



# Redwood Coast Energy Authority

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

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## **MEETING AGENDA**

**Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501**

**April 16, 2018  
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 Lori Taketa or front office staff at RCEA, 633 3<sup>rd</sup> Street, Eureka, or by calling 269-1700, or by e-mail at [Ltaketa@redwoodenergy.org](mailto:Ltaketa@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 and 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 March 28, 2018, Special Board Meeting.

**3.2** Approve Disbursements Report.

**3.3** Accept Financial Reports.

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

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

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

**5.1** Update on Offshore Wind Development Partnership Negotiations

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

**6.1** Offshore Wind Project Grid Interconnection Study

Approve Agreement to Share Grid Interconnection Study Costs Between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority and authorize the Executive Director to execute the agreement and any associated documents.

**6.2** FY 17-18 Budget Adjustments

Approve proposed adjustments to the FY17-18 RCEA Annual Budget.

### 6.3 USDA Loan Application

Direct Staff to prepare a loan application to the U.S. Department of Agriculture's Rural Utility Services for a loan guarantee to finance the construction of a 2.25MW-solar electric and battery storage system at the California Redwood Coast – Humboldt County Airport.

Adopt Resolution 2018-3 of the Redwood Coast Energy Authority Authorization to Certify and Submit Required Data to the U.S. Department of Agriculture Loan.

Authorize the Board Chair to sign USDA RUS Program Certificate of Authority to Submit or Grant Access to Data naming Matthew Marshall as Certifier and Lori Biondini as Security Administrator.

## **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 weighted voting as established in the RCEA joint powers agreement.

## **7. OLD CCE BUSINESS**

### 7.1 Energy Risk Management Policy - Minor Administrative/Operational Updates

Adopt Resolution 2018-4 to adopt updates to Redwood Coast Energy Authority Energy Risk Management Policy.

## **8. NEW CCE BUSINESS**

### 8.1 Review/Update Board Guidelines on CCE-Funded Customer Programs

Consider updates to the CCE customers program guidelines.

### 8.2 CCE Customer Programs Approval Process

Adopt CCE-funded customer program evaluation and selection process.

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

## **9. STAFF REPORTS**

### 9.1 Executive Director

- International Offshore Wind Partnering Forum
- CEC IEPR Workshop Friday, April 20
- Community Advisory Committee Update

## **10. ADJOURNMENT**

**NEXT REGULAR MEETING:** Monday, May 21, 2018, 3:15 p.m., Humboldt Bay Municipal Water District Office, 828 7<sup>th</sup> Street, Eureka, CA 95501.



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## **SPECIAL MEETING MINUTES**

**Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501**

**March 28, 2018  
Wednesday, 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 Lori Taketa or front office staff at RCEA, 633 3<sup>rd</sup> Street, Eureka, or by calling 269-1700, or by e-mail at [Ltaketa@redwoodenergy.org](mailto:Ltaketa@redwoodenergy.org), by noon the day of the meeting.

### **ROLL CALL**

Board Vice Chair Winkler called the meeting to order at 3:19 p.m.

Present: Michael Sweeney, Frank Wilson, Dwight Miller, Bobbi Ricca, Michael Winkler, Estelle Fennell

Absent: Sheri Woo, Dean Glaser, Austin Allison

### **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 and 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.

Wendy Ring, member of the public, presented information on greenhouse gas impacts of biomass and proposed composting mill waste as an alternative.

Vice Chair Winkler stated that Schatz Energy Research Lab is conducting a biomass study which will address environmental and public health impacts.

### **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 February 26, 2018, Regular Board Meeting.**

**3.2 Approve Disbursements Report.**

**3.3 Accept Financial Reports.**

**3.4 Approve Amendment No. 3 to Agreement for Employment of Executive Director with Matthew Marshall, Revising Salary from Step 1 to 2 Effective February 1, 2018.**

Director Fennell did not attend the previous meeting and stated she would abstain from voting on its minutes.

**M/S: Ricca, Miller: Approve consent calendar items with the exception of 3.1.**

**Ayes: Unanimous.**

**Noes: None**

**Absent: Woo, Glaser, Allison**

**Abstain: None**

**M/S: Ricca, Miller: Approve consent calendar item 3.1.**

**Ayes: Sweeney, Miller, Wilson, Winkler, Ricca**

**Noes: None**

**Absent: Woo, Glaser, Allison**

**Abstain: Fennell**

#### **4. REMOVED FROM CONSENT CALENDAR ITEMS – None**

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

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

##### **5.1 Offshore Wind Energy Development Partners Request for Qualifications**

Select for agreement negotiations the respondent team of Principle Power Inc, Aker Solutions Inc, EDPR Offshore North America LLC, HT Harvey & Associates, and Herrera Environmental Consultants Inc, and direct the Executive Director to negotiate an agreement subject to final Board approval.

Executive Director Marshall stated that RCEA received six exceptional responses that included experienced, international renewable energy producers. Community review team members offered diverse perspectives and their participation did not imply any organization's endorsement of the offshore wind project.

Director Fennell stated Principle Power's presentation showed dedication to the community and that the project is very important for Humboldt County.

Director Wilson reported public support for offshore wind energy and asked whether RCEA will be competing with other entities. Executive Director Marshall stated that he anticipates competitive interest and that the Bureau of Ocean Energy Management will be opening a competitive process. He pointed out that this is an early phase, and some respondents who were not selected expressed interest in partnering with RCEA in potential future phases of development. On inquiry by Director Wilson, Executive Director Marshall stated that out-of-area entities could purchase the power generated offshore and Sonoma Clean Power has indicated preliminary interest.

Director Wilson attended a Harbor District presentation a month ago where the offshore wind project was discussed as potentially bringing harbor development to Humboldt County.

Director Sweeney pointed out that media coverage also focused on an aging local grid infrastructure in need of substantial upgrades to be able to export energy.

Director Winkler reported that Schatz Energy Research Laboratory is working on a grant to study grid infrastructure upgrades with an offshore line to Cottonwood and a major north-south underwater line from the Oregon border to San Francisco with potential tie-ins along the coast as future possible scenarios.

Principle Power representative Antoine Peiffer thanked RCEA for running the RFQ process well on a tight timeline. Peiffer thanked the local community who came together during the RFQ process and promised to gather community input to create a good project.

Jim Zoellick of the Schatz Energy Research Laboratory, Jeff Hunerlach of Operating Engineers Local 3, Sharon Kramer of H.T. Harvey and Associates and Colin Fiske congratulated RCEA for a quick, transparent and professionally run selection process. Public comment emphasized the successful respondents' willingness to work with the community as being very important.

**M/S: Fennell, Wilson: Select for agreement negotiations the respondent team of Principle Power Inc, Aker Solutions Inc, EDPR Offshore North America LLC, HT Harvey & Associates, and Herrera Environmental Consultants Inc, and direct the Executive Director to negotiate an agreement subject to final Board approval.**

**Ayes: Unanimous**

**Noes: None**

**Absent: Glaser, Allison, Woo**

**Abstain: None**

## 5.2 Community Advisory Committee (CAC) Membership

**Appoint members to the Community Advisory Committee.**

The CAC at-large candidate subcommittee stated they were impressed with the number of strong applicants and nominated four candidates. The subcommittee further suggested that Director Fennell consider Tom Hofweber of Loleta to fill the remaining County seat. Director Wilson stated he was encouraging some Rio Dell residents to consider serving.

**M/S: Miller, Sweeney: Reappoint Kathy Srabian to fill the Eureka seat; appoint Jerome Carman, Colin Fiske, Larry Goldberg and Pam Halstead to fill the four at-large seats; and appoint Tom Hofweber to fill the remaining County seat on the Community Advisory Committee.**

**Ayes: Unanimous**

**Noes: None**

**Absent: Woo, Glaser, Allison**

**Abstain: None**

## 6. NEW BUSINESS

## 6.1 Regulatory Support Services

Approve Legal Services Agreement with Braun Blaising Smith Wynne, P.C. (BBSW) for regulatory support and legal services in support of RCEA's CCE program and authorize the Executive Director to engage and direct BBSW on specific matters as needed based on his determination, subject to sufficient budgetary allocations.

RCEA Counsel Nancy Diamond reported that RCEA's current contract with the Energy Authority (TEA) provides for regulatory legal counsel but not adjudicatory counsel. Counsel Diamond advises that RCEA retain specialized legal counsel given the potential need to respond quickly to events such as CPUC filings. TEA's legal subcontractors Braun, Blaising, Smith and Wynne, P.C. has already assisted RCEA on compliance issues. Counsel Diamond drafted a scope of services to complement TEA's legal contract and advised formalizing RCEA's attorney-client relationship with BBSW. Counsel Diamond pointed out that Marin Clean Energy, a larger CCA, has three on-staff attorneys, two of which deal exclusively with CPUC interaction.

On inquiry by Director Fennell, Counsel Diamond and Executive Director Marshall clarified that: TEA's contract with BBSW covers contracts and other routine operation matters; RCEA is jointly represented by attorneys retained through the CalCCA group for concerns affecting the entire group, such as CCA regulation lobbying efforts; and RCEA's BBSW contract would cover any CPUC matters solely affecting RCEA.

**M/S: Sweeney, Ricca: Approve Legal Services Agreement with Braun Blaising Smith Wynne, P.C. (BBSW) for regulatory support and legal services in support of RCEA's CCE program and authorize the Executive Director to engage and direct BBSW on specific matters as needed based on his determination, subject to sufficient budgetary allocations.**

**Ayes: Unanimous**

**Noes: None**

**Absent: Woo, Glaser, Allison**

**Abstain: None**

## **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 weighted voting as established in the RCEA joint powers agreement.

## **7. OLD CCE BUSINESS - None.**

## **8. NEW CCE BUSINESS**

## 8.1 Approval of Multi-Year Resource Adequacy Procurement

Approve procurement by TEA of multi-year resource adequacy for the period January 2019-December 2022, subject to bid acceptance and negotiation with PG&E.

Power Resources Director Engel reported that RCEA is required by the state to procure resource adequacy, which insures that all CCA's procure enough electricity to ensure adequate grid loads. This insurance is usually sold in one-year increments but RCEA had the opportunity to procure for multiple years at set prices. Competitive bids for half of the adequacy needs were made after consultation with TEA. Executive Director Marshall added that procurement is routine and falls within TEA and the risk management team's purview. The Board is being consulted per the risk management policy because of the length of time involved.

On inquiry by Director Sweeney, staff Director Engel stated that since rates tend to rise, there is an advantage to locking in prices.

**M/S: Miller, Fennell: Approve procurement by TEA of multi-year resource adequacy for the period January 2019-December 2022, subject to bid acceptance and negotiation with PG&E.**

**Ayes: Unanimous**

**Noes: None**

**Absent: Glaser, Allison, Woo (non-voting)**

**Abstain: None**

## END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

### 9. STAFF REPORTS

#### 9.1 Executive Director

- California Offshore Wind Industry Symposium

Executive Director Marshall and Dave Carter of the Schatz Energy Research Lab spoke at the Sacramento symposium. Humboldt County was of interest at the event since the Navy set limits on offshore wind development in southern California. Executive Director Marshall will attend an offshore wind conference in New Jersey in April and will meet with the acting Bureau of Ocean Energy Management director.

- Terra-Gen Proposed Monument Ridge Wind Project

Executive Director Marshall reported on Terra-Gen's terrestrial wind project, which is of interest to the CCE program. Terra-Gen is conducting grid interconnection evaluations and environmental studies southeast of Scotia and Ferndale and is potentially interested in selling electricity to Humboldt County customers through RCEA. Terra-Gen may make a future presentation to the board. Director Fennel stated she has spoken with the company and looks forward to their presentation.

## 9.2 Director of Operations

- Electric vehicle DC fast-charging station update

Director of Operations Dana Boudreau reported that the CEC awarded \$2.7 million in grant funding for DC fast charging stations where EV owners can charge their vehicles to 80 percent levels in half an hour. RCEA is assisting in developing stations along the Oregon border to San Francisco and is planning a ribbon cutting this fall. Staff Director Boudreau clarified that while Tesla's proprietary level 3 charging stations are exclusively for Tesla drivers, these charging stations are for use by all compatible EVs, including Teslas. Charging costs will vary depending on the site owners.

## 10. ADJOURNMENT

Vice-Chair Winkler adjourned the meeting at 4:20 p.m.

Respectfully submitted,

Lori Taketa  
Clerk of the Board

**NEXT REGULAR MEETING**  
Monday, April 16, 2018, 3:15 p.m.  
Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501

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**Redwood Coast Energy Authority**  
**Disbursements Report**  
For the month of February, 2018

Type	Date	Num	Name	Memo	Amount
Check	02/01/2018	EFT	CoPower	February Premium	-254.50
ACH	02/05/2018	ACH	The Energy Authority	Devenber 2017 Invoice	-2,323,564.30
ACH	02/05/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180201	-54,184.36
Liability Check	02/09/2018	E-pay	EDD	499-0864-3 QB Tracking # 428531552	-3,771.66
Liability Check	02/09/2018	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 428531742	-19,233.40
Liability Check	02/09/2018	E-pay	EDD	499-0864-3 QB Tracking # 428531872	-1,360.57
Bill Pmt -Check	02/09/2018	7604	AM Conservation	LED Bulbs	-1,424.47
Bill Pmt -Check	02/09/2018	7605	Bishop, M.	January mileage	-41.90
Bill Pmt -Check	02/09/2018	7606	Bithell, M.	Purchase of used TV	-300.00
Bill Pmt -Check	02/09/2018	7607	Body Works Fitness Club	Body Works self-install rebate/Audit 4743	-602.27
Bill Pmt -Check	02/09/2018	7608	Burks, K.	January mileage	-166.28
Bill Pmt -Check	02/09/2018	7609	CalCCA	FY 2017-18 Revised Membership Contribution	-52,252.50
Bill Pmt -Check	02/09/2018	7610	Chapman, R.	January mileage reimbursement	-115.88
Bill Pmt -Check	02/09/2018	7611	City of Arcata	D St. Community Center self-install rebate/Audit 4909	-168.05
Bill Pmt -Check	02/09/2018	7612	City of Eureka-Water	Water service, 12/26/17-1/26/18	-141.78
Bill Pmt -Check	02/09/2018	7613	Cornerstone Computers	External hard drive	-135.63
Bill Pmt -Check	02/09/2018	7614	Diamond, Nancy	January legal services	-8,191.20
Bill Pmt -Check	02/09/2018	7616	E&J Market	E&J Market self-install rebate/Audit 4974.	-2,525.05
Bill Pmt -Check	02/09/2018	7617	FedEx	Shipping to SENSIT	-52.28
Bill Pmt -Check	02/09/2018	7618	Hilson, D.	January mileage reimbursement	-44.89
Bill Pmt -Check	02/09/2018	7619	Hsu, C.	Reimbursement for Certified Mail	-13.82
Bill Pmt -Check	02/09/2018	7620	Humboldt State University	Booth Fee - Career & Volunteer Expo 2018	-200.00
Bill Pmt -Check	02/09/2018	7621	KHSU-FM	Underwriting fees	-305.00
Bill Pmt -Check	02/09/2018	7622	Lorman Education Services	Public Contracting Manual - flash drive	-119.37
Bill Pmt -Check	02/09/2018	7623	Mattole Unified School District	MVCS self-install rebate/Audit 4718	-1,413.43
Bill Pmt -Check	02/09/2018	7624	Means, M.	January mileage	-61.15
Bill Pmt -Check	02/09/2018	7625	North Coast Cleaning	January Cleaning Service	-402.00
Bill Pmt -Check	02/09/2018	7626	North Coast Dance	North Coast Dance self-install rebate/Audit 4125.	-1,500.00
Bill Pmt -Check	02/09/2018	7627	NYLEX.net, Inc.	Onsite network support services - February	-3,200.00
Bill Pmt -Check	02/09/2018	7628	PG&E Utility Account	December utilities/lighting upgrade financing	-1,002.80

**Redwood Coast Energy Authority**  
**Disbursements Report**  
For the month of February, 2018

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Bill Pmt -Check	02/09/2018	7629	Pierson's Home Ctr	Facilities	-40.63
Bill Pmt -Check	02/09/2018	7630	Pitney Bowes-Rental	January postage meter rental	-21.69
Bill Pmt -Check	02/09/2018	7631	Ponting, W.	Jnuary mileage reimbursement	-123.05
Bill Pmt -Check	02/09/2018	7632	Ramone's	Food Service	-54.50
Bill Pmt -Check	02/09/2018	7633	Recology	January garbage service	-85.40
Bill Pmt -Check	02/09/2018	7634	SDRMA Medical	March premium.	-18,564.00
Bill Pmt -Check	02/09/2018	7635	Shred Aware	Shredding documents	-300.00
Bill Pmt -Check	02/09/2018	7636	Sonoma County Office of Education	December 2017 Professional Services.	-125.00
Bill Pmt -Check	02/09/2018	7637	Sunnybrae Middle School	Customer Rebate	-9,557.19
Bill Pmt -Check	02/09/2018	7638	Taketa, L.	Purchase reimburse - Calendars	-32.55
Bill Pmt -Check	02/09/2018	7639	Terry, P.	January mileage	-144.88
Bill Pmt -Check	02/09/2018	7640	Times Printing Company	Move in mailing service mailers	-823.64
Bill Pmt -Check	02/09/2018	7641	Platt/Rexel	PO #1218 Bulbs	-11,179.84
Paycheck	02/09/2018	7642	Paycheck	1/16 - 1/31 Payroll	-2,666.11
Paycheck	02/09/2018	7645	Paycheck	1/16 - 1/31 Payroll	-1,748.01
Paycheck	02/09/2018	EFT	Direct Deposit	1/16 - 1/31 Payroll	-47,814.84
ACH	02/13/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180208	-69,844.63
ACH	02/15/2018	ACH	The Energy Authority	January 2018 less: \$500,000	-2,438,492.03
ACH	02/20/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180215	-10,973.01
Liability Check	02/20/2018	E-pay	EDD	499-0864-3 QB Tracking # 430936672	-3,547.56
Liability Check	02/20/2018	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 430937032	-18,564.40
Liability Check	02/20/2018	E-pay	EDD	499-0864-3 QB Tracking # 430937112	-657.95
Check	02/21/2018	EFT	Umpqua Bank	Service Charge	-117.50
ACH	02/22/2018	ACH	Humboldt Redwood Co.	January 2018 Biomass	-566,346.16
ACH	02/23/2018	ACH	CalPine Corp	January 2018 Data Management	-115,775.61
Paycheck	02/23/2018	7646	Paycheck	2/1 - 2/15/18 Payroll	-2,728.21
Bill Pmt -Check	02/23/2018	7647	AM Conservation	LED Stock	-1,475.60
Bill Pmt -Check	02/23/2018	7648	AT&T	February Telephone Service	-538.86
Bill Pmt -Check	02/23/2018	7649	Boudreau, D.	Reimbursements	-121.84
Bill Pmt -Check	02/23/2018	7650	City of Arcata	D St. Community Center self-install rebate/Audit 4634	-360.00

**Redwood Coast Energy Authority**  
**Disbursements Report**  
For the month of February, 2018

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Bill Pmt -Check	02/23/2018	7651	City of Blue Lake	January Utility User Tax	-852.10
Bill Pmt -Check	02/23/2018	7652	Dell USA	(2) Optiplex	-1,624.88
Bill Pmt -Check	02/23/2018	7653	Humboldt Bay Aquatic Center - University	Additional cleaning fee.	-25.00
Bill Pmt -Check	02/23/2018	7654	NYLEX.net, Inc.	Onsite network support services - March	-3,200.00
Bill Pmt -Check	02/23/2018	7655	PG&E CCA	January CCE Charges	-27,327.08
Bill Pmt -Check	02/23/2018	7656	PG&E EV Account	EV stations December	-203.22
Bill Pmt -Check	02/23/2018	7657	Stitch Witch	Merchandise Order	-456.70
Bill Pmt -Check	02/23/2018	7658	The Ferndale Enterprise	Print advertising	-409.50
Bill Pmt -Check	02/23/2018	7659	City of Arcata	January Utility User Tax	-7,566.76
Bill Pmt -Check	02/23/2018	7660	City of Arcata	January High Energy Use Tax	-2,023.30
Bill Pmt -Check	02/23/2018	7661	City of Arcata	Library self-install rebate/Audit 4244	-1,850.31
Bill Pmt -Check	02/23/2018	7662	City of Arcata	City Hall self-install rebate/Audit 4906	-74.82
Bill Pmt -Check	02/23/2018	7664	Times Printing Company	Move in mailing service mailers	-756.52
Bill Pmt -Check	02/23/2018	7665	Western Web	Roller derby banner.	-37.24
Paycheck	02/23/2018	EFT	Direct Deposit	2/1 - 2/15/18 Payroll	-50,654.79
Liability Check	02/27/2018	E-pay	EDD	499-0864-3 QB Tracking # 432959132	-265.55
Liability Check	02/27/2018	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 432959422	-931.88
ACH	02/28/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180222	-67,006.73
					<b>-5,964,839.61</b>

## Redwood Coast Energy Authority

### Visa

For the month of February, 2018

Type	Date	Num	Name	Memo	Amount
Credit Card Charge	02/01/2018	February	Square	Card Reader Fee	40.00
Credit Card Credit	02/02/2018	0854	Adobe Systems, Inc.	Acrobat Pro DC membership	-20.00
Credit Card Charge	02/02/2018	9770618	Amazon.com	Copier supplies	319.46
Credit Card Charge	02/05/2018	3006668	Amazon.com	First aid supplies	268.41
Credit Card Charge	02/05/2018	3006668	Amazon.com	Wall Mount Bracket	57.49
Credit Card Charge	02/05/2018	3006668	Amazon.com	Water filters	104.85
Credit Card Charge	02/05/2018	3006668	Amazon.com	First aid supplies	89.43
Credit Card Charge	02/05/2018	3006668	Amazon.com	Timetec Memory RAM	61.83
Credit Card Charge	02/05/2018	3006668	Amazon.com	Logitech wireless keyboard and mouse combo	51.38
Credit Card Charge	02/05/2018	9769024	Amazon.com	(3) Crucial 8GB Memory	260.97
Credit Card Charge	02/05/2018	7630608	Amazon.com	(2) Crucial 8GB Memory	193.10
Credit Card Charge	02/05/2018	2645066	Amazon.com	Pro Transcription Kit	109.95
Credit Card Charge	02/06/2018	OP266468	ISO	ISO/IEC Pdf	126.35
Credit Card Charge	02/06/2018	36928	Humboldt Bay Aquatic Center - University	Venue rental - Outreach meeting	375.00
Credit Card Charge	02/06/2018	ADB01474480	Adobe Systems, Inc.	Acrobat Pro DC & Creative Cloud memberships	184.95
Credit Card Charge	02/07/2018	1375407	Amazon.com	High Capacity Magenta Toner	76.99
Credit Card Charge	02/07/2018	1929037	Amazon.com	High Capacity Cyan Toner	78.98
Credit Card Charge	02/07/2018	372443	Stitch Witch	Logo and design	456.70
Credit Card Charge	02/09/2018	1861	Project Energy Savers	Breaker Box Labels	87.50
Credit Card Charge	02/10/2018	710195	Humboldt State University	Excel course for M. Slackerelli	75.00
Credit Card Charge	02/11/2018	2667446	Amazon.com	(1) Crucial 8GB Memory	93.57
Credit Card Charge	02/11/2018	4989826	Amazon.com	Logitech wireless keyboard and mouse combo	26.02
Credit Card Charge	02/12/2018	4989826	Amazon.com	Wall Mount Bracket	57.49
Credit Card Charge	02/12/2018	4850601	Amazon.com	PolyCom Soundstation	96.00
Credit Card Charge	02/12/2018	8417863	Amazon.com	Microsoft Windows 10 Pro	219.99
Credit Card Charge	02/14/2018	8957035	Amazon.com	Microsoft sculpt keyboard and mouse	112.40
Credit Card Charge	02/14/2018	68211472	EDraw	EDrawn Max Renew	69.00
Credit Card Charge	02/14/2018	INV33351	Control Module, Inc.	EV Charging Station equipment	414.74
Credit Card Charge	02/14/2018	0943406	Amazon.com	AmazonBasics AAA Rechargeable Batteries	26.02
Credit Card Charge	02/14/2018	2720229	Amazon.com	Display Port to VGA	39.95
Credit Card Charge	02/14/2018	0943406	Amazon.com	Keyboard & mouse combo	112.40
Credit Card Charge	02/16/2018		U-Verse	December DSL 11/9 - 12/8/16	95.89

**Redwood Coast Energy Authority**

**Visa**

**For the month of February, 2018**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Credit Card Charge	02/16/2018	8784	SnuggPro	Modeling report - job #97599	25.00
Credit Card Charge	02/16/2018	MC03837245	MailChimp	Monthly plan 501-1000 subscribers.	15.00
Credit Card Charge	02/16/2018	February	U-Verse	February DSL	70.50
Credit Card Charge	02/22/2018			Service Charge	3.79
Credit Card Charge	02/25/2018		Uberconference	Conference call subscription	11.06
<b>TOTAL</b>					<b><u>4,487.16</u></b>

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**Redwood Coast Energy Authority**  
**Balance Sheet**  
As of February 28, 2018

**ASSETS**

**Current Assets**

**Checking/Savings**

1075 - Umpqua Reserve Account 2300	1,000,890.62
1070 - Umpqua Deposit Cntrl Acct 1687	805,761.32
1062 - Chase DD Checking	25.00
1060 - Umpqua Checking-9271	322,973.20
1000 - COUNTY TREASURY 3839	4,207.73
1010 - Petty Cash	414.35
1050 - GRANTS & DONATIONS 3840	15,037.26

**Total Checking/Savings** 2,149,309.48

**Total Accounts Receivable** 83,627.66

**Other Current Assets** 6,227,149.50

**Total Current Assets** 8,460,086.64

**Fixed Assets** 44,983.39

**Other Assets** 504,100.00

**TOTAL ASSETS** 9,009,170.03

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Total Accounts Payable** 77,573.21

**Credit Cards** 554.01

**Other Current Liabilities**

2001 - Accounts Payable-Other 4,528,072.06

2100 - Payroll Liabilities 76,017.99

2210 - Retentions Payable 1,511.65

**Total Other Current Liabilities** 4,605,601.70

**Total Current Liabilities** 4,683,728.92

**Long Term Liabilities**

**2700 - Long-Term Debt**

2701 - Lighting Upgrade 6,520.63

2702 - Headwaters Credit Line 605,637.15

**Total 2700 - Long-Term Debt** 612,157.78

**Total Long Term Liabilities** 612,157.78

**Total Liabilities** 5,295,886.70

**Equity** 3,713,283.33

**TOTAL LIABILITIES & EQUITY** 9,009,170.03

**Redwood Coast Energy Authority**  
**Profit & Loss Budget vs. Actual**  
July 2017 through February 2018

	<u>Jul 2017 - Feb 2018</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Income</b>			
<b>Total Revenue - government agencies</b>	143,697	268,835	53%
<b>Total Revenue - program related sales</b>	23,168	15,000	154%
<b>Total Revenue-nongovernment agencies</b>	879,785	1,570,364	56%
<b>Electricity Sales Revenue</b>			
<b>Electricity Sales - Retail Revenue</b>	29,462,518	46,735,993	63%
<b>Electricity Sales - Uncollectable Accounts</b>	(88,388)	(140,208)	63%
<b>Total Electricity Sales Revenue</b>	<u>29,374,130</u>	<u>46,595,785</u>	<u>63%</u>
<b>Total Income</b>	<u>30,420,780</u>	<u>48,449,983</u>	<u>63%</u>
<b>Expense</b>			
<b>WHOLESALE POWER SUPPLY</b>			
<b>CAISO</b>			
<b>Total CAISO Energy</b>	1,309,942	5,336,455	25%
<b>Total CAISO Non-Energy Charges</b>	784,990	1,830,563	43%
<b>Total CAISO</b>	<u>2,094,932</u>	<u>7,167,018</u>	<u>29%</u>
<b>Bilateral Activity</b>			
<b>Resource Adequacy</b>	1,183,734	2,572,007	46%
<b>Energy Hedges Notional Value</b>	14,760,827	19,298,480	76%
<b>Total RPS Settlements</b>	1,126,500	717,788	157%
<b>Low Carbon Settlements</b>	103,772	518,145	20%
<b>Total Bilateral Activity</b>	<u>17,174,833</u>	<u>23,106,420</u>	<u>74%</u>
<b>Local Power Purchase Agreements</b>			
<b>Humboldt Redwood Company</b>	3,531,063	4,862,651	73%
<b>Total Local Power Purchase Agreements</b>	<u>3,531,063</u>	<u>4,862,651</u>	<u>73%</u>
<b>TOTAL WHOLESALE POWER SUPPLY</b>	<u>22,800,829</u>	<u>35,136,090</u>	<u>65%</u>
<b>PERSONNEL EXPENSES</b>	1,412,379	2,506,578	56%
<b>FACILITIES AND OPERATIONS</b>	85,043	232,976	37%
<b>COMMUNICATIONS AND OUTREACH</b>	44,790	200,041	22%
<b>TRAVEL AND MEETINGS</b>	17,985	48,617	37%
<b>PROFESSIONAL AND PROGRAM SERVICES</b>			
<b>Contracts - Program Related Services</b>	23,811	242,029	10%
<b>Wholesale Services - TEA</b>	376,664	567,821	66%
<b>Procurement Credit - TEA</b>	517,873	725,576	71%
<b>Data Management - Calpine</b>	719,335	921,508	78%
<b>Regulatory</b>	37,253	25,000	149%
<b>Accounting</b>	15,000	45,000	33%
<b>Legal</b>	35,329	85,000	42%
<b>PROFESSIONAL AND PROGRAM SERVICES</b>	<u>1,725,265</u>	<u>2,611,934</u>	<u>66%</u>



**Redwood Coast Energy Authority**  
**Profit & Loss Budget vs. Actual**  
 July 2017 through February 2018

	<u>Jul 2017 - Feb 2018</u>	<u>Budget</u>	<u>% of Budget</u>
<b>PROGRAM EXPENSES</b>	697,738	965,897	72%
<b>INCENTIVES AND REBATES</b>	310,487	460,000	67%
<b>NON OPERATING COSTS</b>	113,501	65,610	173%
<b>Total Expense</b>	<u>27,208,017</u>	<u>42,227,742</u>	<u>64%</u>
<b>RESERVE REQUIREMENT CONTRIBUTIONS</b>	1,000,000	6,000,000	17%
<b>Net Income</b>	<u><u>2,212,763</u></u>	<u><u>222,241</u></u>	<u><u>996%</u></u>

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**STAFF REPORT**  
**Agenda Item # 5.1**

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Update on Offshore Wind Development Partnership Negotiations

**SUMMARY**

In February RCEA issued a Request for Qualifications for Offshore Wind Energy Development Partners, and at the March 26, 2018, RCEA Board Meeting the Board of Directors selected for partnership negotiations a respondent team recommended by the RFQ review team and the Offshore Wind Energy Board Subcommittee.

Staff has begun negotiations with the selected team, with the objective of a joint development partnership agreement between:

1. **RCEA**
2. **EDPR Offshore North America, LLC**
3. **Principle Power, Inc.**
4. **Aker Solutions, Inc.**

The other two members of the selected response team, **Herrera Environmental Consultants** and **HT Harvey & Associates**, will participate on the project in the capacity of contracted consultants rather than as partners in the joint development agreement.

Staff is aiming to present a proposed agreement for the Board's consideration at the May Board meeting if possible and will provide additional information on the current status negotiation progress at the April 16 meeting.

Though negotiations are ongoing, there is an immediate once-a-year deadline of April 16, 2018, to get into the queue for a California Independent System Operator (CAISO) grid interconnection study, which is addressed in agenda item 6.1.

**RECOMMENDED ACTION**

N/A – information only

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**STAFF REPORT  
Agenda Item # 6.1**

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Offshore Wind Project Interconnection Study

**SUMMARY**

A key step in the process of evaluating and potentially developing a local offshore wind energy project is working with the California Independent System Operator (CAISO) and PG&E on a grid interconnection study. There is a once-per-year application opportunity with an April 16<sup>th</sup> deadline to be included in this year’s CAISO “cluster” study group. The interconnection study is a multi-year process running April 2018 through August 2020.

Missing this year’s study application deadline would mean waiting until April 2019 to begin the interconnection study process. Understanding the potential to connect to the grid and the costs associated with that connection are critical early factors in evaluating the feasibility of the project, and so waiting until 2019 to begin the study would delay the project timeline by up to a year.

Partnership agreement negotiations with EDPR, Principle Power and Aker Solution are of course still ongoing, but due to the time-sensitive nature of this issue staff recommends the Board approve an interim agreement that will enable the interconnection study to move forward. The proposed agreement establishes that RCEA, EDPR, Principle Power, and Aker will pay equal shares of the \$150,000 application fee and \$250,000 deposit. It also establishes that EDPR will be the entity to submit the study application since they are the most appropriately qualified as a solar and wind developer/operator that has participated in this CAISO process before.

**FINANCIAL IMPACT**

RCEA’s share of the application fee will be \$37,500; there is some risk associated with this expenditure since it is possible for partnership agreement negotiations to fail and the project to not move forward with the selected team. However, in the context of what may be a \$500 million project this is a small initial investment and risk, and one that is critical to obtaining necessary information to evaluate the feasibility of the project.

RCEA’s share of the deposit will be \$62,500; while this will tie up the associated funds for potentially several years ultimately this money will be returned to RCEA.

Principle Power is covering the costs of preparing the application documents that EDPR will submit.

**RECOMMENDED ACTION**

Contingent on final review and approval by RCEA General Counsel, approve Agreement to Share Grid Interconnection Study Costs Between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority and authorize the Executive Director to execute the agreement and any associated documents.

**ATTACHMENT:**

Agreement to Share Grid Interconnection Study Costs Between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority

**AGREEMENT TO SHARE GRID INTERCONNECTION STUDY COSTS  
BETWEEN  
PRINCIPLE POWER, AKER SOLUTIONS, EDPR OFFSHORE NORTH AMERICA,  
AND REDWOOD COAST ENERGY AUTHORITY**

This AGREEMENT is entered into effective as of April 16, 2018 (the “Effective Date”), by and among:

1. **Principle Power, Inc.** (“PPI”), a company incorporated in the state of Nevada, USA, having its headquarters at 5901 Christie Ave., Suite 303, Emeryville, CA, USA 94608;
2. **Aker Solutions, Inc.** (“Aker”), a company organised and existing under the laws of the State of Delaware, whose principal office is at 3010 Briarpark Dr., 77042 Houston, TX;
3. **EDPR Offshore North America LLC** (“EDPR”), a limited liability company organized under the laws of the State of Delaware, whose principal office is at 808 Travis Street, Houston, TX 77002; and
4. **Redwood Coast Energy Authority** (“RCEA”), a local government joint powers authority organized and existing under the laws of California, whose principal office is at 633 3rd Street, Eureka, CA 95501.

Each a “Party” and together the “Parties.”

**WHEREAS:**

- A. On March 28, 2018 RCEA selected a consortium of companies assembled by PPI, including EDPR and Aker (“Consortium”) to enter into a public-private partnership (“PPP”) with RCEA to pursue the development of an an approximately 100MW to 150 MW floating offshore wind energy project off the Northern California coast (“Project”).
- B. The Consortium and RCEA are in the process of agreement negotiations to form the PPP that will develop the Project. Though negotiations are still ongoing one matter that requires immediate action is to secure an interconnection cluster study at the Humboldt Bay Generating Station’s (“HBGS”) substation.
- C. After discussions with Pacific Gas & Electric (“PG&E”) and California Independent System Operator (“CAISO”) representatives, the Parties agree that it would be in the best interest of the Parties to retain CAISO to investigate if the point of interconnection could be shared between the Humboldt Bay Power Plant and the Project. A CAISO interconnection cluster study will evaluate the viability of the upgrade of the interconnection agreement to this type of arrangement, and the interconnection study request needs to be submitted by April 16, 2018 for the multi-year study process to begin in 2018. If the Project does not get into the CAISO interconnection queue this year, the next opportunity to do so would be in April 2019, which would materially delay the necessary evaluations that need to be made by CAISO on the path forward to inject power at that substation, and therefore would significantly delay the overall Project timeline.

- D. Costs for the CAISO interconnection cluster study itself (“Study”) will be \$150,000, plus an additional deposit of \$250,000 (“Deposit”) if the project for which interconnection is being studied does not yet have site control. As the Project will not hold site control at the time of the request for the Study, the full cash requirement for the Study will be \$400,000 (the “Payment”). Pursuant to the CAISO Generator Interconnection and Deliverability Allocation (“GIDAP”) Cluster Process, the \$250,000 Deposit is refundable when site exclusivity (as specified in the GIDAP) is met or at any time upon withdrawal; provided that the withdrawal request is submitted on or before thirty (30) calendar days following the scoping meeting with CAISO. The Deposit will be returned with interest earned within approximately 20 Business Days from when the W-9 and wiring instructions are received by CAISO.
- E. Since time is of the essence, and subject to the items noted in Recital H, the Parties have agreed to fund the Project’s near-term critical development activities through an even and equal split, pending the fixing of the financial obligation of each member (as part of the PPP negotiation that will determine the respective ownership and equity commitments of each member). For this reason, each Party will contribute exactly one-fourth (1/4th) of the total amount of the \$400,000 Payment for the CAISO Study and Deposit, being the amount of \$100,000 which equals one hundred thousand dollars (\$100,000) per Party.
- F. For expediency, EDPR will be the Party that will deliver the \$400,000 to CAISO on behalf of all of the Parties. Each Party has agreed to reimburse EDPR forthwith for such Party’s pro rata share of the \$400,000. EDPR has agreed that in the event the \$400,000 or any part thereof is returned to EDPR by CAISO (including the \$250,000 Deposit), EDPR will forthwith deliver to each Party its respective pro rata share of such amount or amounts; provided that such Party has reimbursed EDPR for its portion of the Payment. EDPR does not accept any liability related to the Study or CAISO’s failure to return all or any portion of the Deposit.
- G. The contributions to the equity of the Project by the Parties will be rebalanced in accordance with their final respective positions that result from the negotiation of the PPP.
- H. In addition to paying its share of the Study and Deposit costs, PPI will also pay \$23,500 to the technical consultant (Navigant) hired to assist the Consortium with the Study and interface with CAISO. This \$23,500, together with any costs of the consultants for the preparation of the unsolicited BOEM lease application (Herrera and HT Harvey) that will be charged to PPI, will also be taken into account in the rebalancing referred to in Recital G. PPI shall share the costs related to the BOEM lease application with the Parties and will seek their approval prior to incurring such costs.

**NOW THEREFORE**, in consideration of the premises and the mutual covenants contained herein, the Parties hereby agree as follows:



1. EDPR will timely deliver the \$400,000 (Study cost and Deposit) to CAISO on behalf of all of the Parties ("Payment").
2. Upon receipt of confirmation from EDPR that it has made the Payment and the Payment has been received by CAISO, each Party shall immediately reimburse EDPR by wire transfer of immediately available funds for its pro rata share of the \$400,000, namely the amount of \$100,000. Reimbursement to EDPR shall not be contingent upon negotiation of the PPP, the Project reaching COD or any other matter.
3. EDPR undertakes and agrees that in the event the Payment or any part thereof is returned to EDPR by CAISO (including the \$250,000 Deposit portion), with interest paid by CAISO, if applicable, EDPR will forthwith deliver to each Party its respective share of such amount or amounts.
4. The Parties agree that their overall contributions to the equity of the Project will be rebalanced in accordance with their final respective positions that result from the negotiation of the PPP with RCEA. Such rebalancing will take into account the payments made by the Parties in respect of the Study cost and Deposit.
5. The Parties acknowledge and agree that in addition to paying its one-fourth share of the Study cost and Deposit, PPI will pay, on behalf of the Consortium, the amount of \$23,500 to the technical consultant (Navigant) hired to assist the Consortium with the Study and interface with CAISO, and that this \$23,500, together with the cost of the consultants for the preparation of the unsolicited BOEM lease application (Herrera and HT Harvey) that will be charged to PPI, will also be taken into account in the rebalancing referred to in section 4. To date, \$16,176 has been committed by PPI to Herrera and HT Harvey for the lease preparation effort.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of laws thereof.
7. This Agreement embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understanding relating to the subject matter hereof.
8. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, which will remain in full force and effect.
9. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each Party to be bound thereby.
10. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall together constitute one and the same instrument.

[Signature page follows]

**IN WITNESS WHEREOF**, each Party has caused this Agreement to be duly signed and delivered, effective as of the Effective Date.

**Principle Power, Inc.**

Date:

By: \_\_\_\_\_  
Name: Joao Metelo  
Title: President & CEO

**Redwood Coast Energy Authority**

Date:

By: \_\_\_\_\_  
Name: Matthew Marshall  
Title: Executive Director

**EDPR Offshore North America LLC**

Date:

By: \_\_\_\_\_  
Name: Enrique Alvarez-Uria  
Title: Manager

**Aker Solutions, Inc.**

Date:

By: \_\_\_\_\_  
Name: Jonah Margulis  
Title: US Country Manager



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 6.2

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Steve Edmiston, Director of Finance & Human Resources Lori Biondini, Director of Business Development & Planning Matthew Marshall, Executive Director
SUBJECT:	FY17-18 Budget Revisions

### SUMMARY

Staff proposes a number of mid-year revisions to the FY17-18 Budget as described below. These revisions are to reflect some programmatic changes, higher customer participation in the CCE program than originally forecasted, and some changes in how some budget items are recorded/tracked in the books.

The proposed budget revisions are as follows:

- 1. Wholesale Power Supply: Renewable Portfolio Standard (RPS) Settlements – increase from \$717,788 to \$1,126,500.** RCEA purchased more renewable energy than expected in 2017 due to higher than forecasted customer participation overall as well as the decisions of the City of Arcata and the City of Blue Lake to opt up to 100% renewable energy supply for all of their facilities.
- 2. Data Management – increase from \$921,508 to \$1,100,000.** Calpine Energy Solutions' data management services for the CCE program are billed on a per-customer basis, and this increase is due to higher than forecast customer participation in the CCE program.
- 3. Regulatory – increase from \$25,000 to \$145,000.** This increase is to accommodate RCEA's participation through the California Community Choice Association (CalCCA) in the Power Charge Indifference Adjustment (PCIA) proceeding. Operational CCA's are being asked by CalCCA to increase the pooled funding for 2018 that is supporting CalCCA's intensive participation in this critical CPUC proceeding. The PCIA fee for RCEA's customers totals to approximately \$20 million per year currently, so investing in a fair, positive outcome from this proceeding is highly important since even small changes in the PCIA calculation methodology could have substantial financial impacts to RCEA.
- 4. Program Expenses – increase from \$965,897 to \$1,150,000.** PG&E billing fees and other taxes and charges associated with CCE program implementation are, similar to Data Management charges, trending higher than budgeted due to higher than forecasted customer participation in the program.
- 5. Non-Operating Costs – increase from \$65,610 to \$350,000.** This increase accommodates a change in how RCEA's Headwaters Fund loan is being booked. Originally only interest payments were budgeted and not payments toward the principal. Per the recommendation of

RCEA's auditors, principal payments are being included as an expense in this fiscal year. This change will also result in a revision to last year's financials that will be reflected in the final FY16-17 audited financial statements.

In addition to the above adjustments, staff is working with TEA to evaluate and update budget numbers based on 2018 rate updates and 2018 power procurement and expects to present additional budget adjustments at the May Board meeting.

## **RECOMMENDED ACTION**

Approve the following adjustments to the FY17-18 RCEA Annual Budget expense categories:

1. Renewable Portfolio Standard Settlements (RPS) – increase to \$1,126,500.
2. Data Management – increase to \$1,100,000.
3. Regulatory – increase to \$145,000.
4. Program Expenses – increase to \$1,150,000.
5. Non-Operating Costs – increase to \$350,000.



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 6.3

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Development and Planning
SUBJECT:	Application for USDA Loan

### SUMMARY

In September 2017 the Board authorized participating in a grant response to the California Energy Commission which proposed a microgrid project that would serve the California Redwood Coast – Humboldt County Airport and other County of Humboldt facilities, as well as the nearby Coast Guard station and others. RCEA's commitment to the project included financing a 2MW solar array and battery storage system to be owned and operated by RCEA; and a 250KW array to feed the Airport facilities. Staff proposed to the Board that the project might be financed with a loan or third-party power purchase agreement that would be paid for over time through energy revenue from the power that is generated and subsequently sold to CCE customers.

Staff has met with the regional representative for the US Department of Agriculture's (USDA) Rural Utility Service (RUS) program and believe that a guaranteed loan through the program with (currently) 1.8 to 2.9% interest rates (<https://www.rd.usda.gov/programs-services/services/rural-utilities-loan-interest-rates>) is both a viable and affordable option to pursue. The program adds 0.8% to the interest rate in lieu of any fees, has minimal administrative burden (yearly reporting and "maintenance" visits from the loan representative every three years), and would open the door for RCEA to apply for other attractive USDA electric programs, including a competitive 0% interest loan to fund a customer on-bill financing program for energy-related improvements.

Staff recommends that the Board direct moving forward with preparing a loan application for the USDA RUS guaranteed loan program and update the Board with details, including the amount being requested and loan terms, as they become available and prior to submitting the completed loan application.

Although the RUS program will accept paper copies of loan application forms and documents, staff also recommends that the Board authorize Matthew Marshall, Executive Director, and Lori Biondini, Director of Business Development and Planning to use the USDA online application portal, RDApplly, to submit the loan application documents and manage

any subsequent loan. This authorization does not authorize or obligate staff to complete and submit a loan application but is a necessary first step to begin uploading the many necessary documents, including a construction workplan and environmental review, that will need to be reviewed by USDA staff prior to submitting the actual load application.

## **FINANCIAL IMPACTS**

There are no financial impacts at this time except for staff labor; preparing the loan application will ensure we retain the USDA loan program as an option to secure the best value financing mechanism available to us.

## **RECOMMENDED ACTION**

Direct Staff to prepare a loan application to the U.S. Department of Agriculture's Rural Utility Services for a loan guarantee to finance the construction of a 2.25MW-solar electric and battery storage system at the California Redwood Coast – Humboldt County Airport.

Adopt Resolution 2018-3 of the Redwood Coast Energy Authority Authorization to Certify and Submit Required Data to the U.S. Department of Agriculture Loan.

Authorize the Board Chair to sign USDA RUS Programs Certificate of Authority to Submit or Grant Access to Data naming Matthew Marshall as Certifier and Lori Biondini as Security Administrator.

## **ATTACHMENTS**

- Resolution 2018-3 Authorizing Certification and Submittal of Required Data for a USDA Loan
- Certificate of Authority to Submit or Grant Access to Data

**RESOLUTION NO. 2018-3  
OF THE REDWOOD COAST ENERGY AUTHORITY  
AUTHORIZATION TO CERTIFY AND SUBMIT REQUIRED DATA TO  
THE U.S. DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE LOAN PROGRAM**

**WHEREAS**, the Redwood Coast Energy Authority (RCEA) is continuing operation of its successful community choice energy program on behalf of participating jurisdictions in Humboldt County; and

**WHEREAS**, the Guidelines for the Community Energy Program, adopted by the RCEA Board in September 2016, direct RCEA to pursue the development of 5MW of new local solar targeted to be online before the end of 2018; and

**WHEREAS**, RCEA plans to submit an application to the electric infrastructure loan opportunity offered by the U.S. Department of Agriculture, Rural Utilities Service.

**NOW, THEREFORE, BE IT RESOLVED**, that

1. Matthew Marshall, the Executive Director of RCEA, be the Certifier on behalf of RCEA, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RUS Form 674; and
2. Lori Biondini, the Director of Business Development and Planning of RCEA, be the Security Administrator on behalf of the RCEA, who shall give access to RCEA's data, as appropriate, to other employees, officers, or contractors of RCEA, for the purpose of complying with RUS Form 674; and
3. both shall comply with the Instructions for RUS Form 674 in regard to use of the government's data collection system.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST:

\_\_\_\_\_  
Sheri Woo, RCEA Board Chair

\_\_\_\_\_  
Clerk of the Board, RCEA

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

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

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-3 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the \_\_\_\_ day of \_\_\_\_\_, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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Clerk of the Board, Redwood Coast Energy Authority





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# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Energy Risk Management Policy – minor administrative/operational updates

### SUMMARY

As mentioned previously to the Board by staff, RCEA's Energy Risk Management Policy (ERMP) is in need of some minor updates. Section 1.4 of the policy requires that amendments to the policy be adopted by the Board of Directors. The attached draft, updated collaboratively by staff and The Energy Authority (TEA) includes the following changes:

- Section 1.1: adds City of Ferndale.
- Section 3.10: deletes requirement for daily reporting on compliance with limits established in the policy. There is not a way at the present time for TEA's middle office to generate this report. Based on discussions with them, we propose to delete this section.
- Section 4.1: adds to the organization chart RCEA's director of finance and human resources as a voting member of the risk management team (RMT); also changes TEA and the outside representative to non-voting members of the RMT. This better aligns with actual practice. TEA does not believe that it or the outside representative need to be voting members.
- Section 4.3: deletes reference to TEA representative serving as RMT Chair. The intent of this change is to provide flexibility going forward. Requiring it to be TEA representative does not add value.
- Section 4.4: changes 'clearance or accounting' to 'settlement' for clarification.
- Sections 4.4.1 and 4.4.2: deletes "reporting" language to align with actual practice. Inclusion of this language is not needed.
- Section 4.4.2: removes all references to natural gas trades and financial transactions. There is no reason to include them in the ERMP at this time. (changes appear in Appendix A, as well).
- Section 5: expands upon and clarifies delegation of authority table and associated products. Specifically, procurement of renewable energy certificates and carbon-free energy is now shown as being subject to the volume limit rather than the value limit.
- Appendix B: removes director of business planning and development as signatory for new transaction approval.
- Appendix C: adds definitions (note that section 1.4 of the policy exempts amendments to appendices from Board approval).

## **FINANCIAL IMPACTS**

RCEA's Energy Risk Management Policy protects the organization from financial risk that could be incurred through its community choice energy program. The proposed changes are minor and do not substantially affect risk to the organization. Addition of the director of finance and human resources to the voting membership of the risk management team will help to further ensure sound financial decision-making.

## **RECOMMENDED ACTION**

Adopt Resolution 2018-4 to adopt updates to Redwood Coast Energy Authority Energy Risk Management Policy.

## **ATTACHMENTS**

Resolution 2018-4, including updated Risk Management Policy with highlighted changes as Appendix A

**RESOLUTION NO. 2018-4  
OF THE REDWOOD COAST ENERGY AUTHORITY  
ADOPTING UPDATES TO THE ENERGY RISK MANAGEMENT POLICY**

**WHEREAS**, the Redwood Coast Energy Authority (RCEA) operates a community choice energy program on behalf of participating jurisdictions in Humboldt County; and

**WHEREAS**, the Board of RCEA adopted a Risk Management Policy in December 2016 with the goal to put in place strong power-procurement risk management practices and to increase the likelihood of achieving its community choice energy program goals by specifying management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to properly identify and manage RCEA's exposure to risk; and

**WHEREAS**, certain minor updates and amendments to the Risk Management Policy are needed to address changes that have taken place since the community choice energy program was launched.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of the Redwood Coast Energy Authority hereby adopts an updated Energy Risk Management Policy as set forth in Appendix A with deletion of language as shown by strike through and addition of language as shown by underlining, attached hereto and incorporated herein.

Adopted this \_\_\_ day of \_\_\_\_\_, 2018

ATTEST:

\_\_\_\_\_  
Sheri Woo, RCEA Board Chair

\_\_\_\_\_  
Clerk of the Board, RCEA

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

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

**CLERK'S CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2018-4 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the \_\_\_ day of \_\_\_\_\_, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

\_\_\_\_\_  
Clerk of the Board, Redwood Coast Energy Authority

**APPENDIX A**

**REDWOOD COAST ENERGY AUTHORITY  
UPDATED ENERGY RISK MANAGEMENT POLICY**



REDWOOD COAST  
**Energy Authority**

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# Energy Risk Management Policy

~~Adopted 12-12-16~~ ~~Adopted by RCEA Board~~ ~~December 12, 2016,~~  
Resolution 2016-6 Updates  
~~approved by RCEA Board~~ ~~Revised April 16, 2018, Resolution~~  
2018-4

## Table of Contents

Section 1: POLICY OVERVIEW.....	3
1.1 Background and Purpose .....	3
1.2 Scope.....	3
1.3 Energy Risk Management Objective .....	4
1.4 Policy Administration.....	4
Section 2: GOALS AND RISK EXPOSURES .....	5
2.1 Policy Goals .....	5
2.2 Risk Exposures.....	5
2.3.1 Market Risk .....	6
2.3.2 Regulatory Risk.....	6
2.3.3 Volumetric Risk .....	6
2.3.4 Model Risk.....	7
2.3.5 Operational Risk.....	7
2.3.6 Counterparty Credit Risk.....	7
2.3.7 Reputation Risk .....	7
2.4 Risk Measurement Methodology .....	8
Section 3: BUSINESS PRACTICES.....	9
3.1 General Conduct .....	9
3.2 Trading for Personal Accounts .....	9
3.3 Adherence to Statutory Requirements.....	9
3.4 Transaction Type, Regions and Markets.....	10
3.5 Counterparty Suitability.....	10
3.6 System of Record .....	10
3.7 Transaction Valuation .....	11
3.8 Stress Testing .....	11
3.9 Trading Practices.....	11
Section 4: ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES .....	12
4.1 Risk Management Organizational Structure.....	12
4.2 Board of Directors.....	12



4.3 Risk Management Team (RMT).....	12
4.4 Power Manager.....	14
4.4.1 Power Manager - Front Office .....	14
4.4.2 Power Manager – Middle/Back Office.....	14
Section 5: DELEGATION OF AUTHORITY .....	16
5.2 Monitoring, Reporting and Instances of Exceeding Risk Limits.....	16
Section 6: CREDIT POLICY.....	17
6.1 Credit Limit and Monitoring.....	17
Section 7: POSITION TRACKING AND MANAGEMENT REPORTING .....	18
Section 8: POLICY REVISION PROCESS .....	19
8.1 Acknowledgement of Policy.....	19
8.2 Policy Interpretations.....	19
Appendix A: AUTHORIZED TRANSACTION TYPES, REGIONS AND MARKETS .....	20
Appendix B: NEW TRANSACTION APPROVAL FORM .....	21
Appendix C: DEFINITIONS .....	22

## Section 1: POLICY OVERVIEW

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### 1.1 Background and Purpose

The Redwood Coast Energy Authority (“RCEA”) is a public joint powers agency located within the geographic boundaries of Humboldt County. Member agencies of RCEA include the ~~seven~~ [\(eight \(8\)\)](#) incorporated cities located in Humboldt County, the County of Humboldt and the Humboldt Bay Municipal Water District. RCEA members desire to implement and administer a community choice aggregation (“CCA”) program for members that elect to become participants. The CCA program will give its members an opportunity to join together to procure electricity supplies and implement local programs that meet the goals of the local community. Electricity procured to serve customers will continue to be delivered over PG&E’s transmission and distribution system.

Presently, RCEA’s CCA Members include the following local government entities:

- Unincorporated Humboldt County
- City of Arcata
- City of Blue Lake
- City of Eureka
- [City of Ferndale](#)
- [City of Fortuna](#)
- City of Trinidad
- City of Rio Dell

Providing retail electric generation service to customers enrolled in the CCA program exposes RCEA to risks such as retail load uncertainty (due to weather, customer opt-out, and other factors), energy market price, counterparty credit, PG&E generation and PCIA rate competitiveness and other regulatory risks.

This Energy Risk Management Policy (“Policy”) establishes RCEA’s Energy Risk Management Program (“Program”) including risk management functions and procedures to manage the risks associated with power procurement activities.

The ultimate purpose of this Policy is to help RCEA increase the likelihood of achieving its goals by specifying management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to properly identify and manage RCEA’s exposure to risk.

### 1.2 Scope

Unless otherwise explicitly stated in this Policy, or other policies approved by the Board, this Policy applies to all power procurement and related business activities that may impact the risk profile of RCEA. This Policy documents the framework by which management, staff and The Energy Authority (TEA) will:

- Identify and quantify risk
- Develop and execute procurement strategies
- Create a framework of controls and oversight
- Monitor, measure and report on the effectiveness of the Program

To ensure successful operation of the CCA program, RCEA has partnered with experienced contractors to provide energy-related services. Specific to power procurement, RCEA has partnered with TEA. At the outset of the CCA Program, TEA will be executing the preponderance of front- (transacting), middle- (monitoring) and back-office (settlement) related activities on RCEA's behalf. In providing these services, TEA will observe the policies outlined in this document. TEA maintains its own risk policies and procedures, following industry practices of segregation of duties, which will also govern activities executed on RCEA's behalf.

### **1.3 Energy Risk Management Objective**

The objective of the Energy Risk Management Policy is to provide a framework for conducting procurement activities that maximizes the probability of RCEA meeting the goals listed in Section 2.1.

Pursuant to this Policy, RCEA will identify and measure the magnitude of the risks to which it is exposed and that contribute to the potential for not meeting identified goals.

### **1.4 Policy Administration**

This Policy document has been reviewed and approved by the RCEA Board of Directors ("Board"). The Risk Management Team ("RMT") and Board must approve amendments to this Policy, except for the appendices, which may be amended with approval of only the RMT. The RMT must give notice to the Board of any amendment it makes to an appendix or a reference policy or procedure document.

## Section 2: GOALS AND RISK EXPOSURES

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### 2.1 Policy Goals

To help ensure long term viability for the CCA, RCEA has outlined the following Policy Goals. These goals will establish metrics used for modeling and measuring risk exposures of the CCA.

- RCEA will target to maintain competitive retail rates with PG&E after adjusting for the PCIA and Franchise Fee.
- RCEA will target during the initial years of operation to fund financial reserves with the following objectives:
  - Establish long-term business sustainability
  - Build collateral for power procurement activities
  - Establish an investment grade credit rating
  - Develop a source of funds for investment in generation and other local programs
  - Stabilize rates and dampen year-to-year variability in procurement costs

The goals outlined above are incorporated into the financial models that are used in modeling and measuring risk exposures. It is important to note that the goals listed above are not intended to be a comprehensive list of goals for the CCA. Rather, the above reflect a subset of program goals that are critical to long-term business viability for the CCA.

### 2.2 Risk Exposures

The Program faces a range of risks during launch and ongoing operation:

- Customer Opt-Out risk
- Market risk
- Regulatory risk
- Volumetric risk
- Model risk
- Operational risk
- Counterparty credit risk
- Reputation risk

#### *Customer Opt-Out Risk*

Customer opt-out risk is the primary risk the CCA faces. Customer opt-out risk includes any condition or event that creates uncertainty in the CCA's customer base, thereby increasing the potential for the CCA to not meet its Policy goals. A CCA faces other risks, but the ultimate concern is often how these other risks will affect customer opt-outs. This Policy addresses this paramount risk and secondary risk types listed below. These risks are not all inclusive but are identified as the risk factors driving the success of the CCA.

The most relevant measures of the success of this Policy include:

- Retail rate competitiveness with PG&E
- Financial reserve level

For the purpose of this Policy, risk exposure is assessed on all the transactions (energy, environmental attributes, capacity, etc.) executed by TEA on behalf of RCEA, or by RCEA, as well as the risk exposure of open positions and the impacts of these uncertainties on the CCA's load obligations. The following are components of RCEA's energy risk that will be assessed, monitored and managed.

### 2.3.1 Market Risk

Market risk is the uncertainty of RCEA's financial performance due to variable commodity market prices (market price risk) and uncertain price relationships (basis risk). Variability in market prices creates uncertainty in RCEA's procurement costs and can materially impact RCEA's financial position. Market risk is managed by regular measurement, execution of approved procurement and Congestion Revenue Right strategies and the limit structure set forth in this Policy.

### 2.3.2 Regulatory Risk

CCAs remain a comparatively new legal entity in the state of California and are subject to an evolving legal and regulatory landscape. Additionally, CCA's are in direct competition with California's Investor Owned Utilities ("IOUs"), which face the risk of stranded investments in generating assets and power purchase agreements procured in the past to serve now departing CCA loads. The manner in which the stranded costs of these legacy power supplies is allocated to departing CCA loads is the subject of regulatory proceedings at the CPUC. The competitive and regulatory landscape results in retail rate competitiveness risks that are unique to CCAs. RCEA will manage regulatory risk by:

- Regular monitoring and analysis of legislative and regulatory proceedings impacting CCAs;
- Regular monitoring and reporting of actual and projected financial results including probability-based and stressed financial results assuming a range of market and retail rate scenarios (both RCEA and PG&E);
- Structuring procurement strategies with the objective function of maintaining a favorable retail rate savings relative to PG&E;
- Actively participating in and representing CCA customer interests during regulatory and legislative proceedings.

### 2.3.3 Volumetric Risk

Volumetric risk is the uncertainty of RCEA's financial performance due to variability in the quantity of retail load served by RCEA. Retail load uncertainty results from customer opt-outs, temperature deviation from normal, unforeseen adoption of behind the meter generation by RCEA customers, as well as local, state and national economic conditions. Volume risk is managed by taking steps to:

- Quantify anticipated PG&E generation and PCIA rates, and variability therein;
- Quantify variability in procurement costs;
- Monitor and adjust for non-regulatory factors driving volumetric uncertainty (e.g. weather);
- Adopt a formal procurement strategy;

- Implement a key accounts program and maintain strong relationships with the local community;
- Monitor trends in customer onsite generation, economic shifts, and other factors that affect electricity customer volume and composition;
- Expand the customer base of the CCA into neighboring counties and include direct access loads.

#### 2.3.4 Model Risk

Model risk is the uncertainty of RCEA’s financial performance due to potentially inaccurate or incomplete characterization of a transaction or power supply portfolio elements due to fundamental deficiencies in models and/or information systems. Model risk is managed by:

- TEA Risk Management Committee approval, and RCEA RMT ratification of, financial and risk models;
- Ongoing review of model outputs as part of controls framework;
- Ongoing RCEA and TEA staff education and participation in CCA industry forums;
- Ongoing update and improvement of models as additional information and expertise is acquired

#### 2.3.5 Operational Risk

Operational risk is the uncertainty of RCEA’s financial performance due to weaknesses in the quality, scope, content, or execution of human resources, technical resources, and/or operating procedures within RCEA. Operational risk can also be exacerbated by fraudulent actions by employees or third parties or inadequate or ineffective controls. Operational risk is managed through:

- The controls set forth in this Policy
- RMT oversight of procurement activity
- Timely and effective management reporting
- Staff resources, expertise and/or training reinforcing a culture of compliance
- Ongoing and timely internal and external audits

#### 2.3.6 Counterparty Credit Risk

Counterparty credit risk is the potential that a Counterparty will fail to perform or meet its obligations in accordance with terms agreed to under contract. RCEA’s exposure to counterparty credit risk is controlled by the limit controls set forth in the Credit Policy described in Section [76](#).

#### 2.3.7 Reputation Risk

Reputation risk is the potential that the CCA’s reputation is harmed, causing customers to opt-out of the CCA’s service and migrate back to PG&E. Reputational risk is managed through:

- Implementation and adherence to this Energy Risk Management Policy
- Establishment and adherence to industry best practices including both those adopted by other CCAs, as well as those adopted by traditional municipal electric utilities.

## 2.4 Risk Measurement Methodology

A vital element in RCEA's Energy Risk Management Policy is the regular identification, measurement and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with RCEA's procurement-related business activities and performance relative to goals.

Risk measurement of RCEA's position will be performed using a method that calculates projected procurement costs on an annual basis at various probabilities and that further provides a comparison of projected RCEA retail rates to those of PG&E. The rate comparison will be adjusted for actual and projected PCIA and Franchise Fee charges. Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure RCEA and TEA adjust their methods to reflect the evolving regulatory and competitive landscape. The implementation of these methods shall be overseen and validated by TEA and ratified by the RMT.

## **Section 3: BUSINESS PRACTICES**

### **3.1 General Conduct**

It is the policy of RCEA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable RCEA standards of personal conduct while employed by or affiliated with RCEA.

### **3.2 Trading for Personal Accounts**

All RCEA Directors, management, employees and agents participating in any transaction or activity within the coverage of this Policy are obligated to give notice in writing to RCEA of any interest such person has in any counterparty that seeks to do business with RCEA, and to identify any real or potential conflict of interest such person has or may have with regard to any contract or transaction with RCEA. Further all persons are prohibited from personally participating in any transaction or similar activity that is within the coverage of this Policy and that is directly or indirectly related to the trading of electricity and/or environmental attributes as a commodity.

If there is any doubt as to whether a prohibited condition exists, then it is the employee's responsibility to discuss the possible prohibited condition with her/his manager or supervisor.

### **3.3 Adherence to Statutory Requirements**

Compliance is required with rules promulgated by the state of California, California Public Utilities Commission, California Energy Commission, Federal Energy Regulatory Commission (FERC), Commodity Futures Trading Commission (CFTC), and other regulatory agencies.

Congress, FERC and CFTC have enacted laws, regulations and rules that prohibit, among other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making any untrue statement of fact or omitting to state a material fact where the omission would make a statement misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved, as well as RCEA. This Policy is intended to comply with these laws, regulations and rules and to avoid improper conduct on the part of anyone employed by RCEA. These procedures may be modified from time to time by legal requirements, auditor recommendations, RMT requests and other considerations.

In the event of an investigation or inquiry by a regulatory agency, RCEA will provide legal counsel to employees. However, RCEA will not appoint legal counsel to an employee if RCEA's General Counsel and Executive Director determine that the employee was not acting in good faith within the scope of employment.

RCEA employees are prohibited from working for another power supplier, CCA or utility in a related position while they are simultaneously employed by RCEA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent RCEA staff from performing non-CCA activities on behalf RCEA in the normal course of its business.



### **3.4 Transaction Type, Regions and Markets**

Authorized transaction types, regions and markets are listed in Appendix B to this Policy. These transaction types, regions and markets are and shall continue to be focused on supporting RCEA's financial policies, including approved procurement strategies. New or non-standard transaction types may provide RCEA with additional flexibility and opportunity but may also introduce new risks. Therefore, transaction types, regions and markets not included in Appendix B, or transactions within already approved transaction types that are substantially different from any prior transaction executed by RCEA, must be approved by the RMT prior to execution using the process defined below.

When seeking approval for a new or non-standard transaction type, region, and/or market, a New Transaction Approval Form, as shown in Appendix C, should be drafted describing all significant elements of the proposed transaction. The proposal write-up will be prepared by TEA and should, at a minimum, include:

- A description of the benefit to RCEA, including the purpose, function and expected impact on costs (i.e.; decrease costs, manage volatility, control variances, etc.)
- Identification of the in-house or external expertise that will manage and support the new or non-standard transaction type
- Assessment of the transaction's risks, including any material legal, tax or regulatory issues
- How the exposures to the risks above will be managed by the limit structure
- Proposed valuation methodology (including pricing model, where appropriate)
- Proposed reporting requirements, including any changes to existing procedures and system requirements necessary to support the new transaction type
- Proposed accounting methodology
- Proposed work flows/methodology (including systems)

It is the responsibility of TEA's Middle Office to ensure that relevant departments have reviewed the proposed transaction and that material issues are resolved prior to submittal to the RMT for approval. If approved, Appendix B to the Policy will be updated to reflect the new transaction type.

### **3.5 Counterparty Suitability**

TEA's counterparty credit limits and approval processes will govern counterparty suitability for all transactions executed by TEA on behalf of RCEA. TEA will provide a credit review and recommendation, consistent with the credit policies described in Section 6, for any counterparty with whom RCEA contracts directly.

### **3.6 System of Record**

TEA's Middle Office will maintain a set of records for all transactions executed in association with RCEA procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

### **3.7 Transaction Valuation**

Transaction valuation and reporting of positions shall be based on objective, market-observed prices. Open positions should be valued (marked-to-market) daily, based on consistent valuation methods and data sources. Whenever possible, mark-to-market valuations should be based on independent, publicly available market information and data sources.

### **3.8 Stress Testing**

In addition to limiting and measuring risk using the methods described herein, stress testing shall also be used to examine performance of the RCEA portfolio under adverse conditions. Stress testing is used to understand the potential variability in RCEA's projected procurement costs, and resulting retail rate impacts and competitive positioning, associated with low probability events. The TEA Middle Office will perform stress-testing of the portfolio on a monthly basis and distribute results.

### **3.9 Trading Practices**

It is the expressed intent of this Policy to prohibit the acquisition of risk beyond that encountered in the efficient optimization of RCEA's generation portfolio and execution of procurement strategies. As such, speculative transactions are prohibited. In the course of developing operating plans and conducting procurement activities, RCEA recognizes that expertise must be employed by TEA staff, and it is not the intent of this Policy to restrain the legitimate application of analysis and market expertise in executing procurement strategies intended to minimize costs within the constraints of this Policy. If any questions arise as to whether a particular transaction constitutes speculation, the RMT shall review the transaction(s) to determine whether the transaction would constitute speculation and document its finding in the meeting minutes.

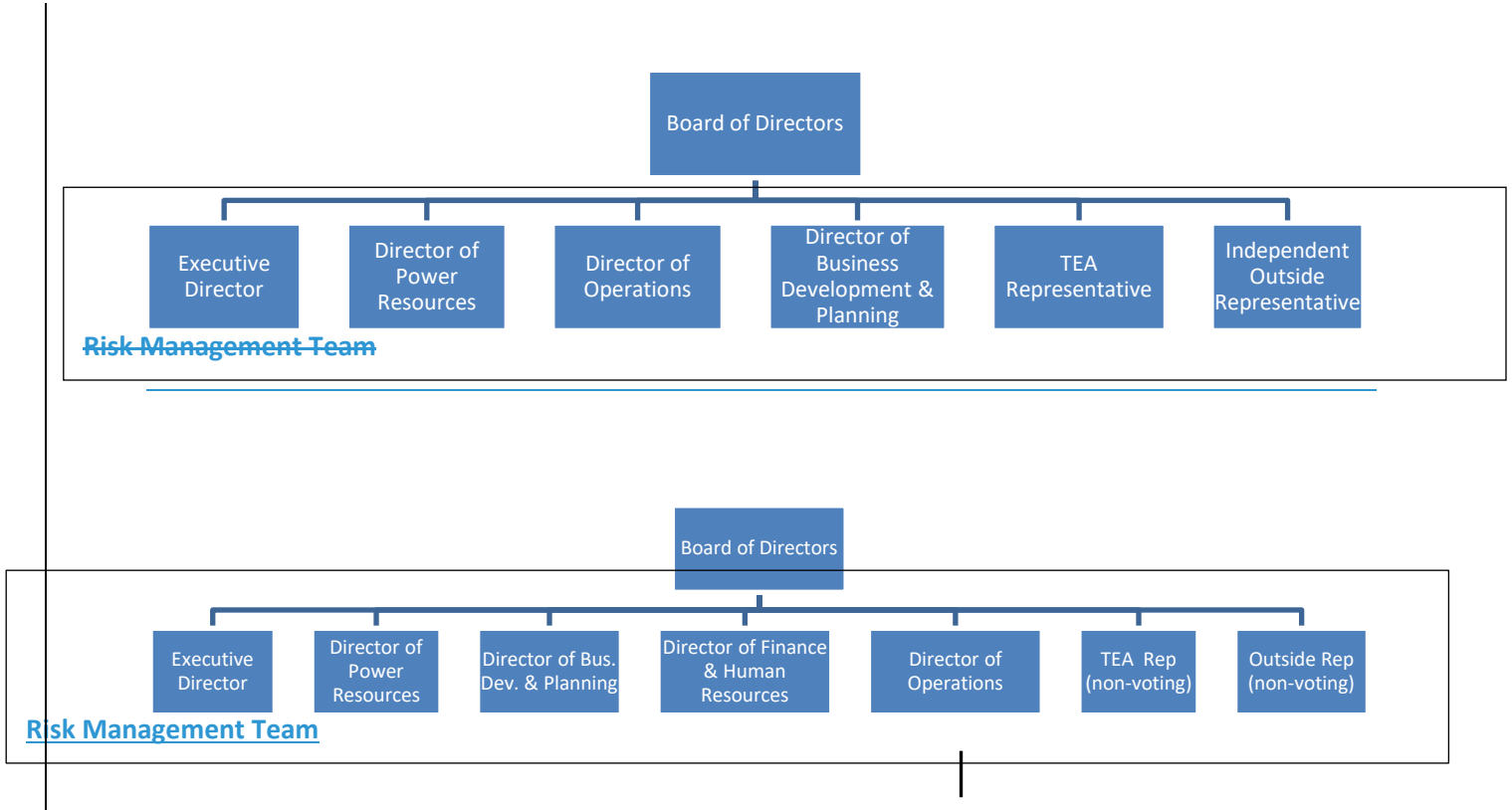
### **3.10 Policy Compliance**

~~The TEA's Middle Office will provide a daily report monitoring compliance with the limits established by this Policy.~~

## Section 4: ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

### 4.1 Risk Management Organizational Structure

Below is a high-level organization chart describing RCEA's risk management governance.



### 4.2 Board of Directors

The RCEA Board of Directors has the responsibility to review and approve this Policy. With this approval, the Board assumes responsibility for understanding the risks RCEA is exposed to due to CCA Program activity and how the policies outlined in this document help RCEA manage the associated risks. The Board of Directors is also responsible to:

- Determine RCEA strategic direction
- Understand the procurement strategy employed
- Approve risk exposures beyond the RMT's authority
- Approve voting Members of the RMT

### 4.3 Risk Management Team (RMT)

The RMT is responsible for implementing, maintaining and overseeing compliance of this Policy. The voting members of the RMT shall be Board-approved RCEA staff members. Additionally, an independent outside third-party representative, and a representative from TEA, will serve as non-voting members. Each voting member will be assigned one vote. The current voting members of the RMT are:

- Executive Director
- Director of Power ~~Resource~~[Resources](#)
- Director of Operations
- Director of Business Development and Planning
- ~~TEA Representative~~
- ~~Independent Outside Representative~~
- ~~The TEA representative will serve as the RMT Chairperson.~~ [Director of Finance and Human Resources](#)

The primary goal of the RMT is to ensure that the procurement activities of RCEA are executed within the guidelines of this Policy and are consistent with Board directives. The RMT is also responsible to consider and propose recommendations to this Policy when conditions dictate.

Pursuant to direction from the Board of Directors and the limitations specified by this Policy, the RMT and the Executive Director maintain full authority over all procurement activities for RCEA. This authority includes, but is not limited to, taking any or all actions necessary to ensure compliance with this Policy.

The RMT is responsible for overseeing implementation of this Policy, procurement strategies, and the adoption of new product types. The RMT is also responsible for ensuring procurement strategies are consistent with RCEA's strategic objectives and for reviewing financial results. The RMT shall meet at least quarterly and record business in meeting minutes that will be approved by the RMT. No decision of the RMT is valid unless a majority of voting members has stated approval with a quorum of voting members participating in the vote, including the Executive Director ~~and TEA Representative.~~ All decisions by the RMT, other than those made by common consent, shall be made by simple majority vote of the RMT members with the Executive Director having veto authority.

The RMT maintains the authority and responsibility to:

- Approve and ensure that all procurement strategies are consistent with this Policy;
- Determine if changes in procurement strategies are warranted;
- Approve new transaction types, regions, markets and delivery points-;
- Understand financial and risk models used by TEA;
- Understand counterparty credit review models and methods for setting and monitoring credit limits;
- Receive and review reports as described in this Policy;
- Meet to review actual and projected financial results and potential risks;
- Escalate to the Board of Directors with any risks beyond the RMT's authority;
- Review summaries of limit violations;
- Review the effectiveness of RCEA's energy risk measurement methods;
- Maintain this Policy;
- Monitor regulatory and legislative activities

## 4.4 Power Manager

The CCA has partnered with TEA as its Power Manager. TEA, as outlined in its Risk Policy, maintains a strong segregation of duties, also referred to as "separation of function" that is fundamental to manage and control the risks outlined in this Policy. The Power Manager will provide education to the RMT on the risk and credit models, methods and processes that it uses to fulfill its obligations under this Policy. Individuals responsible for legally binding the CCA to a transaction will not also perform confirmation, ~~clearance~~ or ~~accounting settlement~~ functions. With this in mind, TEA's responsibilities are divided into front-middle-back office activities, as described below.

### 4.4.1 Power Manager - Front Office

~~The Front Office of the Power Manager reports to the Director of Power Resources.~~ The Power Manager's Front Office has overall responsibility for (1) managing all commodity and transmission activities related to procuring and delivering resources needed to serve CCA's load, (2) the analysis of fundamentals affecting load and supply factors that determine CCA's net position, and (3) transacting within the limits of this Policy, and associated policies, to balance loads and resources, and maximize the value of CCA's assets through the exercise of approved optimization strategies. Other duties associated with these responsibilities include:

- a. Assist in the development and analysis of risk management hedging products and strategies, and bring recommendations to the RMT
- b. Prepare each month a monthly operating plan for the prompt months that gives direction to the day-ahead and real-time trading and scheduling staff regarding the bidding and scheduling of CCA's resource portfolio in the CAISO market
- c. Develop, price and negotiate hedging products
- d. Forecast day-ahead and monitor/ forecast same-day loads
- e. Keep accurate records of all transactions they enter

### 4.4.2 Power Manager – Middle/Back Office

~~The Power Manager Middle and Back Offices will report to the Director of Business Development and Planning.~~ The Power Manager Middle Office provides independent market and credit risk oversight. The Power Manager Middle Office is functionally and organizationally separate from the Front Office. The Power Manager Back Office provides support with a wide range of administrative activities necessary to execute and settle transactions and to support the risk control efforts (e.g. transaction entry and/or checking, data collection, billing, etc.) consistent with this Policy. The Power Manager Back Office is functionally and organizationally separate from the Front Office.

The Power Manager's Middle and Back Offices have primary responsibility for trading controls and for ensuring agreement with counterparties regarding the terms of all trades, including forward trading. The Power Manager has the primary responsibility for:

- a. Estimating and publishing daily forward monthly power and natural price curves for a minimum of the balance of the current year through the next calendar year
- b. Calculating and maintaining the net forward power positions of CCA

- c. Ensuring- that -CCA adheres to all risk- policies- and procedures of both CCA and the Power Manager in letter and in intent
- d. Maintaining the overall -financial -security of transactions undertaken by the Power Manager on behalf of CCA
- e. Implementing and enforcing credit policies and limits
- f. Handling confirmation of all ~~power and natural gas trades (physical and financial)~~ transactions -and reconciling differences with the trading counterparties
- g. Reviewing trade tickets for adherence to approved limits
- h. Ensuring all trades have been entered into the appropriate system of record
- i. Ensuring that both pre-schedule and actual delivery volumes and prices are entered into the physical database
- j. Carrying out month-end checkout of all ~~physical and financial~~ transactions each month
- k. Reviewing models and methodologies and recommending RMT approval

## Section 5: DELEGATION OF AUTHORITY

With the approval of the Policy, the RCEA Board is explicitly delegating operational control and oversight to the RMT and Power Manager, as outlined through this Policy. Specifically, to facilitate daily operations of the CCA, the Board is delegating transaction execution authorities shown in the table below.

Position	Maturity Limit	Term Limit	Volume Limit (MWh) <sup>1</sup>	Value Limit <sup>2</sup>
Risk Management Team	30 Months	24 Months	500,000	\$2,000,000
Executive Director	24 Months	18 Months	375,000	\$1,000,000
TEA	18 months	12 Months	250,000	\$500,000

<sup>1</sup>Volume limit applies only to energy purchases, ~~including index-based renewable and carbon-free energy purchases.~~

<sup>2</sup>Value limits apply to non-energy product transactions (e.g., Resource Adequacy ~~and Renewable Energy Credits.~~)

These authorities will be applied to wholesale power activity executed outside of the California Independent System Operator (“CAISO”) markets. These limits provide both RCEA and TEA needed authorities to manage risks as they arise. Transactions falling outside the delegations above require Board approval prior to execution. Activity with CAISO is excluded from this table due to the nature of the market, where prices for activity may not be known until after transactions are committed.

All procurement executed under the delegation above, must align with the RCEA’s underlying risk exposure ([load requirements](#), locational and temporal) that is being hedged consistent with the approved ***Procurement Strategy***.

### 5.2 Monitoring, Reporting and Instances of Exceeding Risk Limits

The TEA Middle Office is responsible for monitoring, and reporting compliance with, all limits within this Policy. If a limit or control is violated, the TEA Middle Office will send notification to the trader responsible for the violation and the RMT. The RMT will discuss the cause and potential remediation of the exceedance to determine next steps for curing the exceedance.

## Section 6: CREDIT POLICY

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During startup of the CCA, it is expected that transactions will be executed by TEA on TEA agreements, and with this activity RCEA is exposed to pass-through credit risk. As the CCA builds its own counterparty master trading agreements, transactions executed on CCA agreements will carry direct credit risk. For activity on TEA and/or CCA agreements, RCEA will adopt a scaling methodology to adjust TEA's credit limits to RCEA's risk tolerance. For scaling with RCEA counterparties, where an agreement exists between RCEA and an entity, the RMT will approve changes to credit limits, otherwise TEA will automatically scale the TEA limit to the RCEA risk tolerance.

All procurement activities executed by TEA on behalf of RCEA, using TEA's counterparty agreements, will be subject to the credit policies and procedures outlined in TEA's Energy Risk Management Policy. TEA's credit policy requires that all Counterparties be evaluated for creditworthiness by the TEA Middle Office prior to execution of any transaction and no less than annually thereafter. Additionally, Counterparties shall be reviewed if a change has occurred, or perceived to have occurred, in market conditions or in a company's management or financial condition. This evaluation, including any recommended increase or decrease to a credit limit, shall be documented in writing and includes all information supporting such evaluation in a credit file for the counterparty. A credit limit for a Counterparty will not be recommended, or approved without first confirming the Counterparty's senior unsecured or corporate credit rating from one of the nationally recognized rating agencies and/or performing a credit review or analysis of the Counterparty's or guarantor's financial statements. The TEA credit analysis shall include, at a minimum, current audited financial statements or other supplementary data that indicates financial strength commensurate with an investment grade rating. Trade and banking references, and any other pertinent information, may also be used in the review process.

Counterparties that do not qualify for a Credit Limit must post an acceptable form of credit support or Prepayment prior to the execution of any transaction. A Counterparty may choose to provide a guarantee from a third party, provided the third party satisfies the criteria for a Credit Limit as outlined in TEA's Energy Risk Management Policy.

### 6.1 Credit Limit and Monitoring

In executing transactions on RCEA's behalf, TEA will observe a pass-through counterparty credit maximum limit equal to \$1.0 million.

The TEA Middle Office will establish continuous monitoring of the current credit exposure for each Counterparty with whom TEA transacts on behalf of RCEA and include such information in the Current Counterparty Credit Risk Report. This report will be made available, reviewed and communicated to the RMT pursuant to the reporting requirements outlined in Section 7.



## Section 7: POSITION TRACKING AND MANAGEMENT REPORTING

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Minimum reporting requirements are shown below. The reports outlined below will be made available to RMT members and TEA staff:

- **Daily Financial Model Forecast**

Latest projected financial performance, marked to current market prices, and shown relative to financial goals.

- **Monthly Net Position Report**

Prepare a forward net position report, not less frequently than monthly, and report the results to the RMT.

- **Monthly Pass-through Counterparty Credit Exposure**

This report will show how the credit exposures for transactions that TEA executes on behalf of RCEA will pass-through TEA to RCEA.

- **Monthly Risk Analysis**

This will include a Cash Flow at Risk and stress test of financial forecast relative to financial goals.

- **Quarterly Board Report**

Update on activities and projected financial performance to be presented quarterly at RCEA Board meetings.

## **Section 8: POLICY REVISION PROCESS**

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RCEA's Energy Risk Management Policy will evolve over time as market and business factors change. At least on an annual basis, the RMT will review this Policy and associated procedures to determine if they should be amended, supplemented, or updated to account for changing business and/or regulatory requirements. If an amendment is warranted, the Policy amendment will be submitted to the RCEA Board for approval. Changes to appendices to this Policy may be approved and implemented by the RMT.

### **8.1 Acknowledgement of Policy**

Any RCEA employee participating in any activity or transaction within the scope of this Policy shall sign, on an annual basis or upon any revision, a statement approved by the RMT that such employee has:

- Read RCEA's Energy Risk Management Policy
- Understands the terms and agreements of said Policy
- Will comply with said Policy
- Understands that any violation of said Policy shall be subject to employee discipline up to and including termination of employment.

### **8.2 Policy Interpretations**

Questions about the interpretation of any matters of this Policy should be referred to the RMT.

All legal matters stemming from this Policy will be referred to General Counsel.

## Appendix A: AUTHORIZED TRANSACTION TYPES, REGIONS AND MARKETS

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All transaction types listed below must be executed within the limits set forth in this Policy. *(The following transaction types can be 'nonstandard' at RCEA subject to RMT approval)*

### Over the Counter Products

- CAISO Market Products
  - Day-ahead and Real-time Energy
  - Congestion Revenue Rights
  - Convergence
  - Inter Scheduling Coordinator Transactions
  - Tagging into and out of CAISO
- Physical Power Products
  - Short and Long-Term Power ~~and Natural Gas~~
  - Physical OTC Options
- Physical Resource Adequacy Capacity
- Physical Environmental Products
  - Renewable Energy Credits
  - Specified Source Power
  - Carbon Allowances and Obligations
- ~~• Financial Power and Natural Gas~~
  - ~~○ Short and Long-Term Swaps~~
  - ~~○ Options on Swaps~~

The point of delivery for all products must be at a location on the CAISO transmission grid.

## Appendix B: NEW TRANSACTION APPROVAL FORM

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### New or Non-Standard Transaction Approval Form

**Prepared By:**

**Date:**

**New or Non-Standard Transaction Name:**

**Business Rationale and Risk Assessment:**

- Product description – including the purpose, function, expected impact on net revenues (i.e. increase, manage volatility, control variances, etc.) and/or benefit to RCEA
- Identification of the in-house or external expertise that will be relied upon to manage and support the new or non-standard transaction
- Assessment of the transaction’s risks, including any material legal, tax or regulatory issues
- How the exposures to the risks above will be managed by the limit structure
- Proposed valuation methodology (including pricing model, where appropriate)
- Proposed reporting requirements, including any changes to existing procedures and system requirements necessary to support the new product
- Proposed accounting methodology
- Proposed Middle Office work flows/methodology, including systems
- Brief description of the responsibilities of various departments within RCEA who will have any manner of contact with the new or non-standard transaction

**Reviewed by:**

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**Director of Power Resources**

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**Date**

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**Director of Business Development and Planning**

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**Date**

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**TEA Representative**

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**Date**

---

**Executive Director**

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**Date**

## Appendix C: DEFINITIONS

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[TBD]

[Terms in Appendix A]

Cash Flow at Risk:

CAISO:

CCA:

CFTC:

Clearance (power management):

Commodity (section 3.2):

**Back Office:** That part of a trading organization which handles transaction accounting, confirmations, management reporting, and working capital management.

**Bilateral Transaction:** Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

**Cash Flow at Risk:** A measure of the potential shortfall in cash flow from a specified level during a specified period of time at a specified confidence level. The CFaR of any Portfolio is equal to the Portfolio's current Mark-to-Market value less its Terminal Value.

**CAISO:** California Independent System Operator. CAISO operates a California bulk power transmission grid, administers the State's wholesale electricity markets, and provides reliability planning and generation dispatch.

**CCA:** Community Choice Aggregator. CCAs allow local government agencies such as cities and/or counties to purchase and/or develop generation supplies on behalf of their residents, businesses and municipal accounts.

**CFTC:** Commodity Futures Trading Commission. The CFTC is a U.S. federal agency that is responsible for regulating commodity futures and swap markets. Its goals include the promotion of competitive and efficient futures markets and the protection of investors against manipulation, abusive trade practices and fraud.

**Commodity:** A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

**Confirmation (power management):** Letter: A letter agreement between two counterparties that details the specific commercial terms (e.g., price, quantity and point of delivery) of a transaction.

**Congestion Revenue Right:** A point-to-point financial instrument in the Day-Ahead Energy Market that entitles the holder to receive compensation for or requires the holder to pay certain congestion related transmission charges that arise when the transmission system is congested.

**Counterparty credit risk:** The risk of financial loss resulting from a counterparty to a transaction failing to fulfill its obligations.

**Day-ahead:** Market: The short term forward market for efficiently allocating transmission capacity and facilitating purchases and sales of energy and scheduled bilateral transactions; conducted by an Organized Market prior to the operating day.

**Delivery point:** the point at which a commodity will be delivered and received.

~~Departing load:~~

~~FERC:~~

~~Franchise Fee:~~

~~Hedging products:~~

~~IOU: Investor Owned Utility~~

**Departing load:** A retail electricity consumer that elects to purchase generation services from an Energy Service provider rather than the local Investor Owned Utility.

**FERC:** Federal Energy Regulatory Commission. FERC is a federal agency that regulates the interstate transmission of electricity, natural gas and oil. FERC also reviews proposals to build liquefied natural gas terminals, interstate natural gas pipelines, as well as licenses hydroelectric generation projects.

**Front Office:** That part of a trading organization which solicits customer business, services existing customers, executes trades and ensures the physical delivery of commodities.

**Franchise Fee:** A franchise fee is a percentage of gross receipts that an IOU pays cities and counties for the right to use public streets to provide gas and electric service. The franchise fee surcharge is a percentage of the transmission (transportation) and generation costs to customers choosing to buy their energy from third parties. IOUs collect the surcharges and pass them through to cities and counties.

**Hedging products:** Hedging products means capacity, energy, renewable energy credits or other products related to a specific transaction.

**Hedging Transaction:** A transaction designed to reduce the exposure of a specific outstanding position or portfolio; “fully hedged” equates to complete elimination of the targeted risk and “partially hedged” implies a risk reduction of less than 100%.

**IOU:** An Investor Owned Utility (IOU) is a business organization providing electrical and/or natural gas services to both retail and wholesale consumers and is management as a private enterprise.

**Limit structure:** A set of constraints that are intended to limit procurement activities.

**Limit violation:** Any time a defined limit is violated.

~~Market:~~

~~Net forward:~~

~~Nonstandard:~~

**Middle Office:** That part of a trading organization that measures and reports on market risks, develops risk management policies and monitors compliance with those policies, manages contract administration and credit, and keeps management and the Board informed on risk management issues.

**Net Forward Position:** A forecast of the anticipated electric demands of a load serving entity compared to existing resource (generation and/or power purchase agreements) commitments.

**Nonstandard:** Nonstandard refers to any product that is not commonly transacted among market participants in forward markets. The nonstandard attribute of the product could be a function of a number of factors such as volume, delivery period and/or term.

**Opt-out: Rate:** Typically expressed as a percentage, the Opt-out Rate measures the ratio of eligible customers of a CCA that have elected to remain a bundled service customer of the IOU rather than take generation services from the CCA.

**PCIA:** Power Cost Indifference Adjustment. The PCIA is intended to compensate IOUs for their stranded costs when a bundled customer departs and begins taking generation services from a CCA.

~~Power Manager:~~

~~Power procurement:~~

~~Pre-schedule:~~

~~Region:~~

~~Retail load:~~

~~RMT: Risk Management Team~~

~~Separation of function:~~

~~Settlement:~~

**Schedule:** Schedule or Scheduling means the actions of the counterparts to a transaction, and/or their designated representatives, of notifying, requesting and confirming to each other the quantity and type of product to be delivered on a given day.

**Separation of function:** Separation of function, also referred to as “segregation of duties,” is part of a complete risk control framework. Individuals responsible for legally binding the organization to a transaction should not also perform confirmation, clearance or accounting functions. RCEA will maintain appropriate segregation of duties in its organization and activities.

**Settlement:** Settlement is the process by which counterparties agree on the dollar value and quantity of a commodity exchanged between them during a particular time interval.

**Speculation:** Speculation is the act of trading an asset with the expectation of realizing financial gain resulting from a change in price in the asset being transacted.

**Stranded cost:** Stranded costs commonly refer to generation costs that an IOU (although could be any load serving entity) is allowed to collect from customers through retail rates but that will not be recovered if the generation is sold in wholesale electricity markets.

~~Stress testing:~~

~~TEA: The Energy Authority~~

~~Trade ticket:~~

~~Transaction type:~~

~~Valuation methodology:~~

**Stress testing:** Stress testing is the process of simulating different financial outcomes to assess potential impacts on projected financial results. Stress testing typically evaluates the effect of negative events to help inform what actions may be taken to lessen the negative consequences should such an event occur.

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**STAFF REPORT**  
**Agenda Item # 8.1**

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director Lori Biondini, Director of Business Development and Planning
SUBJECT:	Review/Update Board Guidelines on CCE-Funded Customer Programs

**SUMMARY**

The Board adopted Community Choice Energy (CCE) program guidelines in September 2016 that included an initial allocation of up to \$1 million per year for customer programs that fit within the following four categories:

- **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.

The guidelines document provides a framework for the launch phase of the CCE program, which is defined as years 1-5 of operation, and may need to be adaptively managed based on market conditions and other considerations. At the February 2018 meeting, the Board discussed potentially changing the customer programs section of the document to include goals that may not be fully captured in the above categories.

Staff is requesting that the Board consider whether the existing guidelines are sufficiently broad to accommodate new program ideas that would fulfil RCEA’s larger CCE goals; or suggest changes that would be incorporated into an updated document that the Board would need to adopt by resolution at a future meeting.

**RECOMMENDED ACTION**

Consider updates to the Community Choice Energy customer program guidelines.

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**STAFF REPORT  
Agenda Item # 8.2**

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Lou Jacobson, Director of Demand-Side Management Richard Engel, Director of Power Resources Lori Biondini, Director of Business Development and Planning Dana Boudreau, Director of Operations Steve Edmiston, Director of Finance and Human Resources
SUBJECT:	Adoption of CCE Customer Programs Approval Process

**SUMMARY**

In the Board's February 2018 meeting the Board directed staff to develop and present a proposed process for selecting new customer programs to be supported with Community Choice Energy (CCE) revenues. The Board's expressed intent was that the process includes public input while conforming to the CCE program's launch period guidelines, adopted in September 2016.

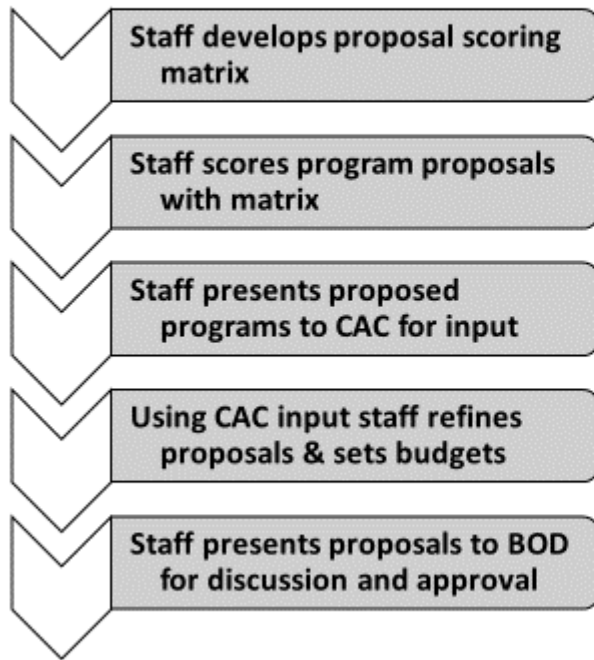
After consideration of how best to efficiently identify and plan for new programs, staff recommends adopting multiple pathways for evaluating and approving new programs:

1. A competitive proposal and approval process, as outlined in the diagrams on the following page.
2. A non-competitive proposal and approval process for programs that are generally cost-neutral to RCEA. Examples could include a customer electricity-demand reduction incentive based on the associated wholesale power cost reductions, or a heat-pump water heater incentive based on the net-revenue increase from the associated additional electricity sales. Programs in this category would still be reviewed and discussed by the Community Advisory Committee (CAC) but would be exempt from competitive review alongside the non-cost-neutral proposals.
3. At the Board's discretion, program funding can be allocated outside of the above processes when there is a unique or urgent opportunity. This would include providing match funding for grant opportunities that bring additional resources into the community that would not otherwise be available.

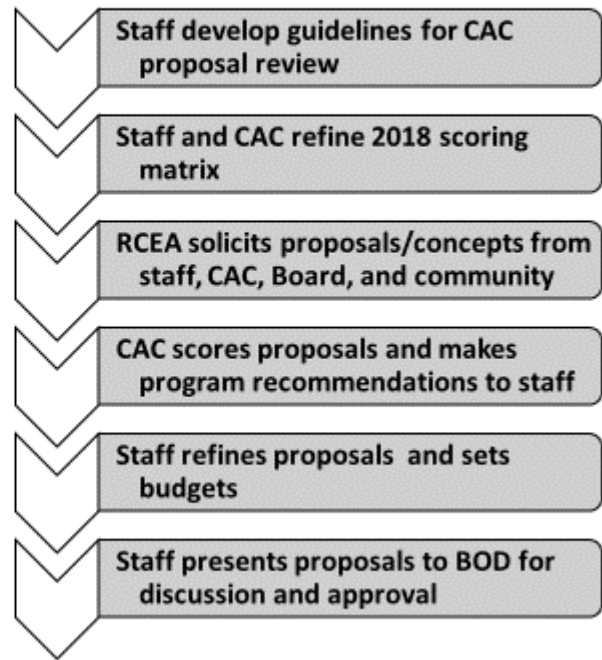
Staff have already begun to consider new program development options informed by the Board's guidelines adopted in 2016 and therefore recommends rolling out the proposed pathways in two phases. Phase 1 would remain mostly staff-driven and implemented right away; Phase 2 would begin in calendar year 2019 and would incorporate greater public participation and extensive involvement by the Community Advisory Committee.

Future processes in 2020 and beyond would be adapted to incorporate lessons learned in 2018 and in 2019.

### Phase I: Program Identification and Approval Process through 2018



### Phase 2: Program Identification and Approval Process for 2019



### FINANCIAL IMPACTS

As reported by staff in the Board's February 2018 meeting, estimated funds available for customer programs through the end of calendar year 2018 are \$400,000. Customer programs budget for future years is unknown and will depend on the CCE program's financial performance but is targeted to be larger than the current customer programs budget. Our current CCE program guidelines call for "up to \$1,000,0000 per year" for customer programs.

### RECOMMENDED ACTION

Adopt the CCE-funded customer program evaluation and selection process for 2018 and 2019 as outlined in the staff report.



**STAFF REPORT**  
**Agenda Item # 9.1**

AGENDA DATE:	April 16, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director updates

**SUMMARY**

The Executive Director will provide updates on three items at the meeting:

1. A report on the International Offshore Wind Partnering Forum which the Executive Director attended in New Jersey on April 3-6.
2. Information on the upcoming California Energy Commission “Integrated Energy Policy Report” workshop that will be held on Friday, April 20 from 9 a.m. - 1 p.m. at the D Street Neighborhood Center in Arcata. An agenda for the meeting is attached.
3. A report on the RCEA Community Advisory Committee meeting that took place on April 10.

**RECOMMENDED ACTION**

N/A – information only.

**ATTACHMENT**

CEC Integrated Energy Policy Report Workshop Agenda.



**California Energy Commission  
Meeting Schedule: IEPR and Siting Lead Commissioner Workshop  
North Coast Energy Perspective**

**Friday, April 20, 2018 – 9:00 a.m.**

**Arcata D Street Community Center  
1301 D Street, Arcata California 95521**

**Introduction (9:00)**

Heather Raitt, Integrated Energy Policy Report Program Manager

**Opening Comments (9:05)**

Comm. Karen Douglas, California Energy Commission  
Comm. David Hochschild, California Energy Commission  
Supervisor Estelle Fennell, Humboldt County

**North Coast Energy Perspective (9:20)**

*Discussion of the North Coast's regional challenges, opportunities, goals, projects, and solutions to meet California's climate and clean energy goals.*

Dana Boudreau, Redwood Coast Energy Authority  
Peggy O'Neill, Yurok Tribe  
Jim Zoellick, Schatz Energy Research Center  
Andrea Alstone, Humboldt State University

**Energy Resiliency and Microgrids (10:20)**

*The North Coast is at risk from climate change, earthquake, tsunami, mudslides and forest fires. This panel will present and discuss energy resiliency efforts and microgrids.*

Jana Ganion, Blue Lake Rancheria  
Dave Carter, Schatz Energy Research Center  
Jon Stallman, Pacific Gas and Electric

**Offshore Wind (11:30)**

*The North Coast's strong wind resource, existing port, and established energy infrastructure offer potential for floating offshore wind development. This panel will present and discuss statewide offshore wind development planning efforts, permitting process, and opportunities and challenges along the North Coast of California.*

Necitas Sumait, Bureau of Ocean Energy Management  
Scott Flint, California Energy Commission  
Steve Chung, Department of Navy  
Jon Stallman, Pacific Gas and Electric  
Richard Engel, Redwood Coast Energy Authority

**Public Comments**

**Closing Comments**

**Adjourn**