



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING AGENDA

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

June 18, 2018
Monday, 3:15 p.m.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at www.redwoodenergy.org.

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

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 May 21, 2018, 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 Offshore Wind Development

a. Establish Offshore Wind Project Phase 1 Board Subcommittee.

b. Provide input and direction on proposed next steps.

c. Approve Offshore Wind Energy Development Cooperation Agreement with EDPR Offshore North America, Principle Power, and Aker Solutions, and

authorize the Executive Director to execute the agreement and any other associated documents as necessary, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

- d. Authorize staff to submit an outer-continental shelf offshore wind unsolicited lease request to the Bureau of Ocean Energy Management, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

6. NEW BUSINESS

6.1 Fiscal Year 2018-19 Budget

- a. Adopt RCEA Fiscal Year 2018-19 Budget.
- b. Establish FY18-19 Board Finance Subcommittee.

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 PG&E and RCEA Joint Rate Comparison Mailer (information only, no action)

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

- 9.1 Executive Director
 - Terra-Gen Monument Ridge Wind Project

10. ADJOURNMENT

NEXT REGULAR MEETING

Monday, July 16, 2018, 3:15 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



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DRAFT BOARD OF DIRECTORS MEETING MINUTES

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

**May 21, 2018
Monday, 3:15 p.m.**

A regular meeting of the Board of Directors of the Redwood Coast Energy Authority was held on the above date at 3:16 p.m. with Chair Woo presiding. Notice of this meeting was posted on May 17, 2018.

Present: Chair Sheri Woo, Vice Chair Michael Winkler, Directors Bobbi Ricca, Frank Wilson, Michael Sweeney, Dwight Miller

Absent: Directors Austin Allison, Estelle Fennell, Dean Glaser

1. REPORTS FROM MEMBER ENTITIES

Chair Woo attended an Association of California Water Agencies conference. Many water agencies are beginning to install solar energy systems with batteries because it is cost effective due to the high energy requirements of water treatment and pumping.

Vice Chair Winkler reported that the California Energy Commission mandated photovoltaic panels for all new residential construction beginning in 2020.

2. ORAL COMMUNICATIONS

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

3. CONSENT CALENDAR

3.1 Approve Minutes of April 16, 2018, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Approve Contract Addendum No. 2 "Scope of Services – Peak Day Pricing Alerting Services Pilot" to Professional Services Agreement Between Calpine Energy Solutions, LLC and Redwood Coast Energy Authority, and Authorize Board Chair to Execute the Agreement Addendum and any Associated Documents.

3.5 Adoption Resolution No. 2018-5 of the Redwood Coast Energy Authority Authorization for Electronic Submission of Any and All Data Required by RDApply Intake System.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Miller, Wilson: Approve consent calendar items.

The motion passed on a unanimous voice vote. Ayes: Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Allison, Fennell, Glaser. Abstentions: None.

4. REMOVED FROM CONSENT CALENDAR ITEMS - None.

5. OLD BUSINESS

5.1 FY 17-18 Budget Revisions

Director Fennell arrived at 3:21 p.m. Director Allison arrived at 3:26 p.m.

Executive Director Matthew Marshall reported on adjustments to the fiscal year 2017-2018 budget.

In response to requests for more detailed information from Directors Wilson and Fennell, Executive Director Marshall stated that community choice aggregators (CCAs) often appoint a finance committee to analyze wholesale power supply budgets which may contain information that, if revealed to parties with whom the agency might later negotiate, could work against ratepayers' interests.

Directors Fennell, Wilson and Woo expressed interest in creating a finance committee.

Director Fennell requested that The Energy Authority's Jeff Fuller repeat his overview presentation of CCA credits, cash flow, and energy distribution for the entire board.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Miller, Sweeney: Approve the following adjustments to the FY17-18 RCEA Annual Budget expense categories:

- 1. Electricity Sales Revenue – decrease to \$46,430,000.**
- 2. CAISO Energy Charges – decrease to \$2,600,000.**
- 3. CAISO Non-Energy Charges – decrease to \$1,200,000.**
- 4. Resource Adequacy – decrease to \$1,900,000.**
- 5. Energy Hedges Notional Value – increase to \$20,660,000.**
- 6. Humboldt Redwood Company – increase to \$6,570,000.**
- 7. DG Fairhaven – add to “Local Power Purchase Agreements” at \$960,000.**
- 8. Reserve Requirement Contributions – decrease to \$3,000,000.**

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

5.2 Update on Offshore Wind Development Partnership Negotiations

Executive Director Marshall reported that RCEA and its three offshore wind project partners would like to list RCEA as the applicant on the federal Bureau of Ocean Energy

Management (BOEM) lease application, rather than first creating a new project company then submitting the application. Counsel Nancy Diamond clarified that the lease would acknowledge the underlying agreement between RCEA and its partners that is currently being negotiated. Executive Director Marshall added that transferring the lease from RCEA to a joint venture entity later is not a difficult process but negotiating a four-way joint venture agreement in a short timeframe is.

Director Winkler requested a draft timeline identifying milestones and rough estimates of each phase's duration. Executive Director Marshall stated that RCEA and its partners' goal is to submit the BOEM lease application this summer. The underlying agreement will be brought before the Board for approval and will identify project scope, phases, a timeline and funding sources. Counsel Diamond confirmed that the initial agreement would serve as an umbrella agreement and address the details of the initial phase of the project and will be supplemented with future agreements for the different project phases. Future phases and agreements will be contingent on reaching milestones in prior phases.

Chair Woo commended Executive Director Marshall on representing RCEA well in the project's press coverage.

Chair Woo opened the public comment period.

Member of the public Jim Zoellick of Schatz Energy Research Center inquired about who is paying for the BOEM application. Executive Director Marshall explained that Herrera Environmental Consultants, and H.T. Harvey and Associates are preparing the application and Principle Power is covering this expense.

Chair Woo closed the public comment period.

6. NEW BUSINESS

6.1 Preliminary FY 18-19 Budget Presentation

Executive Director Marshall presented a report on the draft fiscal year 2018-2019 budget.

Executive Director Marshall recommended creating a Board finance subcommittee to maintain transparency with the agency's decision-making body.

Director Fennell requested informing residents about local and renewable elements of RCEA's energy portfolio. Executive Director Marshall stated that RCEA does a mandated mailing with that information to ratepayers annually. He will present additional options to inform residents at the next Board meeting.

Upon inquiry by Director Wilson, Executive Director Marshall explained that RCEA only designates customer account information as confidential. He stated public power entities generally consider power purchase agreements to be proprietary information. Executive Director Marshall and Counsel Diamond will investigate whether other CCAs or municipal utilities have adopted proprietary information policies and what information

RCEA as a utility would be exempt from producing under the Public Records Act. Director Miller requested that a confidential business information policy be included on a future agenda.

Chair Woo requested comparisons with other CCAs on different budget items such as communications and outreach. Executive Director Marshall stated he would provide the Board with that information.

Director Fennell requested further discussion of solar electricity at a subsequent Board meeting. Executive Director Marshall reported RCEA received inquiries from local agencies, companies, and tribes about solar power generation. Director of Business Development and Planning Lori Biondini stated that staff often found that meeting onsite load demand often served organizations better than pursuing wholesale solar electricity production, and the public agency solar program was developed as a result. She and Director of Power Resources Richard Engel are developing a feed-in tariff program to standardize terms and conditions for small solar power generators. Director Winkler requested including a draft large-scale community solar contract in a future agenda. Staff Director Engel pointed out the Community Choice Energy (CCE) program's goal of allocating resources equitably among customers. Executive Director Marshall reiterated the Board's guidelines to generate 15 MW of solar energy locally within the first five years. He requested future discussion on whether supporting fewer large, wholesale solar power projects or many customer-focused solar programs is more beneficial to the community.

Chair Woo opened the public comment period.

Member of the public Ellen Golla stated that people care very much about how much of their electric bill goes to local biomass. Director Wilson clarified that he stated people do not understand their electric bills. Executive Director Marshall explained that local biomass is projected to make up in the range of 20% of the 2018 power mix.

Chair Woo closed the public comment period.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Woo determined there was a quorum present to conduct CCE business.

7. OLD CCE BUSINESS

7.1 Approve Revisions to CCE Program Guidelines

Adopt Resolution 2018-6 Approving Revisions to the Community Energy Program Launch-Period Strategy and Targets.

Executive Director Marshall suggested discussing support for solar goals at a future meeting.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Fennell, Allison: Adopt Resolution 2018-6 Approving Revisions to the Community Energy Program Launch-Period Strategy and Targets.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).

8. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Director Demand-Side Management

- PG&E Partnership Update

Director of Demand-Side Management Lou Jacobson provided an overview of past, current and potential future partnership agreements with PG&E for providing energy efficiency services. He stated RCEA will likely begin focusing PG&E funded work on public agencies and seek different ways to support continuing residential and small business services. He stated the PG&E contracting process for the next several years is expected to begin soon.

Staff Director Jacobson clarified that PG&E's changes did not involve infrastructure maintenance, only home-energy efficiency upgrades. Director Winkler inquired if the defunded programs could be funded through Community Choice Energy programs revenues. Executive Director Marshall confirmed that they could, adding that staff is also evaluating becoming an energy efficiency program administrator to directly access CPUC funding.

Chair Woo opened the public comment period.

Member of the public Jim Zoellick recounted that RCEA was founded because rural communities were not well-served by energy efficiency programs. Mr. Zoellick hoped RCEA would continue providing services locally, especially to seniors and low-income residents. He reminded the Board that 70% of Humboldt County's building stock was built before the California Energy Code was implemented, and that it is difficult to cost-effectively upgrade this building stock.

Chair Woo closed the public comment period.

Directors Fennell, Allison and Winkler expressed concern over the changing partnership agreement and inquired about what action the Board could take to support the energy efficiency programs. Executive Director Marshall stated the CPUC was aware of RCEA and other local government partnerships' position on the issue. Further action will be determined when PG&E's proposals are known.

10. ADJOURNMENT

Chair Woo adjourned the meeting at 4:55 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board

DRAFT

Redwood Coast Energy Authority
Disbursements Report
For the Month of April, 2018

Type	Date	Num	Name	Memo	Amount
ACH	04/03/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180329	-17,017.34
Liability Check	04/05/2018	E-pay	EDD	499-0864-3 QB Tracking # 1449103214	-3,901.15
Liability Check	04/05/2018	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 1449143214	-19,758.82
Liability Check	04/05/2018	E-pay	EDD	499-0864-3 QB Tracking # 1449170214	-202.79
Bill Pmt -Check	04/06/2018	7745	AM Conservation	LED Stock	-495.85
Bill Pmt -Check	04/06/2018	7746	AT&T	March Telephone Service	-809.82
Bill Pmt -Check	04/06/2018	7747	Bicoastal Media, LLC	Exterior Lights Expo advertising	-469.00
Bill Pmt -Check	04/06/2018	7748	Bishop, M.	March mileage	-86.03
Bill Pmt -Check	04/06/2018	7749	Bithell, M.	March mileage reimbursement	-38.52
Bill Pmt -Check	04/06/2018	7750	Boudreau, D.	Purchase reimbursement - Shelving Unit	-162.74
Bill Pmt -Check	04/06/2018	7751	Burks, K.	March mileage	-163.39
Bill Pmt -Check	04/06/2018	7752	Chapman, R.	March mileage	-136.85
Bill Pmt -Check	04/06/2018	7753	Cougar Mountain Software, Inc.	On Site Training	-3,227.00
Bill Pmt -Check	04/06/2018	7754	Headwaters Fund - Interest	RCEA loan March 2018 Interest 3846000 800190	-50,000.00
Bill Pmt -Check	04/06/2018	7755	Hilson, D.	March mileage reimbursement	-65.97
Bill Pmt -Check	04/06/2018	7756	HSU Fdn FCEV ARV-14-055	FCEV-55	-2,724.21
Bill Pmt -Check	04/06/2018	7757	Ichien, D.	March mileage reimbursement	-22.47
Bill Pmt -Check	04/06/2018	7758	Marshall, M.	March travel reimbursement	-783.98
Bill Pmt -Check	04/06/2018	7759	McMahon, J.	March mileage	-88.65
Bill Pmt -Check	04/06/2018	7760	Means, M.	March mileage	-133.86
Bill Pmt -Check	04/06/2018	7761	Mission Uniform & Linen	Janitorial supplies	-208.30
Bill Pmt -Check	04/06/2018	7762	NYLEX.net, Inc.	Troubleshoot voicemail issues	-100.00
Bill Pmt -Check	04/06/2018	7763	Owen, P.	March mileage reimbursement.	-108.07
Bill Pmt -Check	04/06/2018	7764	PG&E CCA	February CCE Charges	-27,505.28
Bill Pmt -Check	04/06/2018	7765	PG&E EV Account	EV stations February	-248.07
Bill Pmt -Check	04/06/2018	7766	PG&E Utility Account	February utilities/lighting upgrade financing	-1,091.98
Bill Pmt -Check	04/06/2018	7767	Pitney Bowes-Rental	March postage meter rental	-21.69
Bill Pmt -Check	04/06/2018	7768	Platt/Rexel	Bulb supplies	-15,854.55
Bill Pmt -Check	04/06/2018	7769	Ponting, W.	February & March mileage	-223.10
Bill Pmt -Check	04/06/2018	7770	Ramone's	Food Service - Contractor's Meeting	-201.94
Bill Pmt -Check	04/06/2018	7771	SDRMA Dental	April Premium	-1,727.73

Redwood Coast Energy Authority
Disbursements Report
For the Month of April, 2018

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/06/2018	7772	Terry, P.	March mileage	-38.47
Bill Pmt -Check	04/06/2018	7773	Times Printing Company	Mailers	-1,899.15
Paycheck	04/10/2018	EFT	Direct Deposit Payroll	Payroll 3/16 - 3/31/2018	-50,310.74
Paycheck	04/10/2018	7744	Paycheck	Payroll 3/16 - 3/31/2018	-2,728.22
ACH	04/11/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180405	-108,584.16
Bill Pmt -Check	04/12/2018	ACH	Board of Equalization	Electrical Energy Surcharge Return	-50,655.00
Bill Pmt -Check	04/13/2018	7774	ABC Office Equipment	April print charges/service contract.	-306.39
Bill Pmt -Check	04/13/2018	7775	Baginski, Eli	Mileage reimbursements	-14.45
Bill Pmt -Check	04/13/2018	7776	Boudreau, D.	D. Boudreau travel: NSSR Planning Meeting	-78.60
Bill Pmt -Check	04/13/2018	7777	CalTrans	CalTransShop 1 self-install rebate/Audit 5060.	-2,879.31
Bill Pmt -Check	04/13/2018	7778	City of Arcata	March High Energy Use Tax	-765.16
Bill Pmt -Check	04/13/2018	7779	City of Blue Lake	March Utility User Tax	-618.79
Bill Pmt -Check	04/13/2018	7780	City of Eureka-Water	Water service, 02/26/18-03/26/18	-141.78
Bill Pmt -Check	04/13/2018	7781	Cougar Mountain Software, Inc.	Subscription renewal	-4,724.93
Bill Pmt -Check	04/13/2018	7782	Diamond, Nancy	Legal services	-5,893.65
Bill Pmt -Check	04/13/2018	7783	Engel, R.	January Travel - CAICCA procurement meeting.	-51.80
Bill Pmt -Check	04/13/2018	7784	Feit Electric	LED Stock - PO#1227	-332.70
Bill Pmt -Check	04/13/2018	7785	Fin & Feather Pet Shop	Fin & Feather self-install rebate/Audit 5101.	-614.32
Bill Pmt -Check	04/13/2018	7786	Fischer, A.	Refreshments for USDA loan meeting.	-29.62
Bill Pmt -Check	04/13/2018	7787	Gosselin Tire	Gosselin Tire self-install rebate/Audit 5124.	-216.82
Bill Pmt -Check	04/13/2018	7788	Green Ideals	Consulting for CCE program - March	-150.00
Bill Pmt -Check	04/13/2018	7789	HCOE	Business Card Printing	-21.00
Bill Pmt -Check	04/13/2018	7790	Humboldt Builders' Exchange	Annual membership dues	-390.00
Bill Pmt -Check	04/13/2018	7791	HWMA	CFL disposal	-356.25
Bill Pmt -Check	04/13/2018	7792	KHSU-FM	Underwriting	-305.00
Bill Pmt -Check	04/13/2018	7793	Mattole Unified School District	MVCS self-install rebate/Audit 4693.	-264.23
Bill Pmt -Check	04/13/2018	7794	McKinleyville Chevrolet Buick	McK Chev. Buick self-install rebate/Audit 5007.	-4,604.64
Bill Pmt -Check	04/13/2018	7795	Mickey's Quality Cars	Mickey's self-install rebate / Audit 4893.	-1,418.86
Bill Pmt -Check	04/13/2018	7796	North Coast Cleaning	March Cleaning Service	-402.00
Bill Pmt -Check	04/13/2018	7797	Orick Elementary	Self-install Rebate / Audit 5091.	-2,039.57
Bill Pmt -Check	04/13/2018	7798	PG&E CCA	March CCE Charges	-21,880.04

Redwood Coast Energy Authority
Disbursements Report
For the Month of April, 2018

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	04/13/2018	7799	Platt/Rexel	PO #1229 Bulbs	-2,000.32
Bill Pmt -Check	04/13/2018	7800	Recology	March garbage service	-85.40
Bill Pmt -Check	04/13/2018	7801	SDRMA Medical	May premium.	-20,324.52
Bill Pmt -Check	04/13/2018	7802	Shred Aware	Dev. Emp. Svcs. self-install rebate/Audit 4515.	-474.94
Bill Pmt -Check	04/13/2018	7803	Sonoma County Office of Education	February 2018 Professional Services.	-50.00
Bill Pmt -Check	04/13/2018	7804	Taketa, L.	Reimbursements	-207.16
Bill Pmt -Check	04/13/2018	7805	Thrifty Supply Company	Thrifty Supply Co. self-install rebate/Audit 4678	-1,224.62
Bill Pmt -Check	04/13/2018	7806	Times Printing Company	Move in mailing service mailers	-740.55
Bill Pmt -Check	04/13/2018	7807	Verizon Wireless	Mar tablet/cell service for field staff/mobile broadband service.	-229.59
ACH	04/16/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180412	-90,828.65
ACH	04/16/2018	ACH	The Energy Authority	March 2018 Invoice	-2,105,068.89
ACH	04/16/2018	ACH	The Energy Authority	Balance of Jan 2018 Invoice	-200,000.00
Check	04/18/2018	7842	EUC Assessment:Zimmerman, Dara		-500.00
Bill Pmt -Check	04/20/2018	7808	AT&T	April Telephone Service	-2,143.61
Bill Pmt -Check	04/20/2018	7809	Bithell, M.	Bookshelf purchase	-25.00
Bill Pmt -Check	04/20/2018	7810	Bob White Electric	Services	-7,434.20
Bill Pmt -Check	04/20/2018	7817	Brant Electric	Replace motor assembly drives	-3,850.00
Bill Pmt -Check	04/20/2018	7818	Feit Electric	LED Stock - PO#1227-2	-393.59
Bill Pmt -Check	04/20/2018	7819	Humboldt Lighting, LLC.	Sylvania 10w 4' T8	-7,323.75
Bill Pmt -Check	04/20/2018	7820	Humboldt Lock & Safe	Alley door replacement.	-166.80
Bill Pmt -Check	04/20/2018	7821	Kenny, H.	Colored paper for safety clipboards	-5.32
Bill Pmt -Check	04/20/2018	7822	Kiwanis Club of McKinleyville	For the Kids Banner	-100.00
Bill Pmt -Check	04/20/2018	7823	Marshall, M.	M. Marshall Travel: New Jersey for "Offshore Wind Partnering Forum"	-1,770.05
Bill Pmt -Check	04/20/2018	7824	NYLEX.net, Inc.	Phone System Replacement	-7,777.34
Bill Pmt -Check	04/20/2018	7825	Pierson's Home Ctr	Miscellaneous	-244.30
Bill Pmt -Check	04/20/2018	7826	Times-Standard	Classified: HVAC project	-1,176.37
Bill Pmt -Check	04/20/2018	7827	Times Printing Company	#10 envelopes & #9 return	-913.81
Bill Pmt -Check	04/20/2018	7828	Times Printing Company	Mailers	-1,874.04
ACH	04/23/2018	ACH	The Energy Authority	RCEA - CAISO Invoice #20180419	-137,854.24
ACH	04/23/2018	ACH	Humboldt Redwood Company	March 2018 Biomass	-718,145.06
Paycheck	04/25/2018	EFT	Direct Deposit Payroll	Payroll 4/1 - 4/15/2018	-49,671.45

Redwood Coast Energy Authority
Disbursements Report
For the Month of April, 2018

Type	Date	Num	Name	Memo	Amount
Paycheck	04/25/2018	7811	Payroll	Payroll 4/1 - 4/15/2018	-2,728.21
Liability Check	04/25/2018	E-pay	EDD	499-0864-3 QB Tracking # 2143506114	-3,845.70
Liability Check	04/25/2018	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 2143543114	-19,476.24
Liability Check	04/25/2018	E-pay	EDD	499-0864-3 QB Tracking # 2143564114	-69.70
Liability Check	04/25/2018	7837	CA State Disbursement Unit	#200000001075867	-142.87
Liability Check	04/25/2018	7838	Umpqua Bank	74-3104616	-558.36
Liability Check	04/25/2018	7839	Calvert	74-3104616	-11,662.78
ACH	04/26/2018	ACH	CalPine Corporation	March 2018 Invoice	-115,759.99
Bill Pmt -Check	04/27/2018	7812	Advanced Security	Security monitoring for May-Jul.	-118.50
Bill Pmt -Check	04/27/2018	7813	AM Conservation	LED Stock	-504.53
Bill Pmt -Check	04/27/2018	7814	Environmental Indicator Accounting Svcs.	Training and report development.	-1,900.00
Bill Pmt -Check	04/27/2018	7815	Eureka Public Marina	Venue rental / CA Energy Commission meeting.	-235.00
Bill Pmt -Check	04/27/2018	7816	Eureka Rubber Stamp	Boad meeting nameplates.	-26.47
Bill Pmt -Check	04/27/2018	7829	FedEx	Shipping tool for repair	-150.83
Bill Pmt -Check	04/27/2018	7830	Green Ideals	Consulting for CCE program - February	-375.00
Bill Pmt -Check	04/27/2018	7831	Headwaters Fund - Interest	RCEA loan April 2018	-50,000.00
Bill Pmt -Check	04/27/2018	7832	Local Government Commission	CivicSpark services	-32,454.52
Bill Pmt -Check	04/27/2018	7833	PG&E Utility Account	March utilities/lighting upgrade financing	-911.87
Bill Pmt -Check	04/27/2018	7834	Platt/Rexel	PO #1229 Bulbs	-903.51
Bill Pmt -Check	04/27/2018	7835	Scrapper's Edge	Wide format printing & lamination	-37.49
Bill Pmt -Check	04/27/2018	7836	Winzler, John	Office Lease - May	-4,350.00
TOTAL					<u>-4,019,109.94</u>

Redwood Coast Energy Authority
Visa

For the Month of April, 2018

Date	Name	Memo	Amount
04/01/2018	Square	Card Reader Fee	45.00
04/16/2018	U-Verse	December DSL 11/9 - 12/8/16	95.89
04/25/2018	Uberconference	Conference call subscription	11.06
			<hr/> 151.95
		Total 2006 - VISA-3748	<hr/> 151.95 <hr/>

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Redwood Coast Energy Authority
Balance Sheet
As of April 30, 2018

	<u>Apr 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
1075 · Umpqua Reserve Account 2300	1,000,890.62
1070 · Umpqua Deposit Cntrl Acct 1687	538,499.51
1060 · Umpqua Checking-9271	475,324.58
1000 · COUNTY TREASURY 3839	5,065.52
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,204.58
Total Checking/Savings	2,035,399.16
Accounts Receivable	119,837.73
Other Current Assets	6,669,550.45
Total Current Assets	8,824,787.34
Fixed Assets	151,725.39
Other Assets	504,100.00
TOTAL ASSETS	<u>9,480,612.73</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	95,359.40
Credit Cards	590.98
Other Current Liabilities	
2001 · Accounts Payable-Other	3,906,283.98
2100 · Payroll Liabilities	122,712.98
2210 · Retentions Payable	3,051.78
Total Other Current Liabilities	4,032,048.74
Total Current Liabilities	4,127,999.12
Long Term Liabilities	
2700 · Long-Term Debt	
2703 · TEA Phase I & II	187,197.31
2701 · Lighting Upgrade	4,612.19
2702 · Headwaters Credit Line	605,637.15
Total Long Term Liabilities	797,446.65
Total Liabilities	4,925,445.77
Equity	4,555,166.96
TOTAL LIABILITIES & EQUITY	<u>9,480,612.73</u>

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

	Jul 2017 - Apr 2018	Budget	% of Budget
Income			
Total Revenue - government agencies	183,265	268,835	68%
Total Revenue - program related sales	26,387	15,000	176%
Total Revenue-nongovernment agencies	1,183,390	1,570,364	75%
Electricity Sales Revenue			
Electricity Sales - Retail Revenue	36,569,801	46,430,000	79%
Electricity Sales - Uncollectable Accounts	(109,710)	(140,208)	78%
Total Electricity Sales Revenue	36,460,091	46,289,792	79%
Total Income	37,853,132	48,449,983	78%
Expense			
WHOLESALE POWER SUPPLY			
CAISO			
Total CAISO Energy	2,165,677	2,600,000	83%
Total CAISO Non-Energy Charges	1,052,819	1,200,000	88%
Total CAISO	3,218,497	3,800,000	85%
Bilateral Activity			
Resource Adequacy	1,442,597	1,900,000	76%
Energy Hedges Notional Value	17,969,592	20,660,000	87%
Total RPS Settlements	1,126,500	1,126,500	100%
Low Carbon Settlements	103,772	518,145	20%
Total Bilateral Activity	20,642,460	25,640,221	81%
Local Power Purchase Agreements			
Humboldt Redwood Company	4,950,113	6,570,000	75%
DG Fairhaven	-	960,000	0%
Total Local Power Purchase Agreements	4,950,113	6,570,000	75%
TOTAL WHOLESALE POWER SUPPLY	28,811,070	36,010,221	80%
 PERSONNEL EXPENSES	 1,814,777	 2,506,578	 72%
 FACILITIES AND OPERATIONS	 140,101	 232,976	 60%
 COMMUNICATIONS AND OUTREACH	 61,122	 200,041	 31%
 TRAVEL AND MEETINGS	 23,352	 48,617	 48%
 PROFESSIONAL AND PROGRAM SERVICES			
Contracts - Program Related Services	71,667	242,029	30%
Wholesale Services - TEA	475,587	567,821	84%
Procurement Credit - TEA	646,285	725,576	89%
Data Management - Calpine	900,445	1,100,000	82%
Regulatory	37,253	145,000	26%
Accounting	34,800	45,000	77%
Legal	45,522	85,000	54%
PROFESSIONAL AND PROGRAM SERVICES	2,211,559	2,910,426	76%

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

	Jul 2017 - Apr 2018	Budget	% of Budget
PROGRAM EXPENSES	828,737	1,150,000	72%
INCENTIVES AND REBATES	410,425	460,000	89%
NON OPERATING COSTS	219,536	350,000	63%
Total Expense	34,520,679	43,868,859	79%
RESERVE REQUIREMENT CONTRIBUTIONS	1,000,891	3,000,000	33%
Net Income	2,331,562	1,581,125	147%

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STAFF REPORT
Agenda Item # 5.1

AGENDA DATE:	June 18, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director Nancy Diamond, Legal Counsel Lori Biondini, Director of Business Development & Planning
SUBJECT:	Offshore Wind Development

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 and RCEA Legal Counsel have had ongoing negotiations with the selected team, with the objective of a joint development agreement between:

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

The proposed strategy that has been developed for moving forward with the public-private partnership includes the following next steps:

1. Enter Into an Initial Cooperative Agreement

The four entities will enter into a cooperative agreement that defines project objectives and roles, general terms and conditions, establishes the project phases and associated timelines and milestones, and outlines the specific details of the activities and budget for Phase 1, which will include work up through securing site control of the project area from the Bureau of Ocean Energy Management (BOEM). This initial cooperative agreement will be supplemented by additional agreements as the subsequent phases of the project progress.

The overarching objective of the agreement is to develop a 100-150MW Humboldt County offshore wind project in accordance with the following key principles:

- Providing competitively priced renewable energy to electric customer ratepayers and recognizing that offshore wind energy needs to be competitive to be considered a long-term resource and solution for California as a whole;
- Prioritizing stakeholder engagement and acceptance to actively identify and address issues of local concern;

- Maximizing investment in local infrastructure development as Humboldt Bay develops into a potential hub for a broader-reaching offshore wind industry;
- Maximizing economic viability in which economic returns are adjusted to the level of risks; and
- Developing an environmentally-sound project.

Staff will present the project timeline and additional specifics of the Cooperative Agreement at the Board meeting. The draft agreement is being actively refined but is not ready for review as of the drafting of this staff report and so will be provided as soon as possible in advance of the meeting. Should the draft agreement not be available in time for review, the Board is being asked to hold a special meeting in late June or early July in order to not delay project activities an additional month.

2. Establish a Redwood Coast Offshore Wind “Special Purpose Vehicle”

During the first phase of the project, one of the central activities will be to establish a “Redwood Coast Offshore Wind” project company or Special Purpose Vehicle (SPV). As is standard practice for energy development projects, the SPV will be the jointly owned/managed entity that will be the developer and owner/operator of the project. EDPR, Principle Power, and Aker Solutions will work to set up the SPV initially, and RCEA will have the right to join as an equal equity owner once the details and governance have been established.

RCEA Legal Counsel is working through the considerations and potential constraints of RCEA participation in the SPV. Should an ownership role in the SPV present cumbersome challenges, an alternative would be for RCEA to hold a governing/decision-making role for the SPV but without an actual shareholding position. Should an RCEA ownership share be established, that share would reduce over time as the development process progresses and other entities' share of project funding (and associated risk) increase, with RCEA likely transitioning out of the SPV once the project is operational. In such a scenario, even though the equity share of RCEA decreases over time, the SPV governance will be structured for RCEA to keep certain rights throughout the project's development, especially for those matters that would have an impact on the community.

3. Submit an Unsolicited Lease Request

Staff recommends that the Board authorize staff to submit an outer-continental shelf offshore wind unsolicited lease request to BOEM, contingent on final review and approval of the lease application documents by RCEA Legal Counsel and the proposed Board Offshore Wind Project Phase 1 Subcommittee.

Staff has continued to work with the project team to refine and finalize a lease area based on stakeholder input and technical evaluation. The final lease blocks to be requested will be in the area previously presented to the Board and stakeholders, about 20-30 miles off the coastline from Humboldt Bay. The final area is expected to be about 60 square miles, narrowed down within the ~145 square mile area initially evaluated. Staff will present additional information and details about the targeted lease area at the meeting.

The project partners have agreed that the most expedient approach to move forward is for RCEA to be the lease applicant, supported by the qualifications of RCEA's partners through the Cooperative Agreement. The intent, to be included in the Cooperative Agreement, is that the lease would be transferred to the SPV after it is fully established.

4. Establish an Offshore Wind Project Phase 1 Board Subcommittee

Similar to the Offshore Wind RFQ Subcommittee, staff recommends that the Board establish a Board subcommittee to provide input to staff during the first phase of the development process, up through securing site control of a BOEM lease area.

FINANCIAL IMPACTS

Lease Request: The development of lease request documents is being performed primarily by HT Harvey & Associates and Herrera Environmental Consultants, funded by Principle Power. There is a \$0.25/acre BOEM fee for unsolicited lease requests, which for the ~60 square mile area being considered would amount to an application fee of around \$10,000 which RCEA would cover.

Phase 1 Budget: The budget developed for Phase 1 activities is anticipated to be approximately \$900,000. In order for RCEA to remain an equal project partner through Phase 1, a budget commitment of about \$225,000 is required. Some of this contribution to project costs would be covered by in-kind project support and resources such as RCEA staff time, which is expected to be in the range of 0.5 FTE during Phase 1.

RECOMMENDED ACTION

- a. Establish Offshore Wind Project Phase 1 Board Subcommittee.
- b. Provide input and direction on proposed next steps.
- c. Approve Offshore Wind Energy Development Cooperation Agreement with EDPR Offshore North America, Principle Power, and Aker Solutions, and authorize the Executive Director to execute the agreement and any other associated documents as necessary, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

As noted above, the Board could alternatively choose to schedule a Special Meeting in the coming weeks to provide time for agreement review rather than acting at this meeting if a complete draft is not available in time for the June 18 meeting.

- d. Authorize staff to submit an outer-continental shelf offshore wind unsolicited lease request to the Bureau of Ocean Energy Management, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

ATTACHMENTS

Draft Offshore Wind Development Cooperative Agreement will be provided as soon as it is available.

Materials Submitted
After Packet
Publication

Offshore Wind



Project Partners

- RCEA
- EDP Renewables
- Principle Power Inc
- Aker Solutions

Consultants:

- HT Harvey & Associates
- Herrera Environmental Consultants



Agreement Objectives

- Competitively-price energy
- Stakeholder engagement and acceptance
- Environmentally sound
- Maximize investment in local infrastructure to develop Humboldt Bay into an industry hub
- Economic viability

Project Phase	Phase Target State Date	Milestone to initiate next phase
1. Pre-site control	2018	Site control
2. Early development, site assessment & project planning	Q1 2019 or Q3 2020	Power purchase Agreements
3. Late-stage development and project design	Q2 2021	Construction & operations plan, permits
4. Financing & pre-construction	Q3 2022	Final Investment Decision
5. Construction	Q4 2022	Commercial Operations Date
6. Commercial Operations	2024	End of project lifecycle
7. Lease renewal/repowering or decommissioning	2049	Project repowered or decommissioned

Phase 1 Tasks

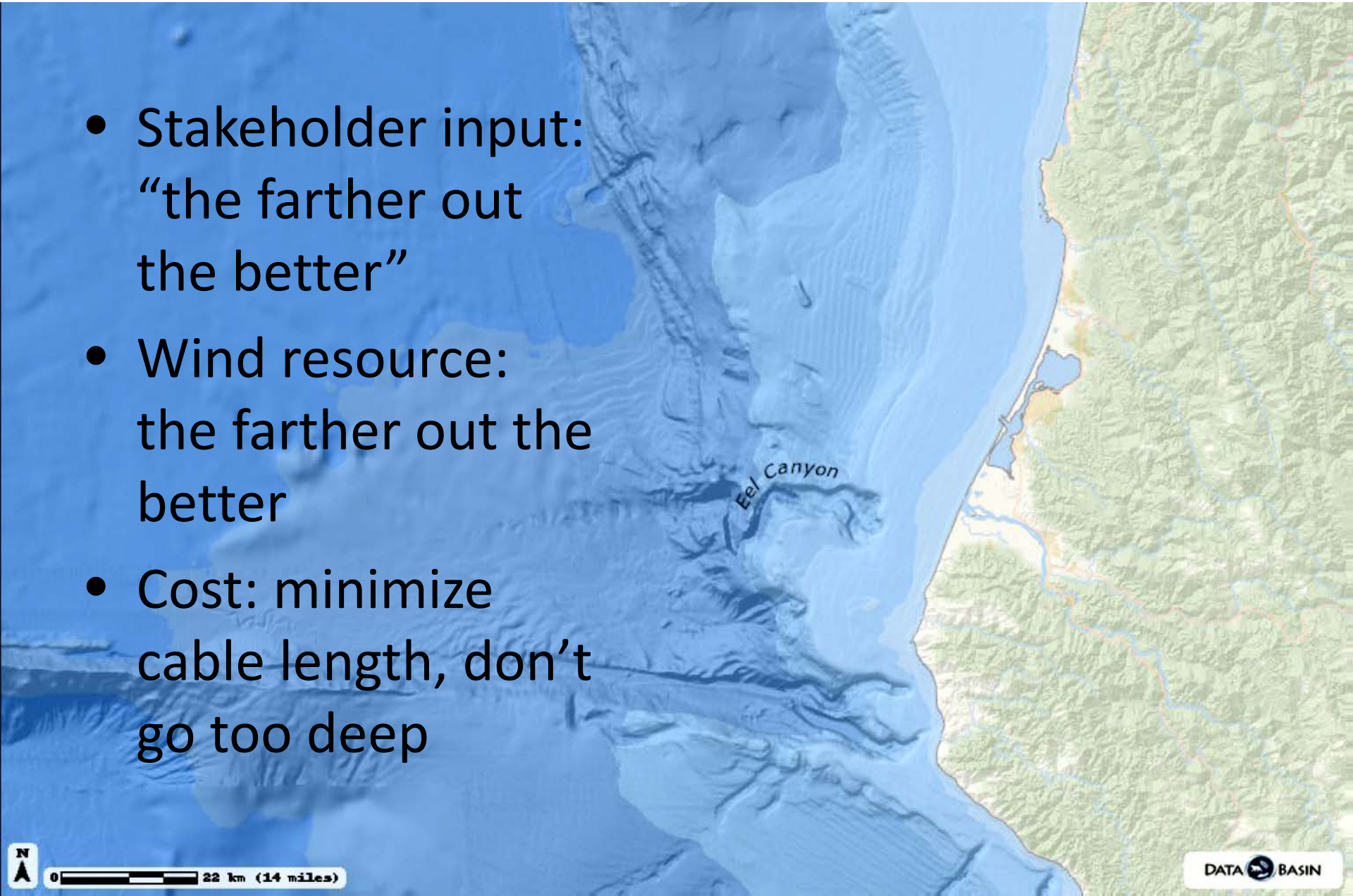
- Grid interconnection study
- BOEM lease application
- Creation of Special Purpose Vehicle (SPV)
- Preliminary harbor and supply chain assessment
- Preliminary technical and economic assessment
- Community/stakeholder outreach
- Communications and legislative/regulatory strategy

Phase 1 Task

- Evaluation options/consideration for RCEA participation in SPV
- Assuming equal participation, RCEA budget for phase 1 projected to be \$225,000
- RCEA proposed to be BOEM lease applicant, lease transferred to SPV once established

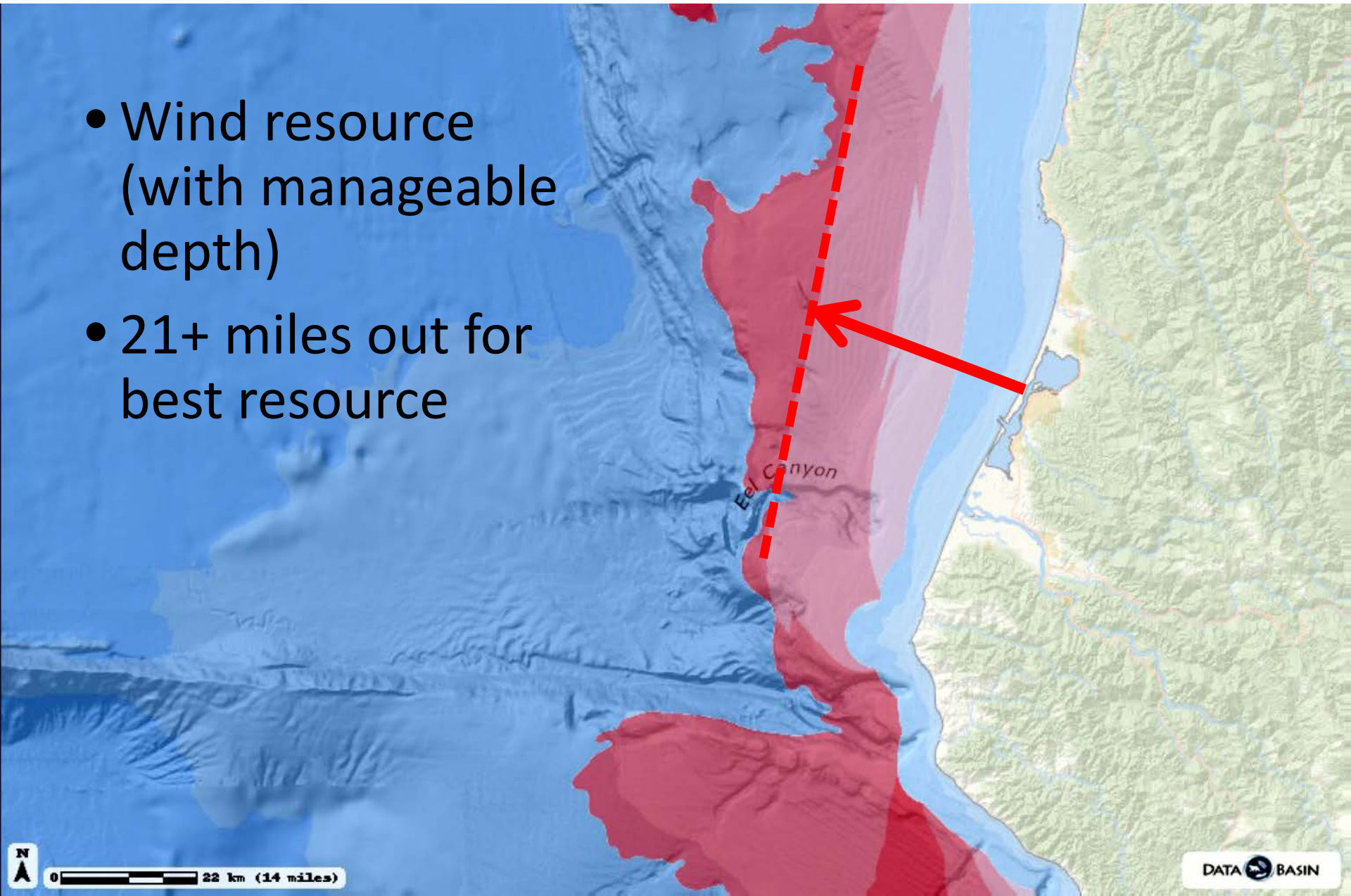
Lease-area

- Stakeholder input: “the farther out the better”
- Wind resource: the farther out the better
- Cost: minimize cable length, don’t go too deep



Lease-area

- Wind resource (with manageable depth)
- 21+ miles out for best resource

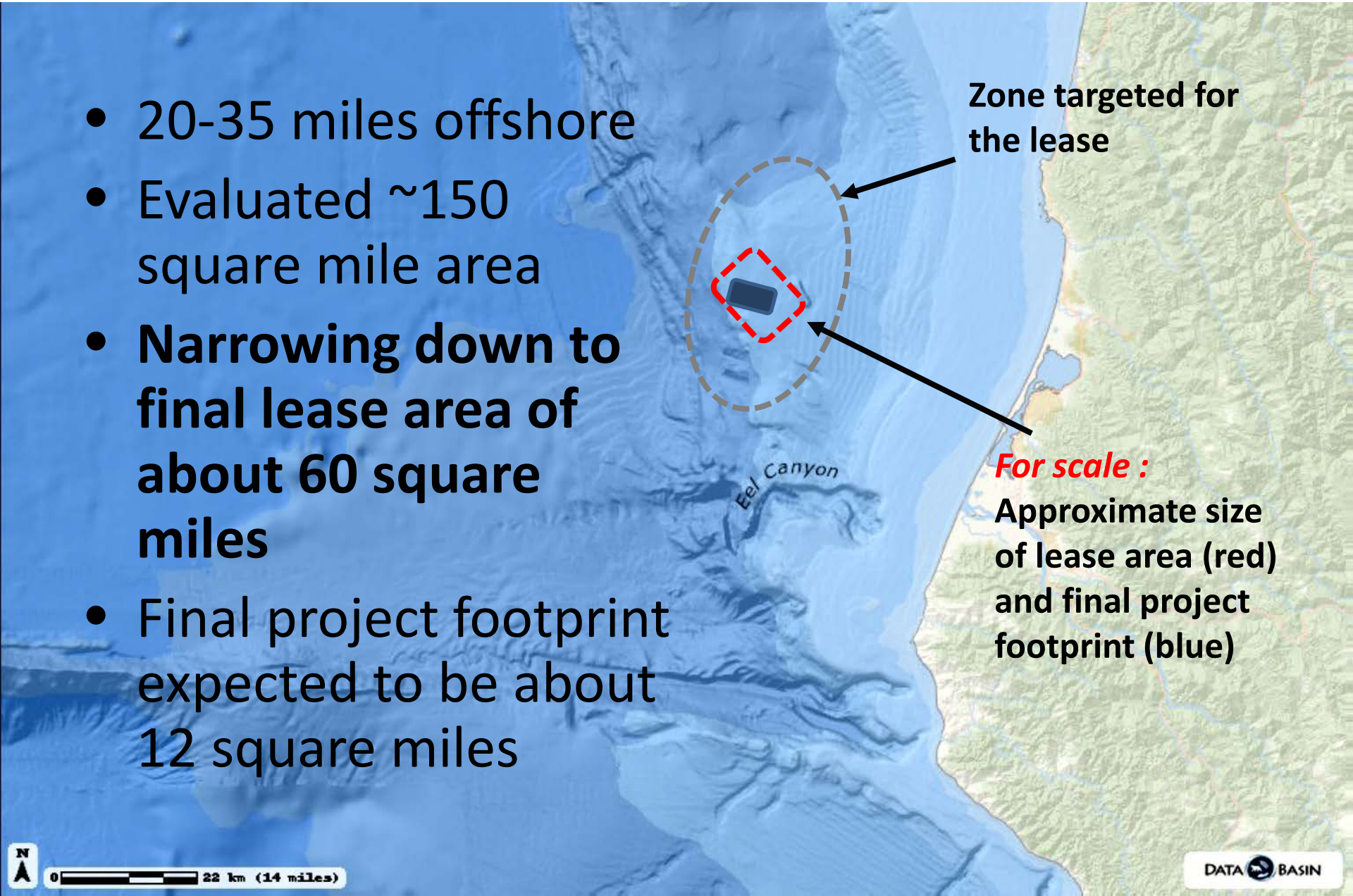


Lease-area

- 20-35 miles offshore
- Evaluated ~150 square mile area
- **Narrowing down to final lease area of about 60 square miles**
- Final project footprint expected to be about 12 square miles

Zone targeted for the lease

For scale :
Approximate size of lease area (red) and final project footprint (blue)







REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 6.1

AGENDA DATE:	June 18, 2018
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	RCEA Fiscal Year 2018-2019 Budget

SUMMARY

Attached is the proposed 2018-19 RCEA annual budget. During the Board meeting staff will provide a presentation on additional details regarding the key components of the budget.

Other than an update to include the offshore wind project's anticipated costs described in item 6 below, there are not substantive changes to the proposed budget compared to the draft presented to the Board in May. Some items of note regarding the proposed budget:

1. The Community Choice Energy (CCE) program continues to be RCEA's largest program, with annual electricity sales projected to be over \$50 million for the year and with wholesale power costs making up the majority of expenses. Program forecasts suggest that net income will be sufficient for RCEA to achieve the minimum CCE reserve requirement of \$6 million next year as well as making additional progress toward the targeted \$35 million in total rate-stabilization/contingency reserve funds.
2. Staff is anticipating a reduction in non-CCE program funding. Some smaller contract funding sources are ending or scaling back in FY18-19 due to project/funding timelines, but the most significant reduction is potentially to the PG&E Energy Watch partnership program. The current PG&E contract runs through December 2018, and staff is anticipating potentially significant budget reductions to the program starting in 2019.

The draft budget has a placeholder budget for the Energy Watch program reflecting a \$300,000 reduction in funding compared to the current year, but these numbers are highly speculative until more information becomes available from PG&E about contraction in 2019 and beyond. The Director of Demand Side Management Programs' staff report in May provided additional details on this situation, and no new information has become available since the last meeting.

3. RCEA tracks general and administrative costs and allocates those costs across programs based on the share of program-focused labor.
4. The proposed budget does not include expenses related to the equipment and construction costs associated with the Airport Microgrid Project. Construction on the project is projected to begin in the summer for 2019 (next fiscal year), though once the project schedule and vendor

agreements are finalized some costs may be incurred this fiscal year. A budget adjustment will be presented to the Board if the project schedule finalization will result in FY18-19 equipment and/or construction costs.

5. The 2018 CCE Program customer rates were set to accommodate up to \$400,000 in program funding; \$170,000 of this has been allocated by the Board to the pilot Public Agency Solar Program. The remainder of 2018 program funding (and any potential 2019 funding) has yet to be allocated and so is not included in the initial budget.

Staff is working through the program evaluation process adopted by the Board in April and anticipates presenting the proposal to the Board in July or August after receiving input from the Community Advisory Committee. Budget adjustments will be presented along with proposed program funding allocations; any program-related adjustments will result in a reduction in the net CCE program revenue bottom line and in increase to the associated program areas being funded along with revision to the specific relevant line items base on the nature of the programs.

6. The budget line item for CCE Program “Contracts and Program Related Services” has been increased to \$350,000, with the majority of that being anticipated phase 1 expenses for the offshore wind project. As noted in the staff report for agenda item 5.1, RCEA’s contributions toward Phase 1 costs will result in a proportional share of the initial equity in the project company once it is established.

RECOMMENDED ACTION

- a. Adopt RCEA Fiscal Year 2018-19 Budget.
- b. Establish FY18-19 Board Finance Subcommittee.

ATTACHMENTS

Proposed FY18-19 Budget.

**Redwood Coast Energy Authority
Proposed FY18-19 Budget**

	Community Choice Energy	Energy Watch & Other Demand Side Management	Electric & Hydrogen Transportation	General & Administrative (allocated across programs)	Total Proposed 2018-19 Budget
Ordinary Income/Expense					
REVENUE EARNED					
Total Revenue - government agencies	-	-	111,600	-	111,600
Total Revenue - program related sales	-	10,000	8,000	-	18,000
Total Revenue-nongovernment agencies	-	1,210,000	-	-	1,210,000
Electricity Sales Revenue					
Electricity Sales - Retail Revenue	51,940,000	-	-	-	51,940,000
Electricity Sales - Uncollectable Accounts	(160,000)	-	-	-	(160,000)
Total Electricity Sales Revenue	51,780,000	-	-	-	51,780,000
Total REVENUE EARNED	51,780,000	1,220,000	119,600	-	53,119,600
Gross Revenue	51,780,000	1,220,000	119,600	-	53,119,600
Expense					
TOTAL WHOLESALE POWER SUPPLY	39,880,000	-	-	-	39,880,000
PERSONNEL EXPENSES	1,328,600	500,200	71,000	353,900	2,253,700
FACILITIES AND OPERATIONS	15,600	6,000	16,500	173,300	211,400
COMMUNICATIONS AND OUTREACH	73,800	16,500	3,900	14,000	108,200
TRAVEL AND MEETINGS	35,000	8,000	3,000	2,000	48,000
PROFESSIONAL AND PROGRAM SERVICES					
Internal inter-program funding	170,000	(170,000)			-
Contracts - Program Related Services	350,000	70,000	7,200	-	427,200
Wholesale Services - TEA	585,000	-	-	-	585,000
Procurement Credit - TEA	800,000	-	-	-	800,000
Data Management - Calpine	1,100,000	-	-	-	1,100,000
Regulatory	94,600	-	-	-	94,600
Accounting	-	-	-	55,000	55,000
Legal	50,000	15,000	-	20,000	85,000
PROFESSIONAL AND PROGRAM SERVICES	2,979,600	85,000	7,200	75,000	3,146,800
PROGRAM EXPENSES	1,258,000	2,000	7,000	1,000	1,268,000
INCENTIVES AND REBATES	-	460,000	-	-	460,000
NON OPERATING COSTS	543,400	-	-	22,400	565,800
Total Expense	46,114,000	1,077,700	108,600	641,600	47,941,900
RESERVE REQUIREMENT CONTRIBUTIONS	3,000,000	-	-	-	3,000,000
Net Income	2,666,000	142,300	11,000	(641,600)	2,177,700

Materials Submitted
After Packet
Publication

Fiscal Year 2018-19 Budget

Proposed Budget

Items of Note

- CCE-budget projections for Jan-June 2019 are more subject to change than 2018
- Non-CCE programs funded by grants & contracts
 - Funding reductions expected compared to previous year
 - 2019 and beyond #s highly speculative at this point
- Programs budgets do not include Airport Microgrid project or CCE-funded programs beyond public agency solar

FY17-18 Budget by Program Area

Community Choice Energy	\$51.8 million
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Energy Watch & Demand Side Management	\$1.2 million
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Electric & Hydrogen Transportation	\$120,000
------------------------------------	-----------

Total	\$53.1 million
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FY17-18 Budget by Program Area

Community Choice Energy	\$51.8 million
-------------------------	----------------

Energy Watch & Demand Side Management	\$1.2 million
---------------------------------------	---------------

Electric & Hydrogen Transportation	\$120,000
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Total	\$53.1 million
--------------	-----------------------

**20-30%
decrease
from prior
year**

FY17-18 Budget by Program Area

Community Choice Energy

\$51.8 million

Energy Watch & Demand Side
Management

\$1.2 million

Electric & Hydrogen
Transportation

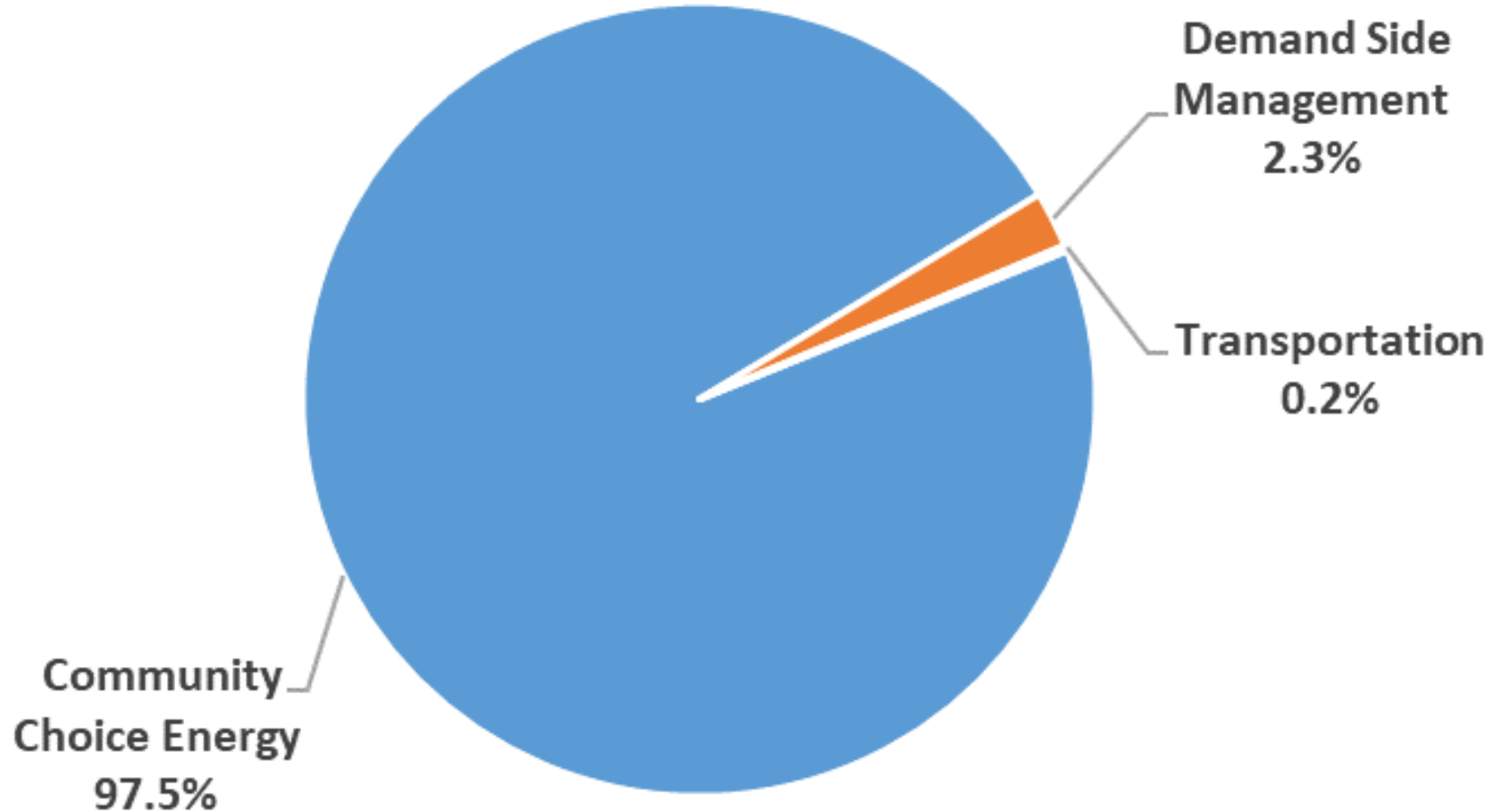
\$120,000

Total

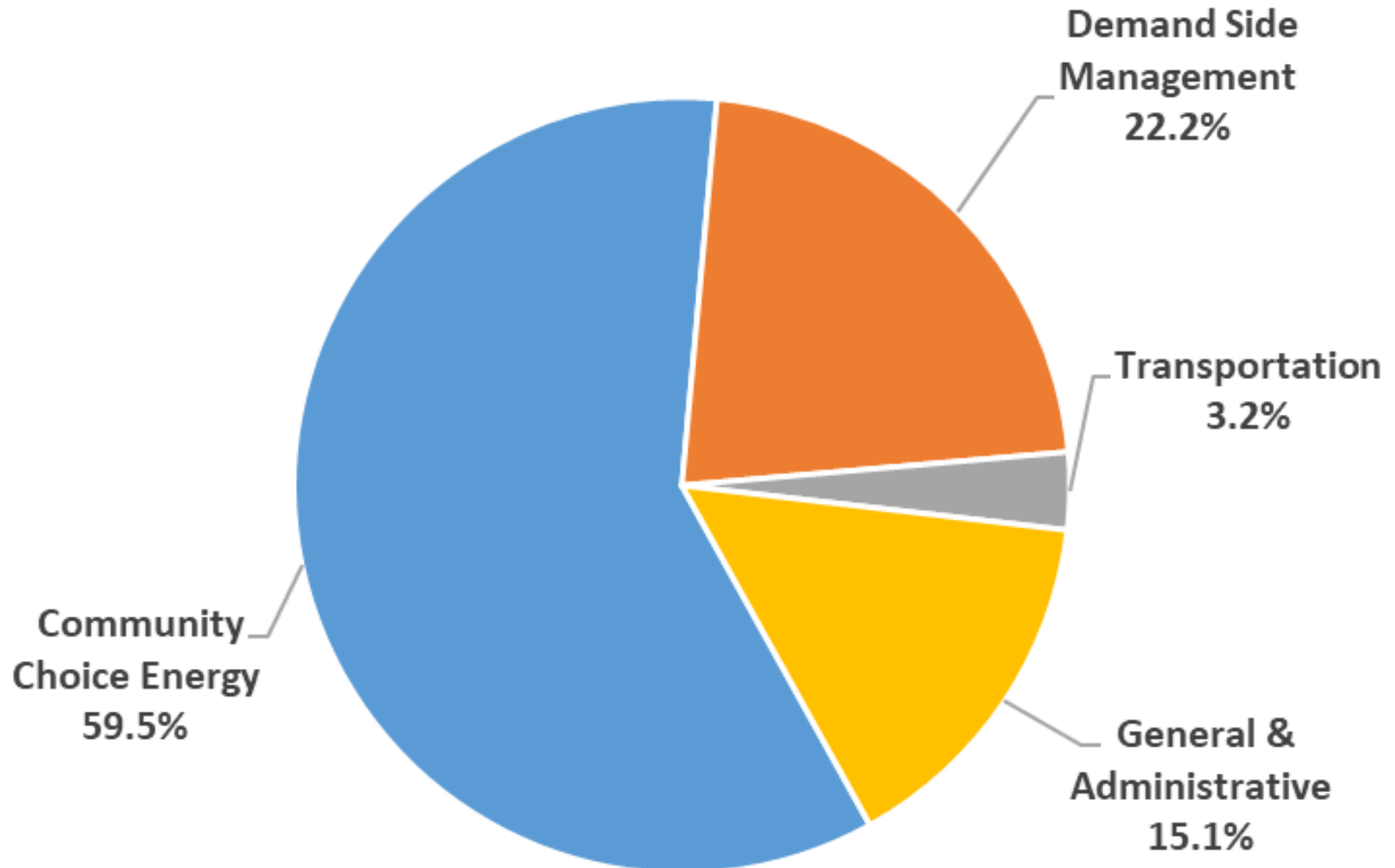
\$53.1 million

12%
increase in
revenue,
match by
12%
increase in
wholesale
power costs

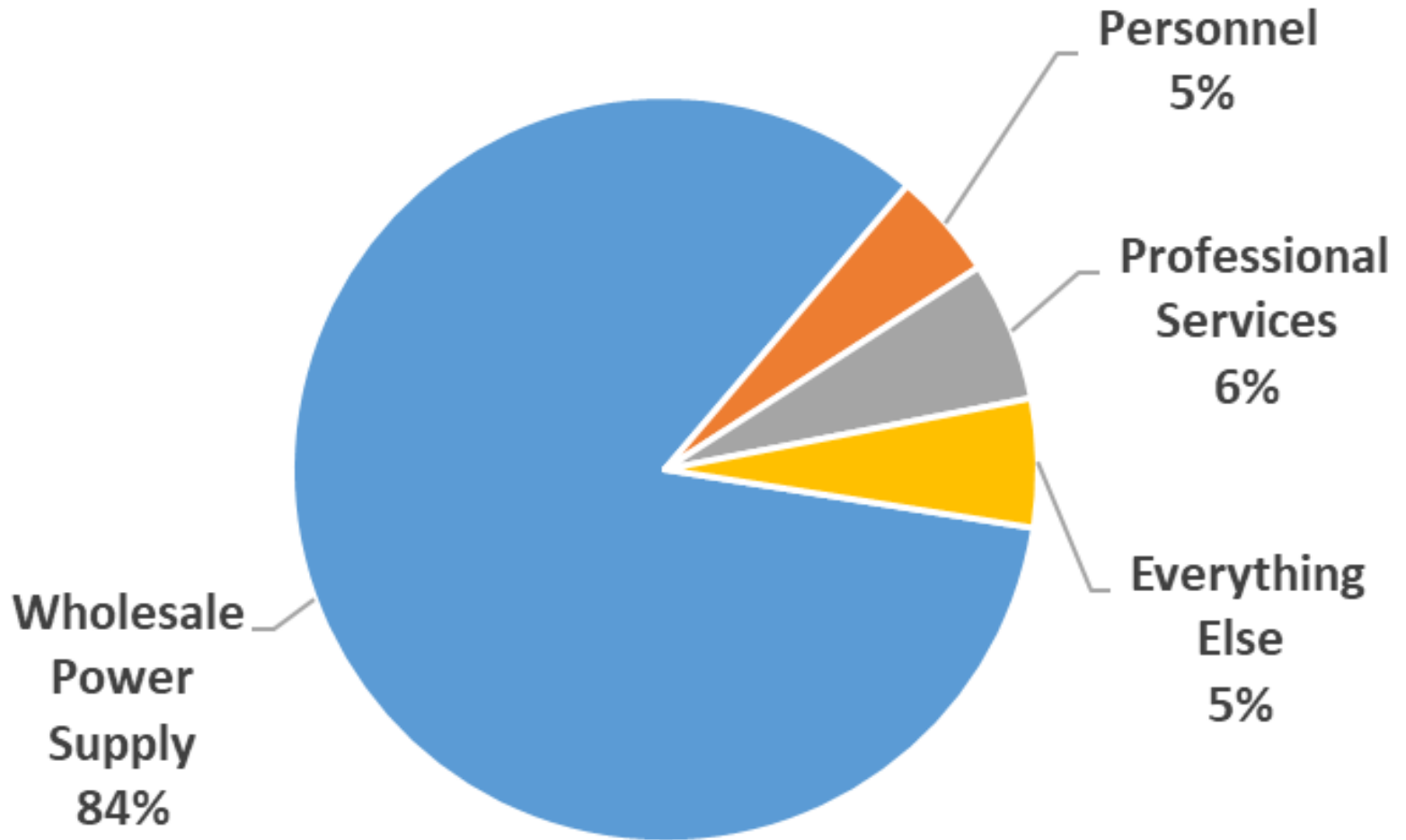
FY18-19 Budget by Program Area



Personnel Budget by Program Area

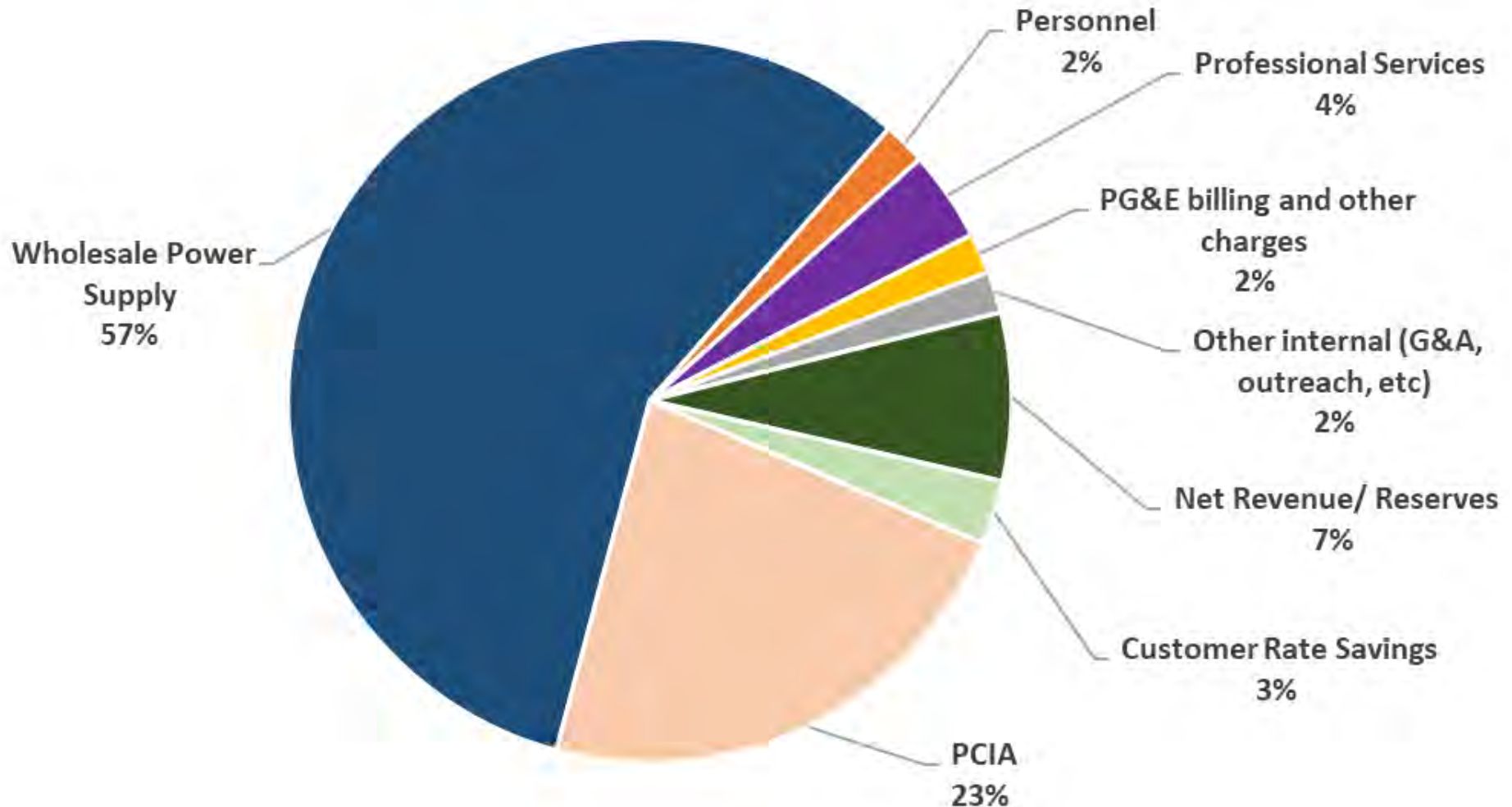


Expenses by Category



CCE Customer rate breakdown

(including PCIA & savings compared to PG&E rates)



Power Supply Expense Categories

Payment Channel

CAISO Energy

CAISO Weekly
Statement from TEA

CAISO Charges

CAISO Weekly
Statement from TEA

Resource Adequacy

TEA Monthly
Settlement Invoice

Energy Hedge Settlements

TEA Monthly
Settlement Invoice

Renewable Portfolio Standard
(Market, Category 1 & 2 RPS)

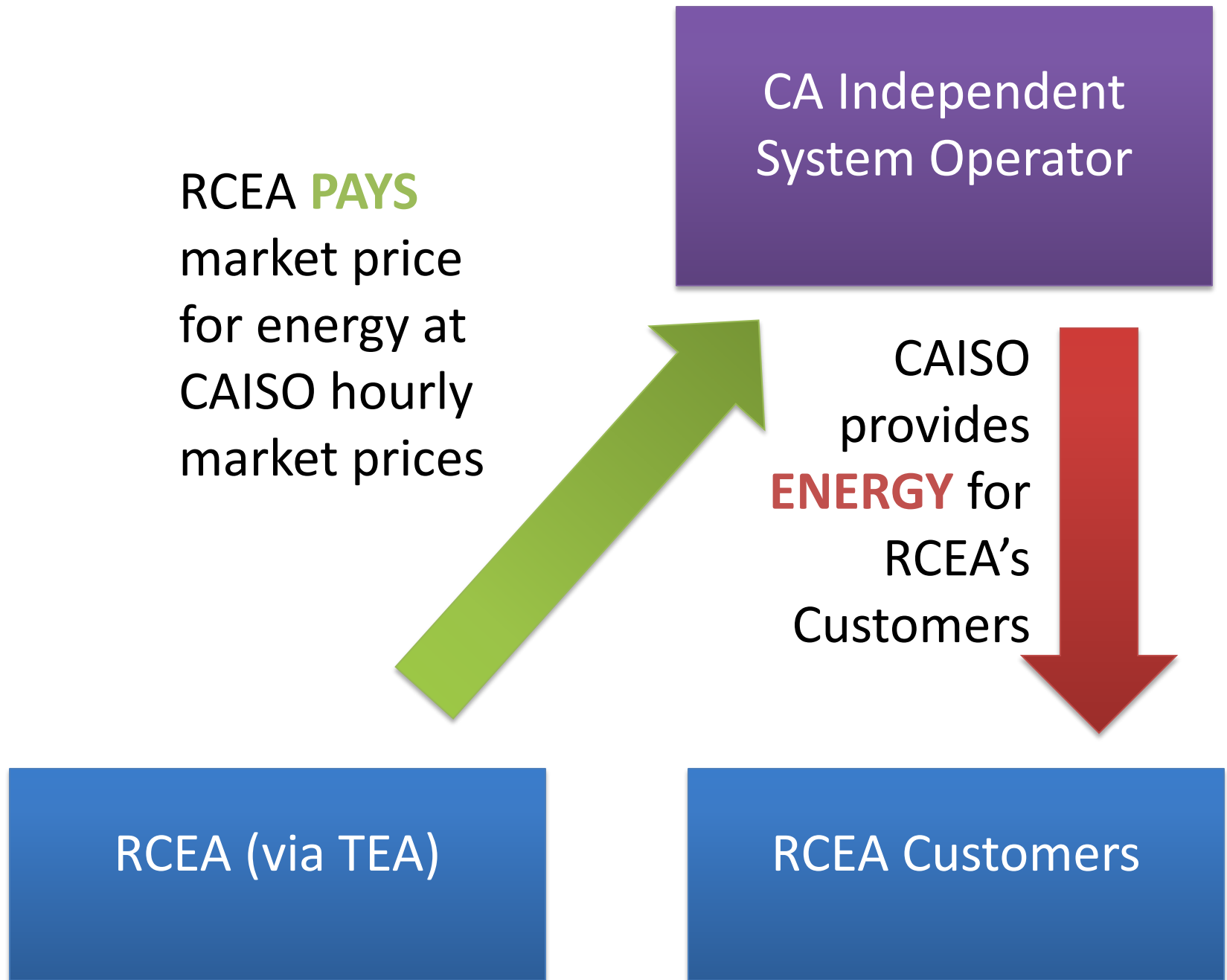
TEA Monthly
Settlement Invoice

Low Carbon (hydropower)

TEA Monthly
Settlement Invoice

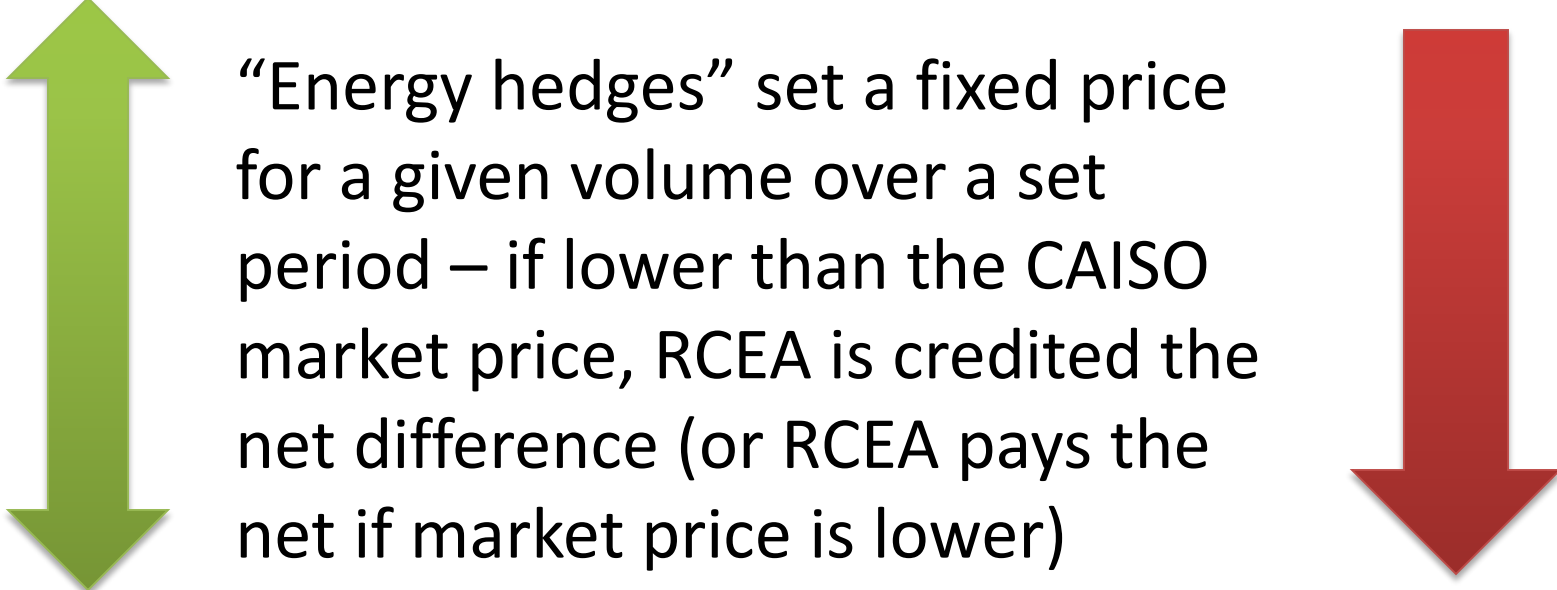
Local Supply (Biomass)

Direct Supplier Invoice
to RCEA



Energy Hedge
Counterparty

CA Independent
System Operator



“Energy hedges” set a fixed price for a given volume over a set period – if lower than the CAISO market price, RCEA is credited the net difference (or RCEA pays the net if market price is lower)

RCEA (via TEA)

RCEA Customers

Energy Hedge
Counterparty

CA Independent
System Operator

Energy hedges stabilize the base
energy price RCEA pays compared
to the (sometimes volatile) hourly
CAISO Market Prices

RCEA (via TEA)

RCEA Customers

Typical
renewable
energy or hydro
transaction



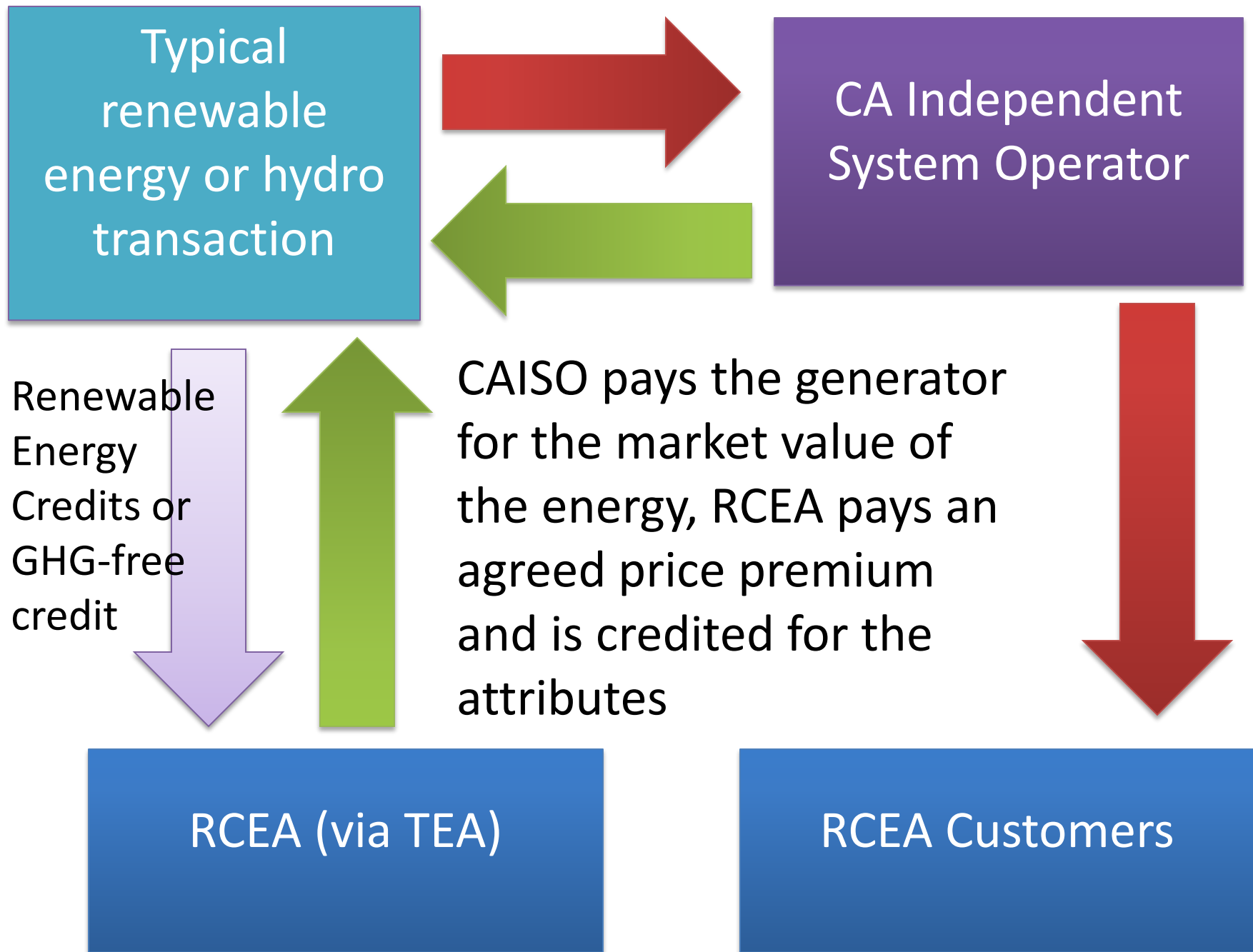
CA Independent
System Operator

Counterparty
puts renewable
energy into the
CAISO system



RCEA (via TEA)

RCEA Customers



HRC and DGF
power purchase
agreements



CA Independent
System Operator

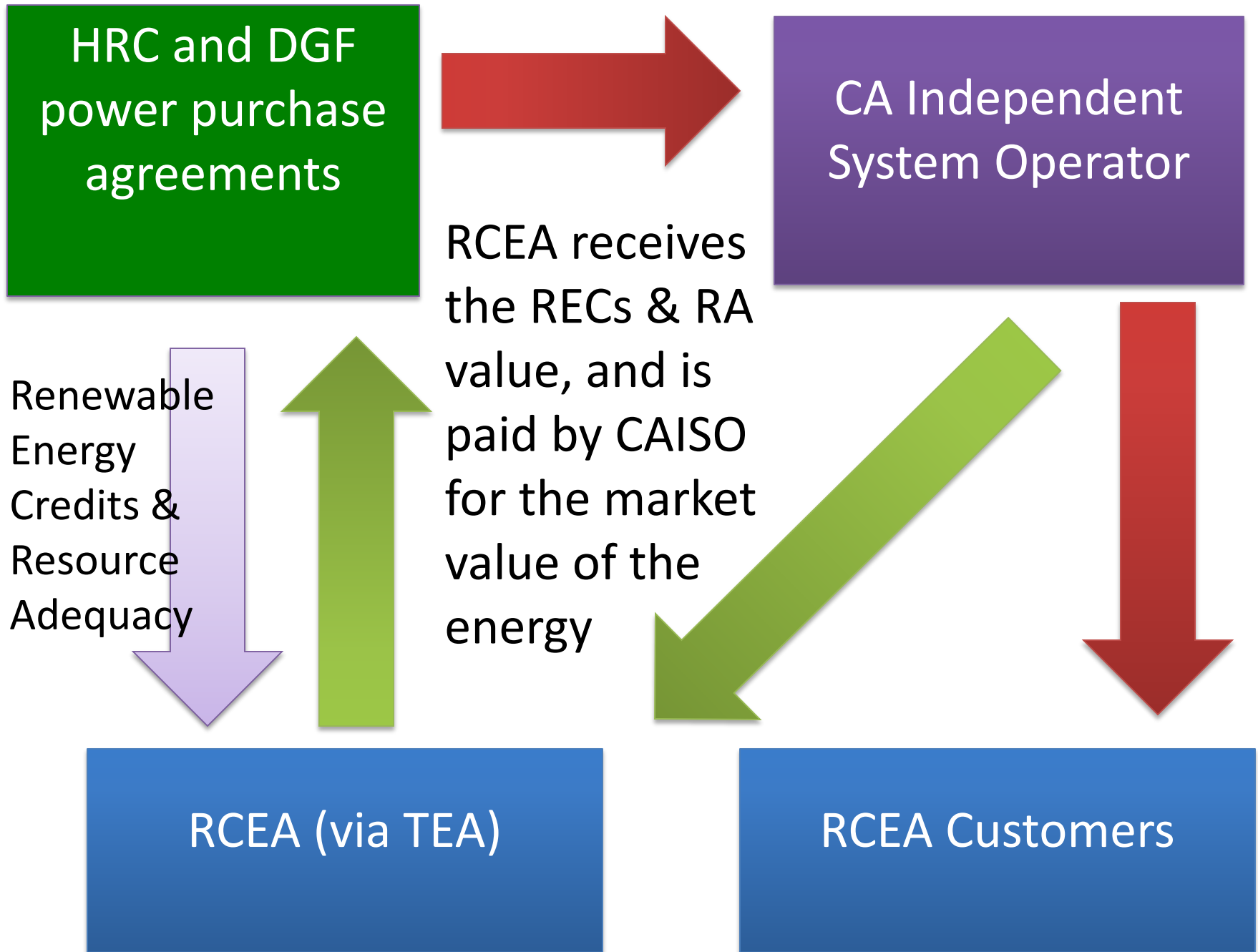


RCEA pays a fixed price for
the output of the generator
and all associated value



RCEA (via TEA)

RCEA Customers



Power Sources

Per MWh Price

Base Energy Prices
(varies by time of day)

\$30 - \$40

In-state renewable energy price
premium (over base energy value)

\$15 - \$20
(\$45 - \$60 including
energy cost)

Out-of-state renewable price
premium

\$5 - \$10
(\$35 - \$50)

Large hydro Price premium

~\$5
(\$35 - \$45)

Local Biomass contracts (RCEA also
receives Resource Adequacy value)

\$65 - \$83

Comparison to other CCAs

	Marin Clean Energy	Sonoma Clean Power	Silicon Valley Clean Energy	RCEA
Electricity sales	179,689,662	175,279,000	239,458,000	51,780,000
Program income	1,474,899	0	0	1,339,600
TOTAL Revenue	181,164,561	175,279,000	239,458,000	53,119,600
Wholesale Power	152,293,297	143,649,000	181,368,000	39,880,000
Contractors/Services	7,764,628	7,244,000	6,053,000	4,523,000
Personnel	4,858,587	3,330,000	4,187,000	2,253,700
General & Admin	1,101,430	495,000	616,000	259,400
Net of above	15,146,619	20,561,000	47,234,000	6,203,500
Wholesale Power	84%	82%	76%	75%
Contractors/Services	4%	4%	3%	9%
Personnel	3%	2%	2%	4%
General & Admin	1%	0.3%	0.3%	0.5%
Net	8%	12%	20%	12%

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REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	June 18, 2018
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Allison Campbell, Manager of Power Resources Nancy Stephenson, Community Strategies Manager
SUBJECT:	2018 Joint Rate Mailer

SUMMARY

Among their regulatory obligations, RCEA and PG&E as electric load-serving entities are required to publish annual disclosures comparing our electric rates and power mixes. Specifically, SB 790's Code of Conduct for investor-owned utilities (IOUs) with respect to community choice aggregators (CCAs) calls for an annual comparison of rates between a CCA and its corresponding IOU, and Public Utilities Code § 398.1(b) requires an annual power source disclosure to all electric utility customers.

We began compliance with these regulations with our first joint rate mailer (JRM) in September 2017. All future JRMs will be sent out by July 1 of each year. RCEA staff have worked with PG&E and Times Printing to prepare this year's JRM for mailing and posting online. The single mailing will address both the rate comparison and the power mix comparison on a single postcard.

For simplicity and cost containment, the mailed version of the rate comparison is limited to four different postcards with information corresponding to these common customer rates:

- Residential (E-1)
- Small commercial (A-1 TOU),
- Medium commercial (A-10S TOU)
- Large commercial/industrial (E-19 SV)

The mailing address list is grouped so each customer receives the postcard most closely corresponding to their rate class. A more comprehensive rate comparison that includes all rates will be posted on PG&E's community choice aggregation page, with a link to this page from RCEA's website, and will be downloadable as a PDF file.

The accompanying slide presentation to the Board shows the content of the mailers. Key takeaways are:

- RCEA's rates are shown to be lower than PG&E's across the different customer classes, even when the PCIA and franchise fee assessed by PG&E are taken into account.
- RCEA's power mix for its base REpower service is shown to be substantially higher in renewable energy content than PG&E's corresponding portfolio.
- RCEA's REpower+ service is more diverse in its renewable content than PG&E's corresponding Solar Choice service.

One caveat on the rate comparison is that PG&E has recently reduced its Solar Choice rates, quite substantially for some customer rate classes. The result of this is that, for medium and large commercial customers who choose to receive 100% renewable service, Solar Choice now results in an overall lower bill than REpower+. For residential and small commercial customers, REpower+ remains the less expensive 100% renewable power choice.

FINANCIAL IMPACTS

The JRM is a statutorily required product. The cost of printing and mailing the JRM to some 62,200 electric customers is expected to be approximately \$23,700 including postage, with 50% of that cost to be reimbursed to RCEA by PG&E. As the great majority of customers enjoy lower rates and higher renewable energy content by choosing RCEA service, the mailer is effectively a marketing item that can be expected to build customer loyalty and help ensure the financial security of the Community Choice Energy program.

RECOMMENDED ACTION

None, informational only.

ATTACHMENTS

Slide presentation to be made to Board



REDWOOD COAST
EnergyAuthority

2018 Joint Rate Mailer

June 2018

Joint Rate Mailer

- Required by CPUC* and CEC** to be sent to all electric customers (whether or not served by RCEA) in our service area annually by July 1
- First one was sent out Sept. 1, 2017 (regulators allowed delay due to launch year)
- Referred to as “joint rate mailer” but actually fulfills two separate legal reporting mandates:
 - **Rate** comparison between CCA (RCEA) and IOU (PG&E)
 - **Power mix** comparison between RCEA and PG&E

Print and Online Versions

- Four printed versions being mailed out, representative of:
 - Residential (E-1)
 - Small (A-1 TOU), medium (A-10S TOU), and large (E-19 SV) commercial/industrial
- Online version hosted on PG&E's CCA page, with link from RCEA's website – downloadable PDF covering all rates

RCEA/PG&E Joint Rate and Power Content Comparison

Understanding your energy choice

2018 Commercial Electric Rate Comparison, E-19SV*

	PG&E	PG&E Solar Choice	Redwood Coast Energy Authority	
			REpower	REpower ⁺
Generation Rate (\$/kWh)	\$0.09850	\$0.08247	\$0.07390	\$0.08390
PG&E Delivery Rate (\$/kWh)	\$0.07639	\$0.07639	\$0.07639	\$0.07639
PG&E PCIA/FF (\$/kWh)	N/A	\$0.02104	\$0.02165	\$0.02165
Total Electricity Cost (\$/kWh)	\$0.17489	\$0.17990	\$0.17194	\$0.18194
Average Monthly Bill (\$)	\$3,604.42	\$3,707.56	\$3,543.54	\$3,749.63

*This compares electricity costs for an average commercial customer in the RCEA/PG&E service area (Humboldt County) with an average monthly demand of 45 kW and an average monthly usage of 20,609 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-19SV rate schedules for PG&E's and RCEA's published rates as of June 1, 2018.

Definitions

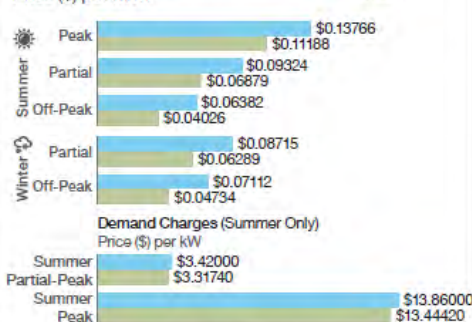
Generation Rate is the cost of creating electricity to power your business. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both RCEA and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of the cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers. The PCIA is currently being reviewed by the California Public Utilities Commission and the methodology is subject to change. A final decision is expected later in 2018.


If this comparison does not address your specific rate, please visit us online at redwoodenergy.org or pge.com/ccca.

Electric Generation Rates
Price (\$) per kWh



PCIA/FF fees are included in PG&E's base generation rates, but are charged separately for RCEA and Solar Choice customers.
Chart is for illustrative purposes only and is not to scale.

Electric Power Generation Mix*

Electric Power Generation Mix*			PG&E Solar Choice	RCEA	
				REpower	REpower ⁺
Specific Purchases		Percent of Total Retail Sales (kWh)			
Renewable		33%	100%	44%	100%
• Biomass & Biowaste		4%	0%	11%	11%
• Geothermal		5%	0%	5%	1%
• Eligible Hydroelectric		3%	0%	0%	0%
• Solar Electric		13%	100%	5%	44%
• Wind		8%	0%	24%	44%
Coal		0%	0%	0%	0%
Large Hydroelectric		18%	0%	45%	0%
Natural Gas		20%	0%	0%	0%
Nuclear		27%	0%	0%	0%
Other		0%	0%	0%	0%
Unspecified Sources of Power**		2%	0%	11%	0%
TOTAL		100%	100%	100%	100%

*As reported to the California Energy Commission's Power Source Disclosure Program excluding voluntary unbundled renewable energy credits. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2018. The figures above may not sum up to 100 percent due to rounding.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

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*PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation.

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Printed with soy-based ink. 8.17 CCR-0718-0049

RCEA/PG&E Joint Rate and Power Content Comparison - Residential

2018 Residential Rate Comparison, **E-1***

			Redwood Coast Energy Authority	
				
Generation Rate (\$/kWh)	\$0.10780	\$0.09436	\$0.07056	\$0.08056
PG&E Delivery Rate (\$/kWh)	\$0.15006	\$0.15006	\$0.15006	\$0.15006
PG&E PCIA/FF (\$/kWh)	N/A	\$0.03346	\$0.03401	\$0.03401
Total Electricity Cost (\$/kWh)	\$0.25786	\$0.27788	\$0.25463	\$0.26463
Average Monthly Bill (\$)	\$127.19	\$137.07	\$125.60	\$130.53





*This compares electricity costs for an average residential customer in the RCEA/PG&E service area (Humboldt County) with an average monthly usage of 493 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-1 rate schedules for PG&E's and RCEA's published rates as of June 1, 2018

Bottom line:

lower bills with RCEA REpower and REpower+ for *all* residential customers, compared with corresponding PG&E service option

RCEA/PG&E Joint Rate and Power Content Comparison - Residential

2018 Residential Rate Comparison, **E-1***

			Redwood Coast Energy Authority	
				
Generation Rate (\$/kWh)	\$0.10780	\$0.09436	\$0.07056	\$0.08056
PG&E Delivery Rate (\$/kWh)	\$0.15006	\$0.15006	\$0.15006	\$0.15006
PG&E PCIA/FF (\$/kWh)	N/A	\$0.03346	\$0.03401	\$0.03401
Total Electricity Cost (\$/kWh)	\$0.25786	\$0.27788	\$0.25463	\$0.26463
Average Monthly Bill (\$)	\$127.19	\$137.07	\$125.60	\$130.53


*This compares electricity costs for an average residential customer in the RCEA/PG&E service area (Humboldt County) with an average monthly usage of 493 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-1 rate schedules for PG&E's and RCEA's published rates as of June 1, 2018

Bottom line:

lower bills with RCEA REpower and REpower+ for *all* residential customers, compared with corresponding PG&E service option

RCEA/PG&E Joint Rate and Power Content Comparison – Commercial/Industrial

2018 Commercial Electric Rate Comparison, **E-19SV***

		PG&E Solar Choice	Redwood Coast Energy Authority	
			REpower	REpower⁺
Generation Rate (\$/kWh)	\$0.09850	\$0.08247	\$0.07390	\$0.08390
PG&E Delivery Rate (\$/kWh)	\$0.07639	\$0.07639	\$0.07639	\$0.07639
PG&E PCIA/FF (\$/kWh)	N/A	\$0.02104	\$0.02165	\$0.02165
Total Electricity Cost (\$/kWh)	\$0.17489	\$0.17990	\$0.17194	\$0.18194
Average Monthly Bill (\$)	\$3,604.42	\$3,707.56	\$3,543.54	\$3,749.63


*This compares electricity costs for an average commercial customer in the RCEA/PG&E service area (Humboldt County) with an average monthly demand of 45 kW and an average monthly usage of 20,609 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-19SV rate schedules for PG&E's and RCEA's published rates as of June 1, 2018.

Bottom line:

lower bills with RCEA REpower for *all* customers
(compared w/ PG&E's corresponding service option)

RCEA/PG&E Joint Rate and Power Content Comparison – Commercial/Industrial

2018 Commercial Electric Rate Comparison, **E-19SV***

		PG&E Solar Choice	Redwood Coast Energy Authority	
			REpower	REpower⁺
Generation Rate (\$/kWh)	\$0.09850	\$0.08247	\$0.07390	\$0.08390
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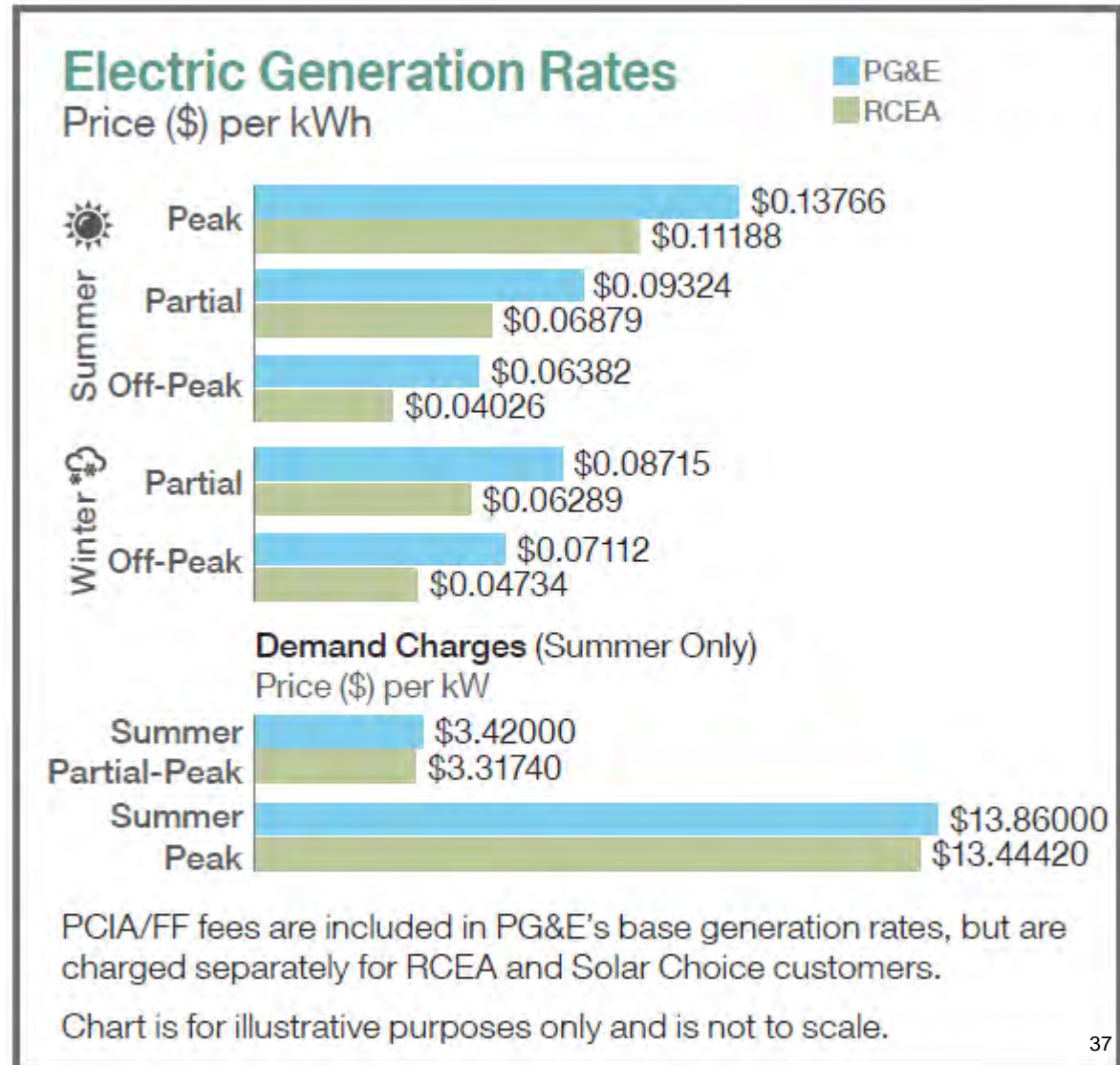
*This compares electricity costs for an average commercial customer in the RCEA/PG&E service area (Humboldt County) with an average monthly demand of 45 kW and an average monthly usage of 20,609 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-19SV rate schedules for PG&E's and RCEA's published rates as of June 1, 2018.

Bottom line:

lower bills for RCEA REpower+ for *most* customers
(compared w/ PG&E's corresponding service option)


RCEA/PG&E Joint Rate and Power Content Comparison – Large Comm/Ind

RCEA rates are lower, across energy (kWh) charges in all seasons and time of use periods, and demand (kW) charges



RCEA/PG&E Joint Rate and Power Content Comparison

Bottom line: RCEA provides **more renewable energy**, (with a **more diverse portfolio** for opted-up customers)

Electric Power Generation Mix*		PG&E Solar Choice	RCEA	
			REpower	REpower+
Specific Purchases	Percent of Total Retail Sales (kWh)			
Renewable	33%	100%	44%	100%
• Biomass & Biowaste	4%	0%	11%	11%
• Geothermal	5%	0%	5%	1%
• Eligible Hydroelectric	3%	0%	0%	0%
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Unspecified Sources of Power**	2%	0%	11%	0%
TOTAL	100%	100%	100%	100%