



Redwood Coast Energy Authority  
633 3<sup>rd</sup> Street, Eureka, CA 95501  
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777  
E-mail: [info@redwoodenergy.org](mailto:info@redwoodenergy.org) Web: [www.redwoodenergy.org](http://www.redwoodenergy.org)

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## **BOARD OF DIRECTORS MEETING AGENDA**

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

**August 22, 2019**  
**Thursday, 3:30 p.m.**

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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.

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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](http://www.redwoodenergy.org).

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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.

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### **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 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 in 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 July 25, 2019, Board Meeting.

**3.2** Approve Disbursements Report.

**3.3** Accept Financial Reports.

**3.4** Adopt Resolution No. 2019-2, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's Health Benefits Program.

**3.5** Adopt Resolution No. 2019-3, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Adopting a Policy Concerning Closed Sessions Pursuant to Government Code Section 54956.96.

- 3.6** Waive Conflict of Interest in the Law Offices of Nancy Diamond's Representation of RCEA and the City of Arcata on Matters Pertaining to Their Respective Interests in the Pending PG&E Bankruptcy Proceeding.

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

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

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

- 5.1** Comprehensive Action Plan for Energy Update (Information only)

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

- 6.1.** Presentation by Craig Tucker, Natural Resources Consultant for County of Humboldt, on the Potter Valley Project (Information only)
- 6.2.** Presentation by Naveed Paydar, Local Government Liaison to the California Public Utilities Commission (Information only)
- 6.3.** Fiscal Year 2018-2019 4<sup>th</sup> Quarter Budget Summary (Information only)
- 6.4.** Regulatory and Legislative Policy Manager Position Creation

Approve creation of a Regulatory and Legislative Policy Manager position.

#### **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.** Adjustment to D.G. Fairhaven Contract Renewal Schedule to Secure State-Required Resource Adequacy Values for RCEA

Direct staff to negotiate a contract amendment with DG Fairhaven extending the power purchase agreement ten months and adding provisions to require improved remote data communications needed for effective scheduling of DG Fairhaven's generating resource into the California Independent System Operator.

#### **8. NEW CCE BUSINESS**

- 8.1.** Carbon-Free Power Procurement Alternatives

Direct staff to use the remaining carbon-free budget to purchase out-of-state (PCC2) renewables, contingent upon the availability of a viable procurement opportunity for the remainder of 2019.

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

**9. STAFF REPORTS – None.**

**10. FUTURE AGENDA ITEMS**

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

**11. CLOSED SESSION**

- 11.1.** Closed Session to meet with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California.

**12. RECONVENE TO OPEN SESSION**

**13. CLOSED SESSION REPORT**

**14. ADJOURNMENT**

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**NEXT REGULAR MEETING**

Thursday, September 26, 2019, 3:30 p.m.  
Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501

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## **DRAFT BOARD OF DIRECTORS MEETING MINUTES**

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

**July 25, 2019**  
**Thursday, 3:30 p.m.**

Chair Michael Winkler called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m. Notice of this meeting was posted on July 19, 2019. PRESENT: Vice Chair Austin Allison, Summer Daugherty, Estelle Fennell, Alternate Director Debra Garnes, Dwight Miller, Robin Smith, Chair Michael Winkler, Sheri Woo. ABSENT: Dean Glaser. STAFF PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Demand Side Management Director Lou Jacobson, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

### **ORAL COMMUNICATIONS**

Chair Winkler invited public comment.

Member of the public Dr. Ken Miller expressed his opposition to the Terra-Gen onshore wind project stating that RCEA is creating a sense of urgency to approve the project despite its industrial-scale local impacts and introduced fire hazards without considering options such as incentivizing distributed energy generation from solar panels on Humboldt County rooftops, which can be done at a less-costly scale to supply local energy that is not for export. Dr. Miller also proposed purchasing non-local wind from repowered, aging wind farms, reducing new site development impacts. Dr. Miller stated that RCEA has the skills to bring widespread, distributed energy production and increased home equity and resilience to Humboldt County without destroying forests and rivers.

Member of the public David Grant of Petrolia expressed opposition to the Humboldt onshore wind project, citing the negative precedent set by developing Humboldt County's forest lands and open spaces.

Member of the public Tyler Chapman of Lost Coast Energy reported that local building departments are beginning to discuss state energy code enforcement. As a Home Energy Rating System rater trained to perform energy efficiency field testing, Mr. Chapman stated that the easiest and cheapest way to lessen human climate impacts is to save energy by heating one's house or business, and not the outside air. Mr. Chapman requested that the directors see if their building departments are enforcing code compliance.

Chair Winkler closed the oral communications period.

### **CLOSED SESSION**

Chair Winkler invited public comment on the closed session item. No one came forward to speak. Chair Winkler closed public comment.

The directors adjourned to closed session at 3:45 p.m. to meet with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California.

The directors reconvened to open session at 4:34 p.m. General Counsel Diamond reported the following action:

**M/S: Miller, Allison: Authorize General Counsel Nancy Diamond and Executive Director Matthew Marshall to make decisions in PG&E bankruptcy proceedings that need to be made quickly, the impact of which shall not exceed \$100,000, provided approval has first been received by at least two of the following: Chair Michael Winkler, Vice Chair Austin Allison and Director Sheri Woo. This authority expires at the end of the calendar year.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

## **CONSENT CALENDAR**

- 6.1 Approve Minutes of June 27, 2019, Board Meeting.
- 6.2 Approve Disbursements Report.
- 6.3 Accept Financial Reports.

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

Director Woo requested items 6.1 and 6.3 be removed from the consent calendar.

**M/S: Allison, Miller: Approve consent calendar item 6.2.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

## **REMOVED FROM CONSENT CALENDAR ITEMS**

Director Woo commended staff for capturing the tone of the previous meeting in the minutes.

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

**M/S Miller, Garnes: Approve consent calendar item 6.1.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

Responding to a request by Director Woo for an explanation of the negative net income listed in the profit and loss statement, Executive Director Marshall presented slides of seasonal net

revenue fluctuations showing dips in the agency's cash balance in the late winter and spring. Executive Director Marshall explained that RCEA's rates reflect a fixed discount on PG&E's changing rates, which were exaggerated this year due to PG&E's delayed rate change. While the Community Choice Energy program's power cost hedging strategy also exaggerates spring vs. summer profits and losses in the month-to-month statements, Mr. Marshall stated that the CCE program's cash position trendline is positive as the program moves through its startup phase, and that if RCEA's rates were not based on a discount from PG&E's rates, these anticipated cash balance fluctuations would not occur to this degree.

**M/S Woo, Miller: Approve consent calendar item 6.3.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

## **OLD BUSINESS**

### **Energy Efficiency Program Administrator Application**

Demand Side Management Director Jacobson reviewed staff's determination that program administrator election status, or electing to have the community choice energy program administer California Public Utilities Commission energy efficiency funding, is the best option for continuing demand side management services in 2020-2023. Director Jacobson described the proposed programs and the application's cost-effectiveness analysis. The proposed energy efficiency programs largely continue existing commercial and public agency programs, utilize data gathered over 13 years of providing efficiency programs for added effectiveness, and refer customers to third party programs through PG&E where appropriate. Additional state funding must be obtained to expand currently available CCE-funded residential efficiency programs.

Staff and the directors clarified: that fuel switching from propane, which is a non-utility resource, to electricity was not included in the energy efficiency program; that the state is considering measures that would support fuel switching from natural gas to electricity; that residents who contact RCEA technicians can access a wide array of energy efficiency programs; that RCEA maintains liability insurance for staff technicians working in homes, businesses and agencies; that customers sign agreements with contractors directly for many efficiency projects; and that there is interest in offering on-bill financing for energy efficiency upgrades for residential customers, in addition to currently offered on-bill financing for commercial customers.

Chair Winkler invited public comment.

Upon inquiry by member of the public Ellen Golla regarding whether RCEA offered a fuel-switching or heat pump program to offer an alternative to burning wood for heat, staff responded that funding for the program has been acquired through the Community Choice Energy program and that staff was developing terms and conditions.

Chair Winkler closed public comment.

**M/S: Daugherty, Woo: Per Public Utilities Code 381.1 (f), approve the enclosed energy efficiency and conservation program plan and authorize the Executive Director to submit the document to the California Public Utilities Commission and to make any**

**edits and alterations necessary to address California Energy Efficiency Coordinating Committee (CAEECC) input and varying procedural and regulatory requirements.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

**M/S Fennell, Garnes: Change the order of the agenda to discuss Community Choice Energy business next.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Glaser. Abstentions: None.**

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

Chair Winkler confirmed that a quorum was present to conduct CCE business.

### **NEW CCE BUSINESS**

#### **Community Choice Energy Program Updates – DG Fairhaven Biomass Contract and California Community Choice Association Membership Dues**

Power Resources Director Richard Engel reported that staff will request the directors to decide at their August meeting whether to renew RCEA's power purchase agreement with DG Fairhaven for a third year. An early decision would allow RCEA to start seeking another source for state-required resource adequacy purchase in a tight market and allow DG Fairhaven early notice should they need to find another electricity off taker. The directors requested a cost-benefit analysis and presentation of options to help in decision-making.

Executive Director Matthew Marshall reported that CalCCA membership dues rose significantly, reflecting increased CPUC regulatory engagement and Community Choice Aggregator representation at the state legislature. These functions are difficult for individual CCA's to perform and CalCCA presents a collective voice for locally-controlled power procurement at the state level. Issues being addressed include advocating for a favorable decision in the power charge indifference adjustment or exit fee calculations, which can have a significant impact on customer rates. RCEA is represented on the organization's board of directors and has equal voting weight despite its small size.

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

**M/S Fennell, Miller: Approve increase to RCEA's annual CalCCA membership dues up to \$108,960.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith and Winkler. Noes: None. Absent: Glaser. Abstentions: Woo.**

Director Allison leaves at 5:41 p.m.



## Comprehensive Action Plan for Energy Update

Executive Director Marshall described efforts to update RCEA's Comprehensive Action Plan for Energy (CAPE) in coordination with the countywide climate action plan. Staff proposed holding two primary workshops on the CAPE update: on Thursday, August 29 focusing on outcomes of previous planning efforts and qualitative aspects of the CAPE update; and on Thursday, October 17, focusing on quantitative and timeline targets. RCEA is working with the County to shape a mid-September workshop on forests and climate change, as RCEA's purchase of biomass energy plays a small part in forest lands' relationship to climate change. Public input from these meetings will be presented to the Community Advisory Committee (CAC) in October, and the Committee's recommendations for the CAPE update will be brought to the Board in November. The updated document will inform the CCE's integrated resource plan to be submitted to the CPUC in April 2020.

Executive Director Marshall relayed the CAC's desires for holding meetings with targeted stakeholder groups, for written comment periods for the CAPE's qualitative and quantitative goals, and for ongoing education and short video segments on RCEA's work and goals.

The directors discussed the need for a professional, unaffiliated facilitator at the forest and climate change workshop to foster constructive discussion, for ads on television and public access, for at least two weeks to look over the proposed CAPE updates prior to the November Board meeting where the updates would be approved, for possibly engaging Senator McGuire's office in the update process.

Chair Winkler invited public comment.

Member of the public Wendy Ring stated that the community is interested in having input on the CAPE document as it guides RCEA's decision-making and that the RCEA resolution adopting the 100% clean and renewable electricity target stated the agency would gather public input on how to define "clean." Ms. Ring stated that one meeting was inadequate to accomplish this, and that more sessions, including meetings in different parts of the County, were needed to meet the agency's commitment.

Member of the public Dave Grant of Petrolia stated he was unfamiliar with RCEA's work and that 60-second social media video clips would reach more community members and lead to more input than television ads would.

Member of the public Ellen Golla stated that the agency was not interested in obtaining public input but was seeking to make a case for already established goals prior to executing them.

Chair Winkler closed public comment.

The directors and staff discussed use of *redwoodenergy.org* to connect the public to the draft CAPE update, instructions on submitting comment; possible video recording of the public meetings and forest workshop; and that the CAPE update drafts are included in the June 2019 Board meeting packet. The need for alternate meeting locations in southern and eastern Humboldt, for directors to solicit comments from constituents and for extensive publicity and education was discussed.

**M/S Miller, Garnes: Approve the Comprehensive Action Plan for Energy public engagement plan and timeline recommended by the Community Advisory Committee.**

**The motion passed on a unanimous voice vote. Ayes: Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Allison, Glaser. Abstentions: None.**

### **Renewable Energy Power Purchase Agreement with Snow Mountain Hydro, LLC**

Power Resources Director Engel reported that staff completed power purchase agreement negotiations with Snow Mountain Hydro for electricity generated on Hatchet Creek, a tributary of the Pit River. The project, which reuses water from an upstream hydro project, satisfies the stated preference for local or adjacent county power. The rates are higher than solar but are competitive with non-solar offers and hydropower generation is consistent throughout the day. The contract length satisfies the SB 350 requirement for long-term agreements.

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

**M/S Fennell, Miller: Approve a 15-year power purchase agreement with Snow Mountain Hydro, LLC for the full capacity of its Cove Hydro project up to 5.6 MW, and authorize RCEA's executive director to execute all applicable documents and adjust the contract terms as needed to reflect the nominal capacity, as approved by the California Independent System Operator.**

**The motion passed on a unanimous voice vote. Ayes: Daugherty, Fennell, Garnes, Miller, Smith, Winkler and Woo. Noes: None. Absent: Allison, Glaser. Abstentions: None.**

### **Special District Risk Management Authority Board Election**

The directors discussed supporting candidates with special district experience and the merits of the local candidate.

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

**M/S Fennell, Garnes: Approve the official 2019 SDRMA Board of Directors election ballot casting RCEA's vote for Bob Swan, Sandy Seifert and Jesse Claypool for a four-year term.**

**The motion passed: Ayes: Fennell, Garnes, Miller, Smith, Woo. Noes: Daugherty, Winkler. Absent: Allison, Glaser. Abstentions: None.**

Chair Winkler adjourned the meeting at 6:33 p.m.

Respectfully submitted,

Lori Taketa  
Clerk of the Board

# Redwood Coast Energy Authority

## Disbursements Report

As of June 30, 2019

Type	Date	Num	Name	Memo	Amount
Liability Check	06/07/2019	E-pay	EDD	499-0864-3 QB Tracking # -406812070	-3,430.24
Liability Check	06/07/2019	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -406804070	-17,933.96
Liability Check	06/07/2019	E-pay	EDD	499-0864-3 QB Tracking # -406787070	-109.90
Paycheck	06/10/2019	9605	Payroll	Payroll	-2,479.38
Bill Pmt -Check	06/10/2019	9606	Winzler, John	Office Lease - June	-4,350.00
Bill Pmt -Check	06/10/2019	9607	ABC Office Equipment	May print charges/service contract.	-331.49
Bill Pmt -Check	06/10/2019	9608	AESC	Professional Services through 5/31/19 - Scotia	-661.50
Bill Pmt -Check	06/10/2019	9609	Bishop, M.	May mileage	-219.70
Bill Pmt -Check	06/10/2019	9610	Boutin Jones	Legal services: PG&E and Common Interest - April 2	-743.64
Bill Pmt -Check	06/10/2019	9611	Braun Blaising Smith Wynne	Legal Services - Regulatory	-4,077.39
Bill Pmt -Check	06/10/2019	9612	Brennan, K.	May mileage reimbursement	-18.97
Bill Pmt -Check	06/10/2019	9613	Central Office	Printing/Copying services.	-117.18
Bill Pmt -Check	06/10/2019	9614	City of Arcata	May Utility User Tax	-7,474.18
Bill Pmt -Check	06/10/2019	9615	City of Blue Lake	May Utility User Tax	-673.96
Bill Pmt -Check	06/10/2019	9616	City of Eureka-Water	Water service, 4/25-5/24/19	-155.96
Bill Pmt -Check	06/10/2019	9617	Donald Dame	Professional Services	-306.25
Bill Pmt -Check	06/10/2019	9618	Enterprise	Employee travel	-476.17
Bill Pmt -Check	06/10/2019	9619	Fetters, Jake	May mileage reimbursement	-146.60
Bill Pmt -Check	06/10/2019	9620	Fischer, A.	Travel reimbursement: Civicspark travel	-92.11
Bill Pmt -Check	06/10/2019	9621	Hilson, D.	May mileage reimbursement	-134.68
Bill Pmt -Check	06/10/2019	9622	HireRight	Background Check: new hires	-85.56
Bill Pmt -Check	06/10/2019	9623	McMahon, J.	May mileage reimbursements	-75.33
Bill Pmt -Check	06/10/2019	9624	Means, M.	May mileage	-65.08
Bill Pmt -Check	06/10/2019	9625	Mission Uniform & Linen	May mat service, janitorial supplies	-64.05
Bill Pmt -Check	06/10/2019	9626	North Coast Cleaning	May 2019 Cleaning Service	-438.00
Bill Pmt -Check	06/10/2019	9627	North Coast Employer Advisory Council	Membership Dues - 2019	-40.00
Bill Pmt -Check	06/10/2019	9628	PG&E EV Account	EV stations April	-387.86
Bill Pmt -Check	06/10/2019	9629	PG&E Utility Account	April utilities/lighting upgrade financing	-859.23
Bill Pmt -Check	06/10/2019	9630	Pierson's Home Ctr	Facilities expenses	-2.80
Bill Pmt -Check	06/10/2019	9631	Platt/Rexel	Stock	-29,453.02
Bill Pmt -Check	06/10/2019	9632	SDRMA Medical	July Premium	-18,237.60
Bill Pmt -Check	06/10/2019	9633	Shafer's Ace	Batteries - facilities	-23.85
Bill Pmt -Check	06/10/2019	9634	Suddenlink Communications	Internet access	-1,105.46
Bill Pmt -Check	06/10/2019	9635	Terry, P.	May mileage reimbursement	-76.50
Bill Pmt -Check	06/10/2019	9636	Times Printing Company	Printing/Copying services.	-3,115.75
Bill Pmt -Check	06/10/2019	9637	U.S. Regents	Pocket Guide to FMLA	-35.75
Bill Pmt -Check	06/10/2019	9638	Verizon Wireless	May tablet/cell service for field staff/mobile broadband	-228.74
Bill Pmt -Check	06/10/2019	9639	City of Arcata	May High Energy Use Tax	-2,584.04
Paycheck	06/10/2019	6101901	Payroll	5/15-5/31/19	-47,118.45
Bill Pmt -Check	06/11/2019	9640	Gross Family, LLC.	Gross Family self-install rebate/Audit 5184.	-2,083.70
Liability Check	06/12/2019	E-pay	EDD	499-0864-3 QB Tracking # -234819070	-270.45
Liability Check	06/12/2019	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -234780070	-957.02
Check	06/13/2019	9641-719	NEM Customers	NEM Annual Cashouts	-28,066.12
Paycheck	06/25/2019	9721	Payroll	5/15-5/31/19	-2,479.37
Liability Check	06/24/2019	9722	Umpqua Bank	HSA	-698.72
Liability Check	06/24/2019	9723	Calvert	SIMPLE IRA	-11,764.18
Bill Pmt -Check	06/25/2019	ACH	CalPine Corporation	Calpine May 2019 Costs	-73,660.95
Bill Pmt -Check	06/25/2019	ACH	Humboldt Redwood Company	Humboldt Redwood CO. May 2019	-624,527.03
Bill Pmt -Check	06/25/2019	ACH	DG Fairhaven	DG Fairhaven May 2019	-294,530.94
Bill Pmt -Check	06/25/2019	9724	Avcollie, M.	May mileage reimbursement.	-184.44
Bill Pmt -Check	06/25/2019	9725	Boudreau, D.	Mileage reimbursement: REVNet	-51.62
Bill Pmt -Check	06/25/2019	9726	CalCCA	Operational Member dues Q4 18/19	-22,390.00
Bill Pmt -Check	06/25/2019	9727	Cissna, A.	Mileage reimbursement: EW	-9.09
Bill Pmt -Check	06/25/2019	9728	Cornerstone Computers	Network Cables	-16.28

**Redwood Coast Energy Authority**  
**Disbursements Report**  
As of June 30, 2019

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	06/25/2019	9729	Donald Dame	Professional Services	-248.50
Bill Pmt -Check	06/25/2019	9730	Diamond, Nancy	May Legal Services - CCA	-6,112.40
Bill Pmt -Check	06/25/2019	9731	Diamond, Nancy	May Legal Services - EW	-200.00
Bill Pmt -Check	06/25/2019	9732	Enterprise Tolls	Employee travel	-11.95
Bill Pmt -Check	06/25/2019	9733	Environmental Indicator Accounting Svcs.	Services & support for climate action plan.	-1,580.00
Bill Pmt -Check	06/25/2019	9734	Eureka Oxygen	Annual fire extinguisher service	-181.00
Bill Pmt -Check	06/25/2019	9735	FedEx	Control Module shipping	-15.25
Bill Pmt -Check	06/25/2019	9736	The Heart of Humboldt	Heart of Humboldt self-install rebate/Audit 5659	-812.40
Bill Pmt -Check	06/25/2019	9737	Humboldt Lighting, LLC.	Lighting install rebate	-5,605.83
Bill Pmt -Check	06/25/2019	9738	Local Government Commission	May 2019 CivicSpark Services	-2,318.18
Bill Pmt -Check	06/25/2019	9739	NGI, Inc.	Lighting install rebate	-4,157.52
Bill Pmt -Check	06/25/2019	9740	PG&E CCA	May CCE Charges	-22,093.40
Bill Pmt -Check	06/25/2019	9741	Platt/Rexel	Stock	-25,489.33
Bill Pmt -Check	06/25/2019	9742	Ponting, W.	May mileage reimbursement	-111.73
Bill Pmt -Check	06/25/2019	9743	Recology	May garbage service	-90.72
Bill Pmt -Check	06/25/2019	9744	SDRMA Dental	May Premium	-1,246.73
Bill Pmt -Check	06/25/2019	9745	Winzler, John	Office Lease - July	-4,350.00
Paycheck	06/25/2019	6251901	Payroll	6/1-6/15/19	-46,511.45
Liability Check	06/26/2019	E-pay	EDD	499-0864-3 QB Tracking # -180155070	-3,571.43
Liability Check	06/26/2019	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -180109070	-18,531.62
Liability Check	06/26/2019	E-pay	EDD	499-0864-3 QB Tracking # -180083070	-144.55
<b>TOTAL</b>					<b><u>-1,353,004.23</u></b>

**Redwood Coast Energy Authority**  
**Balance Sheet**  
As of June 30, 2019

	<u>Jun 30, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking Acct 0560	262,565.72
1070 · OLD Umpqua Dep Cntrl Acct 1687	81,085.03
1071 · Umpqua Deposit Cntrl Acct 8215	3,023,336.76
1075 · Umpqua Reserve Account 2300	1,930,942.03
8413 · COUNTY TREASURY 3839	5,065.52
<b>Total Checking/Savings</b>	5,318,613.99
<b>Total Accounts Receivable</b>	280,914.24
<b>Other Current Assets</b>	
1101 · Allowance for Doubtful Accounts	-296,658.54
1103 · Accounts Receivable-Other	6,739,292.69
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-30,252.77
<b>Total 1210 · Retentions Receivable</b>	36,500.57
1499 · Undeposited Funds	530.68
<b>Total Other Current Assets</b>	6,471,127.63
<b>Total Current Assets</b>	12,070,655.86
<b>Total Fixed Assets</b>	151,725.39
<b>Total Other Assets</b>	4,100.00
<b>TOTAL ASSETS</b>	<u><u>12,226,481.25</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Total Accounts Payable</b>	3,871,601.42
<b>Total Credit Cards</b>	5,916.82
<b>Other Current Liabilities</b>	
<b>Total 2100 · Payroll Liabilities</b>	120,914.70
<b>Total 2210 · Retentions Payable</b>	0.56
<b>Total Other Current Liabilities</b>	120,915.26
<b>Total Current Liabilities</b>	3,998,433.50
<b>Long Term Liabilities</b>	
<b>Total 2700 · Long-Term Debt</b>	1,272.39
2703 · TEA Phase I & II	77,499.31
<b>Total Long Term Liabilities</b>	78,771.70
<b>Total Liabilities</b>	4,077,205.20
<b>Equity</b>	
2320 · Investment in Capital Assets	150,452.99
3203 · LTD - TEA Phase I & II	-77,499.31
3900 · Fund Balance	8,549,756.87
Net Income	-461,734.50
<b>Total Equity</b>	8,160,976.05
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>12,238,181.25</u></u>

**Redwood Coast Energy Authority**  
**Profit & Loss Budget vs. Actual**  
July 2018 through June 2019

	<u>Jul '18 - Jun 19</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	114,362.32	111,600.00	102.48%
Total 5100 · Revenue - program related sales	11,342.80	18,000.00	63.02%
Total 5400 · Revenue-nongovernment agencies	2,082,492.71	2,048,527.00	101.66%
Total 5500 · Revenue - Electricity Sales	45,831,094.35	51,780,000.00	88.51%
Total 5 REVENUE EARNED	48,039,292.18	53,958,127.00	89.03%
Total Income	48,039,292.18	53,958,127.00	89.03%
Gross Profit	48,039,292.18	53,958,127.00	89.03%
Expense			
Total 6 WHOLESALE POWER SUPPLY	40,843,584.95	39,880,000.00	102.42%
Total 7 PERSONNEL EXPENSES	2,244,518.74	2,253,700.00	99.59%
Total 8.1 FACILITIES AND OPERATIONS	1,050,620.92	1,049,927.00	100.07%
Total 8.2 COMMUNICATIONS AND OUTREACH	88,093.24	108,200.00	81.42%
Total 8.3 TRAVEL AND MEETINGS	37,596.44	48,000.00	78.33%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	97,500.53	94,600.00	103.07%
8410 · Contracts - Program Related Ser	235,096.42	362,200.00	64.91%
8420 · Accounting	20,268.00	55,000.00	36.85%
8430 · Legal	148,688.20	150,000.00	99.13%
8450 · Wholesale Services - TEA	534,905.25	585,000.00	91.44%
8460 · Procurement Credit - TEA	724,929.47	800,000.00	90.62%
8470 · Data Management - Calpine	876,646.15	1,100,000.00	79.7%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,638,034.02	3,146,800.00	83.83%
Total 8.5 PROGRAM EXPENSES	620,447.15	1,268,000.00	48.93%
Total 8.6 INCENTIVES & REBATES	484,177.04	460,000.00	105.26%
Total 9 NON OPERATING COSTS	493,954.18	565,800.00	87.3%
Total Expense	48,501,026.68	48,780,427.00	99.43%
Net Ordinary Income	-461,734.50	5,177,700.00	-8.92%
Net Income	<u>-461,734.50</u>	<u>5,177,700.00</u>	<u>-8.92%</u>



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 3.4

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Planning & Finance
SUBJECT:	SDRMA Health Benefits Program Memorandum of Understanding Amendment

### SUMMARY

RCEA is a member of the Special District Risk Management Authority which provides a pool of California public agencies with risk financing, risk management programs and other coverage protection programs in a cost-efficient manner. The SDRMA enrolls small public entities typically having 250 or less employees into the California State Association of Counties – Excess Insurance Authority (CSAC-EIA) Health's Small Group Medical Benefits Program.

The SDRMA Board of Directors approved amendments to the Health Benefits Program memorandum of understanding between RCEA and SDRMA in June 2019 to align the memorandum with IRS guidelines, the Affordable Care Act, and the CSAC-EIA pool guidelines.

In order to continue participation in the Health Benefits Program, the RCEA governing board must approve the attached resolution and execute the attached memorandum of understanding by November 1, 2019.

### FINANCIAL IMPACTS

Execution of the memorandum results in no new direct financial impacts. The memorandum continues the governance of benefit coverage, rates, assessments, premiums, and terms and conditions by the CSAC-EIA Health Committee.

### RECOMMENDED ACTION

Adopt Resolution No. 2019-2, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's Health Benefits Program.

### ATTACHMENTS

1. Resolution No. 2019-2 Approving and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the SDRMA's Health Benefits Program.
2. Memorandum of Understanding

## **RESOLUTION NO. 2019-2**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDWOOD COAST ENERGY AUTHORITY APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM**

**WHEREAS**, Redwood Coast Energy Authority, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in the Health Benefits Program offered by Special District Risk Management Authority (the "Authority"); and

**WHEREAS**, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 et seq., for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

**WHEREAS**, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for the Health Benefits Program; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Redwood Coast Energy Authority as follows:

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the



transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2019

ATTEST:

\_\_\_\_\_  
Michael Winkler, RCEA Board Chair

\_\_\_\_\_  
Lori Taketa, Clerk of the Board

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

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

#### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2019-2 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the \_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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

## **MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.**

**WHEREAS**, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities into the CSAC - Excess Insurance Authority Health's ("CSAC-EIA Health") Small Group Health Benefits Program (hereinafter "PROGRAM"); and

**WHEREAS**, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by CSAC-EIA Health Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and.

**WHEREAS**, ENTITY desires to enroll and participate in the PROGRAM.

**NOW THEREFORE**, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants

and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties up to and including termination from the PROGRAM. Premiums are based on a full month, and there are no partial months or prorated premiums. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM and will be provided by SDRMA to each ENTITY. SDRMA will provide each ENTITY with additional documentation, defined as the SDRMA Program Administrative Guidelines which provide further details on administration of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
  - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
  - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must

- be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.
- c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
  - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. **WITHDRAWAL.** ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
10. **LIAISON WITH SDRMA.** Each ENTITY shall maintain staff to act as liaison with SDRMA and between the ENTITY and SDRMA's designated PROGRAM representative.
11. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
12. **VENUE.** Venue for any dispute or enforcement shall be in Sacramento, California.
13. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
14. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
15. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
16. **AMENDMENT OF MEMORANDUM.** This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's designated representative, or alternate, who shall have authority to execute this MEMORANDUM. Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.
17. **EFFECTIVE DATE.** This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA.

18. **EXECUTION IN COUNTERPARTS.** This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: August 1, 2019

By: Laura S. Gill

Special District Risk  
Management Authority

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Redwood Coast Energy Authority

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# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 3.5

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Nancy Diamond, General Counsel
SUBJECT:	Resolution 2019-3, Adopting a Policy Concerning Closed Sessions Pursuant to Government Code Section 54956.96

### SUMMARY

The Brown Act designates information received by a legislative body in closed session as confidential and generally prohibits its disclosure. In the context of a joint powers agency like the RCEA, this means that, in general, information obtained by a RCEA Board member during a RCEA closed session may not be shared with the Board member's source agency including its legal counsel or other members of that legislative body. However, a specific provision of the Brown Act applicable only to JPA entities allows the JPA to adopt a policy whereby information obtained in closed session may be shared with the member agency's legal counsel and with the legislative body in closed session if the information has financial or liability implications for that member agency.

Under such a policy, a RCEA Board member may first disclose the information to its member agency's legal counsel to allow the legal counsel to determine if the matter has legal or liability implications for that member agency. If so, the legislative body of the member agency may then meet in closed session to discuss the information and take action if desired. In addition, An RCEA Board member may disclose such information to his/her member agency's designated alternate to the RCEA Board when the alternate will be attending a RCEA closed session in lieu of the regular Board member.

Resolution 2019-3 would adopt such a policy and place it as an appendix into the Board's Operating Guidelines.

### FINANCIAL IMPACTS

There are no financial impacts from adopting the proposed Resolution and Policy.

### RECOMMENDED ACTION

Adopt Resolution 2019-3, Adopting a Policy Concerning Closed Sessions Pursuant to Government Code Section 54956.96.

### ATTACHMENTS

Resolution No. 2019-3 of the Redwood Coast Energy Authority Adopting a Policy Concerning Closed Sessions Pursuant to Government Code Section 54956.96.

## **RESOLUTION NO. 2019-3**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDWOOD COAST ENERGY AUTHORITY ADOPTING A POLICY CONCERNING CLOSED SESSIONS PURSUANT TO GOVERNMENT CODE SECTION 54956.96**

**WHEREAS**, the Brown Act in Government Code section 54956.96 allows the legislative body of a joint powers agency (JPA) to adopt a policy authorizing disclosure of information obtained during a closed session of the JPA's Board of Directors to certain individuals, in specified circumstances; and

**WHEREAS**, when such policy is adopted, a member of the legislative body of a local agency that is a member of the JPA may disclose information obtained in a closed session of the JPA Board of Directors to the member agency's legal counsel, and to the other members of the local agency's legislative body in closed session if the information has direct financial or liability implications to the member agency; and

**WHEREAS**, in addition, upon adoption of such policy, the member agency's legislative body may conduct a closed session, on advice of the member agency's legal counsel, to receive, discuss and take action on information obtained from the joint powers agency's closed session; and

**WHEREAS**, RCEA desires to establish a policy pursuant to Section 54956.96 to allow for the sharing of information obtained from a closed session of the RCEA's Board of Directors with its member agencies' legal counsel and their respective legislative bodies, in those situations where there is direct financial or liability implications.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Redwood Coast Energy Authority hereby adopts the following policy pursuant to Government Code § 54956.96, and directs the Executive Director to amend the Board's Operating Guidelines to include this policy as an appendix:

#### **Closed Session Policy Pursuant to Government Code Section 54946.96**

1. Councilmembers, Supervisors, and Commissioners serving on the Board of the RCEA may disclose information obtained in a closed session of the RCEA Board when the information has direct financial or liability implications for the City, County, and/or District to the following individuals:
  - a. Legal counsel of the RCEA Board Member's respective City, County, or District for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member local agency, and
  - b. Other members of the legislative body of the RCEA Board Member's respective City, County, or District, in a closed session of that member agency.



2. Councilmembers, Supervisors, and Commissioners attending RCEA closed sessions as designated alternates shall be entitled to disclose information obtained in those closed sessions pursuant to Paragraph 1 above.
3. RCEA member agencies may, on advice of their respective legal counsel, conduct a closed session in order to receive, discuss and take action concerning information obtained in a RCEA closed session pursuant to section 1 of this Policy.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2019

ATTEST:

\_\_\_\_\_  
Michael Winkler, RCEA Board Chair

\_\_\_\_\_  
Lori Taketa, Clerk of the Board

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

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

#### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2019-3 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the \_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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

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# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 3.6

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Nancy Diamond, General Counsel
SUBJECT:	Waiver of Conflict of Interest: PG&E Bankruptcy Claims

### SUMMARY

The California attorneys' Rules of Professional Conduct require attorneys to notify a client due to the simultaneous representation of clients with interests that have the potential of becoming adverse to each other. The attorney may seek a written waiver from both clients in order to proceed with the simultaneous representation.

As the Board may know, in addition to the services I provide to RCEA as its General Counsel, I am the City Attorney for the City of Arcata. I am currently seeking a waiver of the potential for a conflict of interest arising from potential interests or claims that RCEA and the City of Arcata may have in the pending Pacific Gas & Electric (PG&E) bankruptcy proceeding. The potential claims against or interests in PG&E that RCEA and the City of Arcata each has do not overlap and therefore no adverse interests or conflict of interest currently exist. However, the possibility exists that the respective claims or interests, if any, could overlap and become adverse. Because of the potential for such a conflict, the California Rules of Professional Conduct require me to seek this waiver.

If the Board desires not to approve the waiver and to obtain independent representation for this matter, I will assist the Executive Director and the Board in finding appropriate alternate representation.

### FINANCIAL IMPACTS

There are no financial impacts from waiving the conflict of interest.

### RECOMMENDED ACTION

Waive conflict of interest in the Law of Offices of Nancy Diamond's representation of RCEA and the City of Arcata on matters pertaining to their respective interests in the pending PG&E bankruptcy proceeding.

### ATTACHMENTS

Conflict waiver.

## CONFLICT WAIVER

A potential conflict of interest exists in regard to the representation by the Law Offices of Nancy Diamond of the Redwood Coast Energy Authority (“RCEA”) and the City of Arcata (“City”). The nature of this conflict arises from the fact that both entities each have or may each have legal claims or interests in the bankruptcy proceeding of Pacific Gas and Electric Company (PG&E), initiated January 29, 2019. Although the nature of each entity’s potential claims against PG&E in its bankruptcy do not currently conflict, the potential for future conflict may arise.

California law prohibits an attorney from representing clients that have potential or actual interests adverse to each other unless the clients have, in writing, waived the conflict of interest. Whenever an attorney has an actual or potential conflict of interest, she/he is required to inform her/his clients of that fact in writing and they, based on that information, must sign a waiver of the conflict in order for the attorney to continue to provide representation. That waiver is made knowing that wherever a conflict exists, actually or in potential, it may be best to have independent legal counsel.

Pursuant to these legal requirements, you are therefore advised that because of the potential for conflict, it may be in your best interests to have legal independent counsel. Despite this advice, you would prefer to have the Law Offices of Nancy Diamond represent you, and you hereby waive the conflict. In the event a conflict becomes actual, that is, an adverse interest actually exists, you will be notified of such actuality, and representation by the Law Offices of Nancy Diamond on the matter giving rise to the conflict shall be discontinued unless and until RCEA and the City can provide additional informed consent.

By motion of the Board of Directors made this \_\_\_\_ day of \_\_\_\_\_, 2019

REDWOOD COAST ENERGY AUTHORITY:

\_\_\_\_\_  
Michael Winkler, RCEA Board Chair

ATTEST:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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



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

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Comprehensive Action Plan for Energy 2019 Update

**SUMMARY**

As presented and discussed at previous meetings, staff is working on an update to RCEA's guiding strategic document, the Comprehensive Action Plan for Energy (CAPE). An updated schedule for public outreach based on guidance from the Board and the Community Advisory Committee is below.

<b>Draft development and comment period schedule</b>	<b>Public workshops and other opportunities for public comment</b>	
Preliminary draft #1 published and available for review and comment June 27 - September 20	August 22, 3:30 p.m.	RCEA Board of Directors Meeting
	<b>August 29, 5:30 p.m.</b>	<b>Draft 1 Workshop – Humboldt Bay Aquatic Center, Eureka</b>
	<b>September 3, 5:30 p.m.</b>	<b>Draft 1 Workshop – Panamnik Building, Orleans 38150 Highway 96</b>
	<b>September 5, 5:30 p.m.</b>	<b>Draft 1 Workshop – Redway Elementary School</b>
	September 13, 1-5 p.m.	Forests and Climate Workshop - Fortuna River Lodge
Complete draft #2 published and available for review and comment October 3 - October 22	September 25, time TBD	Offshore Wind Project Workshop – location TBD
	September 26, 3:30 p.m.	RCEA Board of Directors Meeting
	<b>October 17, 5:30 p.m.</b>	<b>Draft 2 Workshop - Humboldt Bay Aquatic Center, Eureka</b>
	October 24, 3:30 p.m.	RCEA Board of Directors Meeting
	October 29, 6 p.m.	RCEA Community Advisory Committee special meeting
Final Draft published and available for review November 7 – November 21	<b>November 21, 3:30 p.m.</b>	<b>RCEA Board of Directors Meeting, review and approval of final draft</b>

In addition to the above opportunities for in-person public input, written comments will be encouraged and collected throughout the process. Staff will provide a brief verbal report on the CAPE update process at the meeting.

**RECOMMENDED ACTION**

N/A – information only.

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# REDWOOD COAST EnergyAuthority

## STAFF REPORT Agenda Item # 6.1

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Potter Valley Project Presentation by Humboldt County Natural Resources Consultant

### SUMMARY

Director Fennell, Humboldt County's representative to the RCEA Board of Directors, has requested an overview presentation by Humboldt County Natural Resources Consultant Craig Tucker on the Potter Valley Project and the proposed two-basin solution following PG&E's decision to divest from the project.

**FINANCIAL IMPACTS** – None.

**RECOMMENDED ACTION** - None – Informational presentation only.

### ATTACHMENTS

1. "Potter Valley Project: The Quest for a Two-Basin Solution" PowerPoint presentation



# Potter Valley Project

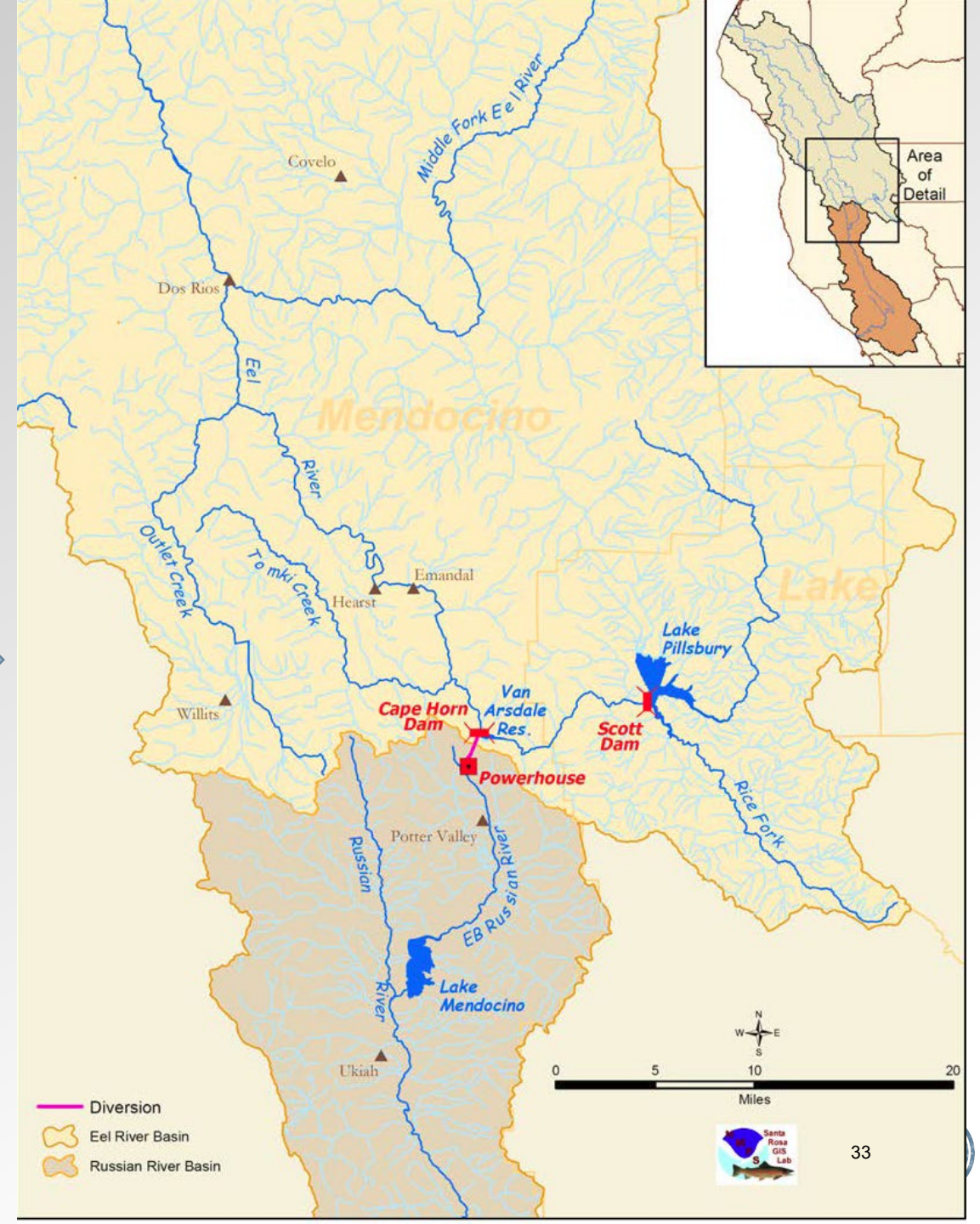
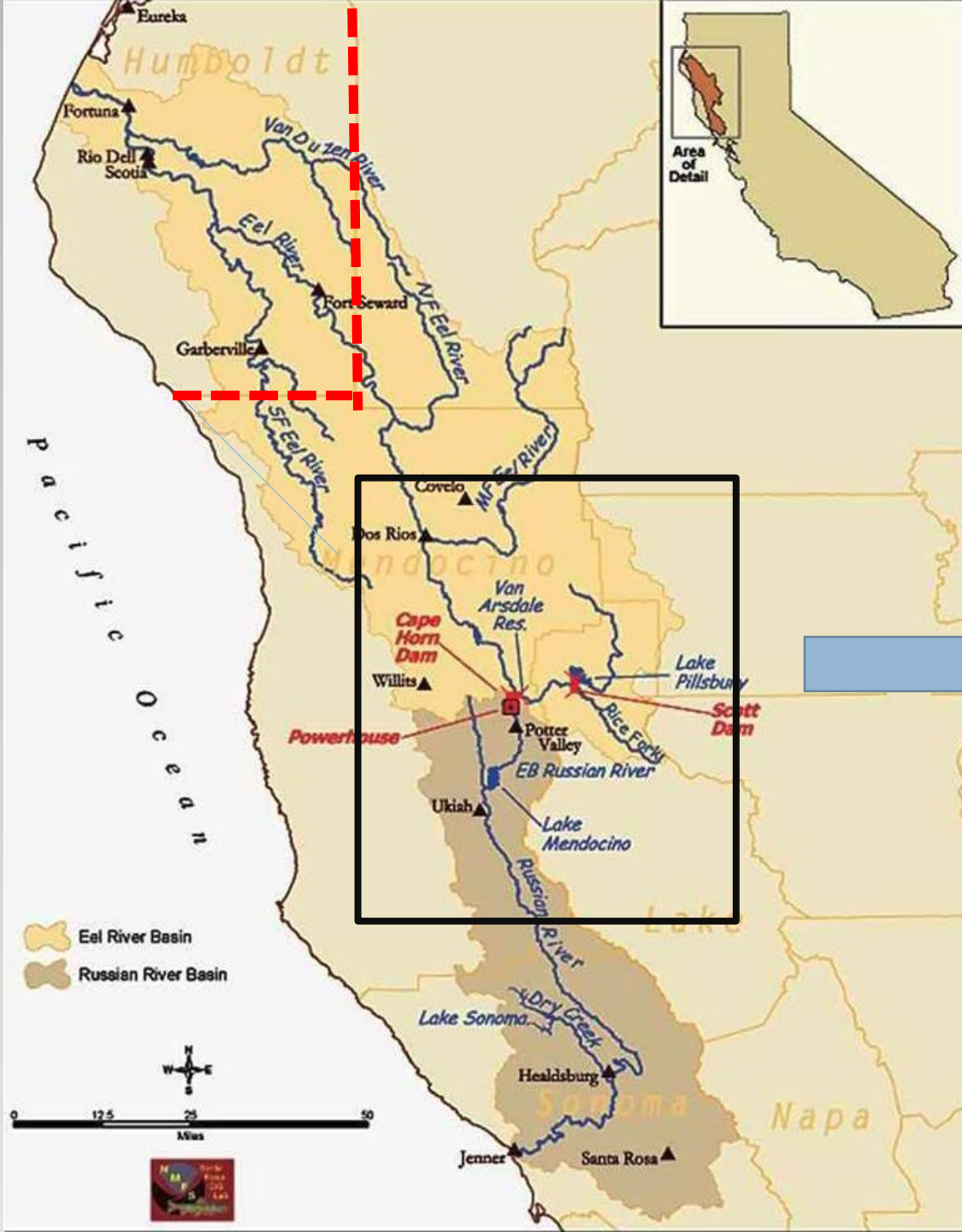
## *The Quest for a Two-Basin Solution*

S. Craig Tucker, Ph.D.  
Principal  
Suits and Signs Consulting, LLC  
916.207.8294  
[craig@suitsandsigns.com](mailto:craig@suitsandsigns.com)

Consulting for Humboldt County









## Scott Dam/Pillsbury Reservoir

Built: 1921

Height: 130

Storage: ~~94,000~~ 66,876 af



## Cape Horn Dam/ Van Arsdale Reservoir

Built: 1908

Height: 63 feet

Storage: ~~194~~ 106 acres



# Project Timeline

- 1905-1922 Project Constructed
- 1979 First minimum instream flow requirements
- 1983 FERC License Renewal (35 year license)
- 1980s-1990s Fish Screen and ladder improvements at Cape Horn Dam
- 2007 New NMFS BiOp established 'natural' flow regime/cut diversions
- 2017 PG&E initiates re-licensing process
- 2018 Congressman Huffman convenes Two Basin Solution Committee
- 2018 PG&E announces plans to auction the project
- 2019 PG&E withdraws license application and orphans the project
- 2019 Potter Valley Project Coalition Forms



# Currently, PVP Benefits Russian River Valley at Eel River Valley's Expense

- Eel River Valley
  - Significant impacts to fisheries
  - Historically, PVP impaired Spring/Summer flows
  - Blocks up to 288 miles of salmonid habitat
  - Alters thermal regime
  - Affects sediment transport
  - Creates great habitat for invasive pike minnow
- Russian River Valley
  - Diversion to East Fork Russian provides irrigation water for the Potter Valley Irrigation District
  - Diversion contributes to Lake Mendocino storage, part of SCWA water supply





# PVP Benefits to Russian River Valley is Diminishing

Period	Average Annual Power Generation (Megawatt-hours)	Average Annual Diversion of Eel River at Cape Horn Dam (Acre-feet) (% of Inflow)
Pre-1979	53,600	152,600 (33%)
1979-2006	49,700	142,500 (26%)
2007-2016	19,900	64,400 (21%)

# **PVP Impacts to Eel Remains Problematic**

## ***No Fish Passage at Scott/Passage at Van Arsdale Inadequate***





**Congressman Jared Huffman**  
**Potter Valley Project Ad Hoc Committee**  
08.01.2018

### **Proposed Goals and Principles for a Two-Basin Solution**

We as interested parties in the Potter Valley Project Ad Hoc Committee are committed to joint problem solving and working toward an outcome of the PVP relicensing process that reflects the following goals and principles:

- Co-equal goals:
  - Improve fish passage and habitat on the Eel River sufficient to support recovery of naturally reproducing, self-sustaining and harvestable native anadromous fish populations including migratory access upstream and downstream at current project dam locations; and
  - Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality and recreation in the Russian River and Eel River basins
- Other goals:
  - Respect tribal rights and their traditional connections to aquatic life, water and cultural resources in both basins
  - Minimize and mitigate adverse impacts to Lake County, including Lake Pillsbury businesses and residents
  - Ensure accountable governance and financially viable operations, including addressing potential liabilities
  - Jointly pursue public funding based on environmental and water supply benefits
  - Ensure that implementation of fish passage improvements in the Eel River basin happens in parallel and ideally simultaneously with water supply solutions in the Russian River basin



# Co-equal Goals

- Improve fish passage and habitat on the Eel River to support recovery of naturally reproducing, self sustaining, and harvestable populations of native anadromous fish populations including migratory access upstream and downstream at current project dam locations; and
- Minimize or avoid adverse impacts to water supply reliability, fisheries, water quality, and recreation in the Russian and Eel River Basins.





# Good News: Impacts to Eel Fishery is NOT about the Water

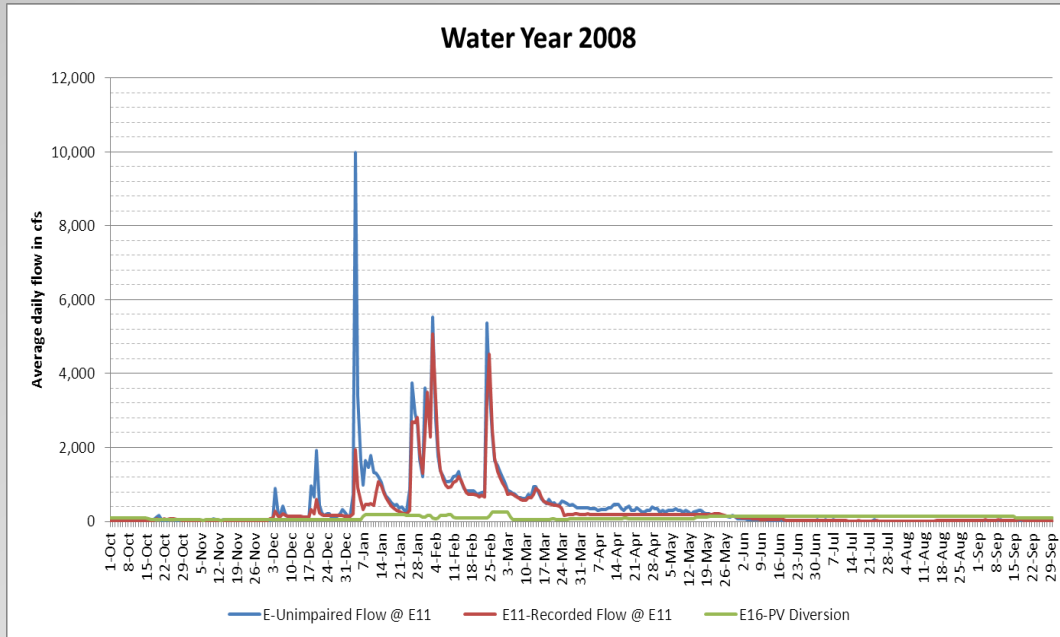


Figure 15. Annual hydrograph for the Eel River below Cape Horn Dam showing the estimated daily unimpaired flow, the actual flow, and the out-of-basin water transfer for a dry water year, 2008.

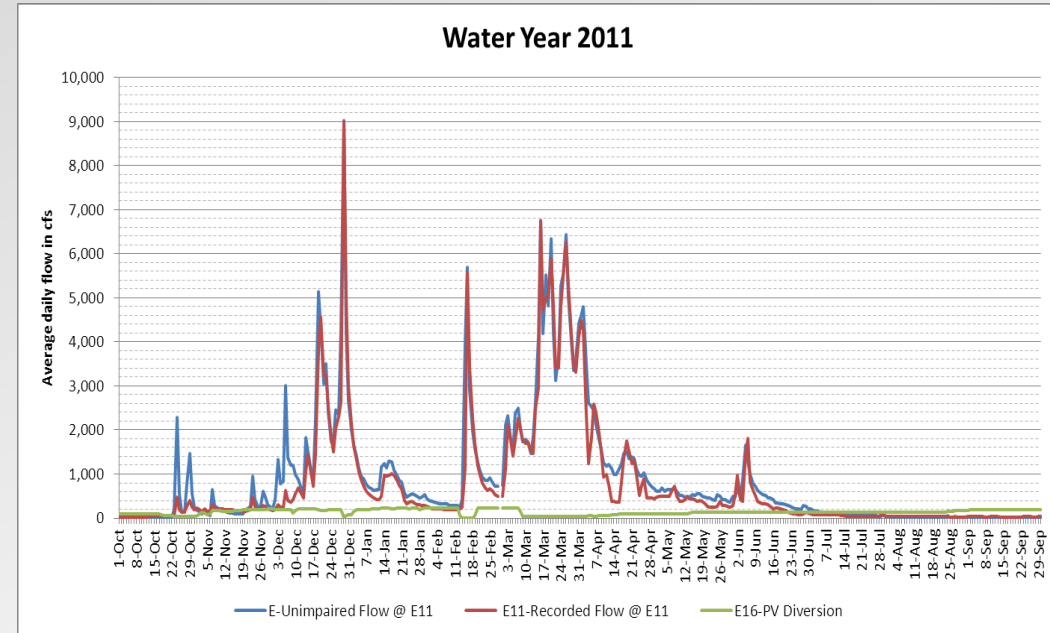


Figure 16. Annual hydrograph for the Eel River below Cape Horn Dam showing the estimated daily unimpaired flow, the actual flow, and the out-of-basin water transfer for a wet water year, 2011.



# Water Supply Group Report

- Dam removal options have little to no impact on lower Eel River flows
- Dam removal options create challenges for PVID in summer
- Removal of Scott Dam, maintaining winter diversions at Van Arsdale coupled with changes to Coyote Dam operations can meet SCWA's needs



# Fish Passage Studies

- Ladders
- Full Project removal
- Partial Project Removal (Scott Dam)
- Trap and Haul
- And several hybrids of the above



# **PG&E Orphans Potter Valley Project**

## ***Creates Challenges for Crafting Two-Basin Solution***

- PG&E is obligated to comply with the current license and BO until the license expires in 2020
- FERC served the “Notice Soliciting Applications” March 1. It confirms that PG&E’s withdrawal of the PVP relicensing application became final on February 11.
- On May 17, 2019, the Sonoma County Water Agency, Mendocino Inland Water and Power Commission, and California Trout entered into a Planning Agreement, stating their collective intent to create a new regional entity to take over the PVP and relicense it in a manner that provides for the “Two-basin Solution.” Later, Humboldt County and Round Valley Indian Tribe became signatories.
- On June 28, 2019, Parties to the Planning agreement filed a NOI to file an application for a new license with FERC.
- August 1, 2019, FERC issued a Notice of Continuation of Relicensing Proceeding.



# Timeline for Filing new License

- 2020
- FERC served the “Notice Soliciting Applications” March 1. It confirms that PG&E’s withdrawal of the PVP relicensing application became final on February 11.
- On May 17, 2019, the Sonoma County Water Agency, Mendocino Inland Water and Power Commission, and California Trout entered into a Planning Agreement, stating their collective intent to create a new regional entity to take over the PVP and relicense it in a manner that provides for the “Two-basin Solution.” Later, Humboldt County and Round Valley Indian Tribe became signatories.
- On June 28, 2019, Parties to the Planning agreement filed a NOI to file an application for a new license with FERC.
- August 1, 2019, FERC issued a Notice of Continuation of Relicensing Proceeding.



# New License Timeline

- January 2000      Legislatively Create new regional entity to manage PVP
- April 2020      Complete Feasibility Studies
- 2020-2021      Consultation and completion of additional studies
- April 14, 2022      File Final License Application





# REDWOOD COAST EnergyAuthority

## STAFF REPORT Agenda Item # 6.2

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	CPUC Local Government Liaison Presentation

### SUMMARY

Mr. Naveed Paydar, Local Government Liaison for the California Public Utilities Commission, will give a brief presentation about the CPUC in general, his role, and the CPUC's limited jurisdiction around CCAs.

**FINANCIAL IMPACTS** - None.

**RECOMMENDED ACTION** - None – presentation of information only.

**ATTACHMENTS** – None available at time of agenda publication.

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# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 6.3

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Planning and Finance
SUBJECT:	RCEA Fiscal Year 2018-2019 Q4 Budget Update

### SUMMARY

RCEA's revenue earned associated with government agencies and non-government agencies for the fiscal year exceeded the anticipated amount by about \$37K. These line items include contracts with local educational agencies and Pacific Gas and Electric Company for administering efficiency services. RCEA's program related sales were short of expected revenue by about \$6K. This category includes energy assessments for the State's Energy Upgrade California rebate program as well as revenue from RCEA's electric vehicle charging network. Associated expenses for these two initiatives, which is mostly made up of personnel, utility and materials costs, did not exceed their respective budgets.

RCEA ended the fiscal year with most expenses not exceeding their budgeted amount. The exceptions include regulatory expenses, which includes RCEA's CalCCA membership dues that increased with Board approval in June (exceeded by about \$3K); and Incentives and Rebates which are pass-through costs for our Energy Watch program partnership with PG&E and are off-set by additional revenue from PG&E, recorded in revenue from nongovernment agencies (about \$24K).

The Community Choice Energy (CCE) program continues to be RCEA's largest program, with annual electricity sales making up the majority of revenue and wholesale power supply costs making up the majority of expenses. Revenue from electricity sales is almost \$6M short of what was expected for the fiscal year, accompanied by wholesale power costs exceeding the budget by about \$1M. This combination has resulted in a net income of -\$461,734.50 for the year.

RCEA is still in the process of recovering from a period of tight cash flow, however day-ahead energy costs for July and August have been credits as summer market pricing exceeds contractual pricing with the program's wholesale power suppliers.

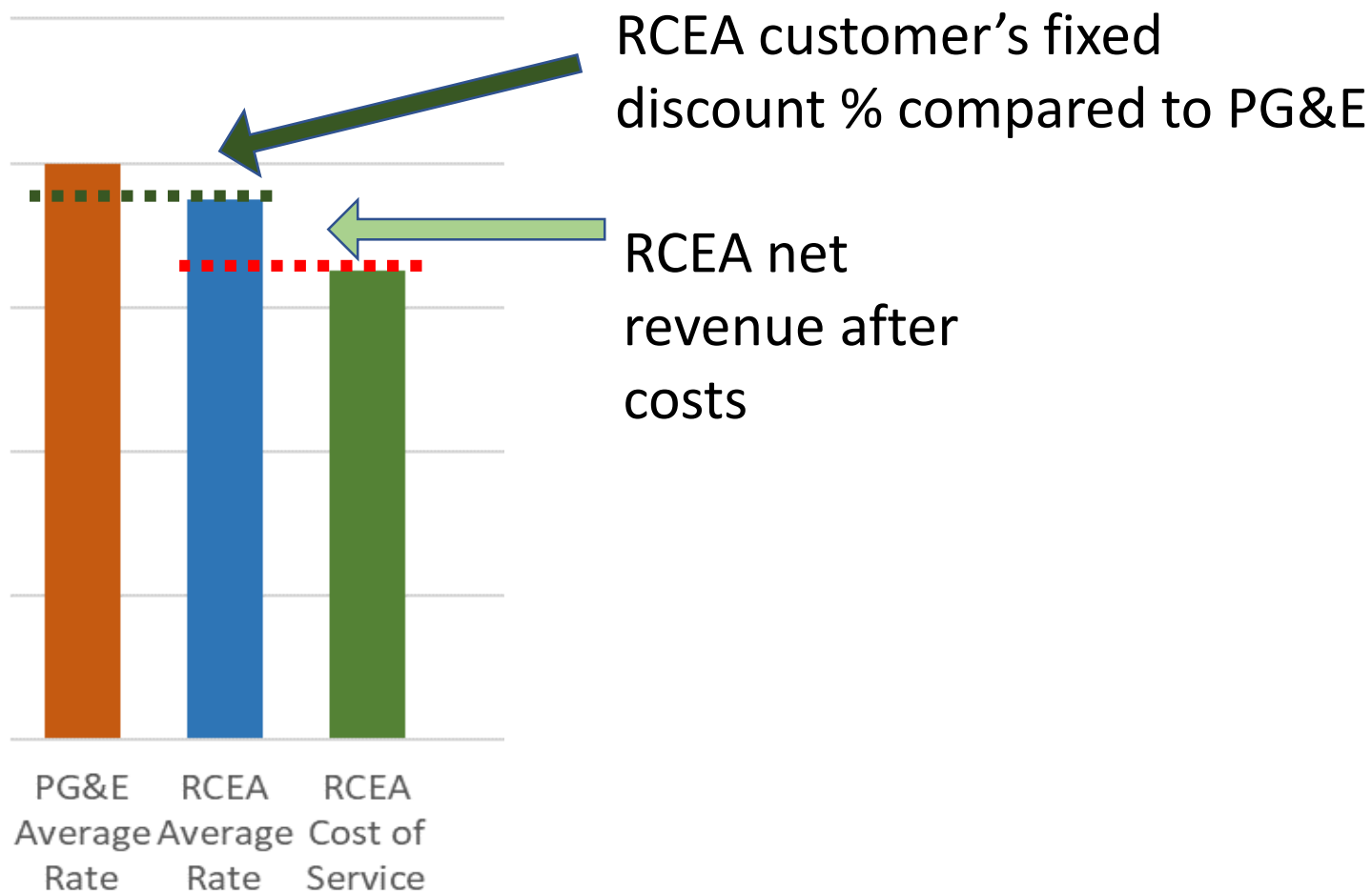
### RECOMMENDED ACTION

None. Informational only.

# Affects of seasonality and energy hedging on net revenue

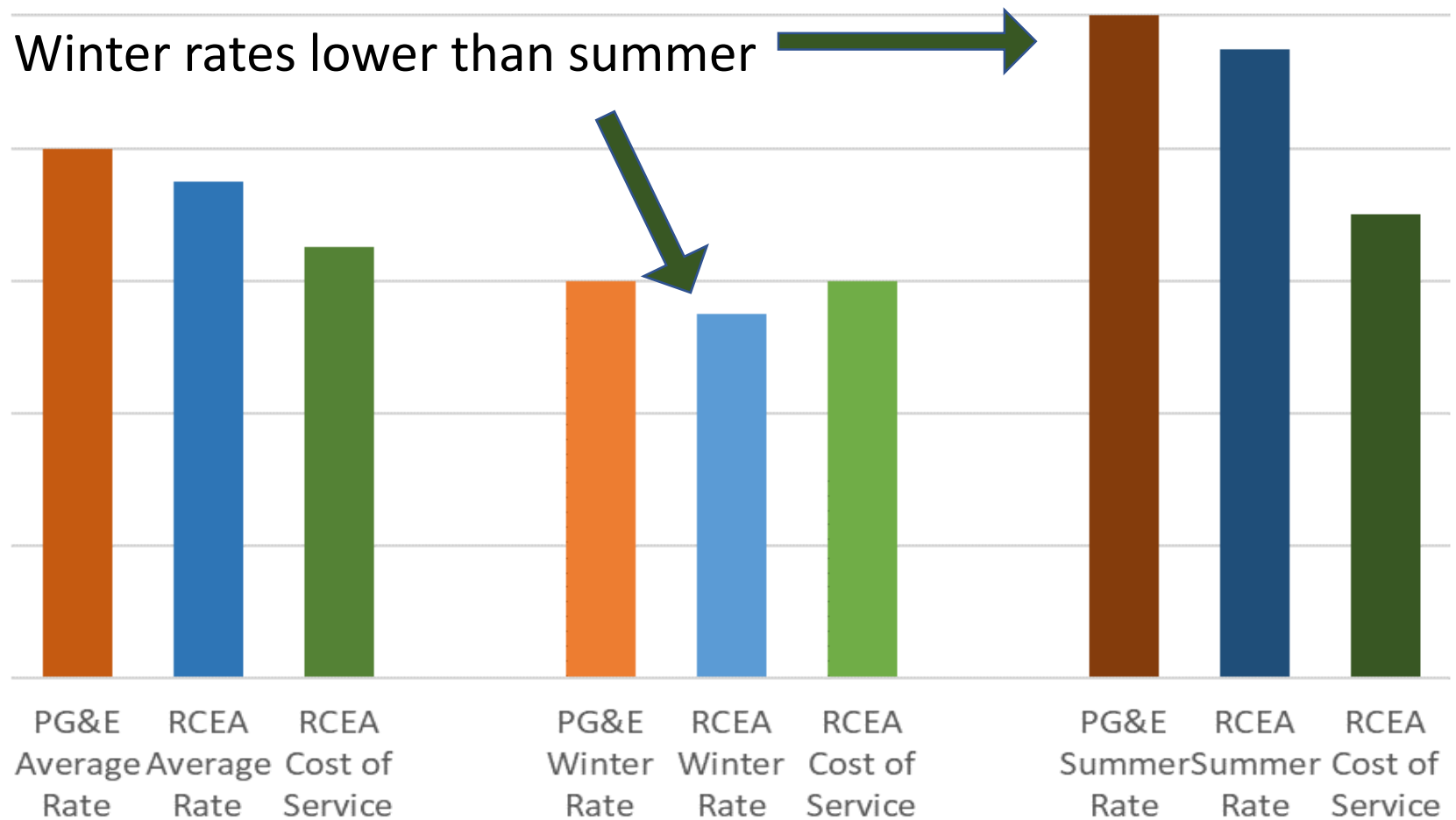
Fiscal Year 2018-19 Q4 Budget Update

# PG&E Rate structure impact on month-to-month net revenue



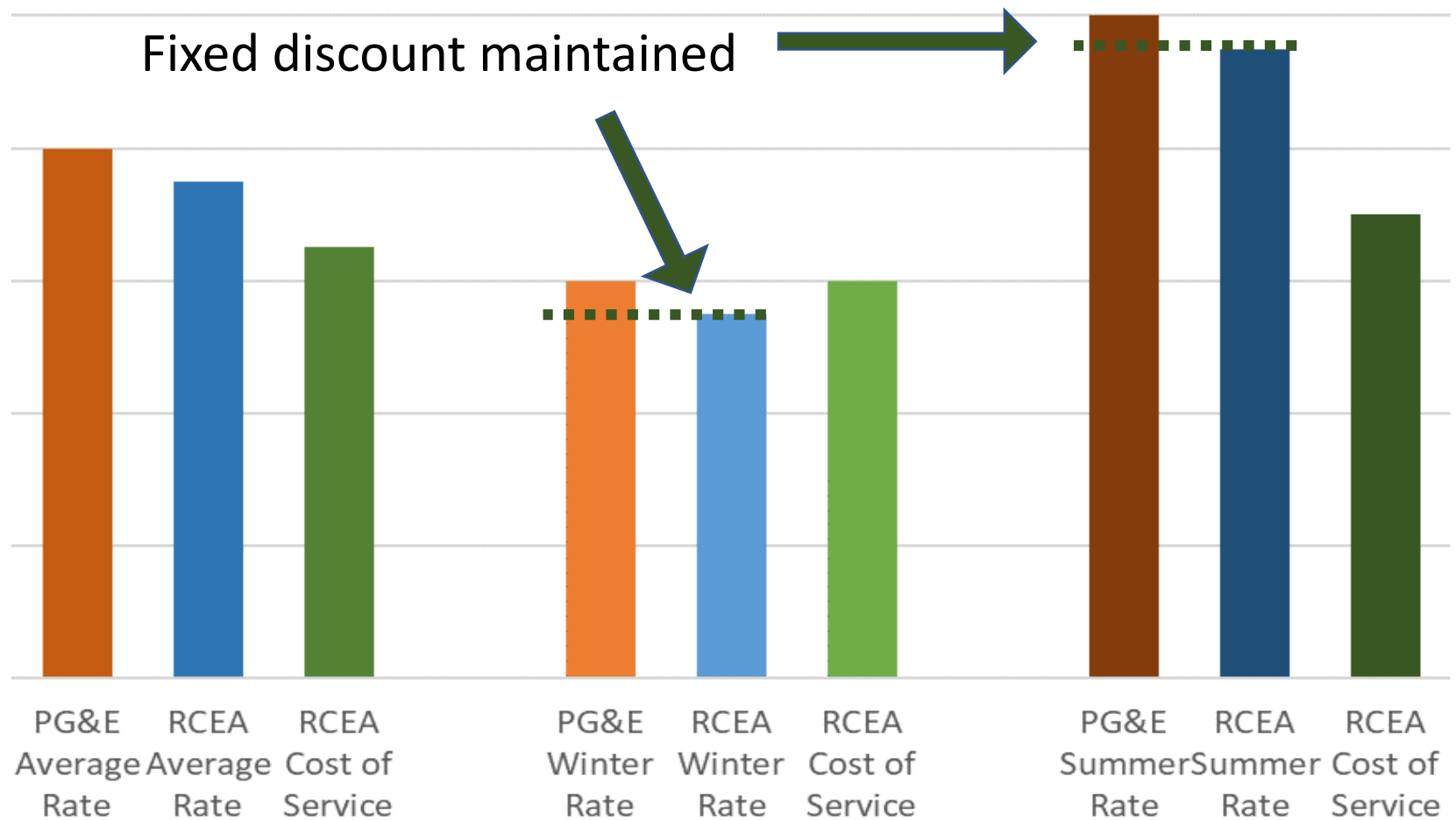
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# PG&E Rate structure impact on month-to-month net revenue



*\*Conceptual for purposes of illustration – not to scale*

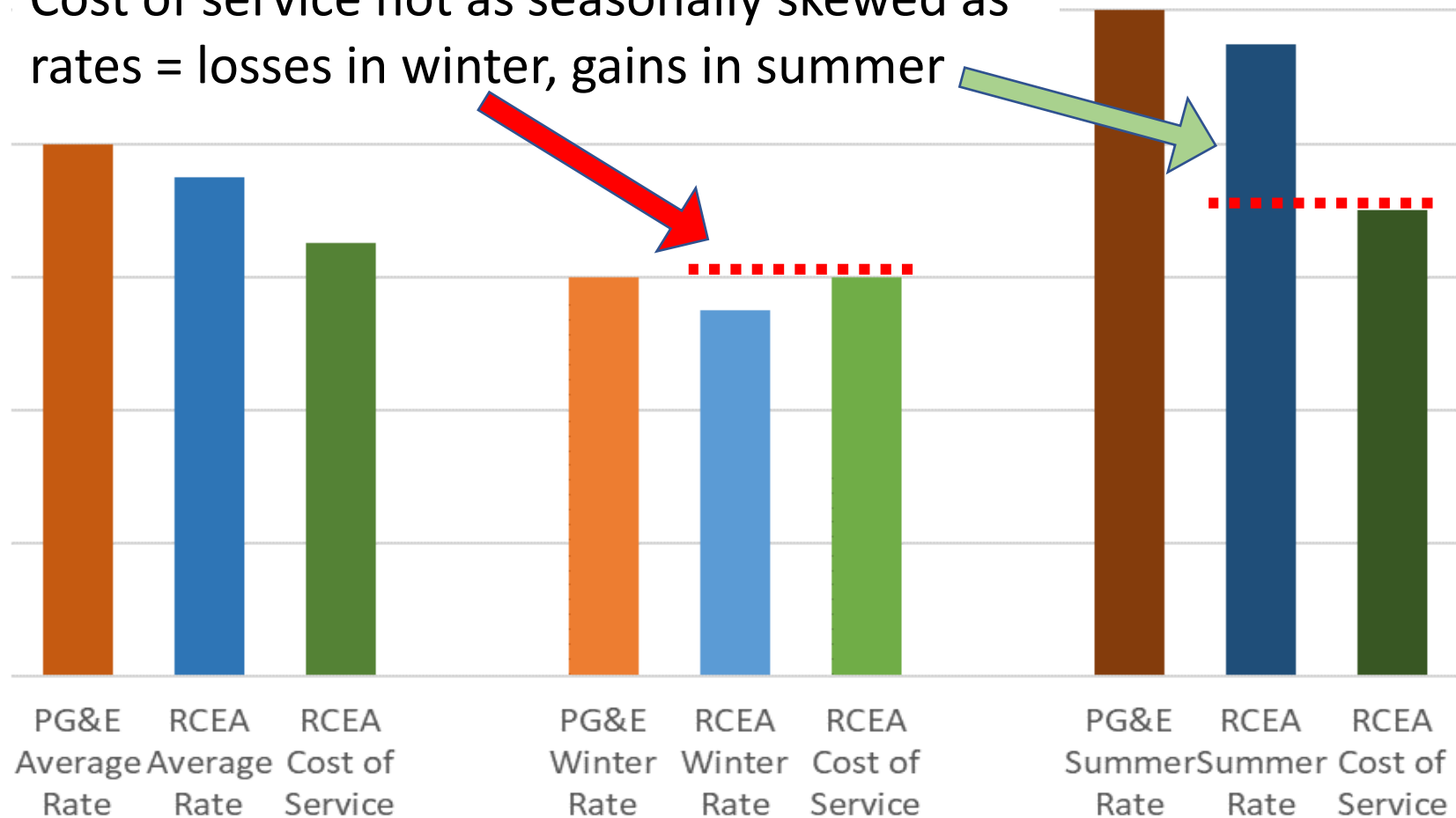
# PG&E Rate structure impact on month-to-month net revenue



*\*Conceptual for purposes of illustration – not to scale*

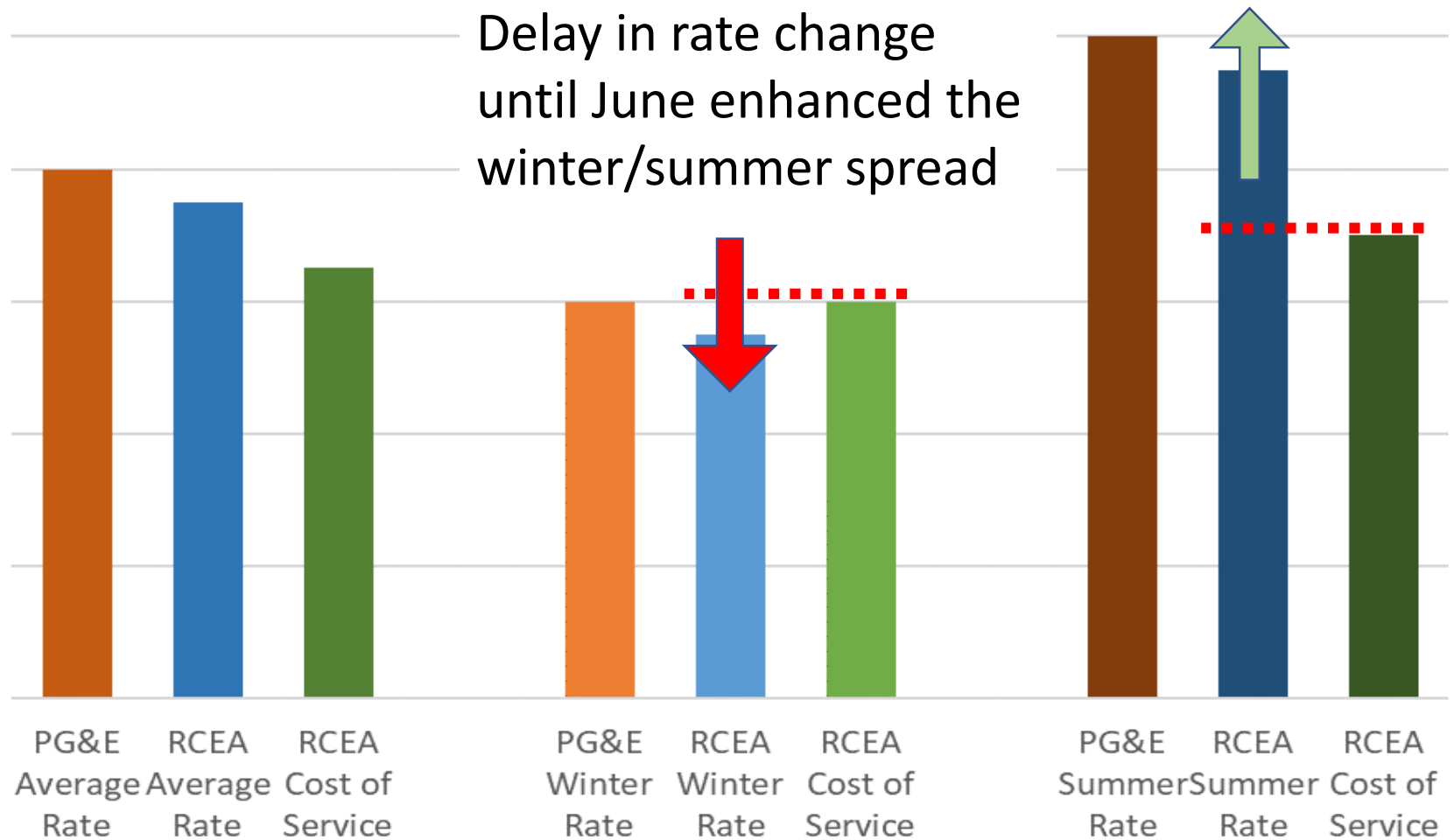
# PG&E Rate structure impact on month-to-month net revenue

Cost of service not as seasonally skewed as rates = losses in winter, gains in summer



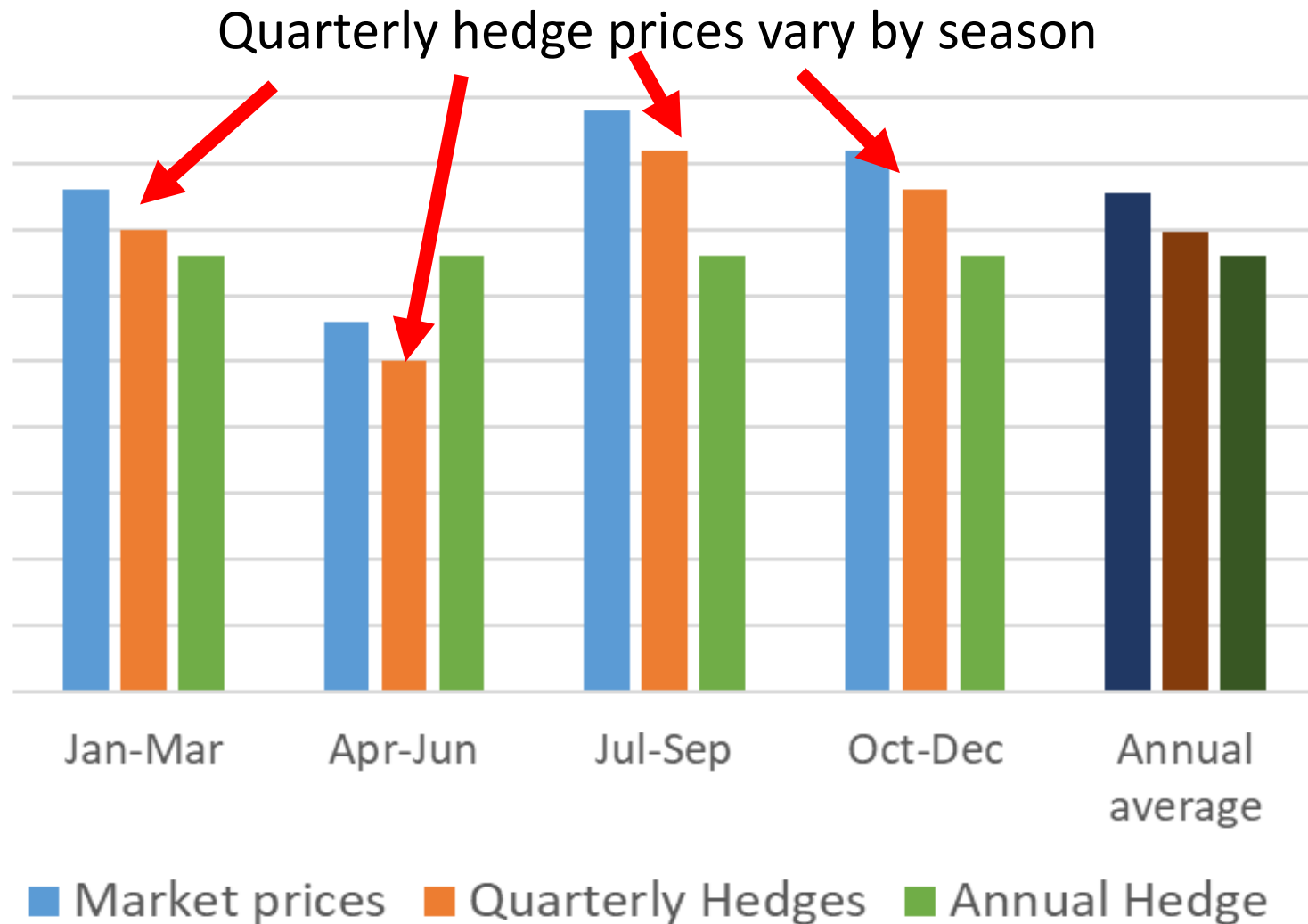
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# PG&E Rate structure impact on month-to-month net revenue



*\*Conceptual for purposes of illustration – not to scale*

# Hedge strategy impact on month-to-month net revenue

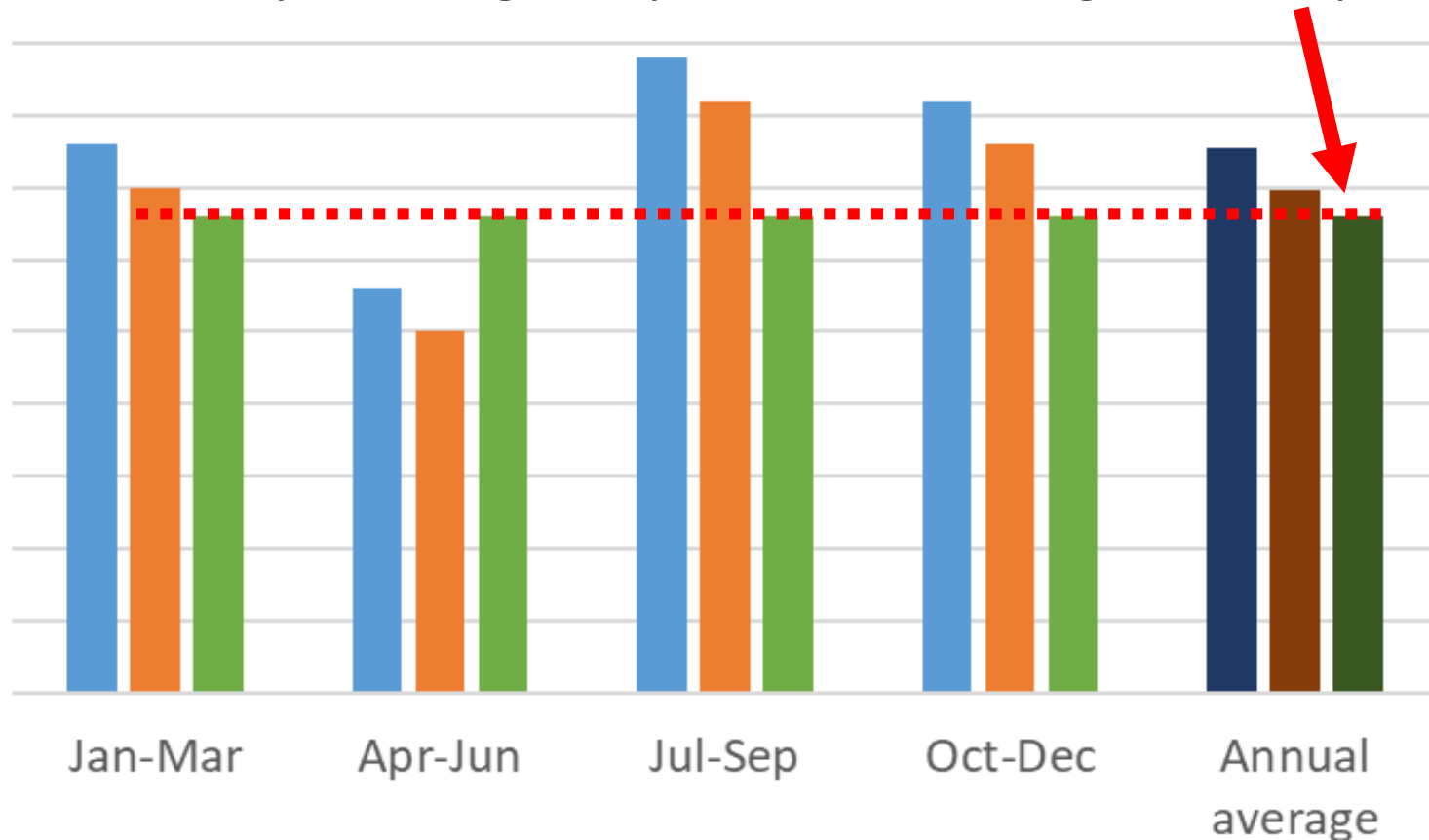


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# Hedge strategy impact on month-to-month net revenue

Calendar-year hedge may be better average annual price....

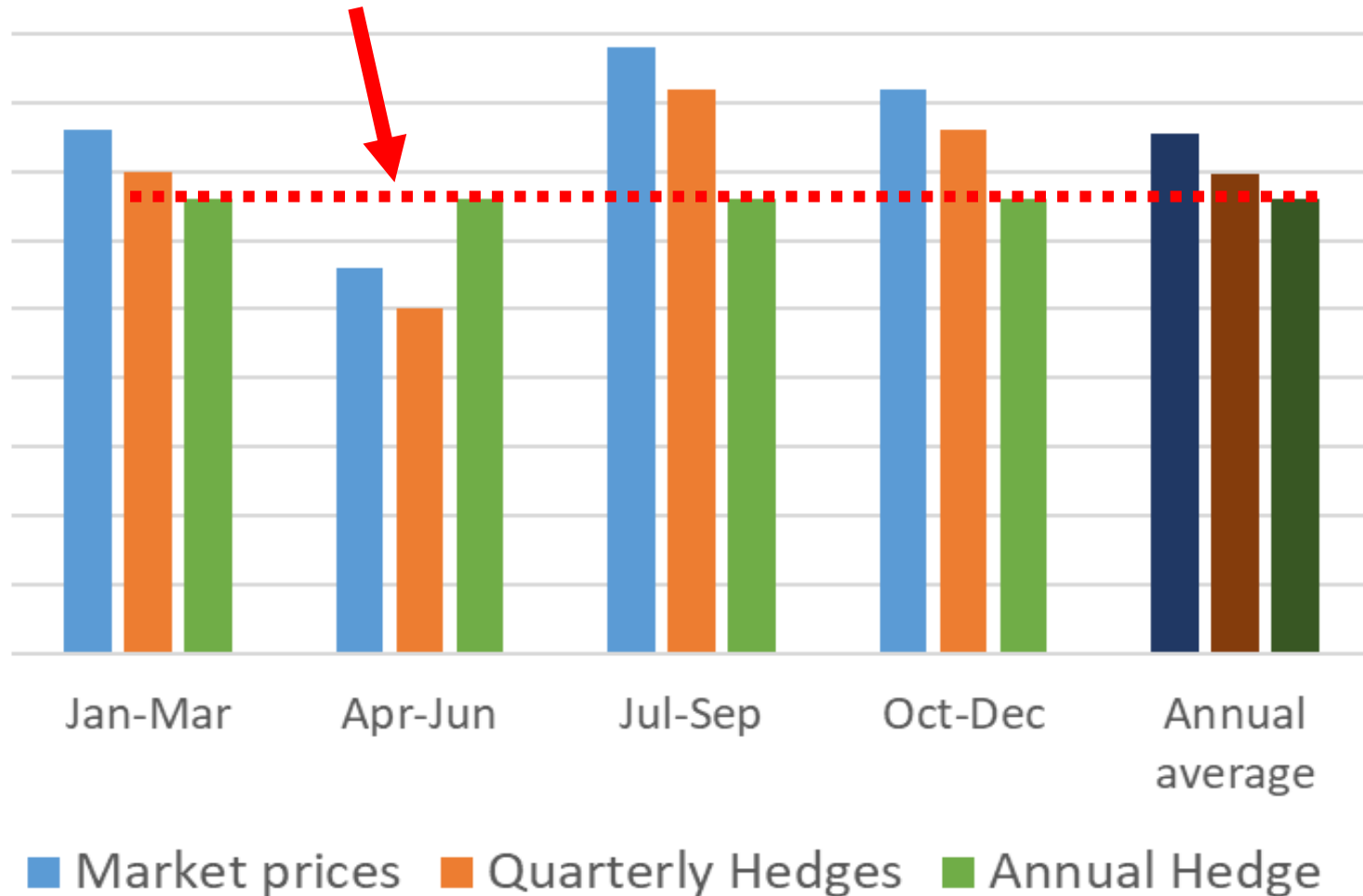


■ Market prices ■ Quarterly Hedges ■ Annual Hedge

*\*Conceptual for purposes of illustration – not to scale*

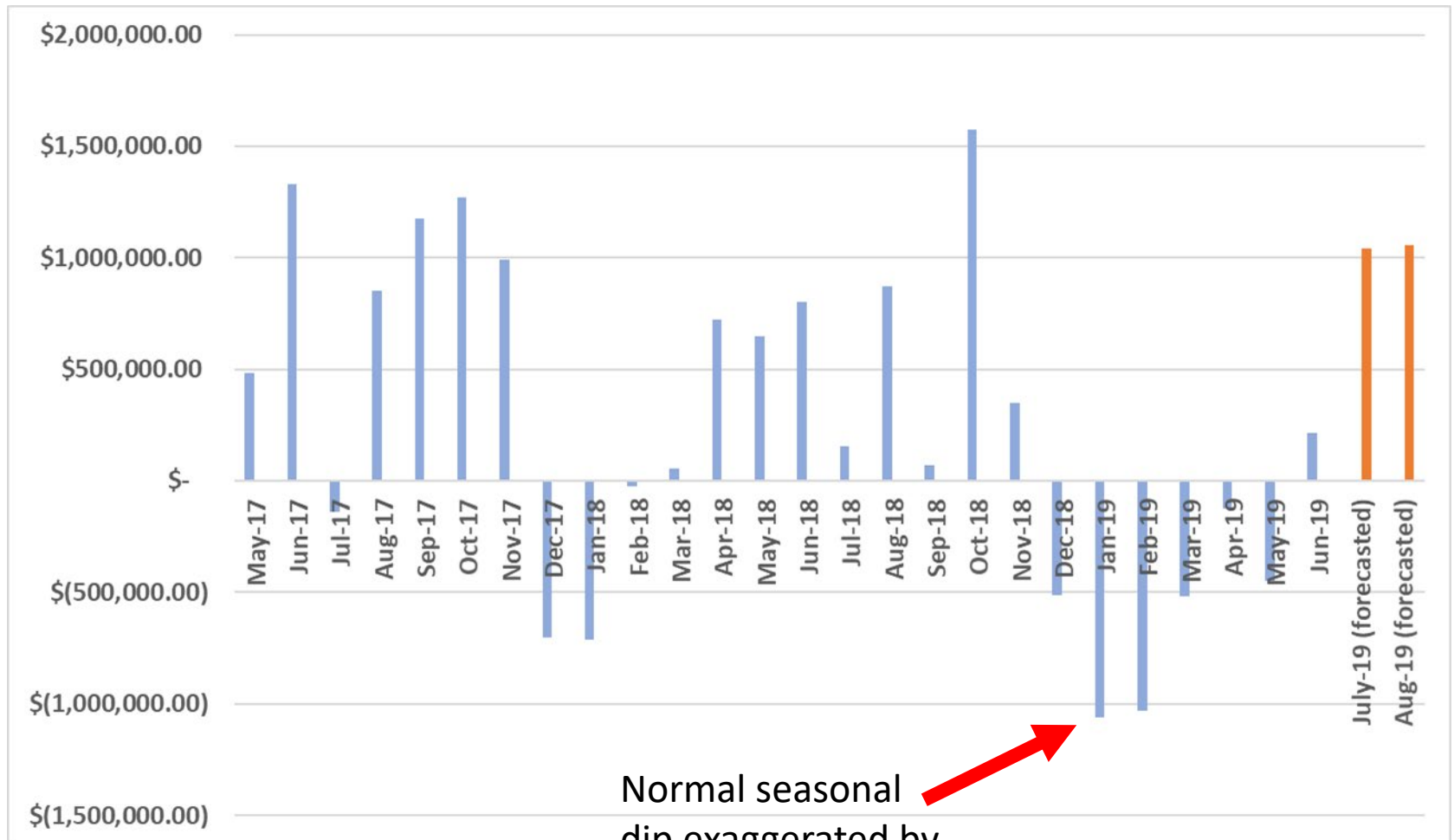
# Hedge strategy impact on month-to-month net revenue

...but higher cost in low-price periods of the year.

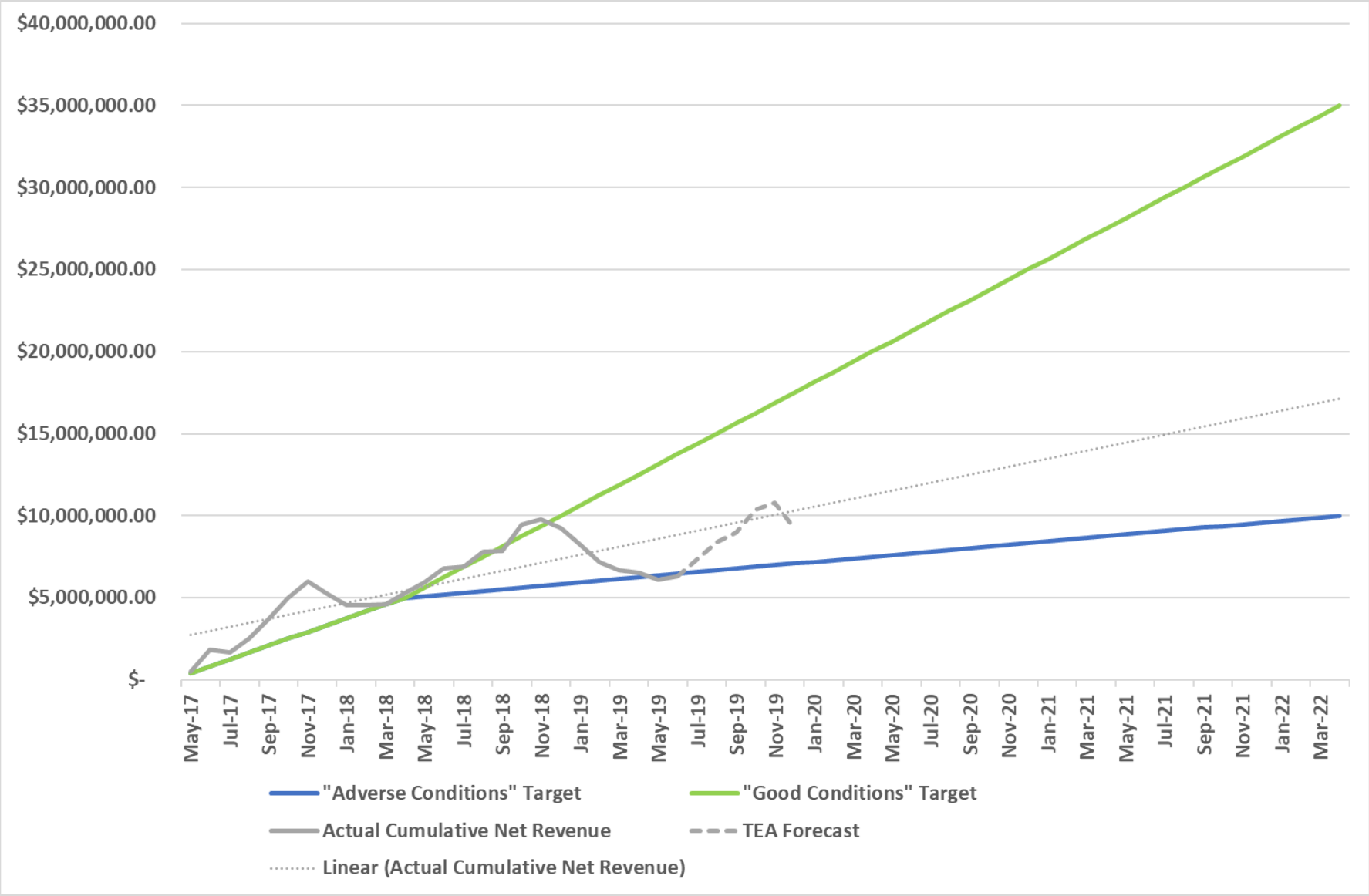


*\*Conceptual for purposes of illustration – not to scale*

# Monthly Net Revenue May 2017 – June 2019



# Reserve Targets & Account Accumulation





# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 6.4

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Patrick Owen, Human Resources and Workforce Development Manager Richard Engel, Director of Power Resources Ben Mattio, Senior Program Manager, Demand-Side Management
SUBJECT:	Proposal to Create Regulatory and Legislative Policy Manager Position

### SUMMARY

Staff propose creation of a new regulatory and legislative policy manager position. This change is justified by the increasingly complex regulatory environment in which RCEA operates. The local government partnership model, through which RCEA and other local government agencies long collaborated with the investor-owned utilities to provide energy efficiency services, has taken a back seat to new program models. RCEA continues to move into new program segments including, but not limited to alternative transportation, demand response, and fuel substitution.

There are many unknowns in the future as we move toward becoming a program administrator under California Public Utilities Commission oversight, and potentially using other state-regulated funding mechanisms to support customer-facing energy programs. RCEA expects to continue value stacking additional programs to offer our customers more comprehensive services. In 2020 that could also include a local government partnership with PG&E, and a suite of locally-funded RCEA programs. Similarly, on the energy supply side the community choice energy (CCE) model is evolving rapidly in response to changing state regulations and legislation, including the renewable portfolio standard, integrated resource planning, and what latitude CCEs have in procuring their own energy resources.

In response to these regulatory challenges, many of our fellow CCEs and local government energy agencies employ dedicated staff to coordinate compliance with existing regulations, and to monitor, report on, and respond as appropriate to new regulatory and legislative developments. Some examples of such staffing are shown in the table on the following page. Note that we provide a broader range of energy services subject to state regulation, beyond the CCE services most of these agencies provide. Of the agencies listed, MCE (with six regulatory staff positions) is the only agency offering a breadth of programs comparable to RCEA's, including both CCE and comprehensive demand-side management services.

To continue to succeed in the highly regulated California energy landscape, RCEA needs to stay abreast of and respond alongside our fellow CCAs and local government energy agencies to regulatory opportunities and challenges as they arise. The proposed new

manager or senior manager would report directly to the executive director and support all our departments' regulatory needs.

<b>Examples of Regulatory Staff at CCEs and Relevant Local Government Offices</b>		
<b>Agency</b>	<b>Number of regulatory staff positions</b>	<b>Position titles</b>
Sonoma Clean Power	2	Director of regulatory affairs, risk and regulatory compliance officer
MCE (North Bay)	6	Regulatory and legislative policy manager, regulatory and legislative policy assistant, senior policy analyst, senior policy counsel, policy counsel, compliance operations manager
Silicon Valley Clean Energy	2	Senior regulatory analyst, manager of regulatory and legislative affairs
Monterey Bay Community Power	1	Manager of energy regulatory and legislative affairs
Pioneer Community Energy (Placer County)	3	Director of legislative and regulatory affairs, legislative and regulatory manager, legislative & regulatory analyst I/II
Peninsula Clean Energy	3	Director of legislative & regulatory affairs, manager of regulatory affairs, senior regulatory analyst
San Joaquin Valley Clean Energy Organization	1	Director of energy policy
County of Humboldt	1 FTE on regulatory affairs across 4 positions	Deputy county administrative officer, senior administrative analyst, legislative and policy manager, legislative analyst
RCEA	0	N/A

## **FINANCIAL IMPACTS**

Annual salary for the position is proposed to start at the current RCEA manager level of \$67,216.73 or senior manager level of \$77,299.23, depending on the level of qualifications and experience of the person selected for the position. This position is expected to pay for itself through benefits to RCEA in improved understanding of existing regulations, leading to more efficient use of staff time, and reduced reliance on general counsel and expert counsel. Funding for the position is included in the FY 2019-2020 budget approved by the Board in June.

**RECOMMENDED ACTION**

Approve creation of a Regulatory and Legislative Policy Manager position.

**ATTACHMENTS**

1. Draft regulatory analyst position description

## Manager/Senior Manager – Regulatory and Legislative Policy

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

### Summary

The Regulatory and Legislative Policy Manager works under the general direction of the Executive Director and is responsible for a wide range of Redwood Coast Energy Authority's (RCEA's) regulatory and legislative matters. The Regulatory and Legislative Policy Manager supports programs and activities within RCEA's various departments, including power resources, demand-side management, transportation, and administration. Areas of activity include monitoring and reporting on new or changed regulations and legislation affecting RCEA, developing RCEA's responses to proposed laws and regulations, and assisting RCEA staff with regulatory compliance. Focus is primarily on energy policy in state government, but responsibilities may also include federal and local government regulations and policies as needed.

### Essential Functions and Responsibilities

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

- Develop high-level policy and responses for key regulatory issues affecting RCEA, including strategy and prioritization of regulatory actions for consideration by management
- Represent RCEA in regulatory proceedings through preparation of comments, data requests, written responses, position papers, analytical models, testimony, and exhibits, participating as an expert witness where necessary
- Track, review, analyze, and summarize filings prepared by utilities and other entities that could impact RCEA and its customers
- Track, analyze, and interpret regulatory proposals and other policy issues with an eye toward impact on and response from RCEA
- Manage and ensure the timely submission of all mandatory compliance obligations with agencies and organizations including CAISO, CPUC, CEC, FERC, DOE, CARB, WREGIS, EPA and others
- Under direction of management, work closely with technical experts, general counsel, and external regulatory counsel to develop effective and persuasive communications before the CPUC, CEC, California Legislature, and any other legal or regulatory body as required
- Under direction of management, represent RCEA in coordination with PG&E, other CCAs, California Community Choice Association (CalCCA), Local Government Sustainable Energy Coalition (LGSEC), Rural Hard to Reach Working Group (RHTR), and other joint-party actions as deemed necessary
- Monitor and engage the California Energy Efficiency Coordinating Committee (CAEECC)
- Provide input and feedback in the utility ratemaking process
- Support RCEA's legislative advocacy activities



- Evaluate and make recommendations for improving RCEA's internal processes for meeting regulatory and legal compliance obligations
- Assess impacts of regulatory actions on customer serving programs
- Participate in RCEA's integrated resource planning process
- Manage relations with outside regulatory counsel

## Minimum Qualifications

### Experience/Education:

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

- Education or experience equivalent to a bachelor's degree or greater in public relations, public policy, public administration, political science, business or economics, law, environmental science, communications, or related field
- A minimum 5 years (7 years for Senior Manager designation) of increasingly responsible regulatory affairs or policy experience at an electric utility, municipal utility, an energy program implementer, energy consulting firm, community choice aggregator, or in a closely related field (public sector experience is strongly desired)

### Knowledge of:

- Public agency governance procedures
- California electric utility regulatory issues and regulatory relations covering topics such as integrated resource planning, electric vehicle policy, energy storage policy, low-income/disadvantaged community programs and policies, utility rate design, net energy metering, energy efficiency, demand response, and fuel substitution programs and policies
- CPUC regulatory practice, protocol, and procedures
- California legislative history regarding CCAs
- Familiarity with CPUC proceedings, rulings, and decisions and Public Utilities Code sections, and the associated compliance requirements, related to energy efficiency and program administration
- Familiarity with Regional Energy Networks and related CPUC proceedings, rulings, and decisions
- Environmental laws and compliance requirements, including NEPA, CEQA, and associated environmental impact assessment protocols
- Communications portals and web-based resources for regulatory activity
- Microsoft Office Suite including Excel, Word, Adobe Acrobat, and PowerPoint

### Ability to:

- Take responsibility and work independently, as well as coordinate collaborative efforts and achieve work goals with other staff.
- Communicate effectively verbally about complex topics in easy to understand presentations before the Board, staff and other audiences.
- Write skillfully, especially related to regulatory filings, briefs, and related regulatory correspondence.
- Provide accurate, timely, and meaningful progress updates.
- Effectively interpret and apply contract language and commercial agreements.
- Exercise sound judgment, creative problem solving, and effective dispute resolution.
- Establish and maintain effective working relationships with persons encountered during the performance of duties, including regulators, legislators, counterparts at other CCAs, RCEA staff, and the RCEA Board of Directors.
- Identify and solve problems effectively and expeditiously.
- Direct, supervise and coordinate the work of assigned staff.

- Manage multiple priorities, meet deadlines, and quickly adapt to changing priorities in a fast paced, dynamic environment.
- Be thorough, detail-oriented, and a self-starter.
- Demonstrate patience, tact, teamwork, and commitment to superior service and performance.

## **Working Conditions and Essential Requirements**

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

## **Preferred Qualifications**

- Master's degree in a related field or law degree.
- Knowledge of RCEA mission, goals, policies, purposes, and programs.
- Understanding of energy markets and energy products.
- Experience preparing and delivering testimony before regulatory agencies.
- Experience working in an entrepreneurial context.

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



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	DG Fairhaven Power Purchase Agreement Renewal

### SUMMARY

RCEA obtains a portion of its renewable energy from DG Fairhaven Power, LLC under a one-year power purchase agreement (PPA) for 10 MW capacity, with an annual option to renew. The PPA is now in its second year and set to expire at the end of February 2020. Continued procurement from DG Fairhaven helps RCEA to meet its program goals of maximizing local renewable energy procurement and including approximately 20 MW of local biomass power in our portfolio.

Both parties would benefit from an early decision whether to renew the PPA. The resource adequacy (RA) market that RCEA is required to participate in has become tight in the past year, and we will need to begin shopping soon for an alternative 2020 source of the RA that DG Fairhaven provides if the Board chooses not to renew the PPA. Similarly, DG Fairhaven's owners would benefit from getting early notice of RCEA's plans in case they need to look for an alternative buyer of their power.

DG Fairhaven's plant was idle for 15 months before coming under contract with RCEA, and consequently had some initial difficulties in bringing the plant back online. Plant operation has since become more stable. However, the plant's real-time telecommunications are not up to current industry standards, which has created difficulties for The Energy Authority (TEA) in its role as the California Independent System Operator's recognized scheduling coordinator for the plant.

The table below compares capacity factor for the DG Fairhaven plant with the Humboldt Sawmill Company's biomass plant and with the national average for biomass plants, using data from the Energy Information Administration. Capacity factor is the fraction of potentially available energy that is delivered over the time period shown. "Nameplate" refers to the plant's total generating capacity, while "contract" is the amount specified in RCEA's PPAs with the local plants.

	Capacity Factor	
	as % of contract	as % of nameplate
DG Fairhaven (May 2018-June 2019)	64%	37%
Humboldt Sawmill Company (May 2018-June 2019)	89%	47%
National average for biomass plants (2013-2018)	N/A	56%

Staff propose including two changes in an amended contract with DG Fairhaven:

1. Rather than extending the contract for 12 months as provided for in the existing PPA's term language, extend the contract for a one-time term of ten months. This will result in the PPA next coming up for renewal at the end of December 2020. Staff would henceforth return to the Board in August of each year to request an advance decision on whether to renew the PPA for an additional 12 months. Timing the PPA renewal decision for late summer, with the renewal aligned to the calendar year, allows staff and consultants to be better informed about market conditions and procurement needs for the coming year, and aligns the term of the PPA with most market transactions for energy hedges and resource adequacy.
2. Add provisions to the PPA requiring DG Fairhaven to provide data communications in real time on a five-minute interval, needed for The Energy Authority to act effectively in its role as scheduling coordinator.

In the months ahead, the twin process currently underway of updating RCEA's Comprehensive Action plan for Energy (CAPE) and developing a countywide Climate Action Plan (CAP) will allow for collection of public input that can inform future Board decisions on whether and to what degree biomass energy should be part of RCEA's portfolio.

## **FINANCIAL IMPACTS**

Staff analyzed costs for three different scenarios that contribute equally to RCEA's renewable energy portfolio:

1. a baseline scenario where the DG Fairhaven contract is renewed for six months under current pricing terms,
2. procurement of the same quantities of energy, renewable energy certificates, and resource adequacy through short-term market transactions for non-local resources,
3. a scenario replacing power from DG Fairhaven with increased biomass power deliveries from Humboldt Sawmill Company (HSC). This is based on HSC previously having offered increased biomass power to RCEA when our PPA with HSC was renegotiated. Since HSC's marginal available capacity is only 7.5 MW, under this scenario the additional needed energy is procured at market prices.

Scenario 2 would yield approximately 7% cost savings compared with the baseline scenario 1, but without delivering the local energy procurement and local jobs benefits that come with the DG Fairhaven PPA. Scenario 3 would result in approximately 2% higher costs than the baseline scenario, due to HSC's existing PPA having higher 2020 pricing than the current DG Fairhaven PPA.

## **RECOMMENDED ACTION**

Direct staff to negotiate a contract amendment with DG Fairhaven extending the power purchase agreement ten months and adding provisions to require improved remote data communications needed for effective scheduling of DG Fairhaven's generating resource into the California Independent System Operator.



# REDWOOD COAST Energy Authority

## STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	August 22, 2019
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Manager of Power Resources
SUBJECT:	Carbon-Free Power Procurement Alternatives

### SUMMARY

One of RCEA's power mix objectives as established by the CCE Program Launch Period Guidelines is for the REpower service to be at least 5% lower than the greenhouse gas (GHG) emissions rate of PG&E's power mix. This target is increasingly difficult to meet for a few reasons: 1) PG&E's emissions factor has been rapidly decreasing over the past few years, due in large part to the proliferation of CCE programs across their service territory<sup>1</sup> and 2) hydroelectric power, which is typically what RCEA procures for the carbon free portion of the portfolio, is becoming less available and more expensive due to the fact that the growing CCEs all have similarly aggressive greenhouse gas reduction goals. It is unlikely that The Energy Authority (TEA), RCEA's portfolio manager, will be able to procure enough reasonably priced hydropower to meet our carbon-free target for the remainder of 2019. This issue is expected to continue over the next few years until the long-term power purchases currently under negotiation begin delivering energy.

In developing a recommended action for the rest of 2019, staff evaluated four alternatives:

1. Use the remaining 2019 carbon-free budget for out-of-state (Portfolio Content Category 2) renewable energy. PCC2 renewables are more expensive than carbon-free, so this option would result in less volume of clean energy in our 2019 power mix but would be fiscally neutral.
2. Buy the same volume of PCC2 renewables that would have come from hydroelectricity, resulting in increased expenditure of half to three-quarter million dollars. This would not guarantee that our emissions factor beats or even is at parity with PG&E's, due to the uncertainty of the utility's 2019 emissions factor.
3. Buy the same volume from an asset controlling supplier (ACS)<sup>2</sup> portfolio, which is comprised mostly of hydroelectricity and has a very low emissions rate but contains

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<sup>1</sup> As CCAs acquire more customers from PG&E, the utility has been reducing its procurement of electricity, resulting in the removal of some of their more carbon-emitting generation sources and the subsequent reduction in their GHG emissions.

<sup>2</sup> An ACS owns, operates, and/or markets electricity from a portfolio of generating facilities, rather than one facility. There are three ACS suppliers in the western electricity grid: Bonneville Power Administration (BPA), Powerex, and Tacoma Power.

some nuclear energy<sup>3</sup>. ACS products costs less than carbon-free, so this option could result in a savings of \$175,000.

4. Do not procure any additional green energy attributes and spend the budgeted money on customer programs or other environmental goals. Because procuring the carbon-free portion of our portfolio is anticipated to become more difficult and expensive, and additional spending on existing hydropower resources does not result in additional environmental benefits, staff would like the Board to consider this pathway in our near-term procurement strategy. Although this is not the recommended action for the remainder of 2019, staff plans to bring this larger conversation to the Board at a future meeting.

Based on counsel from our portfolio manager at TEA, options 1-3 have varying degrees of certainty as to how likely it will be for us to execute a transaction at a reasonable price for the remainder of 2019. The relative certainty is listed in the following summary table:

Option	RCEA emissions rate (lbs/MWh)	Fiscal impact	Relative certainty
1. Same value PCC2	275	none	middle
2. Same volume PCC2	195	\$560,000-\$780,000 expense	lowest
3. Same volume ACS	205	\$175,000 savings	highest
4. Spend elsewhere	425	none	n/a

*Estimate for PG&E's 2019 emissions rate: 150-200 lbs/MWh*

## FINANCIAL IMPACTS

If the Board approves the staff recommendation, there will be no financial impact because the budget for carbon-free energy is already earmarked.

## RECOMMENDED ACTION

Direct staff to use the remaining carbon-free budget to purchase out-of-state (PCC2) renewables, contingent upon the availability of a viable procurement opportunity for the remainder of 2019.

## ATTACHMENTS

1. Attachment A: Carbon-Free Power Procurement Alternatives Presentation  
(NOTE: This presentation was not available at the time of agenda publication but will be published online at [www.redwoodenergy.org](http://www.redwoodenergy.org) by 5 p.m. on Wednesday, August 21, 2019.)

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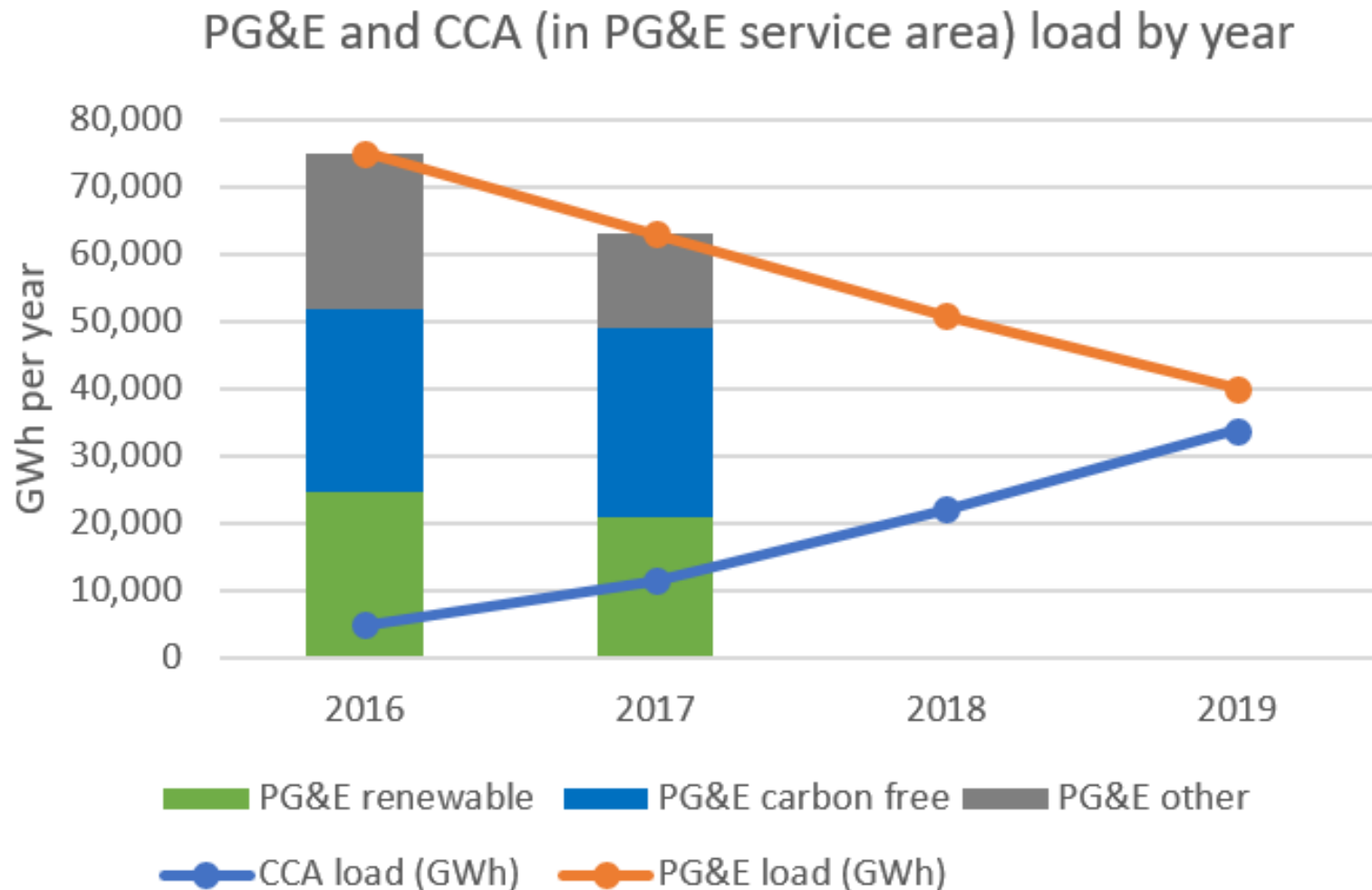
<sup>3</sup> While RCEA does not have an explicit non-nuclear policy, staff have avoided procuring energy products from this controversial power source. Our confidential hedging strategy, which is part of the most recent Board-adopted Energy Risk Management Policy says, "In keeping with community values identified by RCEA in developing its CCE program, neither energy nor resource adequacy (RA) will be procured from the following generation sources: nuclear generation... Exceptions to this prohibition may be needed for occasional short-term transactions."



# RCEA Carbon-Free Power Procurement Alternatives for Balance of 2019

August 2019

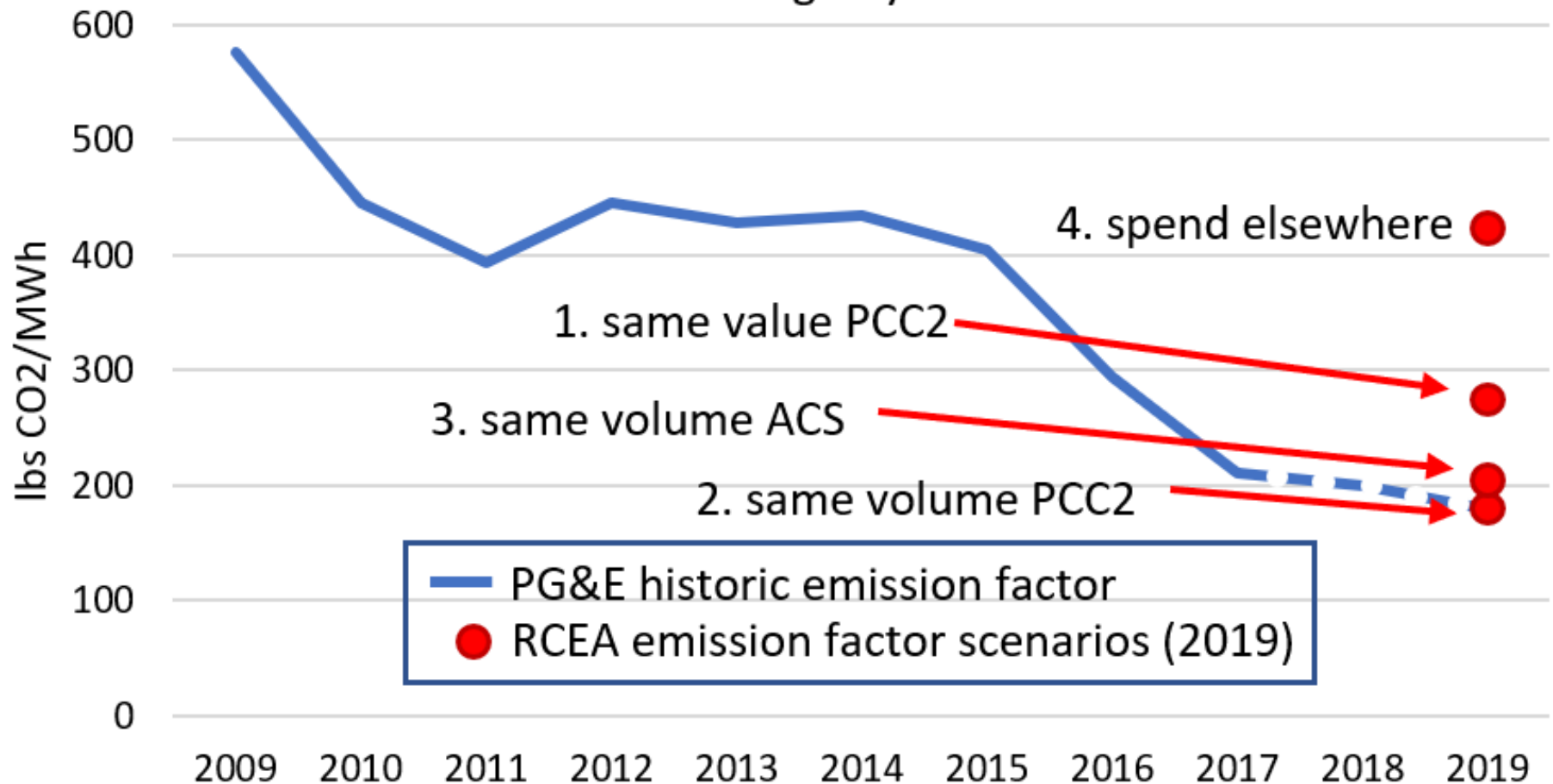
# As CCAs Grow, PG&E's Portfolio Gets Greener



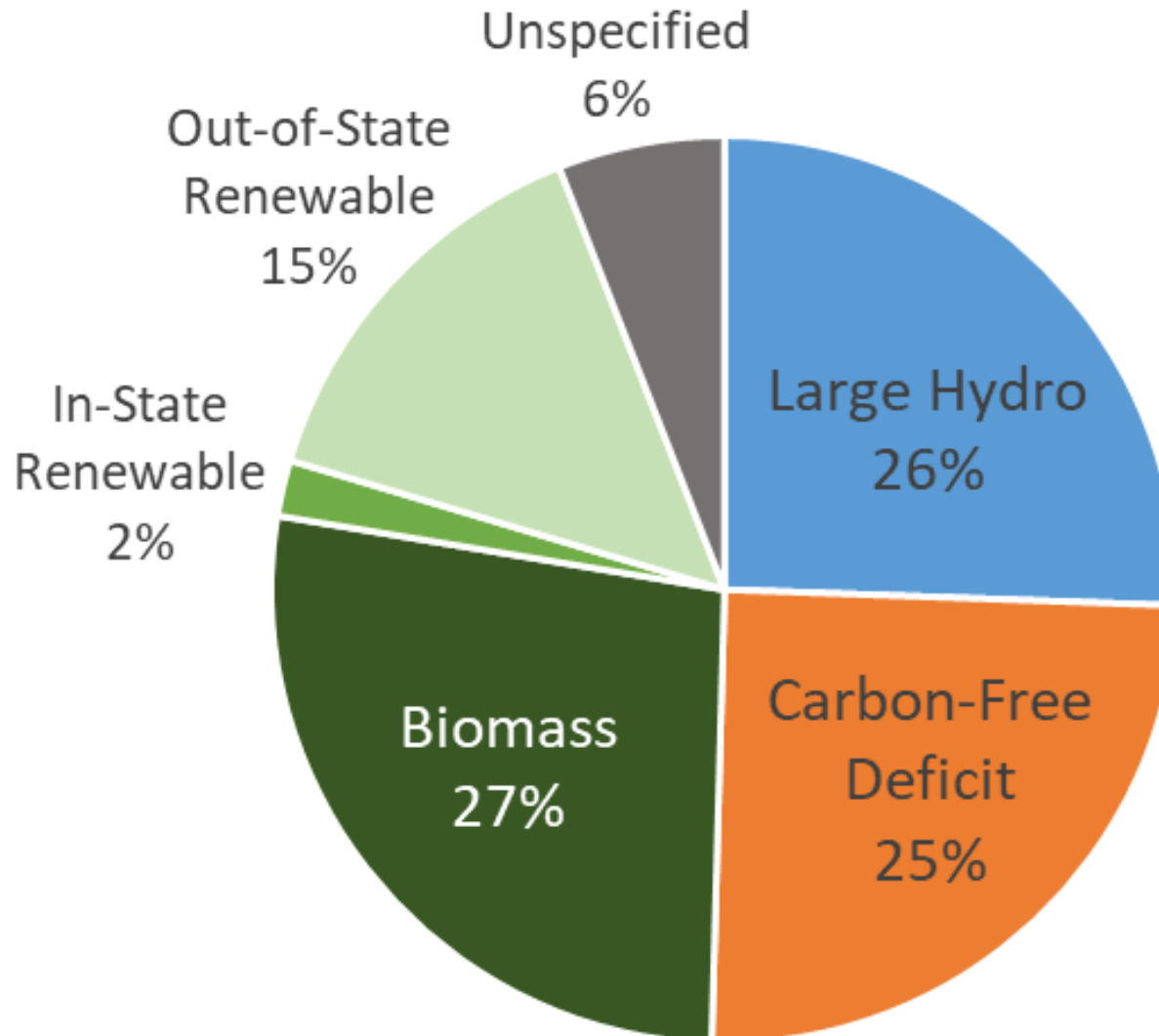


# Emission Factor Scenarios

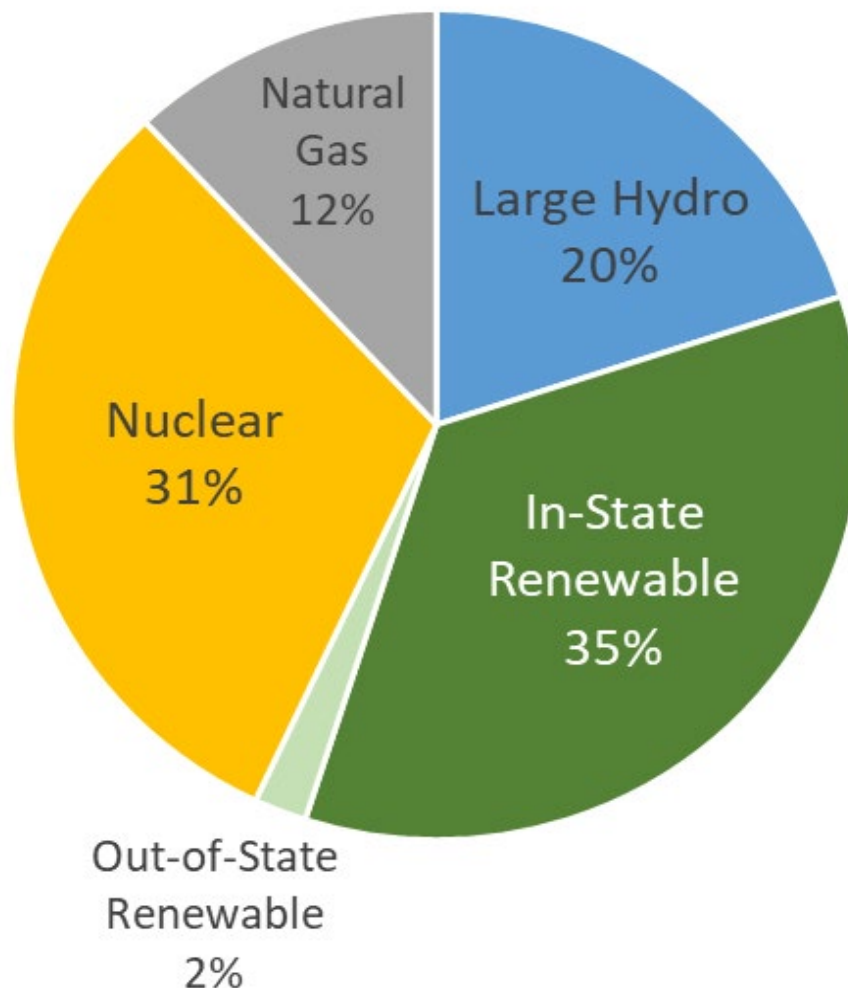
source: The Climate Registry & TEA estimate



# RCEA's 2019 Portfolio Position



# PG&E's Estimated 2019 Portfolio



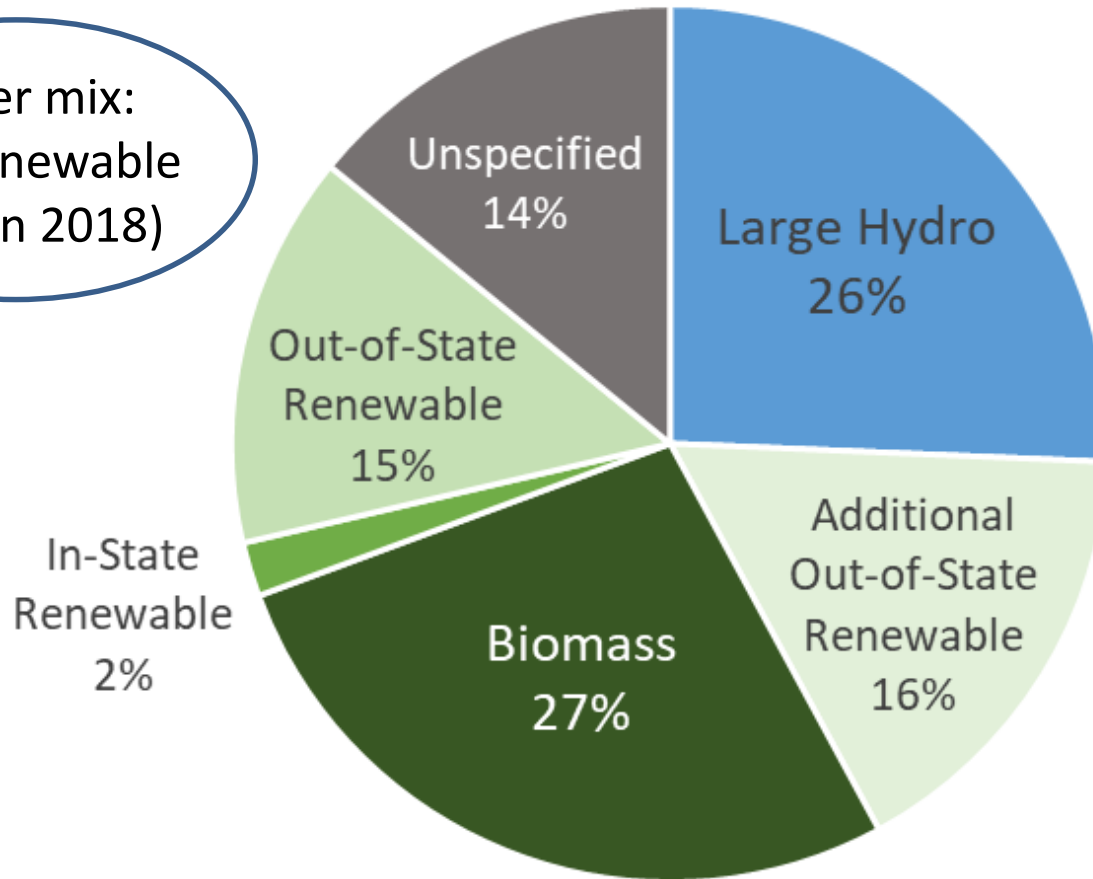
RCEA Board-adopted goal: 5% less than PG&E's GHG emissions rate

PG&E estimated 2019 emissions rate: 150-200 lbs/MWh

# Option 1: spend carbon-free budget on out-of-state renewables

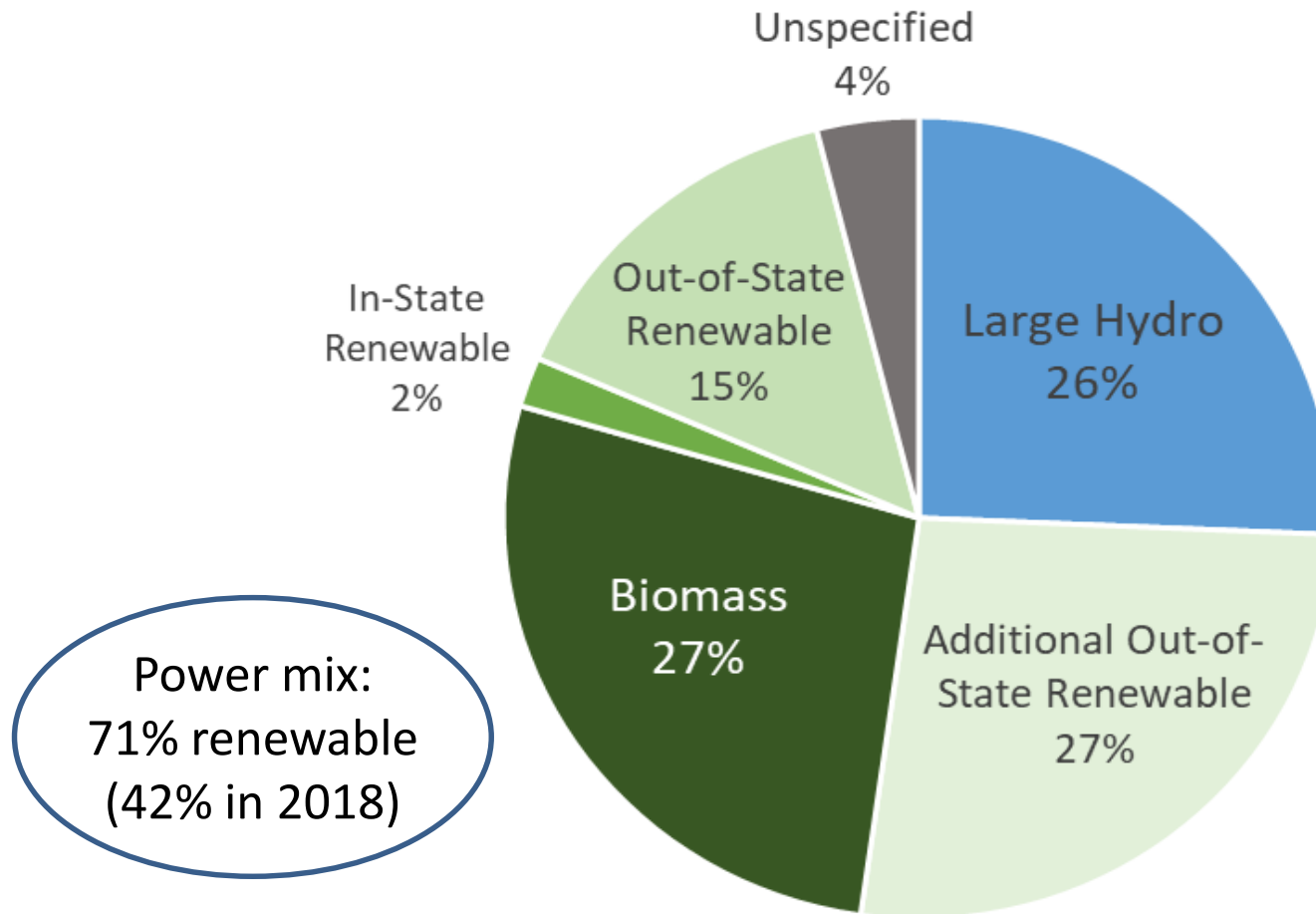
Power mix:  
60% renewable  
(42% in 2018)

**Recommended  
Action**



Fiscal impact: neutral  
Emissions rate: ~275 lbs/MWh

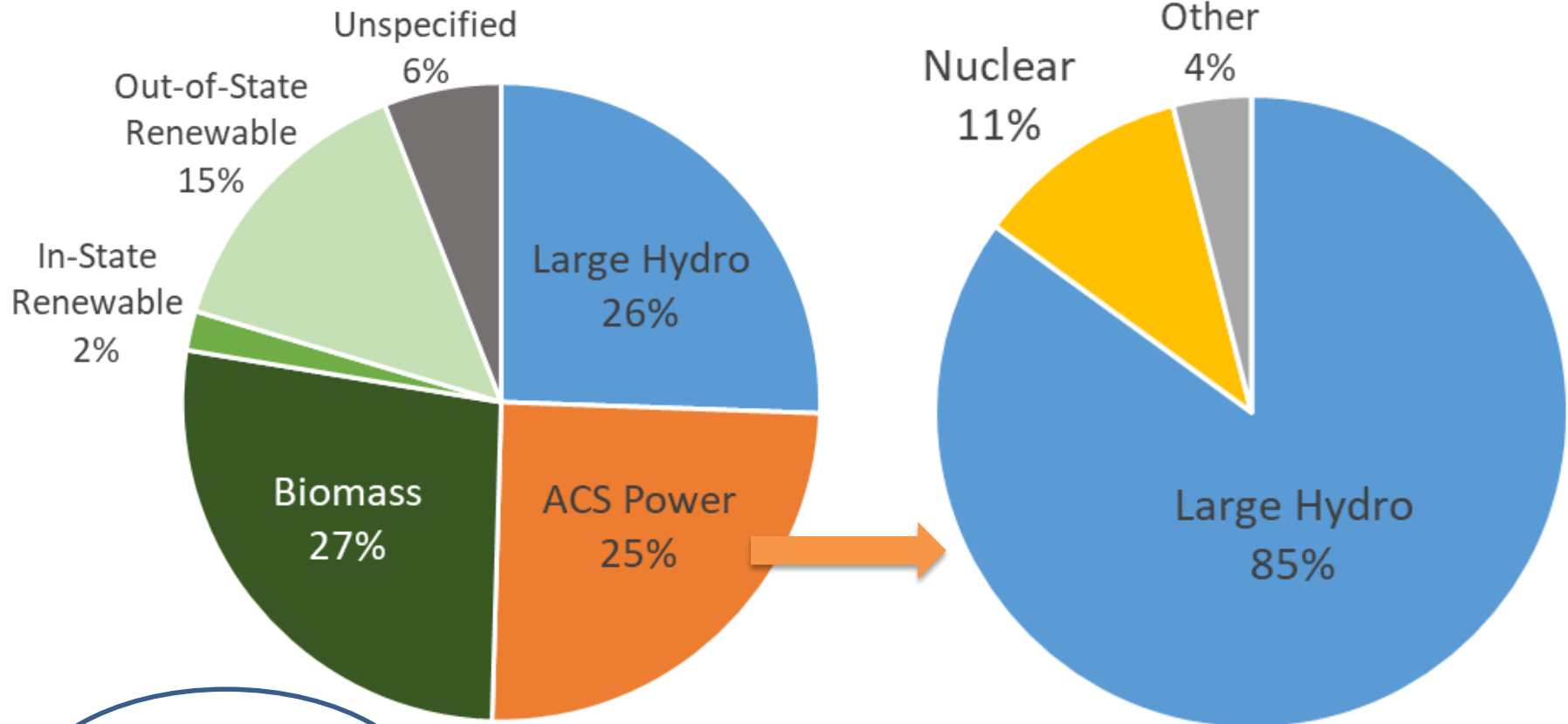
## Option 2: buy needed volume in out-of-state renewables



Fiscal impact: \$560,000 to \$780,000 additional expense

Emissions rate: ~195 lbs/MWh

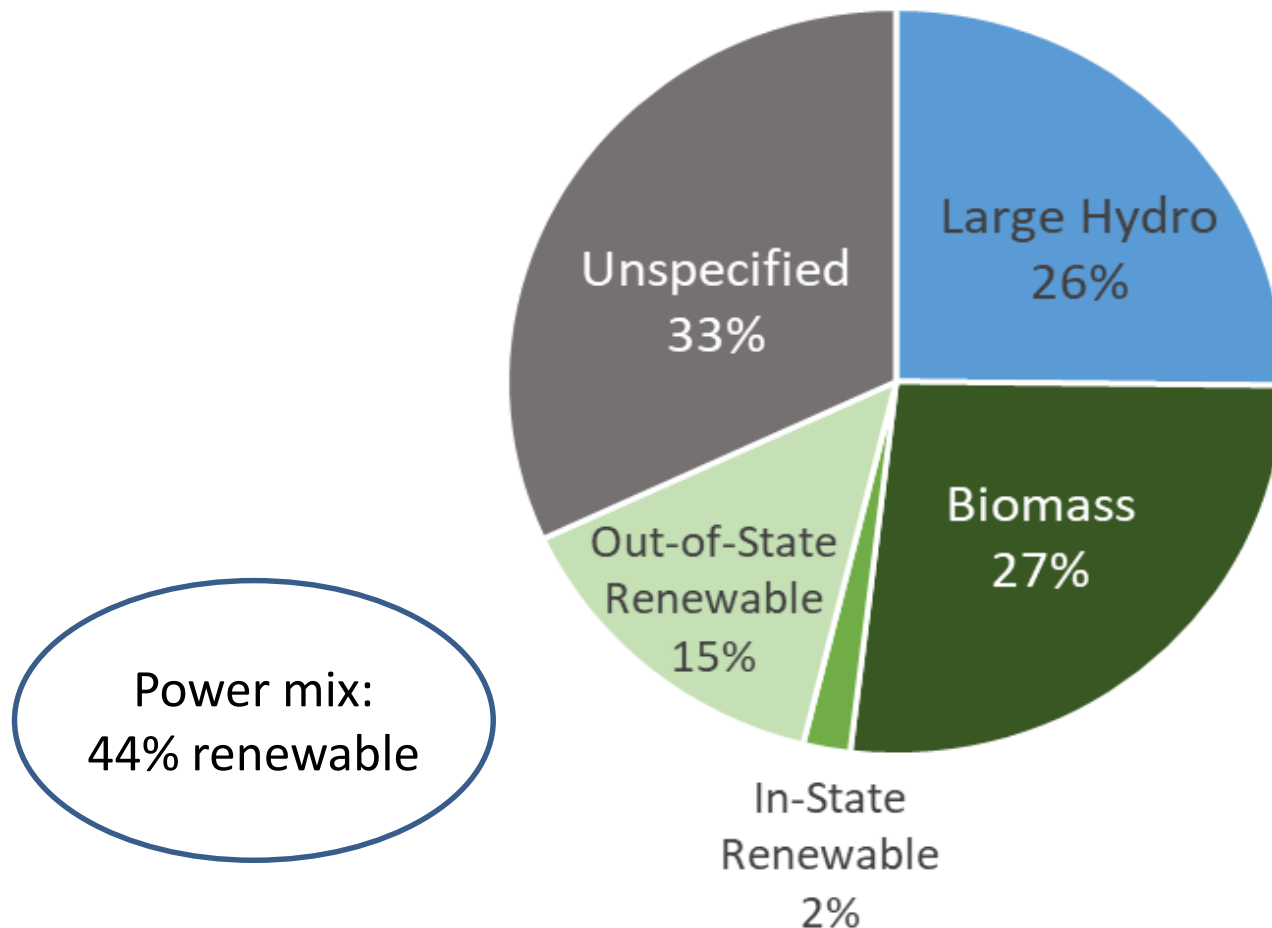
## Option 3: buy ACS power instead of carbon-free



Power mix:  
44% renewable  
& ~3% nuclear

Fiscal impact: ~\$175,000 savings  
Emissions rate: ~205 lbs/MWh

## Option 4: Use Funds for Other Local Environmental Goals



Fiscal impact: extra money to spend on other goals and programs

Emissions rate: ~425 lbs/MWh

# Summary of Options

Option	RCEA emissions rate (lbs/MWh)	Fiscal impact	Relative certainty
1. Same value PCC2	275	none	middle
2. Same volume PCC2	195	\$560K-\$780K expense	lowest
3. Same volume ACS	205	\$175K savings	highest
4. Spend elsewhere	425	none	n/a