



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD FINANCE SUBCOMMITTEE MEETING AGENDA

Redwood Coast Energy Authority Office
633 Third Street, Eureka, CA 95501

June 12, 2019
Wednesday, 3:00-4:30 p.m.

Persons with disabilities may request special accommodations by contacting the Clerk of the Board at (707) 269-1700 three working days in advance of the meeting. An assistive listening device is available. 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 Finance Subcommittee Members, including those received less than 72 hours prior to the RCEA Finance Subcommittee 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. Speakers wishing to distribute materials to the Subcommittee at the meeting are asked to provide 7 copies to the Clerk of the Board.

1. **ROLL CALL.** Committee Members: Summer Daugherty, Michael Winkler, Sheri Woo.
Staff: Lori Biondini, Director of Business Planning & Finance; Dana Boudreau, Acting Executive Director.
2. **ORAL COMMUNICATIONS.** This item is provided for the public to address the Finance Subcommittee or submit written communications on matters not on the agenda. At the conclusion of all public statements, the Finance Subcommittee may respond. Any request that requires Finance Subcommittee action will be set by the Subcommittee to a future agenda or referred to staff.
3. **APPROVAL OF MINUTES.**
 - A. Approve Minutes of May 8, 2019, Board Finance Subcommittee Meeting.
4. **NEW BUSINESS** – None.
5. **OLD BUSINESS.**
 - A. Review Fiscal Year 2019-2020 Budget.
6. **COMMITTEE AND STAFF COMMUNICATIONS.** All communications shall be limited to RCEA business and shall not request or lead to action by the Subcommittee at this meeting.
7. **FUTURE AGENDA ITEMS.** Any request that requires Subcommittee action will be set by the Subcommittee for a future agenda or referred to staff.
8. **FUTURE MEETING DATES.**
9. **ADJOURNMENT.**



BOARD FINANCE SUBCOMMITTEE **DRAFT MEETING MINUTES**

Redwood Coast Energy Authority Office
633 Third Street, Eureka, CA 95501

May 8, 2019
Wednesday, 3:30-4:30 p.m.

Executive Director Matthew Marshall called a regular meeting of the Redwood Coast Energy Authority Board Finance Subcommittee to order on the above date at 3:33 p.m. Notice of this meeting was posted on May 3, 2019. PRESENT: Summer Daugherty, Michael Winkler, Sheri Woo (arrived 3:34 p.m.). ABSENT: None. STAFF PRESENT: Business Planning and Finance Director Lori Biondini, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

ORAL COMMUNICATIONS

Executive Director Marshall invited public comment. No member of the public was present to comment. Executive Director Marshall closed public comment.

NEW BUSINESS

- A. Appoint an RCEA Finance Subcommittee Chair to serve a one-year term ending on the first regular Board meeting of each year and adopt Finance Subcommittee operating guidelines.

Executive Director Marshall reviewed the recommended subcommittee chair term length and duties. Michael Winkler stated his willingness to serve as subcommittee chair. Proposed operating guidelines and procedures were reviewed.

No member of the public was present to comment.

M/S: Daugherty, Woo: Appoint Michael Winkler to be RCEA Finance Subcommittee Chair to serve a one-year term ending on the first regular Board meeting of each year.

The motion passed on a unanimous voice vote. Ayes: Daugherty, Winkler, Woo. Noes: None. Abstentions: None.

M/S: Daugherty, Woo: Adopt Finance Subcommittee operating guidelines.

The motion passed on a unanimous voice vote. Ayes: Daugherty, Winkler, Woo. Noes: None. Abstentions: None.

- B. Review and approve staff auditor selection.

Staff Director Biondini reported that three certified public accounting firms responded to the agency's request for professional auditing services proposals. All were determined to be

qualified and responsive to the request. Staff recommended selection of Pisenti & Brinker, LLP, the lowest bidder, as they also proposed auditing two years concurrently at a reduced rate, thus addressing the agency's audit backlog and providing additional cost-savings. The firm has audited RCEA in the past and was the most experienced community choice aggregator auditor of the applicants. Staff will verify whether RCEA is required to change auditors every three years.

No member of the public was present to comment.

M/S: Woo, Daugherty: Authorize the Executive Director to execute a contract with Pisenti & Brinker, LLP, to provide professional audit services after final review and approval of any revisions by RCEA General Counsel.

The motion passed on a unanimous voice vote. Ayes: Daugherty, Winkler, Woo. Noes: None. Abstentions: None.

C. Review and provide feedback on Fiscal Year 2019-2020 budget.

Executive Director Marshall reviewed the fiscal year 2019-2020 budget discussion and approval schedule. Effects of the airport microgrid program and new long-term renewable energy procurement contracts were discussed, as were the Offshore Wind Subcommittee's recommendations to the Board regarding shared project costs. The Finance Subcommittee discussed changes to the Energy Watch program, maintenance of the \$2 million net revenue goal and customer rate savings compared with PG&E electricity rates. The subcommittee reviewed and discussed the March salary survey and, based on the survey findings, agreed to recommend to the full Board a 7 percent adjustment to the salary schedule and the addition of a 457(b) retirement plan with 4 percent employer contribution if the budget can accommodate the associated costs. Subcommittee members requested that details on program budgets and information on areas of uncertainty be presented during the budget review process.

No member of the public was present to comment.

FUTURE MEETING DATES

The members scheduled a Finance Subcommittee meeting on Wednesday, June 12, 2019, at 3 p.m. at the RCEA offices.

ADJOURNMENT

Executive Director Marshall adjourned the meeting at 4:28 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 5-A

AGENDA DATE:	June 12, 2019
TO:	Board Finance Subcommittee
PREPARED BY:	Lori Biondini, Business Planning & Finance Director
SUBJECT:	Draft FY19-20 Annual Budget

SUMMARY

Staff will present a revised draft budget for fiscal year 2019-2020 for review and input at the June 12 Finance Subcommittee meeting.

Areas of uncertainty noted in the budget discussion at the May 23 RCEA Board of Directors meeting include 2020 wholesale power costs, energy efficiency program funding, and PG&E's electricity rates, which will affect RCEA's discounted electricity rate. Staff's current/best projections are included in the revised draft budget, and Jaclyn Harr of The Energy Authority (TEA) will be calling-in to the June 12 Finance Subcommittee meeting to answer questions specific to power costs and electricity rates.

The next step in finalizing the Budget is to present the final draft for adoption at the June 27 RCEA Board meeting.

RECOMMENDED ACTION

Review and provide input on the fiscal year 2019-2020 budget.

ATTACHMENTS

The revised draft fiscal year 2019-2020 budget was not available at the time of agenda publication and will be made available to the Board Finance Subcommittee and public at the Wednesday, June 12 Finance Subcommittee meeting. A copy will be available at www.redwoodenergy.org following the meeting.

Materials Submitted

After Agenda

Publication

**Previously presented
to RCEA Board of Directors
at May 23, 2019 meeting**

**Redwood Coast Energy Authority
Preliminary Draft FY19-20 Budget**

	Community Choice Energy	Energy Watch & Other Demand Side Management	Electric & Hydrogen Transportation	General & Administrative (allocated across programs)	Total 2019-20 Budget
Ordinary Income/Expense					
REVENUE EARNED					
Total Revenue - government agencies	1,376,300	90,000	35,000	-	1,501,300
Total Revenue - program related sales	-	6,000	10,000	-	16,000
Total Revenue-nongovernment agencies	-	1,183,223	-	-	1,183,223
Electricity Sales Revenue					
Electricity Sales - Retail Revenue	56,300,000	-	-	-	56,300,000
Electricity Sales - Uncollectable Accounts	(348,000)	-	-	-	(348,000)
Total Electricity Sales Revenue	55,952,000	-	-	-	55,952,000
Total REVENUE EARNED	57,328,300	1,279,223	45,000	-	58,652,523
Other Income - proceeds from long-term debt	2,730,300	-	-	-	2,730,300
Total Income	60,058,600	1,279,223	45,000	-	61,382,823
Gross Revenue	60,058,600	1,279,223	45,000	-	61,382,823
Expense					
TOTAL WHOLESALE POWER SUPPLY	44,100,000	-	-	-	44,100,000
PERSONNEL EXPENSES	1,186,900	808,300	99,000	843,292	2,937,492
FACILITIES AND OPERATIONS	4,200,000	-	85,000	250,000	4,535,000
COMMUNICATIONS AND OUTREACH	70,000	25,000	10,000	8,000	113,000
TRAVEL AND MEETINGS	25,000	25,000	1,000	8,000	59,000
PROFESSIONAL AND PROGRAM SERVICES					
Internal inter-program funding	369,000	(295,000)	(74,000)	-	-
Contracts - Program Related Services	300,000	75,000	-	-	375,000
Wholesale Services - TEA	602,500	-	-	-	602,500
Procurement Credit - TEA	760,000	-	-	-	760,000
Data Management - Calpine	900,000	-	-	-	900,000
Regulatory	164,000	20,000	-	-	184,000
Accounting	-	-	-	68,950	68,950
Legal	60,000	5,000	-	60,000	125,000
PROFESSIONAL AND PROGRAM SERVICES	2,786,500	100,000	-	128,950	3,015,450
PROGRAM EXPENSES	1,200,000	2,000	2,000	2,000	1,206,000
INCENTIVES AND REBATES	-	798,500	41,500	-	840,000
NON OPERATING COSTS	160,000	2,000	1,000	15,000	178,000
Total Expense	53,728,400	1,760,800	239,500	1,255,242	56,983,942
Net Income	6,330,200	(481,577)	(194,500)	(1,255,242)	4,398,881

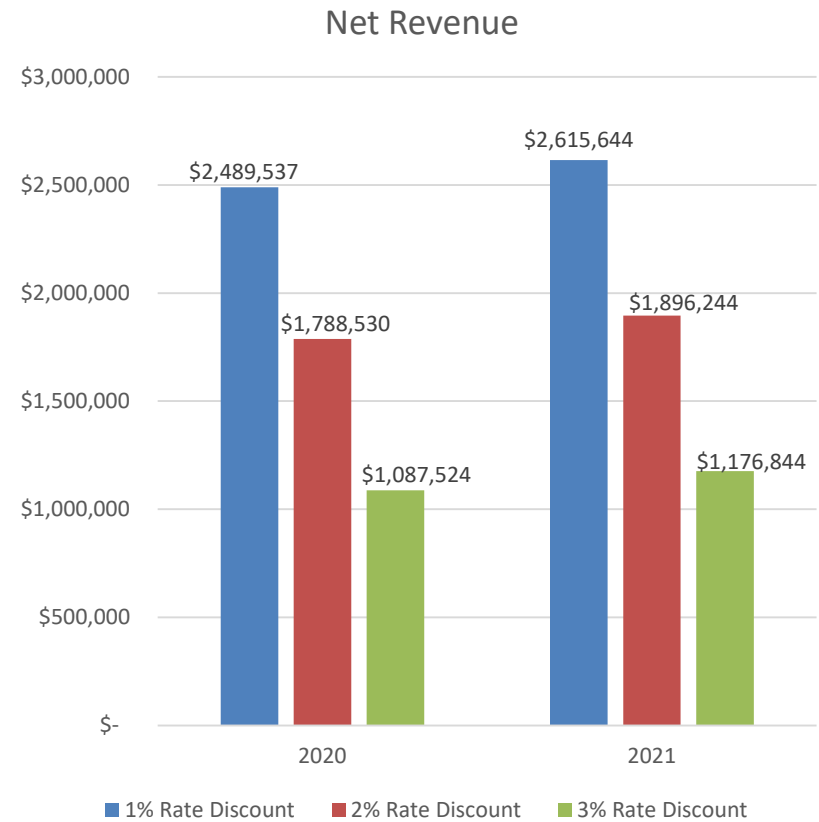
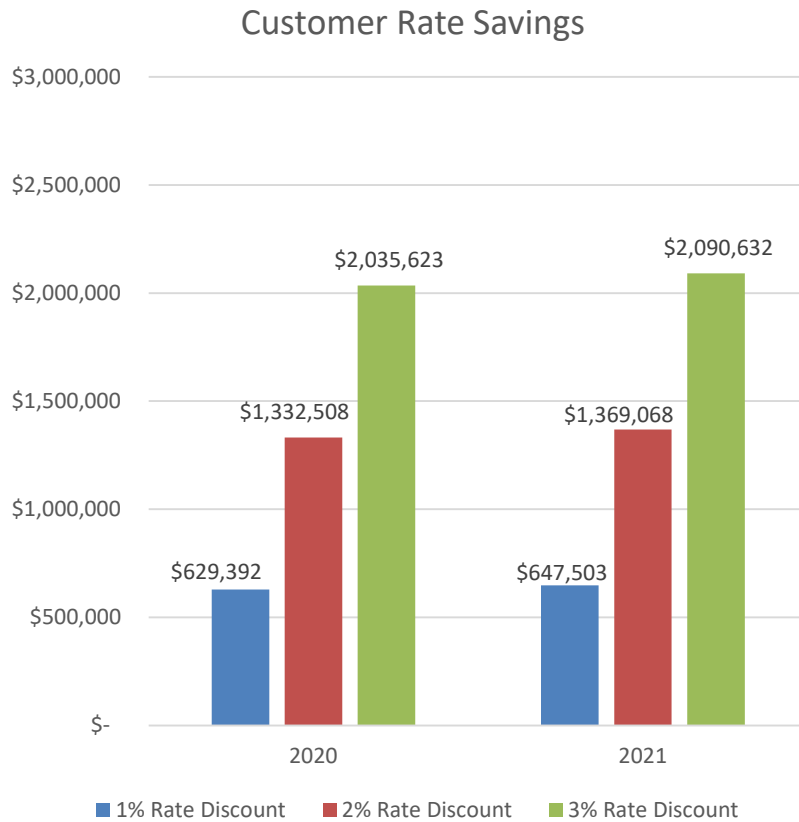


RCEA Budget Subcommittee Meeting

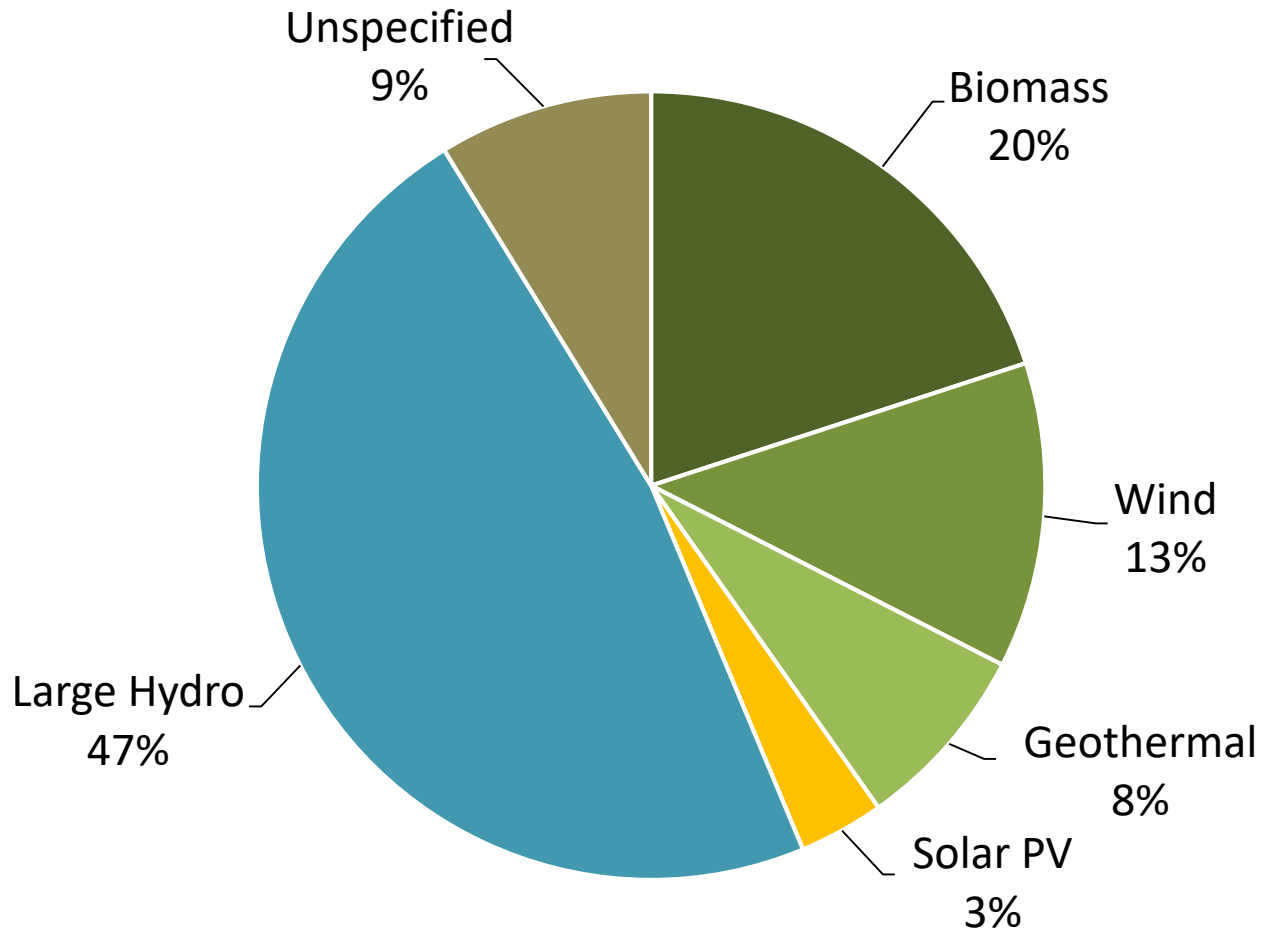
6/12/2019

Annual Expected Customer Rate Savings & Net Revenue

Total customer savings in 2019 (actual + forecast) = \$2.16M

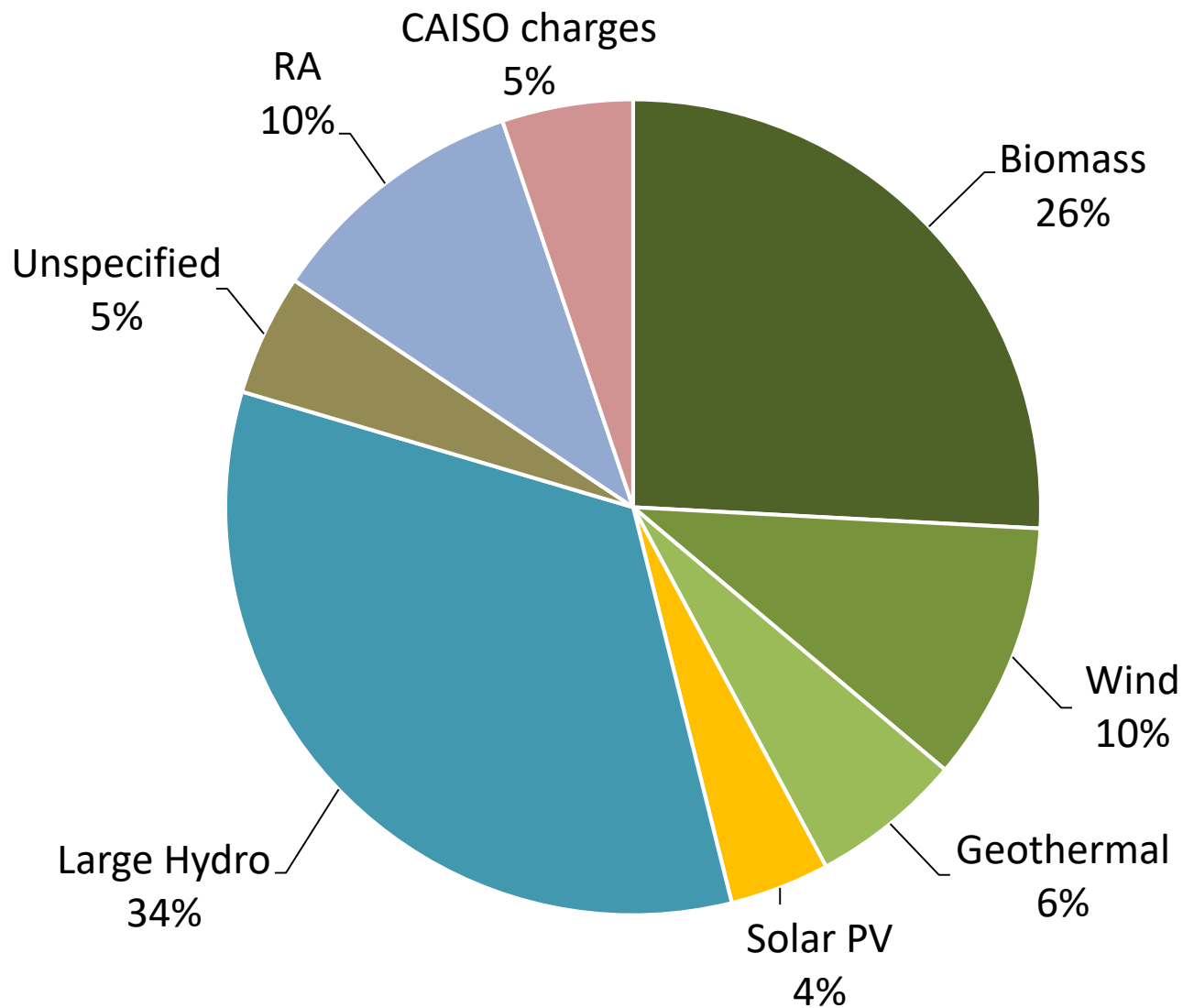


REpower 2018 Power Mix

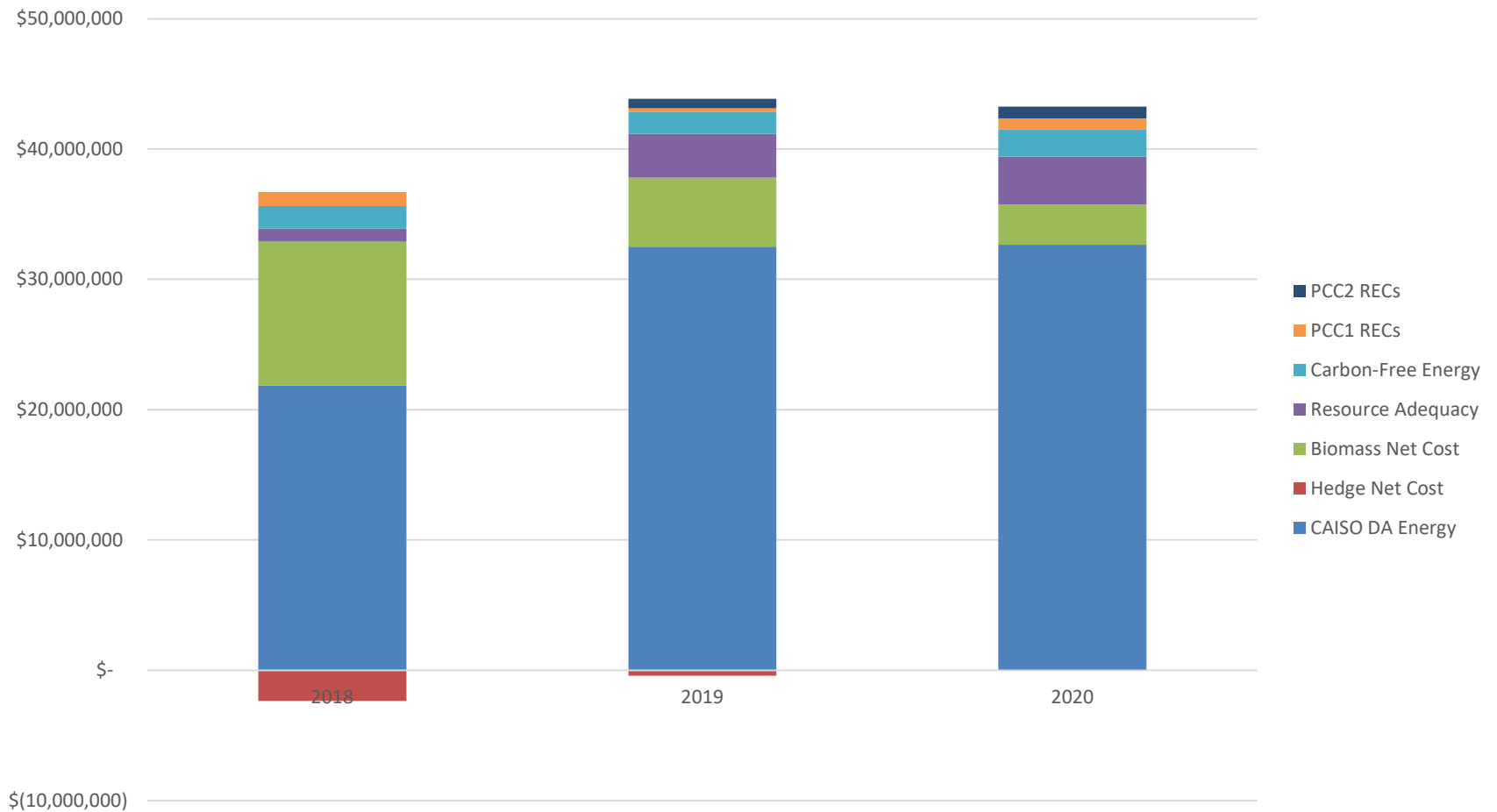


Submitted to the CEC's Power Source Disclosure Program for 2018 compliance year

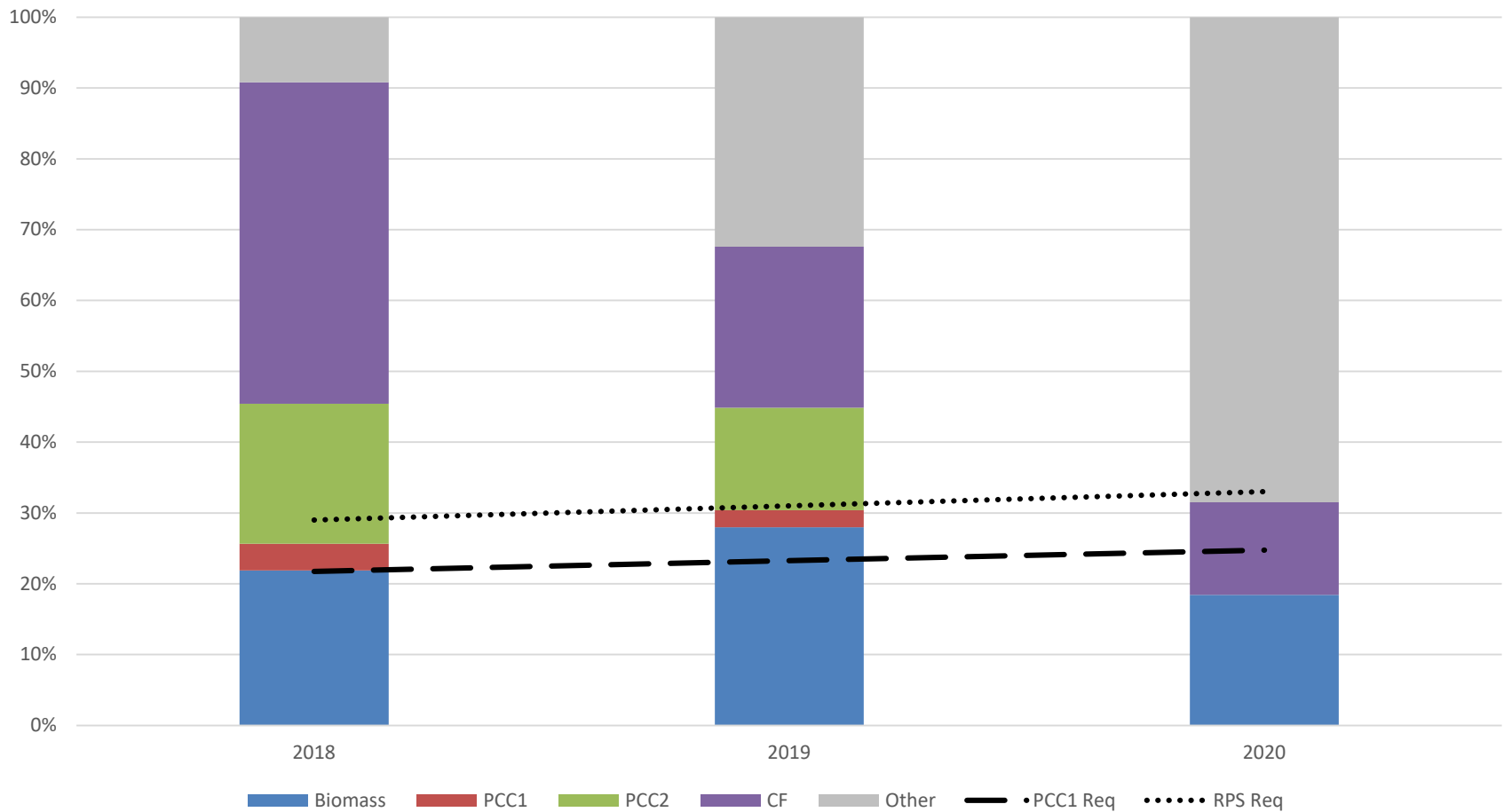
RCEA 2018 Energy Product Costs



Annual Actual & Expected Power Costs



Annual Power Content (Contracted to Date)



Sample Weekly CAISO Invoice



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

February 28, 2019

CAISO Weekly Statement of Activity

	Data in Power Optim	Estimated Data	TOTAL
INITIAL (02/15/2019 - 02/20/2019)		02/21 - 02/24	
Day Ahead Energy			
Inter-SC Trades Settlement			
FMM Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Uninstructed)			
Congestion			
Grid Management Charge			
All Other Charges			
INITIAL (02/15/2019 - 02/20/2019) Total			
RECALC - 1 (02/04/2019 - 02/05/2019)			
Day Ahead Energy			
Inter-SC Trades Settlement			
FMM Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Uninstructed)			
Congestion			
Grid Management Charge			
All Other Charges			
RECALC - 1 (02/04/2019 - 02/05/2019) Total			
RECALC - 2 (11/01/2018 - 11/30/2018)			
Day Ahead Energy			
Inter-SC Trades Settlement			
FMM Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Instructed)			
Real Time Imbalance Energy (Uninstructed)			
Congestion			
Grid Management Charge			
All Other Charges			
RECALC - 2 (11/01/2018 - 11/30/2018) Total			
Weekly Invoice Total			

Please send all payments by ACH to:
The Energy Authority, Inc.
c/o PNC Bank
ABA # 043-000-096 (Wire)
ABA # 267-084-199 (ACH)
Account # 1219066551

Amount Due to/(from) TEA
3/4/2019

Transactions Summary

(Contracted To Date)

Product Type	# of Transactions	Duration (Months)	Typical Volume Per Transaction	Typical Price	Counter-Parties
Energy	25+	2 - 12	5 - 30 MW (HLH & LLH)	\$20 - \$70/MWh	CITI, SENAUS, CPC
Biomass	<5	12 - 60	10 - 15 MW	\$60 - \$90/MWh	HRC, DGF
PCC1	<5	12	50,000 - 200,000 MWh	\$10 - \$20/MWh	PGE
PCC2	<5	12	10,000 - 50,000 MWh	\$5 - \$15/MWh	PGEM, NEPM
CF	<5	6 - 12	50,000 - 150,000 MWh	\$2.5 - \$7.5/MWh	MSCG, SENAUS
RA	25+	1 - 36	10 – 40 MW-mo	\$0 - \$15/MW-mo	CPC, MCE, PCE, PGE, SCPA, SENAUS, UC

Counterparties

CITI	Citigroup Energy Inc.	PCE	Peninsula Clean Energy
CPC	Conoco Phillips	PGE	Pacific Gas & Electric
DGF	DG Fairhaven Power, LLC	PGEM	Portland General Electric Company
HRC	Humboldt Redwood Company	SCPA	Sonoma Clean Power Authority
MCE	Marin Clean Energy	SENAUS	Shell Energy North America, L.P.
MSCG	Morgan Stanley Capital Group, Inc.	UC	University of California
NEPM	NextEra Energy Marketing, L.L.C.		

RCEA Daily Reports

**End of Day Reports provided to RCEA each day by
The Energy Authority (TEA)**

These day-ahead reports show projected hourly performance of RCEA's load and generating resources as reported by TEA to the California Independent System Operator (CAISO)

*Excerpt from a sample report redacted for public viewing
Prepared by RCEA staff for June 12, 2019 RCEA Finance
Committee meeting*

Wed, December 12, 2018

RCEA End of Day Report

Delivered Gen
Volume = local
biomass

IST volume =
hedges

HE = hour ending

RCEA Day Ahead Summary

Load Volume	2,099	MWh
Delivered Gen Volume	684	MWh
IST Volume	1,480	MWh
Net Position	65	MWh
Load Weighted Avg Price	~60	\$/MWh
Avg Gen RPS Premium (Delivered)	~17	\$/MWh
IST Net Avg Cost/Credit	~14	\$/MWh
Load Cost/Credit	~125,000	\$
Delivered Gen Cost/Credit	~12,000	\$
IST Cost/Credit	~(30,000)	\$
Net Energy Cost/Credit	~105,000	\$
Net Energy Cost Weighted Avg Price	~50	\$/MWh

Net Position =
amount by which
contracted energy
resources exceed or
fall short of load

Prices in gray are
approximations –
actual prices are
redacted

IST credit indicates
hedge prices were
“in the money,” i.e.
lower than day-
ahead prices

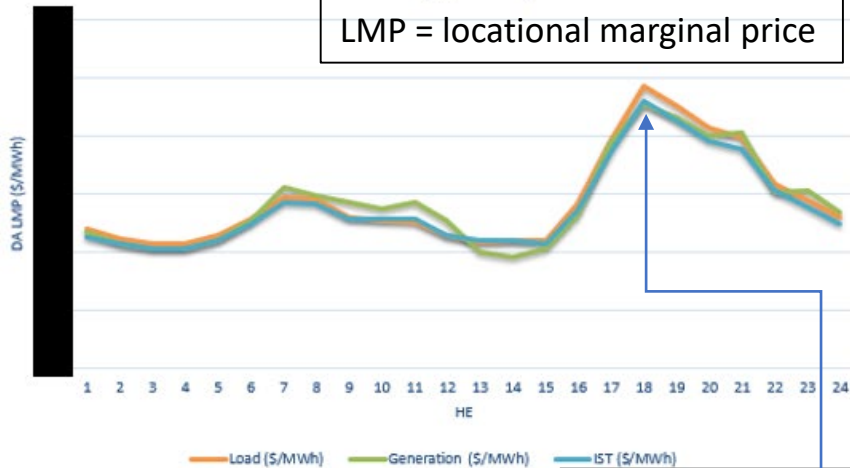
HE	Load (MWh)	Delivered Biomass (MWh)	IST (MWh)	Net Position (MWh)	% Hedged
1	73	28	55	10	113%
2	67	28	55	15	123%
3	65	28	55	18	127%
4	64	30	55	20	132%
5	66	30	55	18	127%
6	72	28	55	10	114%
7	82	28	65	10	112%
8	90	30	65	4	105%
9	93	30	65	2	102%
10	94	30	65	0	100%
11	95	30	65	(0)	100%
12	93	30	65	1	101%
13	92	30	65	3	103%
14	92	30	65	3	103%
15	91	32	65	6	107%
16	91	30	65	4	104%
17	95	28	65	(2)	98%
18	105	28	65	(13)	88%
19	107	28	65	(15)	86%
20	106	28	65	(13)	88%
21	103	28	65	(10)	90%
22	97	28	65	(4)	96%
23	88	28	55	(5)	94%
24	79	28	55	4	105%
	2,099	684	1,480	65	103%

Wed, December 12, 2018

RCEA End of Day Report

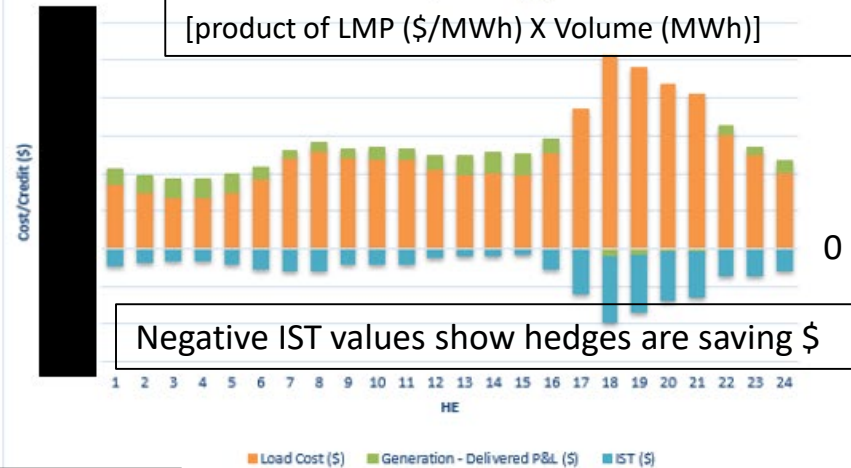
DA LMP (\$/MWh)

LMP = locational marginal price



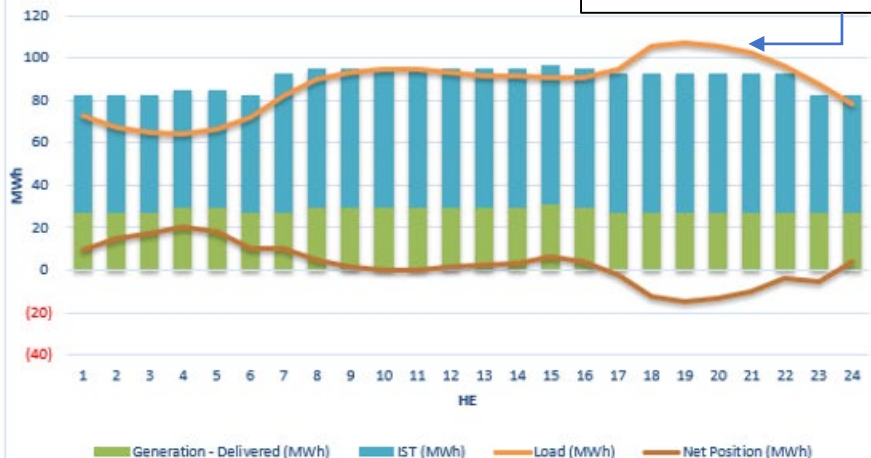
DA Cost/Credit (\$)

[product of LMP (\$/MWh) X Volume (MWh)]

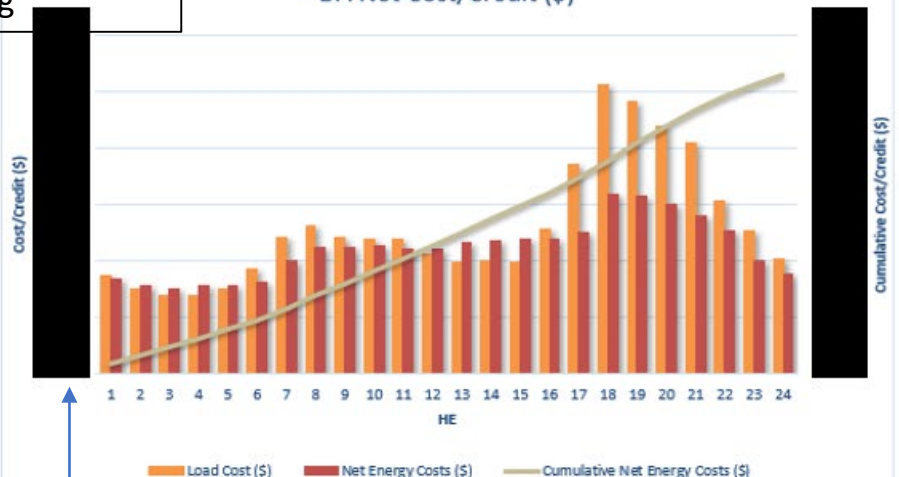


DA Volumes (MWh)

Unit price and load both tend to peak in the evening



DA Net Cost/Credit (\$)



Note: actual prices are redacted

This page
intentionally
left blank.