt -Check	09/15/2017	8200	Bishop, M.	August mileage	-47.19
Bill Pmt -Check	09/15/2017	8201	Bithell, M.	August Reimbursements	-75.65
Bill Pmt -Check	09/15/2017	8202	Boudreau, D.	D Boudreau reimbursement - bathroom doorknob	-30.37
Bill Pmt -Check	09/15/2017	8203	Burks, K.	August mileage	-158.15
Bill Pmt -Check	09/15/2017	8204	Chapman, R.	August mileage reimbursement	-28.20
Bill Pmt -Check	09/15/2017	8205	Citibank	August Statement 08/25/17	-749.40
Bill Pmt -Check	09/15/2017	8206	Fieldbrook Elementary	Fieldbrook Elementary self-install rebate/Audit 3460	-2,384.61
Bill Pmt -Check	09/15/2017	8207	Fortuna Elementary School District	Ambrosini self-install rebate / Audit 4566	-2,837.60

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	09/15/2017	8208	Green Ideals	Consulting for CCE program - August	-900.00
Bill Pmt -Check	09/15/2017	8209	Humboldt Builders' Exchange	PlanScan - scan plans to .pdf	-32.55
Bill Pmt -Check	09/15/2017	8210	Humboldt Lock & Safe	Key duplications	-54.67
Bill Pmt -Check	09/15/2017	8211	Means, M.	August mileage	-102.03
Bill Pmt -Check	09/15/2017	8212	North Coast Journal	Recruitment Advertising	-176.00
Bill Pmt -Check	09/15/2017	8213	Owen, P.	August mileage reimbursement.	-166.39
Bill Pmt -Check	09/15/2017	8214	Pacific Union School Dist	Pacific Union School self-install audit/Audit 4460.	-3,520.00
Bill Pmt -Check	09/15/2017	8215	Pierson's Home Ctr	Miscellaneous tool and facility expenses.	-94.74
Bill Pmt -Check	09/15/2017	8216	Platt/Rexel	Bulb purchases	-11,876.22
Bill Pmt -Check	09/15/2017	8217	Ramone's	Food Service - Homeowners' Workshop 8/16/17	-59.73
Bill Pmt -Check	09/15/2017	8218	Recology	August garbage service	-85.40
Bill Pmt -Check	09/15/2017	8219	Terry, P.	August mileage	-96.35
Bill Pmt -Check	09/15/2017	8220	Wood Lab Designs	Woodlab Designs self-install rebate/Audit 4656	-1,440.00
ACH	09/18/2017	ACH	The Energy Authority	RCEA - CAISO Invoice #20170914	-351,397.26
Liability Check	09/21/2017	E-pay	EDD	499-0864-3 QB Tracking # 503703977	-3,646.80
Liability Check	09/21/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 503704077	-19,788.02
Liability Check	09/21/2017	E-pay	EDD	499-0864-3 QB Tracking # 503704117	-259.37
Liability Check	09/21/2017	E-pay	EDD	499-0864-3 QB Tracking # 503704277	-3,444.51
Liability Check	09/21/2017	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 503704417	-19,108.32
Liability Check	09/21/2017	E-pay	EDD	499-0864-3 QB Tracking # 503704527	-260.86
Bill Pmt -Check	09/22/2017	8222	AT&T	September Telephone Service	-708.44
Bill Pmt -Check	09/22/2017	8223	Best Cleaners	Coverall laundering	-12.50
Bill Pmt -Check	09/22/2017	8224	Board of Equalization	Electrical Energy Surcharge Return	-14,902.00
Bill Pmt -Check	09/22/2017	8225	FedEx	Shipping documents	-59.19
Bill Pmt -Check	09/22/2017	8226	Fischer, A.	L. Fischer CivicSpark Regional Coordinator Expenses.	-32.21
Bill Pmt -Check	09/22/2017	8227	Fortuna Middle School	Fortuna Middle School self-install rebate/Audit 4610.	-4,544.12
Bill Pmt -Check	09/22/2017	8228	Humboldt Plant-It Green	Co Sponsorship for Sustainable Living & Preparedness Expo	-1,000.00
Bill Pmt -Check	09/22/2017	8229	Mattole Unified School District	Honeydew self-install rebate/Audit 3453	-1,092.12
Bill Pmt -Check	09/22/2017	8230	McKeever Energy & Electric, Inc.	Rebate for Exterior Lighting Retrofit	-550.00
Bill Pmt -Check	09/22/2017	8231	Pastels on the Plaza	3' x 3' square - Pastels on the Plaza	-125.00
Bill Pmt -Check	09/22/2017	8232	PBS North Coast KEET TV	Underwriting Sponsorship - August 21, 2017	-250.00
Bill Pmt -Check	09/22/2017	8233	PG&E CCA	September CCE Charges	-27,190.68
Bill Pmt -Check	09/22/2017	8234	Pine Hill School	Pine Hill School self-install rebate/Audit 4331.	-5,130.09
Bill Pmt -Check	09/22/2017	8235	Platt/Rexel	Bulbs	-13,608.93
Bill Pmt -Check	09/22/2017	8236	Pro Pacific Auto Repair	Pro Pacific self-install rebate/Audit 4654.	-839.86
Bill Pmt -Check	09/22/2017	8237	Southern Humboldt Unified School District	Rebates	-6,779.41
Bill Pmt -Check	09/22/2017	8238	Times Printing Company	Rate comparison mailers, 4 versions, mailed in 3 batches.	-20,209.00
Bill Pmt -Check	09/22/2017	8239	Winzler, John	Office Lease - October	-4,223.00
Bill Pmt -Check	09/22/2017	8242	Ichien, D.	August mileage reimbursement	-29.21
ACH	09/22/2017	ACH	Humboldt Redwood Company, LLC	August 2017 Biomass Power	-324,298.78
Paycheck	09/25/2017	8240	Avcollie, Michael	9/1 - 9/15/17 Payroll	-375.56
Paycheck	09/25/2017	8241	Jacobson, Lou N.	9/1 - 9/15/17 Payroll	-2,583.21
Paycheck	09/25/2017	EFT	Paycheck	9/1 - 9/15/17 Payroll	-43,653.84
ACH	09/25/2017	ACH	The Energy Authority	RCEA - CAISO Invoice #20170907	-194,010.84
Bill Pmt -Check	09/29/2017	8243	FedEx	Shipping documents	-8.25
Bill Pmt -Check	09/29/2017	8244	Garfield Elementary School District	Garfield self-install rebate/Audit 4324	-1,096.86
Bill Pmt -Check	09/29/2017	8245	Halvorsen, Nicole	N. Halvorsen CSDA training, Monterey reimbursement.	-128.38
Bill Pmt -Check	09/29/2017	8246	Mad River Union	2x4 color page ad.	-91.25
Bill Pmt -Check	09/29/2017	8247	PG&E Utility Account	August utilities/lighting upgrade financing	-567.43
Bill Pmt -Check	09/29/2017	8248	SDRMA Dental	October Premium	-1,062.00
Bill Pmt -Check	09/29/2017	8249	Sonoma County Office of Education	August 2017 Professional Services.	-1,425.00
Bill Pmt -Check	09/29/2017	8250	Times-Standard	Subscription Renewal	-219.38
<b>TOTAL</b>					<b><u>-5,016,348.23</u></b>

**Redwood Coast Energy Authority**  
**Visa**

**For the month of September, 2017**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Memo</b>	<b>Amount</b>
09/01/2017	September	Square	Card Reader Fee	40.00
09/05/2017	5014726220	Adobe Systems, Inc.	Adobe Creative Cloud membership	49.99
09/12/2017	191551040	Deluxe Check Printing	Check envelopes	131.78
09/12/2017	4957844	Amazon.com	10 pk. CAT6 Ethernet Cable 12 ft.	29.99
09/13/2017	81176	Autonomous, Inc.	(5) SmartDesks	2,435.83
09/13/2017	81178	Autonomous, Inc.	SmartDesk	487.17
09/13/2017	0081025	Amazon.com	Pens for Res invoices	5.72
09/13/2017	7030652	Amazon.com	10 pk. CAT6 Ethernet Cable 8ft.	22.49
09/14/2017	2940233	Amazon.com	Terro liquid ant killer	8.69
09/14/2017	20057231118	Dell USA	(3) DELL Optiplex Computers	2,523.21
09/16/2017	September	U-Verse	September DSL	95.94
09/19/2017	2173841	Amazon.com	2 pk. CAT6 Ethernet Cable 15ft.	12.98
09/25/2017	September	Uberconference	Conference call subscription	11.01
<b>TOTAL</b>				<b><u>5,854.80</u></b>



**STAFF REPORT**  
**Agenda Item # 3.4**

AGENDA DATE:	November 20, 2017
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Approve Account Services Manager Job Description and Revised Organizational Chart

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**BACKGROUND**

RCEA's power resources department is dedicated to supporting our Community Choice Energy (CCE) program and includes a director of power resources, two power resources managers, and one specialist. The two manager positions were originally envisioned as operating under the same job title and job description (see Attachment 1).

In practice, the daily responsibilities of these two managers have diverged significantly. One manager is performing wholesale power procurement and regulatory compliance duties that are closely aligned with the existing job description (see Attachment 2).

In contrast, we have found it necessary for the other manager to perform tasks that are more customer-oriented, at a level of sophistication beyond what RCEA's front-office staff are able to address. These tasks include responding to inquiries about retail power rates, identifying instances where billing adjustments are needed, and assisting solar customers whose rates and bills are complex. This manager also works closely with PG&E's CCE specialists and with Calpine Energy Solutions and has become adept at using Calpine's customer relationship management web portal to assist individual customers and perform bulk data analyses on large sets of customers.

Looking at how other CCE programs are staffed, it is common practice to include an account services manager or similarly titled position to take on customer-oriented CCE tasks. For example, the job description for account services manager at Silicon Valley Clean Energy (SVCE) very closely matches the actual duties this manager has come to be responsible for at RCEA.

The manager who provided these customer-facing services has recently left RCEA to accept another position. To more accurately depict the nature of this role and recruit qualified applicants to support these necessary and important services, staff recommends adopting a new job title and description (Attachment 3). The proposed account services manager position would replace one of the power resources manager positions on our organization chart (see Attachment 4). Board approval of this new job title and description will allow RCEA to move quickly to fill the vacant position with a qualified applicant.

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**FINANCIAL IMPACT**

None – this is replacing an existing position. The manager classification and pay scale will be the same as before, having no financial impact on the organization.

**STAFF RECOMMENDATION**

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Approve Account Services Manager Job Description and Revised Organizational Chart.

**ATTACHMENTS**

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Attachment 1. Existing organization chart

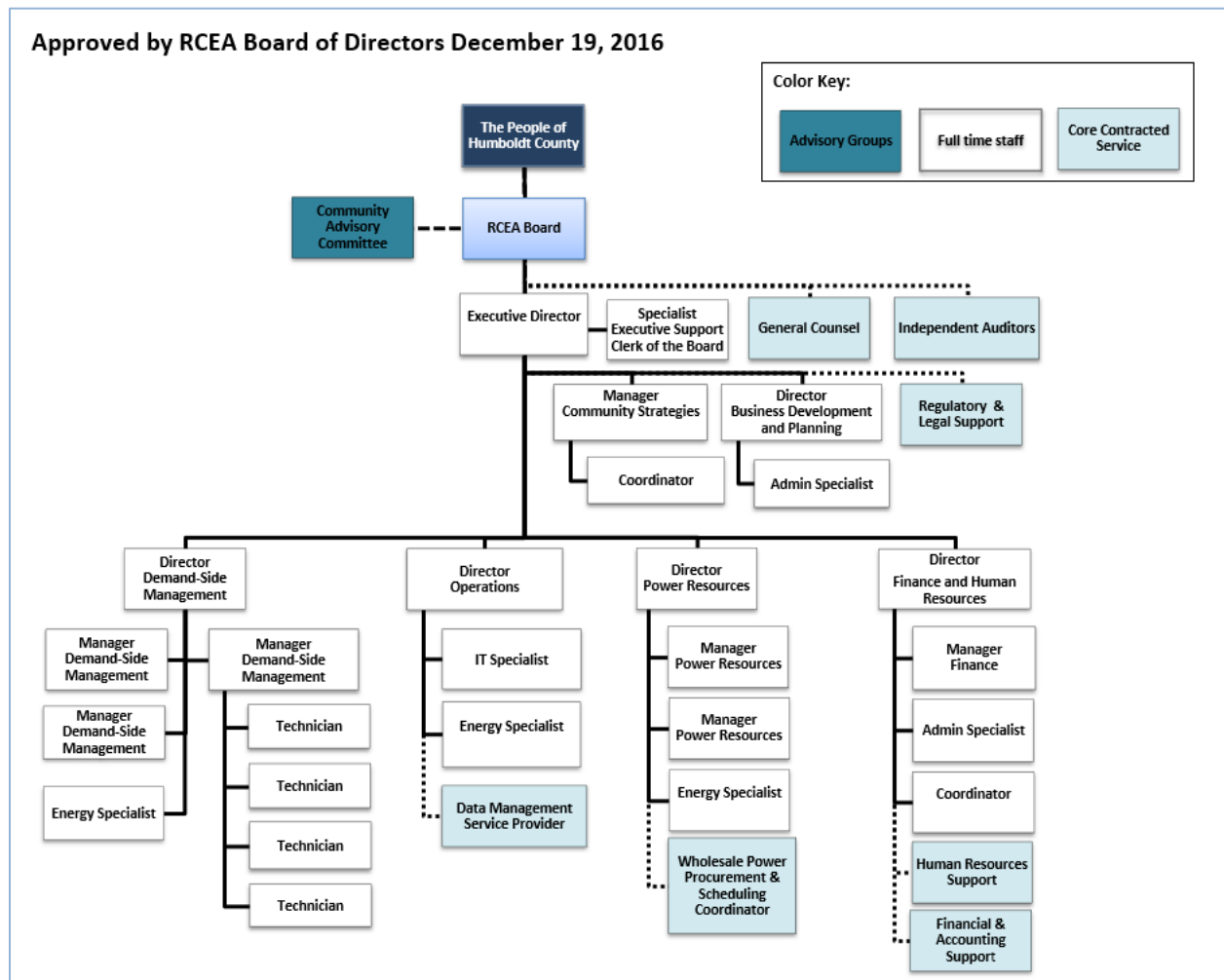
Attachment 2. Existing power resources manager job description

Attachment 3. Proposed account services manager job description

Attachment 4. Proposed organization chart



## Attachment 1: Existing organization chart



## **Attachment 2: Existing power resources manager job description**

### **Manager/Senior Manager – Power Resources Programs**

**General Class Description:** Under general direction of a Director, a program or project Manager assists in planning, organizing, coordinating, and managing programs or activities of their associated department; provides professional assistance to staff; performs related work as assigned. This class has lead responsibility for planning and implementation for one or more programs or functional areas. A Manager is responsible for accomplishing program goals and objectives, and directs the day-to-day operations and activities of their designated program or functional area within a department. A Manager works with their Director to ensure consistent and efficient implementation of agency operational policies and long-term operational excellence. This position class is distinguished by complex and widely-scoped duties related to program and project management, subject-matter expertise, and may include supervisory responsibility. This position exercises considerable discretion and independent judgment in the coordination and prioritization of duties and responsibilities assigned, and in acting on behalf of the department Director.

### **Summary**

The Power Resources Programs Manager works under the general direction of the Director of Power Resources and has responsibility for a range of matters related to RCEA's Community Choice Energy Program, which could include resource planning, analysis, and management of the utilities' energy supply portfolio and procurement efforts. The Power Resources Programs Manager works closely with RCEA's technical team including external service providers, the public, legislative and regulatory agencies, project developers, brokers, and consultants on specific programs and projects. Responsibilities may include research and due diligence with respect to potential power supply opportunities, assisting with negotiation and administering power purchase agreements, monitoring contractor performance and resolving disputes, validating invoices, identifying issues, and monitoring compliance. The Power Resources Programs Manager assists with the preparation of certain regulatory compliance reports focused on resource procurement, climate impacts, annual greenhouse gas inventory and emissions reporting, and preparation of informational material for the RCEA Board and public regarding power supply resource allocations. The Power Resources Programs Manager has knowledge of wholesale power procurement, power retail management, energy-related technologies, local and state energy policy and goals, and intermediate to advanced project management and coordination skills.

### **Essential Functions and Responsibilities**

Duties are illustrative and may vary. Other duties may be assigned.

- Serve in a lead role for the development and implementation of one or more core functions of RCEA's community choice energy program, including power procurement, power portfolio management, rate-setting, renewable energy resource development, and customer programs.
- Work closely with other staff to prepare agency operation-related documents and manage day-to-day activities of resulting implementation plans.
- Establish and maintain relationships with appropriate agencies, consultants, professional groups and programs.
- Assist in preparation and updates of reports of wholesale energy products and resource planning studies to yield a portfolio of supply resources to best meet the agency's needs.
- Administer RFP processes and the assessment of unsolicited proposals for electric power supply.
- Support and participate in interactions with power developers and brokers during pre-contract discussions, contract negotiations and Board discussion.
- Manage performance auditing and monitoring for RCEA community choice energy program contracts.

- Manage the administration of RCEA's various renewable energy certificate accounts within the Western Renewable Energy Information System (WREGIS).
- Prepare compliance reports and materials related to RCEA power supply, including those required by the California Independent Systems Operator (CAISO), California Public Utilities Commission (CPUC), California Energy Commission (CEC), and the Department of Energy (DOE).
- Prepare materials for the RCEA Board and its Committees as well as RCEA staff to facilitate policy discussions related to procurement and resource planning.
- Manage the development and implementation of one or more energy programs such as a feed-in tariff.
- Assist with efforts to accelerate local renewable energy development.
- Support the integration of demand-side management programs with power portfolio planning.
- Keep abreast of developments in energy resource planning processes and technologies and seek out new technologies from public or private sources.

## Minimum Qualifications

### Experience/Education:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

- Education or experience equivalent to a bachelor's degree or greater in energy management, engineering, finance, environmental sciences, or a closely related field
- A minimum 5 years (7 years for Senior Manager designation) of increasingly responsible project management experience at an electric utility, municipal utility, a community choice aggregator, or in a closely related field (public sector experience is strongly desired).

### Knowledge of:

- Energy generation technologies including carbon neutral electric energy, conventional energy, and renewable energy, such as wind, biomass, geothermal, solar, concentrating solar, and hydroelectric.
- Power procurement processes and use of renewable energy certificates to support mandatory and voluntary compliance programs.
- The CAISO settlement process.
- California's Renewables Portfolio Standard, Power Content Label and Power Source Disclosure program.
- Power scheduling.
- Power purchase agreement structures, general terms and conditions and basic requirements.
- Principles and practices of customer energy management including solar and other renewable technologies, demand management, and energy conservation.
- The WREGIS.
- Regulatory reporting and compliance requirements of the California Public Utilities Commission (CPUC).
- Above average working knowledge of current business software programs, including MS Office, and other analysis, program, and budget tracking tools.

### Ability to:

- Take responsibility and work independently, as well as coordinate collaborative efforts and achieve work goals with other staff.
- Convey complex information in a simple and understandable manner.
- Provide accurate, timely, and meaningful progress updates.
- Prepare high quality research, reports, and request for proposals.
- Perform quantitative data and statistical analysis (including Levelized Cost of Service and Net Present Value) and effectively communicate results to others.
- Effectively interpret and apply contract language and commercial agreements.
- Evaluate contractor performance and potential project opportunities, and project siting, permitting and interconnection issues.
-

- Exercise sound judgment, creative problem solving, effective dispute resolution, and commercial awareness.
- Establish and maintain effective working relationships with persons encountered during the performance of duties, including contactors, developers and power brokers, commercial partners, RCEA staff team and the RCEA Board Directors.
- Understand, anticipate, and appreciate customer needs and concerns.
- Provide excellent customer service and communicate clearly and effectively with customers.
- Identify and solve problems effectively and expeditiously.
- Direct, supervise and coordinate the work of assigned staff.
- Manage multiple priorities, meet deadlines, and quickly adapt to changing priorities in a fast-paced dynamic environment.
- Work well under pressure.
- Be thorough and detail-oriented.
- Demonstrate patience, tact, teamwork and commitment to superior service and performance.
- Communicate effectively verbally, in writing, and through presentations.

## **Working Conditions and Essential Requirements**

The physical demands described here are representative of those required for the position. Position requires sitting, walking, standing, bending, and twisting in the performance of daily activities. The position requires hand manipulation and repetitive hand movement and fine coordination in using a computer keyboard and other office equipment. The position requires near and far vision in reading reports and use of a computer. Acute hearing is required in supporting meetings and providing phone and in-person customer service. The position occasionally requires lifting and/or moving objects. RCEA will make reasonable accommodation of the known physical or mental limitations of a qualified applicant with a disability upon request. Possession and continued maintenance of a valid class C California driver's license or the ability to provide alternate transportation and a safe driving record is required.

## **Preferred Qualifications**

- Master's degree in a related field.
- Knowledge of RCEA programs.
- Prior experience working with public agencies and/or public utilities.
- Knowledge of public agency contracting and grant management and public agency governance procedure.
- Experience working with organizations involved with projects and programs in the areas of environmental and economic development,
- Experience working in an entrepreneurial context.

THE REDWOOD COAST ENERGY AUTHORITY IS COMMITTED TO A DIVERSE WORKFORCE AND IS AN EQUAL OPPORTUNITY EMPLOYER. RCEA MAINTAINS AND PROMOTES A POLICY OF NONDISCRIMINATION AND NONHARASSMENT ON THE BASIS OF RACE, RELIGION, COLOR, SEX, AGE, HANDICAP, MARITAL STATUS, SEXUAL ORIENTATION, AND NATIONAL ORIGIN OR GENETIC CHARACTERISTIC.

## **Attachment 3: Proposed account services manager job description**

### **Manager/Senior Manager – Account Services**

**General Class Description:** Under general direction of a Director, a program or project Manager assists in planning, organizing, coordinating, and managing programs or activities of their associated department; provides professional assistance to staff; performs related work as assigned. This class has lead responsibility for planning and implementation for one or more programs or functional areas. A Manager is responsible for accomplishing program goals and objectives, and directs the day-to-day operations and activities of their designated program or functional area within a department. A Manager works with their Director to ensure consistent and efficient implementation of agency operational policies and long-term operational excellence. This position class is distinguished by complex and widely-scoped duties related to program and project management, subject-matter expertise, and may include supervisory responsibility. This position exercises considerable discretion and independent judgment in the coordination and prioritization of duties and responsibilities assigned, and in acting on behalf of the department Director.

### **Summary**

The Account Services Manager is the lead customer care representative for RCEA's Community Choice Energy program, providing oversight for customer account management and administering customer programs under the general supervision of the Director of Power Resources. This position serves as the lead point of interaction between RCEA, PG&E and the data management and call center service provider(s) to identify and resolve issues related to RCEA and/or PG&E tariffs, program designs, and business operations. In addition to administration of existing customer programs, this role may require modification and development of new programs to better serve customers. This Account Services Manager will also work directly with RCEA Community Choice Energy customers as an account manager for residential and non-residential accounts and provide data analysis support to RCEA's Key Account Managers. The Account Services Manager may also participate in community events or perform related tasks as needed.

### **Essential Functions and Responsibilities**

Duties are illustrative and may vary. Other duties may be assigned.

- Interface and maintain business relationships with RCEA call center and PG&E representative to ensure consistent and effective interaction with customers
- Supervise development and integration between RCEA and PG&E of programs and services including, but not limited to:
  - Net Energy Metering
  - Bill Design
  - Budget Billing Plan
  - Account-level opt-out
- Conduct and maintain an 'Issues List' for regular meetings with PG&E which address any deficiencies in the service PG&E provides to RCEA customers.
- Work with PG&E to implement solutions to any deficiencies in the service PG&E provides to RCEA customers
- Provide training and materials on RCEA operations to RCEA and PG&E staff as-needed.
- Provide support to key account managers, including providing cost comparisons and program guidance.
- Identify and implement solutions to increase customer retention and customer satisfaction with RCEA services
- Track opt-outs and respond to any customer issues that may be causing opt-outs
- Identify and resolve high-level customer billing issues.
- Maintain rate models for cost comparison and other analytical purposes

- Provide data analysis support as needed.
- Track customer inquiries and ensure they are resolved in a timely manner by RCEA staff or partner organizations.

## Minimum Qualifications

### Experience/Education:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

- Education or experience equivalent to a bachelor's degree or greater in energy management, engineering, public administration, business administration, finance, environmental sciences, or related field and/or
- A minimum 5 years (7 years for Senior Manager designation) of increasingly responsible project management experience at an electric utility, municipal utility, a community choice aggregator, or in a closely related field (public sector experience is strongly desired).

### Knowledge of:

- Electric utility rules, tariffs, bill design and terminology
- Principles and practices of customer energy management including solar and other renewable technologies, demand management, and energy conservation.
- Current business software programs, including customer relationship management (CRM) systems, MS Office, and other analysis, program, and budget tracking tools.

### Ability to:

- Take responsibility and work independently, as well as coordinate collaborative efforts and achieve work goals with other staff.
- Convey complex information in a simple and understandable manner.
- Provide accurate, timely, and meaningful progress updates.
- Prepare high quality research, reports, and requests for proposals.
- Perform quantitative data and statistical analysis (including Levelized Cost of Energy and Net Present Value) and effectively communicate results to others.
- Effectively interpret and apply contract language and commercial agreements.
- Evaluate contractor performance and potential project opportunities, and project siting, permitting and interconnection issues.
- Exercise sound judgment, creative problem solving, effective dispute resolution, and commercial awareness.
- Establish and maintain effective working relationships with persons encountered during the performance of duties, including customers, contractors, developers, power brokers, commercial partners, RCEA staff, and the RCEA Board of Directors.
- Understand, anticipate, and appreciate customer needs and concerns.
- Provide excellent customer service and communicate clearly and effectively with customers.
- Identify and solve problems effectively and expeditiously.
- Direct, supervise and coordinate the work of assigned staff.
- Manage multiple priorities, meet deadlines, and quickly adapt to changing priorities in a fast paced dynamic environment.
- Work well under pressure.
- Be thorough and detail-oriented.
- Demonstrate patience, tact, teamwork, and commitment to superior service and performance.
- Communicate effectively verbally, in writing, and through presentations.

## **Working Conditions and Essential Requirements**

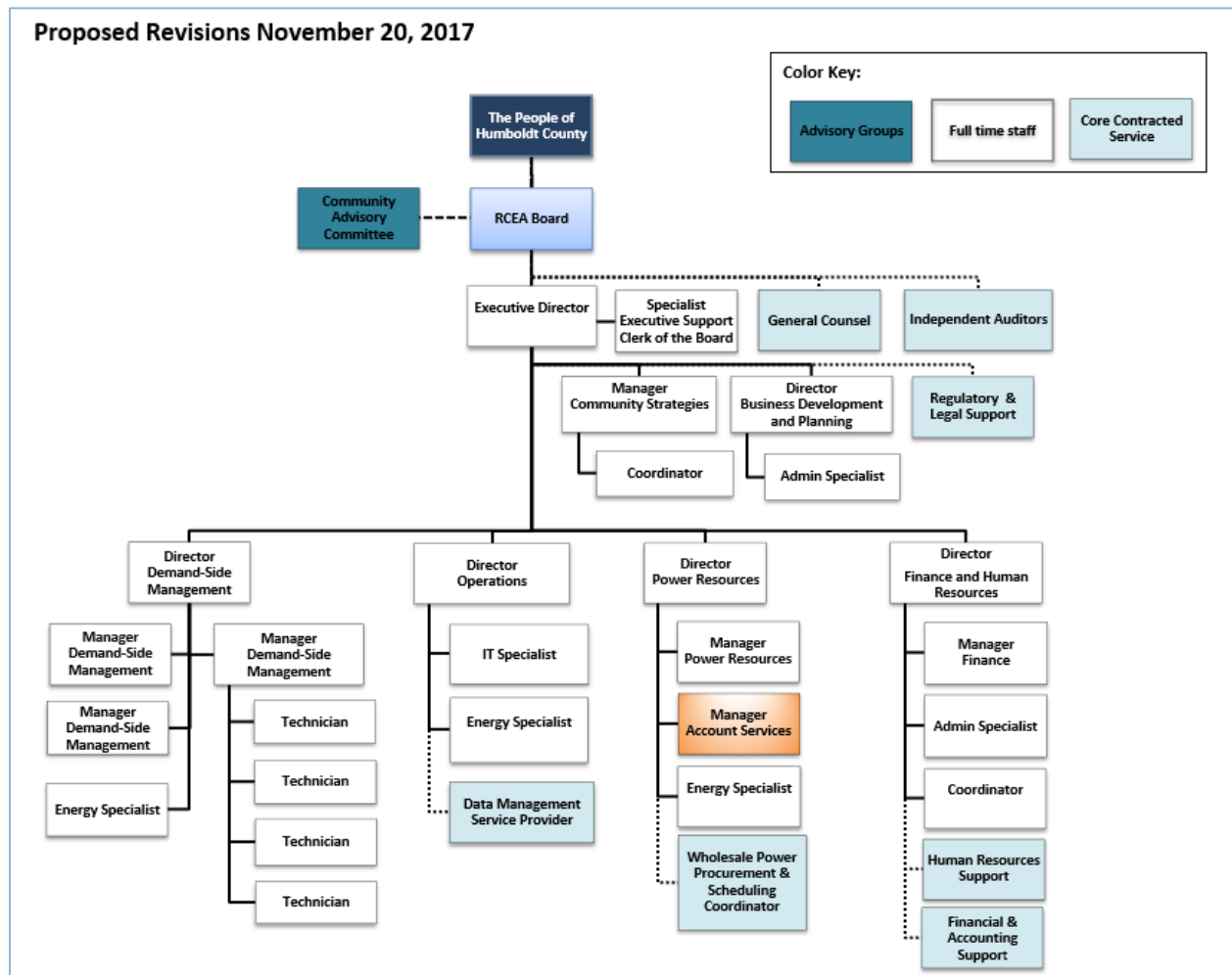
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## **Preferred Qualifications**

- Master's degree in a related field.
- Knowledge of RCEA programs.
- Prior experience working with public agencies and/or public utilities.
- Knowledge of public agency contracting and grant management and public agency governance procedures.
- Experience working with organizations involved with projects and programs in the areas of environmental and economic development.
- Experience working in an entrepreneurial context.

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## Attachment 4: Proposed organization chart







# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 3.5

AGENDA DATE:	November 20, 2017
TO:	Board of Directors
PREPARED BY:	Dana Boudreau, Director of Operations
SUBJECT:	Approve Amendment No. 1 to Lease Agreement for 633 3 <sup>rd</sup> Street removing short-notice cancelation clause and authorize the Executive Director to sign the Amendment

### BACKGROUND

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In 2013 RCEA entered into a lease agreement for its office at 633 3<sup>rd</sup> Street Eureka. At the time RCEA's entire budget consisted of limited-duration grants and contracts, which created budget year-to-year budget uncertainty. To mitigate the financial risk exposure associated with potential reductions in future funding the lease included a clause allowing RCEA to cancel the lease with only 90-days notice.

RCEA has requested that the landlords make some improvements to the building, and the landlords are willing to pay for those improvements but have requested that the short-notice cancelation clause be removed from the lease if they are covering the cost of those improvements.

### FINANCIAL IMACT

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None; the current lease term continues through March 2019 and there is virtually no chance that RCEA would want to exercise the original 90-days notice option and move out of the facility before that time.

### STAFF RECOMMENDATION

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Approve Amendment No. 1 to Lease Agreement for 633 3<sup>rd</sup> Street removing short-notice cancelation clause and authorize the Executive Director to sign the Amendment.

### ATTACHMENTS:

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1. Amendment to 633 3<sup>rd</sup> Street Lease Agreement

**AMENDMENT NO. 1  
TO COMMERCIAL LEASE AGREEMENT**

This is an amendment ("Amendment") to that certain Commercial Lease Agreement entered into between John R. Winzler Revocable Trust and Reed A. Kelly ("LANDLORDS") and the Redwood Coast Energy Authority ("RCEA"), dated February 22, 2013 ("Agreement"). This Amendment is effective on \_\_\_\_\_.

**RECITALS**

**NOW THEREFORE**, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. Early Cancellation Clause Deleted. Section 39.a.ii of the Agreement, which says: "Tenant shall have the right to cancel the lease agreement at any time during the option period with 90-day written notice to landlord," is deleted.
2. Ratification of Agreement. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

**IN WITNESS WHEREOF**, the parties have executed this Amendment No. 1 effective as of the date of the last party signing below.

**LANDLORDS:**

By: \_\_\_\_\_  
John Winzler  
John R. Winzler Revocable Trust

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Reed A Kelly

Date: \_\_\_\_\_

**TENANT:**

By: \_\_\_\_\_  
Matthew Marshall, Executive Director  
Redwood Coast Energy Authority

Date: \_\_\_\_\_



## **STAFF REPORT**

### **Agenda Item # 6.1**

AGENDA DATE:	November 20, 2017
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Adopt Revisions to RCEA Board of Directors Operating Guidelines

#### **BACKGROUND**

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In 2016 RCEA's Board of Directors formed a Community Advisory Committee (CAC) to serve as a liaison to the public and provide support and insight for the launch of the Community Choice Energy Program.

The initial charter of the CAC was completed with the launch of the Community Choice Energy Program earlier this year. The Board determined at its August 2017 meeting that it would be beneficial to continue the CAC as a permanent standing committee to support RCEA's public engagement efforts and to provide decision-making support and input to the RCEA Board.

Building on the Board's guidance provided at the August meeting, along with input from current CAC members, staff and legal counsel developed a proposed structure for the CAC and incorporated that into a proposed update to the RCEA Board Operating Guidelines which were adopted in December 2016.

In addition to establishing a permanent CAC, the proposed update to the Board Operating Guidelines also: 1) add additional clarity to the process for developing RCEA Board Meeting agendas, 2) incorporates the central elements of the Public Engagement Guidelines and Principles that were adopted by the Board in May of 2016 for the Community Choice Energy Program Launch, and 3) addresses the use of ad hoc committees and informal working groups or task forces.

Overall these combined proposed revisions clarify RCEA processes and strategies for public engagement, including the functioning of the CAC, and consolidates these elements in the Board's core Operating Guidelines.

#### **STAFF RECOMMENDATION**

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Adopt Revisions to RCEA Board of Directors Operating Guidelines

#### **ATTACHMENTS:**

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Proposed Updated the Board Operating Guidelines (proposed changes shown in red).



# **BOARD OF DIRECTORS OPERATING GUIDELINES**

*(Adopted December 12, 2016, Resolution 2016-4)*

## **Section 1: INTRODUCTION AND OVERVIEW**

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### **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.

Any Board member may request that an item be placed on a 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. In addition, members of the public may request an item be placed on a future agenda while addressing the Board during a regular meeting and/or by submitting a written request to the Executive Director to be forwarded to the Board for its determination of whether to place the item on the agenda.

Written requests for items to be placed on the agenda by an individual Board member or member of the public 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 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.

## 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**

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### **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**

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### **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](https://www.cacities.org/Resources/Open-Government/RosenbergText_2011.aspx)

## **Section 4: INTERACTIONS WITH MEMBER AGENCIES AND MEMBER AGENCY STAFF**

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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**

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### **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 hereby establishes 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 to address specific topics or projects. Ad hoc committees may be comprised of Board members, community members, or a combination of both.

The Board may at times also direct staff to convene informal working groups or task forces to provide staff with outside expertise and guidance on projects, programs, or topics as-needed. The Board may additionally direct the Executive Director to create informal working groups or task forces that are advisory to the Executive Director.

## 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**

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

- 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**

**STAFF REPORT**  
**Agenda Item # 7.1**

AGENDA DATE:	November 20, 2017
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Biomass Procurement Options Update

**BACKGROUND**

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In September 2016 the Board adopted *Guidelines for the Redwood Coast Energy Authority Community Energy Program Launch-Period Strategy and Targets* (see attachment). This document has guided staff in its key decisions on resource procurement for the Community Choice Energy program. Table 1 summarizes key CCE guidelines adopted by the Board and progress to date on fulfilling these guidelines.

In October 2016, RCEA released a request for offers for local biomass power to include in our CCE power portfolio. All three eligible biomass plant operators in Humboldt County submitted offers. Through its review and scoring process, RCEA selected Humboldt Redwood Company (HRC) as the winning offer. The Board approved two sequential contracts with HRC, a 9-month contract for a nominal 5 MW beginning in June 2017, followed in March 2018 by a 51-month contract for a nominal 13.25 MW. These contracts were executed in April 2017. The contracts allow HRC to sell up to the nominal amount to RCEA at \$83/MWh, with any additional delivered power purchased from HRC at CAISO day-ahead prices. The \$83/MWh rate is significantly higher than what RCEA pays for RPS-compliant power from other, non-local sources. HRC has met contract terms to date and is on track to provide approximately 12% of RCEA's 2017 power portfolio. Increased deliveries with the 13.25 MW contract will result in HRC's contract achieving next year the overall target for biomass to provide 15% of the CCE portfolio as directed by the Board in the CCE guidelines.

Due to financial constraints and the costs of the offers received, RCEA did not initially considering awarding a contract to more than one facility. However the Board directed staff to pursue negotiations for a potential second contract, based on the structure and pricing of the final HRC agreement. The Board selected DG Fairhaven for further negotiations. DG Fairhaven continues to express interest in providing additional biomass power to the REpower mix and have indicated the \$83/MWh rate in HRC's contract is also feasible for them. There are several key unknowns with respect to program finances in 2018 and beyond that have bearing on whether the program can support additional biomass power procurement at the premium price level set by the HRC contract while still meeting the other goals in our guidelines.

The Energy Authority (TEA) has provided updated analysis this month looking at scenarios for adding power from DG Fairhaven to our portfolio. TEA's analysis looks at a number of scenarios that progressively add cost to operating the CCE program in 2018:

1. A “minimally compliant” portfolio that meets but does not exceed the state’s Renewable Portfolio Standard (RPS) requirements
2. Continuation of RCEA’s portfolio goals as stated in our guidelines and met or exceeded in 2017; specifically, 5% greater renewable energy content than PG&E’s portfolio with 5% lower greenhouse gas emissions
3. A “biomass priority” portfolio that adds power from DG Fairhaven to the “minimally compliant” mix
4. A portfolio that combines continuation of achieving the guidelines goals (scenario 2 above) with a DG Fairhaven contract
5. A “stress test” scenario that adds an unfavorably high Power Charge Indifference Adjustment (PCIA, PG&E’s exit fee assessed to CCE customers) value to scenario 4 above

Under the first three of these scenarios, the program is projected to finish 2018 with surplus revenue (“headroom”) that can be used to contribute to additional customer programs or to increase contribution to RCEA’s reserves. However, scenarios 4 and 5 show negative headroom at the end of 2018, meaning that a DG Fairhaven contract is not compatible with maintaining the renewable and carbon-free levels in the portfolio established in 2017, or a major increase in the PCIA.

Other key TEA findings include:

- For the end of 2017, expected reserves balance is currently projected to exceed \$5M, exceeding our \$4M target set for that date.
- Forecasted 2018 supply costs have increased by about \$1.20 per MWh since reported in our last Board meeting, with \$1.10 of this due to wholesale energy costs and \$0.10 due to mandatory resource adequacy procurement.
- For 2018, there is projected to be sufficient headroom to allow HRC’s 13.25 MW contract to be implemented in March as planned without triggering the material change clause that would call for contract terms renegotiation under adverse program conditions. This means RCEA expects to be able to support a 3% rate discount relative to PG&E rates and an additional \$2M contribution to reserves in 2018 as specified in the material change clause, assuming customer opt-out rate remains below 7%.
- Each MW of DG Fairhaven capacity in 2018 would cost RCEA approximately \$280,000 above the cost of procuring renewable energy from non-local sources at market rates.
- TEA’s scenario assuming a high-end increase in the PCIA results in program costs increasing by \$1.3M.



**Table 1. Review of Board guidelines on CCE implementation**

<b>Key Target</b>	<b>Progress to date</b>
<b>Financial Targets</b>	
Rate savings of at least \$2M per year.	This goal is on track by setting CCE generation rates 2.7% below PG&E's generation rates across the board. Projected 2017 customer rate savings exceed \$1 million.
Reserves of \$35M in the first five years of the CCE program (at least \$10M under "adverse market conditions")	The program is on track to achieve \$5.35M in reserves by the end of 2017.
<b>Power Objectives</b>	
At least 5% more renewables than PG&E mix	Surpassed with 42% renewables for 2017, vs 33% for PG&E in 2016 (PG&E's 2017 portfolio not yet reported)
GHG emissions at least 5% lower than PG&E's	With 80%+ fossil-fuel free power content overall, this target is expected to be surpassed in 2017
<b>Existing Renewables</b>	
Biomass target "around 20 MW...about 15% of total RCEA power portfolio"	HRC contract for 5 MW fixed-rate contract plus additional generation at day-ahead pricing expected to result in 12% local biomass in 2017 portfolio
Existing small hydro target of 2 MW	No procurement to date
<b>New Local Solar Power</b>	
Feed-in tariff – projected at \$80-\$100/MWh, portfolio allocation of 6 MW	Not developed yet; City of Arcata and others have expressed interest
Utility-scale solar: 5 MW by 2018, 15 MW by year 5 (2022)	2 MW EPIC project at ACV if funded; exploring additional project opportunities identified through solar request for information (solicitation still open)
<b>New Other Renewables</b>	
New local on-shore wind	RCEA plans to assess possibility for up to 50 MW on Bear River Ridge (revival of Shell project)
New local small-scale hydroelectric	HSU study identified opportunities on Green Diamond property
Offshore wind	MOU with Principle Power and moving forward with assessing feasibility for a project off Humboldt Bay
Wave energy	WaveConnect and CalWave studies identified local potential; currently on hold
<b>Customer Programs</b>	
Enhanced solar net metering	Program in place. As of November 2017, there are 1,018 participating accounts
100% renewable energy option	Program in place, premium is \$0.01/kWh. As of November 2017, 701 customers or 1.1% of RCEA customers are opted up
Up to \$1M/year for <ul style="list-style-type: none"> <li>– Solar and energy storage technical assistance</li> <li>– Electric vehicle charging infrastructure</li> <li>– Energy efficiency and conservation</li> <li>– Match funding for state, federal, and foundation grants</li> </ul>	Staff is developing a proposal for a program to support developing solar for public agencies and critical facilities. RCEA will provide grant matching funds for the proposed ACV microgrid project, though this would be funded initially through financing and then recovered through power-sales revenue from the project

**STAFF RECOMMENDATION:**

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Continue discussion of procurement options.

**ATTACHMENT**

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*Guidelines for the Redwood Coast Energy Authority Community Energy Program Launch-Period Strategy and Targets*

# GUIDELINES FOR THE REDWOOD COAST ENERGY AUTHORITY COMMUNITY ENERGY PROGRAM LAUNCH-PERIOD STRATEGY AND TARGETS



**Adopted September 19, 2016**

## **OVERVIEW & GOALS**

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The Redwood Coast Energy Authority (RCEA) is proceeding with the launch of a community choice energy program scheduled to commence service to customers in May of 2017. Based on the groundwork established by the RePower Humboldt strategic plan for developing local renewable energy, in June of 2015 the RCEA Board of Directors voted to proceed with developing a community choice energy program for Humboldt County with the following core goal:

***Maximize the use of local renewable energy while providing competitive rates to customers.***

In addition to this over-arching goal, the program will be designed to pursue the following aspirations and community benefits:

- Environment Quality
- Local Control and the Ability to Pursue Local Priorities
- Economic Development
- Energy Independence
- Customer Rate-savings, Choice, and Community Programs

Implementing a community choice energy (CCE) program that furthers these goals will be an ongoing and evolving process. Outlined below are targets and objectives for the initial launch phase of the program during years 1-5 of operation. These targets and objectives will have to be adaptively managed based on market conditions and local considerations, but will be used as a guiding framework for the development of RCEA's CCE Program Implementation Plan, power procurement strategy, and the development of local generation projects and programs.

## **FINANCIAL TARGETS**

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- A target of approximately 5% of the available program annual budget will be allocated to customer rate savings (based on parity with PG&E generation rates and with PG&E PCIA fees factored in). This equates to a total customer rate savings that averages at least \$2 million per year over the first 5 years, for a targeted total cumulative customer rate savings of at least \$10 million over the first 5 years of operation.
- The program will target building a rate-stabilization/reserve/contingency fund of \$35 million by the end of year five under projected market conditions. The program will be designed to target a minimum reserve of at least \$10 million even under adverse market conditions.
- Over the first 5 years, the program will aim to retain and/or redirect \$100 million dollars or more of rate-payer dollars back into Humboldt County when taking into consideration local power-procurement, customer rate-savings, local-program spending, and allocations toward building the reserve/contingency fund.

## **POWER OBJECTIVES**

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- At least 5% more renewable energy (as defined by state law) than PG&E's power mix.
- At least 5% lower greenhouse gas emission rate than PG&E mix.
- Maximize the use of local renewable energy to the extent technically and economically feasible and prudent.
- Strongly support energy efficiency and conservation as core strategies toward achieving the program's environmental, economic, and community goals.

## **GENERATION PORTFOLIO TARGETS**

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### **Existing Local Biomass**

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- Issue a Request for Offers targeting power purchase agreements with 1-2 existing facilities.
- Structure overall biomass procurement strategy around local waste-management and forest restoration priorities and needs.
- Include environmental, community, and economic considerations in selection process.
- Contingent on price and market conditions, contract for a target of around 20MW of local biomass energy (about 15% of the total RCEA power portfolio).

### **Existing Local Small Hydroelectric**

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- Pursue contracting with a target of 2MW of existing local small hydro.
- Ensure that any contracts are structured to support and prioritize the operators' water-management and environmental quality objectives.

## **New Local Solar Power**

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- ***Feed-in-tariff power procurement program for small generators***
  - <1MW small/medium renewable generators (solar and other technologies)
  - Eligible projects are designed primarily for wholesale power production (not focused on meeting on-site energy loads).
  - Standardized, upfront purchase price, projected to be in the range of \$80-100/MWh to facilitate project financing.
  - Standardized, upfront, and straightforward contract terms and duration to facilitate project financing.
  - Initial power portfolio allocation to the feed-in-tariff program will be targeted at 6MW.
- ***Utility-scale Solar***

In parallel to the feed-in-tariff program RCEA will pursue the development of additional wholesale-generation solar projects, which could be developed by RCEA and/or third-parties in pursuit of overall power portfolio solar content targets:

  - Initial target of 5MW of new local wholesale solar online before the end of 2018.
  - Launch-phase target of 15MW of utility-scale/wholesale solar online by the end of year 5 of operations.
  - Focus project development on underutilized/idle public and industrial sites to limit impacts related to other beneficial uses such as agriculture, economic development, habitat, and open space.

## **Additional Power Resources**

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To meet and balance over-arching objectives for rates, renewable energy %, and greenhouse gas emissions as well as to match power generation availability to customer loads demands, the launch-period portfolio will incorporate the following addition power sources:

- Renewable generation projects--wind, solar, geothermal, etc--located outside the County.
- California and/or Pacific Northwest hydroelectric power (which is renewable and emissions-free, but cannot be counted toward CA state renewable portfolio standard requirements). This will not include any power from the Klamath River dams.
- Unspecified “system power” from the CASIO power market pool (while power from the pool is not traceable to any specific generator, in northern CA this power is predominately generation from natural gas and large hydro power facilities).

## **Future/Long-term Generation**

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- ***New Local On-shore Wind Generation***
  - Assess the possibility for up to 50MW of local on-shore wind energy generation on Bear River Ridge.
    - The most viable site for local on-shore wind is Bear River Ridge west of Rio Dell and South of Ferndale.
    - While there are other possible sites in the area, Bear River Ridge has the best wind resource in the County (it is one of the top wind resource areas in the state), Bear River Ridge property owners are willing and interested in developing a wind project, and there was considerable environmental and technical study and evaluation previously conducted which, if utilized, would reduce the development costs and timelines of a potential project.
- ***New Local Small-scale Hydroelectric***
  - Evaluate options for the development of new small-scale hydroelectric that would be feasibly-compatible with environmental and cultural priorities.

- **Offshore Wind Energy**
  - While not yet deployed in California, offshore wind energy generation is an established technology. The wind resource off of the Samoa Peninsula coastline is one of the best in North America, and the on-shore infrastructure on the peninsula appears well-suited to accommodate offshore wind development.
  - During the initial 5-year launch-phase of Program, RCEA will allocate resources to moving forward with community and stakeholder engagement, site selection, environmental review, and project scoping.
- **Wave Energy**
  - Wave energy technology is in an early stage of development. During the program launch phase, RCEA will build on the previous WaveConnent and CalWave projects to explore and evaluate opportunities for local wave-energy research, development, and pilot-deployment.

## PROGRAMS

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### Enhanced Solar Net-Energy-Metering (rate-based program)

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- Self-generation power credited to customer's bill at retail rate plus \$0.01/kWh (+5-10% above base retail generation rate).
- Excess generation credits roll-over from year to year and never expire.
- Excess generation credits can be cashed-out for full retail value.

### 100% Renewable Energy Option (rate-based program)

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- Voluntary opt-up option for premium price (based on actual cost of service).
- Large hydro and system power components of base RCEA power mix replaced with renewable energy (non-local solar, wind, geothermal, etc).
- Evaluate 100% solar and/or 100% local renewable options in the near-term (in or after 2018, after launch and ramp-up of operations).

### Programs budget target of an initial allocation of up to \$1,000,000 per year for:

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- **Solar and Energy-storage Technical Assistance**  
Program emphasis will be on public-agency and community facilities, especially critical infrastructure such as water/wastewater treatment and emergency response.
- **Electric Vehicle Charging Infrastructure**  
Supporting the adoption of electric vehicles provides multiple benefits aligned with CCE Program goals: significant reductions in greenhouse gas emission compared to petroleum-powered vehicles; lower \$/mile fuel costs compared to petroleum vehicles, increasing CCE customer-load base, and providing a flexible electricity demand load that has the future potential to be managed to support the integration of renewable energy.
- **Energy Efficiency and Conservation**  
New programs that support and enhance the existing programs offered by RCEA, PG&E, the Redwood Community Action Agency, and others.
- **Match funding for State, Federal, and Foundation Energy Grants**  
The majority of grant funding opportunities require some level of local match funding, so tagging/reserving a flexible component of the CCE program budget to be available as-needed for use as energy-related grant match funding will support bringing resources into Humboldt County to pursue our community energy goals.



# REDWOOD COAST EnergyAuthority

## STAFF REPORT Agenda Item # 9.1

AGENDA DATE:	November 20, 2017
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Development and Planning
SUBJECT:	Principle Power Update

### BACKGROUND

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This report is in response to the request from the Board of Directors to provide regular staff updates regarding Principle Power activities in Humboldt County. Kevin Banister and Antoine Peiffer of Principle Power visited on November 9<sup>th</sup> to meet with additional community members and RCEA staff. Mr. Peiffer also participated in HSU's Sustainable Futures Speaker Series on November 9<sup>th</sup> as part of a panel that discussed scaling up renewable energy in Humboldt County. Other members of the panel included RCEA Executive Director Matthew Marshall, Jon Stallman of Pacific Gas & Electric Company, and David Carter of HSU's Schatz Energy Research Center.

Staff is continuing to work with Principle Power to put together detailed next steps and an associated timeline for implementing the tasks outlined in the approved MOU.

### STAFF RECOMMENDATION:

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N/A – informational only