



BOARD OF DIRECTORS MEETING AGENDA

June 25, 2020 - Thursday, 3:30 p.m.

COVID-19 NOTICE

RCEA AND HUMBOLDT BAY MUNICIPAL WATER DISTRICT OFFICES WILL NOT BE OPEN TO THE PUBLIC FOR THIS MEETING

Pursuant to the Governor's Executive Order [N-29-20](#) of March 17, 2020, and the Humboldt County Health Officer's March 30, 2020, [Shelter-in-Place Order](#), the RCEA Board of Directors meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

To listen to the meeting by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051. **To watch the meeting online**, join the Zoom webinar at <https://us02web.zoom.us/j/81972368051>.

You may submit written public comment before and during the meeting by email to PublicComment@redwoodenergy.org. Please identify the agenda item number in the subject line. Comments received before the agenda item is heard will be read into the record, with a maximum allowance of approximately 500 words per comment. Comments received after the agenda item is heard and before the meeting's end will be included in the meeting record but not read aloud during the meeting.

To make a comment during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. You will continue to hear the meeting while you wait. When it is your turn to speak, a staff member will unmute your phone or computer. You will have 3 minutes to speak.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

In compliance with the Americans with Disabilities Act, any member of the public needing special accommodation to participate in this meeting should call (707) 269-1700 or email Ltaketa@redwoodenergy.org at least 3 business days before the meeting. Advance notice enables RCEA staff to make their best effort to reasonably accommodate access to this meeting while maintaining public safety.

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 at www.redwoodenergy.org.

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 May 28, 2020, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Accept Update on Sunthurst Energy Feed-in-Tariff Application Retractions and the Resulting Program Capacity Release for New Applications.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

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.

5. OLD CCE BUSINESS

5.1. Power Procurement Compliance Updates (Information only)

5.2. Distributed Energy Resource Request for Proposals Update

Approve the Behind-the-Meter Distributed Resource Adequacy Request for Proposals shortlist of TRC and Swell Energy, with final selection pending further deliberation by the review team.

5.3. Biomass Procurement Update and Response to Unsolicited Proposal from Redwood Coast Power

Direct the Executive Director to respond to David O'Neill's April 11, 2020, letter and to inform Mr. O'Neill that RCEA's Community Choice Energy program has no current plans to acquire additional biomass electricity and that the power purchase agreement between DG Fairhaven and RCEA remains in effect.

6. NEW CCE BUSINESS

6.1 Hydropower, Bioenergy, and Climate Consulting Request for Proposals

Authorize staff to develop and issue a request for proposals for consulting services on implementation of strategic plan measures, focusing on local hydropower, bioenergy, and climate action planning.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS

7.1 Airport Microgrid Project Fence Installation and Tree Removal Bid Awards

Award bid for Airport Microgrid Project fence installation to [winning bid contractor determined at the 6/23/20 bid opening] in the amount of [lowest responsive bid amount] and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

Award bid for Airport Microgrid Project tree removal work to [winning bid contractor determined at the 6/23/20 bid opening] in the amount of [lowest responsive bid amount] and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

7.2 RCEA Fiscal Year 2020-2021 Budget Discussion and Possible Adoption

Adopt RCEA FY 2020-2021 budget.

8. NEW BUSINESS

8.1 Resolution on Racial Justice

Adopt Resolution 2020-3 Adopting a Commitment to Racial Justice.

9. STAFF REPORTS

9.1 Update by Executive Director Matthew Marshall on Public Safety Power Shutoff developments, the County energy resiliency bond measure and other agency news.

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. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, July 23, 2020, 3:30 p.m.

Meeting location to be announced pending Governor's Executive Order and Humboldt County Health Officer's orders.

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DRAFT BOARD OF DIRECTORS MEETING MINUTES

May 28, 2020 - Thursday, 3:30 p.m.

Notice of this meeting was posted on May 24, 2020. Chair Austin Allison 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., stating that the meeting was being conducted by teleconference pursuant to Brown Act waivers included in Governor Newsom's COVID-19 State of Emergency Executive Orders and in response to local efforts to reduce the spread of the virus. Chair Allison stated that the posted agenda outlined instructions for the public on listening to the meeting and providing written comment.

PRESENT: Chair Austin Allison, Stephen Avis (arrived at 3:42 p.m.), Chris Curran, Vice Chair Estelle Fennell, Dean Glaser, Dwight Miller, Frank Wilson, Michael Winkler, Sheri Woo. STAFF AND CONSULTANTS PRESENT: Business Planning & Finance Director Lori Biondini, RCEA General Counsel Nancy Diamond, Power Resources Director Richard Engel, Account Services Manager Mahayla Slackerelli, Community Strategies Manager Nancy Stephenson, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

ORAL COMMUNICATIONS

Staff read an email from David O'Neill, attorney for Redwood Coast Power and LandGas Technology LLC, requesting the Board to direct staff to discuss a potential power purchase agreement for electricity from its Blue Lake biomass plant with company representatives or to explain why negotiations will not take place since the DG Fairhaven biomass plant is idle. Staff confirmed that there is no current plan to acquire additional biomass electricity and that RCEA's contract with DG Fairhaven remains in effect.

REPORTS FROM MEMBER ENTITIES

Vice Chair Fennell updated the Board on a recently submitted report on a regional approach to managing the Potter Valley Project which included possible removal of the Scott Dam and continued power supply to the Potter Valley area and water supply to the Russian and Eel River watersheds. A management plan must be formulated in the next two years.

Director Winkler reported that the City of Arcata is suspending City Hall and library heating electrification due to reduced revenues resulting from the COVID pandemic.

Director Woo reported that the Humboldt Bay Municipal Water District has completed the petition for change project narrative for its in-stream flow dedication project.

CONSENT CALENDAR

- 3.1** Approve Minutes of April 23, 2020, Board Meeting.
- 3.2** Approve Disbursements Report.
- 3.3** Accept Financial Reports.

Chair Allison confirmed that there was no public comment for this agenda item.

M/S: Fennell, Winkler: Approve consent calendar.

The motion passed with a unanimous vote: Ayes: Allison, Curran, Fennell, Glaser, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: Avis.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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

OLD CCE BUSINESS

5.1. CCE Program Rates Update (Information Only)

Director Avis joined the meeting.

Account Services Manager Mahayla Slackerelli reported on PG&E's continuing statewide customer transition to time of use (TOU) rates, a small rise in CCE program opt outs and customer calls in February coinciding with Humboldt County's peak energy use season, and an RCEA and PG&E electricity rate increase in May. She noted that customer calls and opt outs have since returned to normal levels. RCEA absorbed a significant Power Charge Indifference Adjustment (PCIA or exit fee) increase to keep customer rates competitive. Staff is monitoring news of another anticipated exit fee increase this fall.

The directors discussed higher electricity use billing baselines for electric heat pump space heating, upcoming statewide outreach about time-of-use money saving strategies, and how the Water District is working with RCEA to reduce high winter energy bills and associated high customer water bills resulting from increased, seasonal turbidity reduction needs. The COVID emergency's effects on commercial and residential energy use were discussed, as were reasons for PG&E's May rate adjustment, long-term plans to uncouple RCEA's rates from PG&E's, the California Community Choice Association's legislative efforts to increase energy rate transparency and the PCIA's 20% inflation of Community Choice Aggregator rates.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

NEW BUSINESS

8.1 Feed-in Tariff Program

Account Services Manager Mahayla Slackerelli described the local, community-scale, renewable energy generation program that the Board requested when the Community Choice Energy Program launched. The feed-in tariff (FIT) power portfolio allocation target and the total utility-scale/wholesale solar target were set at 6MW and 15MW, respectively. Two solar feed-in tariff FIT project contracts with a combined output of 0.6% of RCEA's annual load were recommended for approval. Two additional FIT contract proposals currently under review would, if approved at a future meeting, exceed the initial FIT portfolio allocation target by 0.5MW. Manager Slackerelli described staff's proposal to increase the initial FIT portfolio allocation to 6.5MW and add another phase of 6MW in possibly larger capacity FIT project

contracts. Combined with the airport microgrid project, FIT projects would help meet the 15MW wholesale solar target. The second phase would increase total FIT capacity to 4% of RCEA's load, or powering roughly 6,000 homes.

Power Resources Director Richard Engel described the renewable energy development process and how power purchase contracts are signed early so project developers can obtain financing for the environmental review and permitting processes and construction. RCEA's Board is being asked to approve power purchase agreements, not projects. Only the County or city where the project is located can decide whether a project can be built.

The directors discussed how and why FIT energy prices are higher than biomass prices; the value of local, community-scale projects and their local economic benefits and the alignment of smaller-scale local projects with community values; the potential inclusion of battery storage in future FIT requests for proposals (RFPs); and current RCEA RFPs for behind-the-meter distributed energy resources and resource adequacy that may result in additional battery storage.

Chair Allison confirmed that there was no public comment for this agenda item.

M/S: Avis, Fennell:

Approve a 20-year power purchase agreement with Sunthurst Energy, LLC for the 999 kW Humboldt County Solar 1 solar project, and authorize RCEA's Executive Director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 2, LLC for the 1 MW North Coast Highway Solar 2 solar project, and authorize RCEA's Executive Director to execute all applicable documents.

Approve increase of feed-in tariff phase 1 programmatic capacity up to 6.5 MW to accommodate current applicants.

Approve feed-in tariff phase 2 with an additional 6 MW of capacity to be released August 1, 2020.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Glaser, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: None.

8.2 2020-2023 Energy Efficiency Program funding – PG&E Local Government Partnership Contract and RCEA-Administered CPUC Funding update

Executive Director Marshall introduced Stephen Kullmann, RCEA's new Demand-Side Management Director who serves on the Humboldt Bay Harbor, Recreation and Conservation District Commission and who will be stepping down from that body's wind energy subcommittee to avoid potential conflicts of interest.

Executive Director Marshall reported on the June 2020 end of the current PG&E Energy Watch energy efficiency program, which has been central to the agency's work since its founding, and RCEA's direct administration of CPUC energy efficiency funding for three years beginning in July. Mr. Marshall stated that RCEA's local government partnership with PG&E will continue under a new contract with a modified scope, and that while that contract and the CPUC funds total less than RCEA previously received for energy efficiency work, the agency

will be able to continue delivering direct energy savings to businesses through energy use reducing technology installation, technical assistance, and energy assessment; local government partner services such as greenhouse gas inventories and climate action planning; and services to the general public and contractors such as program referrals, energy efficiency technology training and customer education. Mr. Marshall noted the need to redesign energy efficiency programs for residents and small businesses due to the COVID-triggered recession.

The directors discussed COVID's effects on project priorities, potential County and state energy resiliency funding sources, and shifting to greenhouse gas reduction and other community benefit criteria as measures of energy efficiency rather than only kilowatt hours saved.

Chair Allison confirmed that there was no public comment for this agenda item.

M/S: Fennell, Miller: Approve contract with PG&E for a 2020-2023 Energy Efficiency Local Government Partnership Program and authorize the Executive Director to execute, after final review and approval by RCEA General Counsel, the contract and all associated documents as necessary.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Glaser, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: None.

8.3 Draft RCEA Fiscal Year 2020-21 Budget

Provide guidance and input to staff on draft FY20-21 budget.

Executive Director Marshall presented a preliminary draft of the upcoming fiscal year's budget and a summary of notable influences. The scale and duration of the COVID pandemic's impacts on electricity sales and wholesale power costs are unknown. Customer loads are reduced, late customer payments are expected to increase and PG&E has suspended power shutoffs for nonpayment until further notice. For the airport microgrid project, delayed FAA project approvals have pushed back construction and slowed project funding timing is reflected in the preliminary draft budget. Revenue projections include the 1% CCE customer discount relative to PG&E's rates, the sale of surplus Humboldt Redwood Company renewable energy credits and assume a return to original CCE program power portfolio content objectives in 2021. Regulation changes and COVID impacts are expected to continue to reduce revenue in 2021. Power portfolio content and customer rate discount adjustments can be made at that time if needed. Use of reserve funds is not anticipated. Costs of the agency's office building purchase and renovation have not yet been included in the budget and will be reported to the Board at a future meeting. The Finance Subcommittee will meet prior to the June Board meeting to review a further refined proposed budget.

Discussion centered on cost recovery efforts, efforts to minimize impacts on paying customers, and the possibility of requiring proof that bill non-payment was COVID-related. It was stated that customers of CCAs, which are responsibly addressing climate change, should not pay more than PG&E customers.

Executive Director Marshall confirmed there were no public comments for this agenda item.

STAFF REPORTS

9.1. Staff report by Executive Director Matthew Marshall.

Mr. Marshall reported that in addition to Demand-Side Management Director Kullman, another local candidate, former Advanced Fuels and Transportation Specialist Aisha Cissna, was hired to fill the Regulatory and Legislative Policy Manager position. RCEA operations continue as normal except for some energy efficiency programs which are on hold due to shelter-in-place and social distancing orders. Mr. Marshall commended staff for scaling up the agency's data-secure remote work capabilities rapidly and reported that staff is crafting an organizational culture that promotes sustainable remote work performance and productivity levels for an extended time.

FUTURE AGENDA ITEMS

The directors requested an agenda item for the next meeting directing staff to send a response to Redwood Coast Power and updating the Board on local biomass procurement, the status of the DG Fairhaven plant and the possibility of biochar production as part of future biomass contracts. Future meeting requests were made for a formal presentation by Demand-Side Management Director Kullmann on his vision for implementing Board adopted plans and goals, a Public Safety Power Shutoff update and enabling the public to call in comments.

Chair Allison adjourned the meeting at 5:42 p.m.

Lori Taketa
Clerk of the Board

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Redwood Coast Energy Authority
Disbursements Report
As of April 30, 2020

Type	Date	Num	Name	Memo	Amount
Liability Check	04/08/2020	E-pay	EDD	499-0864-3 QB Tracking # 133363142	-3,986.53
Liability Check	04/08/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 133831142	-20,413.86
Liability Check	04/08/2020	E-pay	EDD	499-0864-3 QB Tracking # 142680142	-111.52
Bill Pmt -Check	04/10/2020	10556-8	NEM Customers	NEM Account Closeout	-350.15
Bill Pmt -Check	04/10/2020	10559	AT&T	April 707269177 telephone charges	-337.78
Bill Pmt -Check	04/10/2020	10560	Advanced Display & Signs	Stickers for marketing & outreach	-392.41
Bill Pmt -Check	04/10/2020	10561	AT&T	Internet & online fax	-176.20
Bill Pmt -Check	04/10/2020	10562	Bidwell Consulting Services, Inc.	Preparation of new retirement plan documents	-1,250.00
Bill Pmt -Check	04/10/2020	10563	Blue Lake Rancheria	Site Host Reimbursement 1/1-3/31/20	-74.20
Bill Pmt -Check	04/10/2020	10564	Boutin Jones	Legal services: PG&E and Common Interest	-728.97
Bill Pmt -Check	04/10/2020	10565	Brant Electric	Rio Dell EV Station Repairs	-1,792.97
Bill Pmt -Check	04/10/2020	10566	CA Dept. of Tax & Fee Administration	Electrical Energy Surcharge Return Q1 2020	-52,366.87
Bill Pmt -Check	04/10/2020	10567	CalCCA	Operational Member dues Q4 19/20	-27,240.00
Bill Pmt -Check	04/10/2020	10568	Central Office	Printing services- EV Bike posters	-24.14
Bill Pmt -Check	04/10/2020	10569	City of Arcata	March Excessive Energy Use Tax	-5,284.13
Bill Pmt -Check	04/10/2020	10570	City of Arcata	March Utility User Tax	-9,271.62
Bill Pmt -Check	04/10/2020	10571	City of Arcata	Site Host Reimbursement 1/1-3/31/20	-392.96
Bill Pmt -Check	04/10/2020	10572	City of Blue Lake	March Utility User Tax	-766.74
Bill Pmt -Check	04/10/2020	10573	City of Blue Lake	Site Host Reimbursement 1/1-3/31/20	-53.51
Bill Pmt -Check	04/10/2020	10574	City of Eureka - REVNet	Site Host Reimbursement 1/1-3/31/20	-511.56
Bill Pmt -Check	04/10/2020	10575	City of Eureka-Water	Water service, 2/26-3/26/20	-170.88
Bill Pmt -Check	04/10/2020	10576	Donald Dame	Professional Services - March 2020	-218.75
Bill Pmt -Check	04/10/2020	10577	Diamond, Nancy	Legal Services - March	-11,278.60
Bill Pmt -Check	04/10/2020	10578	Diamond, Nancy	Legal Services - February	-8,276.30
Bill Pmt -Check	04/10/2020	10579	Fieldbrook Elementary	Fieldbrook Elementary self-install rebate/Audit 6050	-100.00
Bill Pmt -Check	04/10/2020	10580	GHD	Site Host Reimbursement 1/1-3/31/20	-336.47
Bill Pmt -Check	04/10/2020	10582	Department of the Treasury	74-3104616 Tax penalty	-248.24
Bill Pmt -Check	04/10/2020	10583	Local Worm Guy	Weekly compost pickup	-30.00
Bill Pmt -Check	04/10/2020	10584	Mission Uniform & Linen	Mar. mat service, janitorial supplies	-7.57
Bill Pmt -Check	04/10/2020	10585	NextEra	Tradable RECs Dec 2019	-127,246.00
Bill Pmt -Check	04/10/2020	10586	North Coast Cleaning	March monthly cleaning service	-456.00
Bill Pmt -Check	04/10/2020	10587	Open Door	Site Host Reimbursement 1/1-3/31/20	-122.85
Bill Pmt -Check	04/10/2020	10588	PG&E EV Account	EV stations February	-419.14
Bill Pmt -Check	04/10/2020	10589	PG&E Office Account	2/22-3/23/20 utilities	-944.62
Bill Pmt -Check	04/10/2020	10590	Pierson's Home Ctr	Facility repairs & tool bank	-76.71
Bill Pmt -Check	04/10/2020	10591	Platt/Rexel	PO #C0014 Bulbs	-7,030.80
Bill Pmt -Check	04/10/2020	10592	Ray Morgan Company	Printer Charges: 3/6-4/5/20	-70.50
Bill Pmt -Check	04/10/2020	10593	Recology	March garbage service	-90.72
Bill Pmt -Check	04/10/2020	10594	SDRMA Medical	VOID: April 2020 Premium	0.00
Bill Pmt -Check	04/10/2020	10598	Braun Blaising Smith Wynne	Legal Services - Regulatory - February	-19,240.49
Bill Pmt -Check	04/10/2020	10599	Enterprise Tolls	Toll Fine: M. Marshall	-11.30
Bill Pmt -Check	04/10/2020	10600	Petty Cash	2018/2019 Petty cash reconciliation	-95.09
Bill Pmt -Check	04/10/2020	10601	Petty Cash	2019/2020 Partial petty cash reconciliation	-86.36
Bill Pmt -Check	04/10/2020	10602	Petty Cash	VOID: Petty Cash fill to \$500	0.00
Bill Pmt -Check	04/10/2020	10603	Petty Cash	Petty Cash fill to \$300	-78.87
Bill Pmt -Check	04/10/2020	10604	BESC, Inc.	Structural design - EV stations	-7,430.00
Bill Pmt -Check	04/10/2020	10605	Suddenlink Communications	Phone & Internet access - April	-1,093.69
Paycheck	04/10/2020	4102001	Employees	Payroll, 3/15-3/31/20	-51,770.00
Liability Check	04/22/2020	E-pay	EDD	499-0864-3 QB Tracking # 989915142	-17.98
Liability Check	04/22/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 990075142	-240.22
Liability Check	04/22/2020	E-pay	EDD	499-0864-3 QB Tracking # 990236142	-39.83
Liability Check	04/23/2020	10606	Umpqua Bank	Employer HSA contribution	-426.36
Check	04/23/2020	ACH6994243	Newport Group	January 2020 discretionary contribution	-5,445.14
Bill Pmt -Check	04/24/2020	ACH	Snow Mountain Hydro, LLC	Cove plant hydro MAR 2020	-41,448.49

Redwood Coast Energy Authority

Disbursements Report

As of April 30, 2020

Type	Date	Num	Name	Memo	Amount
Liability Check	04/24/2020	10607	Calvert	January 2020 employee/match contribution	-1,908.48
Check	04/24/2020	10608	FIT Applicants:Sunthurst Energy, LLC	Application rejection	-4,000.00
Bill Pmt -Check	04/24/2020	10609	AM Conservation	LED stock	-606.06
Bill Pmt -Check	04/24/2020	10610	Arcata Chamber of Commerce	Membership dues	-440.00
Bill Pmt -Check	04/24/2020	10611	BESC, Inc.	Structural design - EV stations	-2,450.00
Bill Pmt -Check	04/24/2020	10612	Biondini, L.	Purchase reimbursements: SIP supplies.	-582.06
Bill Pmt -Check	04/24/2020	10613	Bishop, M.	Mileage reimbursement - March	-34.85
Bill Pmt -Check	04/24/2020	10614	Boutin Jones	Legal services: PG&E and Common Interest	-1,016.43
Bill Pmt -Check	04/24/2020	10615	Braun Blaising Smith Wynne	Legal Services - Regulatory - March	-6,055.05
Bill Pmt -Check	04/24/2020	10616	Brennan, K.	March mileage reimbursement	-11.50
Bill Pmt -Check	04/24/2020	10617	CoPower	May premium - vision	-272.50
Bill Pmt -Check	04/24/2020	10618	Environmental Indicator Accounting Svcs.	Services & support for climate action plan.	-1,520.00
Bill Pmt -Check	04/24/2020	10619	Fetters, Jake	Mileage reimbursement - March	-27.58
Bill Pmt -Check	04/24/2020	10620	Mission Uniform & Linen	Jan mat service, janitorial supplies	-53.57
Bill Pmt -Check	04/24/2020	10621	Neal A. Goodman	Buddy's Auto Center self-install rebate/Audit 6072	-756.23
Bill Pmt -Check	04/24/2020	10622	NYLEX.net, Inc.	IT support services - May	-3,200.00
Bill Pmt -Check	04/24/2020	10623	Owen, P.	Purchase reimbursement: SIP supplies	-126.46
Bill Pmt -Check	04/24/2020	10624	Pacific Paper Company	Desk/workstation chairs	-1,223.88
Bill Pmt -Check	04/24/2020	10625	PG&E EV Account	Engineering Advance - McKinleyville	-2,000.00
Bill Pmt -Check	04/24/2020	10626	Platt/Rexel	PO #C0014 Bulbs	-1,113.23
Bill Pmt -Check	04/24/2020	10627	SDRMA Dental	May Premium	-1,176.53
Bill Pmt -Check	04/24/2020	10628	SDRMA Medical	VOID: April 2020 Premium	0.00
Bill Pmt -Check	04/24/2020	10629	Shred Aware	Shredding services	-207.20
Bill Pmt -Check	04/24/2020	10630	Verizon Wireless	March tablet/cell service for staff & equipment	-2,018.93
Bill Pmt -Check	04/24/2020	10631	VISA	March Statement 2/21-3/19/2020	-8,327.85
Bill Pmt -Check	04/24/2020	10632	Winzler, John	Office Lease - May	-5,582.00
Bill Pmt -Check	04/24/2020	10633	SDRMA Medical	May 2020 Premium	-21,267.00
Liability Check	04/24/2020	32520	Newport Group	March 2020 contribution	-10,195.59
Paycheck	04/24/2020	4242001	Employees	Payroll, 4/1-4/15/20	-49,195.82
Liability Check	04/24/2020	6013740	Newport Group	April 2020 employee/match contribution	-10,952.27
Check	04/24/2020	ACH6621576	Newport Group	February 2020 discretionary contribution	-5,492.32
Bill Pmt -Check	04/25/2020	ACH	DG Fairhaven Power, LLC	DG Fairhaven Resource Adequacy March 2020	-68,315.00
Bill Pmt -Check	04/25/2020	ACH	Humboldt Redwood Company	Humboldt Redwood Co. March 2020	-674,475.76
Check	04/28/2020	6804046	Newport Group	March 10 payroll discretionary contribution	-2,725.83
Liability Check	04/30/2020	E-pay	EDD	499-0864-3 QB Tracking # 1447045142	-3,758.78
Liability Check	04/30/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 1447170142	-19,646.30
Liability Check	04/30/2020	E-pay	EDD	499-0864-3 QB Tracking # 1447258142	-107.65
Liability Check	04/30/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 1447380142	-1,145.41
TOTAL					<u>-1,322,062.21</u>

Redwood Coast Energy Authority
Balance Sheet
As of April 30, 2020

	<u>Apr 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	493.22
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking Acct 0560	-53,318.88
1071 · Umpqua Deposit Control Acct 8215	6,124,016.68
1075 · Umpqua Reserve Account 2300	2,000,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	8,091,461.12
Accounts Receivable	
1100 · Accounts Receivable	203,281.08
Total Accounts Receivable	203,281.08
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-427,569.54
1103 · Accounts Receivable-Other	4,014,921.32
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-43,737.94
1210 · Retentions Receivable	1,001.00
1499 · Undeposited Funds	5,290.02
Total Other Current Assets	3,571,619.86
Total Current Assets	11,866,362.06
Total Fixed Assets	151,725.39
Total Other Assets	138,880.00
TOTAL ASSETS	<u>12,156,967.45</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	1,790,166.51
Total Credit Cards	2,774.87
Total Other Current Liabilities	264,808.18
Total Current Liabilities	2,057,749.56
Long Term Liabilities	
2703 · TEA Phase I & II	31,791.81
Total Long Term Liabilities	31,791.81
Total Liabilities	2,089,541.37
Equity	
2320 · Investment in Capital Assets	151,725.38
3203 · LTD - TEA Phase I & II	-31,791.81
3900 · Fund Balance	6,119,811.25
Net Income	3,827,681.26
Total Equity	10,067,426.08
TOTAL LIABILITIES & EQUITY	<u>12,156,967.45</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2019 through April 2020

	<u>Jul '19 - Apr 20</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	270.00		
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	83,996.62	125,000.00	67.2%
Total 5100 · Revenue - program related sales	25,317.06	16,000.00	158.23%
Total 5400 · Revenue-nongovernment agencies	937,372.09	2,576,300.00	36.38%
Total 5500 · Revenue - Electricity Sales	43,500,567.38	53,482,965.00	81.34%
Total 5 REVENUE EARNED	44,547,253.15	56,200,265.00	79.27%
49900 · Uncategorized Income	0.00	2,730,300.00	0.0%
Total Income	44,547,523.15	58,930,565.00	75.59%
Gross Profit	44,547,523.15	58,930,565.00	75.59%
Expense			
Total 6 WHOLESALE POWER SUPPLY	33,823,782.47	42,295,190.00	79.97%
Total 7 PERSONNEL EXPENSES	1,970,696.68	3,026,492.00	65.12%
Total 8.1 FACILITIES AND OPERATIONS	1,789,312.69	4,539,920.00	39.41%
Total 8.2 COMMUNICATIONS AND OUTREACH	94,631.25	115,000.00	82.29%
Total 8.3 TRAVEL AND MEETINGS	38,640.06	68,000.00	56.82%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	174,671.20	184,000.00	94.93%
8410 · Contracts - Program Related Ser	87,753.83	435,000.00	20.17%
8420 · Accounting	7,546.34	68,950.00	10.95%
8430 · Legal	116,449.90	125,000.00	93.16%
8450 · Wholesale Services - TEA	499,503.50	602,401.00	82.92%
8460 · Procurement Credit - TEA	562,229.30	753,809.00	74.59%
8470 · Data Management - Calpine	732,920.66	882,348.00	83.07%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,181,074.73	3,051,508.00	71.48%
Total 8.5 PROGRAM EXPENSES	516,406.03	555,786.00	92.92%
Total 8.6 INCENTIVES & REBATES	250,579.29	881,500.00	28.43%
Total 9 NON OPERATING COSTS	53,650.15	169,518.00	31.65%
Total Expense	40,718,773.35	54,702,914.00	74.44%
Net Ordinary Income	3,828,749.80	4,227,651.00	90.56%
Net Other Income	-0.70		
Net Income	<u>3,828,749.10</u>	<u>4,227,651.00</u>	<u>90.56%</u>



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 3.4

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Mahayla Slackerelli, Account Services Manager
SUBJECT:	Feed-in Tariff Update

SUMMARY

During the May meeting, the board directed staff to execute a power purchase agreement with Sunthurst Energy for a one-megawatt solar array outside of Fortuna. Since that time, Sunthurst Energy had to retract the application, and a second application that had not yet been approved, due to some clarifying zoning information from the County. The two projects were set to be on a parcel with a rare zoning code not compatible with developing a solar project. The developer also discovered that grid interconnection of this project would entail greater network upgrade costs at the local substation than they were prepared to pay.

Consequently, the developer has abandoned plans to participate in the feed-in tariff program. The programmatic capacity that was reserved for these two projects has since been released for new applications. Staff will reach out to the County Planning Department to discuss what steps can be taken to ensure developers are made aware of any constraints on site development as early as possible in the FIT application process.

FINANCIAL IMPACTS

No financial impact.

STAFF RECOMMENDATION

Accept update on Sunthurst Energy feed-in-tariff application retractions and the resulting program capacity release for new applications.

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STAFF REPORT
Agenda Item # 5.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Manager of Power Resources
SUBJECT:	Power Procurement Compliance Updates

SUMMARY

The following are three significant compliance filings related to RCEA's power procurement activities that staff are developing or preparing to submit.

Integrated Resource Plan (IRP) due September 1: Integrated resource planning is a standard tool used by utilities and other load serving entities (LSE) to do long-term planning that takes into account supply- and demand-side resources needed to meet customer load at affordable rates. In California, IRPs also address non-energy requirements that the LSE must meet, such as system reliability, dependence on unspecified system power, renewable portfolio standard (RPS) requirements, greenhouse gas (GHG) emissions targets, and consideration of impacts that power portfolios may have on disadvantaged communities.

LSEs must update and submit their IRPs to the California Public Utilities Commission (CPUC) every two years, which the CPUC aggregates and compares to their own system-level plan. RCEA's original IRP was submitted in August 2018 and will be significantly updated this year to reflect recent long-term resource commitments, updates to RCEA's RePower Strategic Plan, and rapidly changing state policies and regulation surrounding the electricity system.

The CPUC is requiring LSEs to submit two power portfolios that conform to their guidelines including an assigned load forecast, an allotted GHG emissions benchmark, and resources that are consistent with the state's Reference System Plan (RSP)¹. The two conforming portfolios are to be developed in the context of 2030 scenarios in which the state's electricity sector emits 46 and 38 million metric tons (MMT) of GHG emissions² annually. In addition to the conforming plans, LSEs are allowed to submit alternative plans that don't conform to the aforementioned guidelines. Per recent guidance from CPUC staff, staff believe that RCEA's preferred IRP can be submitted as the lower-GHG conforming portfolio, with emissions aligned with the 38 MMT target or a lower emissions level at RCEA's discretion. Based on RCEA's plans for transitioning to clean and renewable power sources, staff expect the preferred 2030 portfolio to meet or beat RCEA's assigned GHG emissions benchmark under the 38 MMT scenario. Whether RCEA will submit an alternative plan in addition is still being evaluated.

¹ The RSP was adopted in the following March 2020 Decision:
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M331/K772/331772681.PDF>

² The 46 MMT target was set by the California Air Resources Board, which manages emissions allocations under the State's Cap-and-Trade program.

The following table shows approximate resource capacities that RCEA plans to include in each IRP portfolio. The final numbers are subject to change per The Energy Authority (TEA)'s modelling efforts. The relative capacities of these resource types is not necessarily indicative of how much energy they will contribute to RCEA's electric portfolio, as different generating technologies have different capacity factors.

2030 Resource Capacity (MW)	RCEA IRP Portfolios		
Resource Type	Higher GHG	Lower GHG	Expected Resources in RCEA-Preferred Lower GHG Portfolio
Nuclear	0	0	
Combined Heat & Power	0	0	
Natural Gas	10	0	
Biomass	25	33	Humboldt Sawmill Co. Units 1-3
Geothermal	10	0	
Hydro (Large)	20	0	
Hydro (Small)	6	21	Cove Hydro, existing local plants and potential future development
Wind (On & Offshore)	25	50	Humboldt offshore wind
Solar	108	115	Sandrini Sol 1, Redwood Coast Airport Microgrid (RCAM), Feed-in Tariff projects
Customer Solar	40	40	Behind-the-meter solar
Battery Storage	27	15	RCAM, other projects TBD
Pumped (long-duration) Storage	6	6	To be determined
Demand Response	5	20	Behind-the-meter storage and Distributed Energy Resources
Total	284	298	
GHG Emissions (MT CO ₂ e)	128,000	<106,000	

The higher GHG portfolio must hit the target of 128,000 MT of GHG emissions, while the lower GHG portfolio has to emit 106,000 MT of GHG emissions or less while still demonstrating reliability and reduced reliance on system power.

More detailed IRP results will be brought before the Board at the July meeting, and the Board will be asked to approve the full IRP filing at the August meeting in advance of submission to the CPUC on September 1.

Renewable Portfolio Standard (RPS) Procurement Plan due June 29: Staff are in the process of preparing RCEA's annual RPS Procurement Plan for submittal to the California Public Utilities Commission (CPUC). The CPUC uses the information provided by load-serving entities through this filing to report to the State Legislature on the progress of the RPS program. Notable components of the plan include quantitative generation and cost data associated with RPS procurement, progress toward long-term contracting requirements, risk assessment of factors that may cause compliance delays, and aligning renewable energy delivery with load. The public version of the plan will be made available on RCEA's website following submission.

Power Source Disclosure due July 20: Staff are preparing RCEA's annual Power Source Disclosure report containing our final 2019 power mix for submission to the California Energy Commission (CEC). The report shows quantities of electricity that were delivered on behalf of RCEA

customer load from each individual generating facility under contract. It also shows percentages of our total portfolio by resource type for both our REpower and REpower+ electricity product offerings. The latter is shown in the table below, which will be distributed to all RCEA customers later this year as a mandatory Power Content Label mailer. The Power Content Label will be brought to the Board for approval at the August meeting.

Resource Type	REpower	REpower+
Biomass	24%	12%
Geothermal	0%	0%
RPS-Eligible Hydroelectric	3%	0%
Solar	2%	44%
Wind	15%	44%
Large Hydroelectric	54%	0%
Natural Gas ³	0.3%	0%
Nuclear	0.2%	0%
Unspecified Power	1.7%	0%

FINANCIAL IMPACTS

Apart from staff and consultant time required to prepare the filings, there is no direct cost or other financial impact associated with the filings themselves. The IRP and RPS Plan carry with them no binding commitments for procurement. However, development of the IRP in particular is a risk management activity that mitigates financial risk exposure for RCEA by ensuring holistic, high-level decision-making regarding our community choice energy program's power portfolio, while ensuring conformance with regulatory mandates from the State.

RECOMMENDED ACTIONS

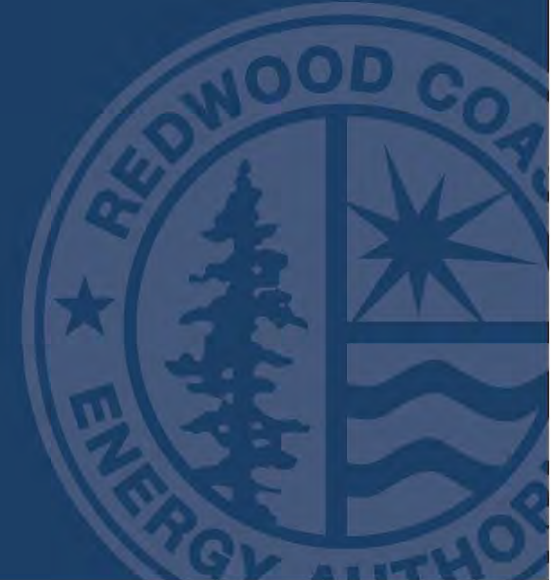
None - information only.

³ The small amounts of natural gas, nuclear, and unspecified power are due to the Board-approved (August 2019) procurement of Asset-Controlling Supplier (ACS) resources to meet our overall 2019 emissions target. The ACS power that RCEA purchased was 92% carbon-free large hydropower with lesser amounts of nuclear and natural gas sources.



Power Procurement Compliance Filings:

1. Integrated Resource Plan (IRP)
2. Renewable Portfolio Standard (RPS)
Procurement Plan
3. Power Source Disclosure (PSD)



Proposed 2020 IRP Portfolios

2030 Resource Capacity (MW)	Higher GHG	Lower GHG	Expected Resources in RCEA-Preferred Lower GHG Portfolio
Nuclear	0	0	
Combined Heat & Power	0	0	
Natural Gas	10	0	
Biomass	25	33	Humboldt Sawmill Co. Units 1-3
Geothermal	10	0	
Hydro (Large)	20	0	
Hydro (Small)	6	21	Cove Hydro, existing local plants and potential future development
Wind (On & Offshore)	25	50	Humboldt offshore wind
Solar	108	115	Sandrini Sol 1, Redwood Coast Airport Microgrid (RCAM), Feed-in Tariff projects
Customer Solar	40	40	Behind-the-meter solar
Battery Storage	27	15	RCAM, other projects TBD
Pumped (long-duration) Storage	6	6	To be determined
Demand Response	5	20	Behind-the-meter storage and Distributed Energy Resources
Total	284	298	
GHG Emissions (MT CO ₂ e)	128,000	<106,000	

2019 Power Source Disclosure

Resource Type	REpower	REpower+
Biomass	24%	12%
Geothermal	0%	0%
RPS-Eligible Hydroelectric	3%	0%
Solar	2%	44%
Wind	15%	44%
Large Hydroelectric	54%	0%
Natural Gas	0.3%	0%
Nuclear	0.2%	0%
Unspecified Power	1.7%	0%



STAFF REPORT
Agenda Item # 5.2

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Power Resources Manager Mike Avcollie, Demand-Side Management Project Manager
SUBJECT:	Distributed Energy Resource Request for Proposals Shortlist

SUMMARY

During the February meeting, the Board approved staff issuing a solicitation to developers who can provide up to 5 MW of local behind-the-meter (BTM) energy storage capacity with an RCEA cost not to exceed 150% of projected resource adequacy (RA) value over the lifetime of the systems. The BTM Distributed Resource Adequacy Request for Proposals (DER RFP) was released in mid-April to a list of developers who had pre-qualified through RCEA's request for qualifications process, and responses were due in late May.

The DER RFP aligned with several goals articulated in RCEA's RePower Strategic Plan such as integration of distributed energy resources (DER) and the deployment of microgrids. The solicitation also sought solutions that will provide energy resiliency to critical facilities and vulnerable customers in the event of future grid outages. Lastly, the RFP responded to the California Public Utilities Commission's (CPUC) November 2019 mandate for load-serving entities to procure new resource adequacy capacity to be online in 2021-2023.

The DER RFP was focused on proposals for behind-the-meter DERs that could provide the following benefits, in descending order of priority:

1. Resource adequacy value to RCEA
2. Critical energy resilience to host customers
3. Utility cost savings to host customers
4. Grid decarbonization
5. Improved grid operability

In addition, the RFP stated RCEA's preference for proposals that include projects installed within our service territory located at RCEA customer host sites. Preferred customers were stated as low-income single-family and multi-family facilities and/or tribal residential customers, or non-residential customers providing critical community needs.

Two proposals were submitted in response to the RFP and have been undergoing evaluation by a review team of five RCEA staff across the Demand-Side Management, Power Resources, and Executive teams. Both proposals were very robust and after initial interviews with the respondents, the review team recommends shortlisting both. The following is a comparison table summarizing the proposed programs.

Behind-the-Meter Distributed RA RFP Responses		
Firm	TRC	Swell Energy
Responsiveness	Responsive to all RFP requirements	Responsive to all RFP requirements
Team Qualifications	Highly qualified team, engineering firm with 30 years of experience in a wide range of energy projects, initiatives, and resource and non-resource energy incentive programs	Project developers specializing in residential battery energy storage systems and processing Self-Generation Incentive Program (SGIP) incentives. Less experienced firm incorporated in 2014
RA Capacity (MW)	5 MW, ½ by 2021, ½ by 2022	1.3 MW by August 2021
Proposed Approach	Mostly focused on larger municipal, commercial, and industrial facilities, with an estimate of 150 installed systems. Proposes more flexible options, tech neutral options that incorporate other DERs besides storage	Focused on low income, disadvantaged and tribal residential customers with an estimate of 700 installed systems. Proposes to partner with Grid Alternatives. Highly dependent on SGIP incentives
Customer Cost Benefit	Commitment to low cost systems for qualified customers with utility bill savings making them cash positive over time. Partnered with financial services firm to offer financing options	Commitment to no cost systems for qualified customers, some with solar if partnered with Grid Alternatives
Workforce and Safety Standards	Already provides quality assurance/quality control (QAQC) for SGIP. 30 years of experience	Detailed work safety plans and protocols provided as part of proposal
Incentive Experience	Experience with resource and non-resource energy incentive programs. Experienced with SGIP, CEC funding opportunities and other statewide incentives	SGIP specialists, good experience for what they are proposing, limited other relevant programmatic experience

Following Board approval of the shortlist, the review team will continue evaluating the proposed programs in consultation with The Energy Authority and developing applicable agreements. Pending successful negotiations with the companies, staff will bring one or two agreements to the Board for final approval.

FINANCIAL IMPACTS

Pricing and program scope are still being negotiated. Based on initial pricing offered by the two firms, RA cost is likely to exceed the 150% of market value previously approved by the Board. However, given the additional customer benefits of these behind-the-meter projects beyond their RA value to RCEA, staff may recommend approving contracts that exceed that price threshold.

RECOMMENDED ACTIONS

Approve the Behind-the-Meter Distributed Resource Adequacy Request for Proposals shortlist of TRC and Swell Energy, with final selection pending further deliberation by the review team.



STAFF REPORT
Agenda Item # 5.3

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Biomass Procurement Update and Response to Unsolicited Proposal from Redwood Coast Power

SUMMARY

On April 11, 2020, David O'Neill, attorney for Redwood Coast Power and LandGas Technology LLC, sent a letter to Executive Director Marshall in which Redwood Coast Power proposed to supply 10 to 11MW of renewable, base-load power on a continuous basis to RCEA for an extended period of years. The unsolicited proposal was being made because the DG Fairhaven biomass plant was not supplying RCEA the quantities of biomass energy for which it had contracted.

At the RCEA Board's May 28, 2020, meeting, Mr. O'Neill submitted a public comment requesting the Board to direct staff to discuss a potential power purchase agreement for electricity from Redwood Coast Power's Blue Lake biomass plant with company representatives or to explain why negotiations would not take place. Staff confirmed that RCEA's Community Choice Energy program has no current plans to acquire additional biomass electricity and that RCEA's contract with DG Fairhaven remains in effect.

At the Board meeting the Executive Director will provide an update on local biomass procurement, the DG Fairhaven plant status and the possibility of including biochar production in future biomass contracts.

STAFF RECOMMENDATION

Direct the Executive Director to respond to David O'Neill's April 11, 2020, letter and to inform Mr. O'Neill that RCEA's Community Choice Energy program has no current plans to acquire additional biomass electricity and that the power purchase agreement between DG Fairhaven and RCEA remains in effect.

ATTACHMENT

May 28, 2020, public comment of David O'Neill.

From: [David O'Neill](#)
To: [Public Comment](#)
Cc: [Diane O'Neill](#)
Subject: [EXTERNAL]Proposal to Deliver Renewable Energy
Date: Wednesday, May 27, 2020 6:35:30 PM
Attachments: [RedwoodCoastRCEAProposal0420.wpd.pdf](#)

This is an EXTERNAL email. Do not click links or open attachments unless you validate the sender and know that the content is safe.

Public Comment for Consideration by the RCEA Board

On April 13, 2020, Redwood Coast Power sent a proposal to Mathew Marshall, the Executive Director of the RCEA, to supply renewable energy to the RCEA. In light of the fact that the Fairhaven Plant is no longer able to supply power to the RCEA under its PPA, Redwood Coast Power thought that the RCEA would be interested in contracting with Redwood Coast Power to allow the RCEA to maintain the level of power it is purchasing from local biomass-energy plants. Redwood Coast Power copied all of the members of the RCEA Board as well as the members of the Humboldt County Board on the proposal, but to date, has not received a response from the RCEA. A copy of the proposal is attached to this e-mail.

Redwood Coast is requesting that the RCEA Board instruct its Executive Director and his staff to contact the representatives of Redwood Coast Power to determine if a mutually-beneficial, power- purchase agreement can be negotiated between the parties. Barring such action, Redwood Coast Power would appreciate an explanation as to why such negotiations will not take place.

David S. O'Neill

Attorney at Law
LandGas Technology LLC
5487 N. Milwaukee Avenue
Chicago, Illinois 60630-1249
(O) (773) 792-1311
[REDACTED]
(F) (773) 792-8358

Redwood Coast Power LLC

5487 N. Milwaukee Avenue
Chicago, Illinois 60630-1249

773-792-1310
Fax: 773-792-8358

David S. O'Neill
April 11, 2020

Mr. Matthew Marshall
Executive Director
Redwood Coast Energy Authority
633 3rd St.
Eureka, CA 95501

re: Proposal to Supply Renewable Energy from Redwood Coast Power and Carbon Sequestration Project

Dear Mr. Marshall:

Please accept this letter as a Proposal from Redwood Coast Power LLC (RCP) to supply 10 to 11 MW of renewable, base-load power on a continuous basis to the Redwood Coast Energy Authority (RCEA) for an extended period of years. The power being offered under this proposal is renewable, biomass energy produced from a wood-fired biomass steam generation plant utilizing forestry waste as a fuel supply. It will not only result in a reliable supply of base-load power to RCEA's customers, it will also support employment and economic development within RCEA's service area consistent with the stated objectives of RCEA as a community choice authority.

On information and belief, RCP understands that the RCEA is presently not receiving the quantities of biomass energy it has contracted for and had set as an objective to assist the biomass plants in the area. Even when the biomass energy was received, it was not delivered on a reliable, non-interruptible, base-load basis that would maximize its value to the RCEA. RCP is in a position to fulfill RCEA's need for base-load, biomass energy that supports the community at a reasonable price for a number of years.

The power will be generated at the Redwood Coast Power Biomass Power and Carbon Sequestration Plant located at 200 Taylor Way in Blue Lake CA. The facility is a biomass-to-energy plant utilizing a single Zurn traveling grate stoker boiler equipped with a biomass dryer, fuel metering system, propane start-up burner, and an electrostatic precipitator for particulate control. The 885 psia and 825F steam produced in the boiler produces up to 13.8 MW of power (11.0 MW net to line) from a Turbodyne steam turbine coupled to an Electrical Machine (EM) generator. The facility provides for on-site storage and handling of the biomass fuel. The system

also includes a truck scale, single truck dump, out-feed conveyors, and a fuel reclaim system.

The plant was built in 1984 and operated until 1999 when it was moth-balled because of low-profit margins. The plant was refurbished and restarted in 2010 and operated for another 5 years until market conditions again caused the plant to shut down. The present owner (RCP with LandGas Technology as it's Manager) took control of the operations. Since taking control of the operation, RCP has reached agreements with regulators to ensure continuous operations within strict operating and emission requirements. The new owner has invested heavily in updating the plant. Among the repairs and improvements are:

1. The process control system has been modernized
2. The electro-static precipitator has been rebuilt
3. The cooling tower capacity has been increased
4. The fuel dryer has been repaired
5. The boiler feed grates has been repaired
6. The fuel supply had been improved and a reliable fuel supply has been established for meeting the SB 859 requirements of using wood from Tier 1 and Tier 2 hazardous forests
7. The rotor in the turbine has been remachined
8. The boiler and super heater tubes have been replaced and cleaned and
9. Changes have been made to increase the quantity and quality of char generated and to facilitate the collection and shipping of char

The plant is operational and fully permitted. It is presently not operating but can be returned to operation within three months of finalizing a workable, power-purchase agreement and can deliver 10.0 to 11.0 MW of power to line on an uninterrupted basis. Additionally, upon restart, the plant will modify it's operations to maximize the environmental benefit of the system. The plant will be operated to maximize the production of high-quality char. As a result of the char production, carbon from the carbon-base wood fuel will be sequestered. This carbon capture will consequently reduce green house gases and global warming. LandGas Technology LLC is a leader in the field of char production and beneficial use and is offering to make the city of Blue Lake and the RCEA participants in this pioneering effort.

In operation, the plant will achieve among the lowest emission rates in the state of California. Our permit requires emissions of less than:

- a) NOx emissions of 0.12 lb/MMBtu on a 24-hour Rolling Average basis and 0.10 lb/MMBtu on an annual Rolling Average Basis;
- b) CO emissions of 0.40 lb/MMBtu on a 24-hour Rolling Average basis; and
- c) PM10 emissions of 0.02 lb/MMBtu on a 3-hour average basis.

These standards are considerably below the emissions that are being achieved by the RCEA's present biomass energy suppliers.

By creating a market for the power produced by RCP, the RCEA will not only be ensuring its customers base-load power, it will also be benefitting the area in other ways including:

1. Creating local jobs including jobs for the employees recently laid off at the DG Fairhaven Biomass Plant
2. Supporting local saw mills and foresters by creating a market for their wood waste
3. Allowing for proper forest management by allowing over crowded forests to be properly thinned and harvested
4. Preventing forest fires that result from a lack of forest management
5. Payment of rent, permit fees, taxes and utilities to local units of government
6. Carbon sequestration and the creation of a source of char to local industrial users and farmers that is presently in short supply
7. Increase activity for businesses in the city of Blue Lake and surrounding communities.

Another potential benefit of Proposal is the fact that the facility is located in a high service area for the RCEA. As a result, it may be possible for RCEA to supply power during periods when PG&E curtails transmission. Last summer, many RCEA customers in Blue Lake had no power for extended periods. The power that was generated came from high emission sources like diesel generators. With generation from a plant inside a high service area, it should be possible to continue service during future outage periods.

While RCP is presenting this Proposal, it is doing so as an invitation to negotiate and not as a request for specific terms. The parties will need to determine terms that are acceptable to both parties while weighing the additional benefits of the Project. RCP will be seeking a multiple year agreement. This requirement is essential both because RCP will need to spend money to bring the plant into operation and because RCP will have to make commitments to its new employees and suppliers. Many suppliers will need to cancel existing arrangements to supply RCP and will not be willing to do so without a long-term commitment from RCP. Further, RCP is not willing to ask potential employers to leave their present positions without being able to represent to these people that we offering them a long-term opportunity.

The price and the attributes of the power transferred under the power purchase agreement also needs to be agreed to. The price should be comparable to the price the RCEA is presently paying for biomass power. Considering the potential benefits of this reliable power to RCEA, a price in this range should be negotiable.

RCEA will receive environmental attributes associated with the Project and its output, including but not limited to, renewable energy credits and air emission credits or offsets (e.g., Greenhouse Gas Credits), and all associated Environmental and/or Green Attributes, excluding any federal or state tax credits, incentives, or grants associated with the production of electricity. The Project and its output qualify for Portfolio Content Category 1 under the California Public Resources Code (CPRC), as this plant is an in-state California resource. Additionally, the Project will comply with the CPRC and any future interpretations of relevant statutes by the California Energy Commission. As such, the projects will qualify as Category One Bundled Green Energy under the California Renewable Portfolio Standard (RPS) and qualify for the associated Renewable Energy Certificates ("REC").

The amount of power available from this Project should be sufficient to replace the lost power from the DG Fairhaven contract. The plant has a rated capacity of 118,000 pounds of steam per hour (185 million Btu/hr heat input) from boilers manufactured by Zurn Corporation. The name-plate capacity of the turbine is 13.80 MW. The gross generating maximum capacity will be 12.6 MW. The parasitic load has historically been 1.5 MW.

Redwood Coast is proposing to sell 10.5 MW of the capacity. The total annual production under this Proposal is expected to 92,000 MWh/year. Assuming an 87.5 % run time, the annual supply of power should be 80,000 MWh. This Project involves base-load power and does **not** have seasonal variances. The project's "down time" for annual maintenance is estimated at 10-14 days per year and we should be able to schedule most planned maintenance down time in time periods that work best for the RCEA. All capacity will be included in the sale to RCEA. No capacity rights have been sold or committed to other parties.

RCP presents this Proposal in good faith and would appreciate RCEA acting in kind. If any party has a reason to object to this Proposal, RCP would expect an opportunity to consider any objectives and either refute the objection or work towards a solution agreeable to all parties. We would appreciate the opportunity to further discuss this Proposal with the RCEA and look forward to your response.

Sincerely submitted,


David S. O'Neill

cc:

County of Humboldt – Estelle Fennell (Vice Chair)
City of Trinidad – Dwight Miller
City of Arcata – Michael Winkler
City of Blue Lake – Chris Curran
City of Eureka – Austin Allison (Board Chair)
City of Ferndale – Stephen Avis
City of Fortuna – Dean Glaser
City of Rio Dell – Frank Wilson
Humboldt Municipal Water District – Sheri Woo

Humboldt County Board of Supervisors
Rex Bohn District 1
Estelle Fennel, Chair District 2
Mike Wilson, Vice Chair District 3
Virginia Bass District 4
Steve Madrone District 5



STAFF REPORT
Agenda Item # 6.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Hydropower, Bioenergy, and Climate Consulting RFP

SUMMARY

Following adoption in late 2019 of RCEA's RePower Humboldt strategic plan update, staff have been working on implementation of several key strategies included in the plan. Focus areas for near-term action from the plan include:

- Section 1.4 – Planning, specifically:
 - 1.4.2 Support carbon sequestration
 - 1.4.3 Assist with climate action planning
- Section 4.1 – Power resources, specifically:
 - 4.1.11 Bioenergy
 - 4.1.11.3 Investigate the impacts of biomass emissions
 - 4.1.11.4 Establish a biomass technical advisory committee
 - 4.1.11.6 Plan for a long-term transition away from direct combustion of forest-derived biomass and toward lower-impact uses of this material
 - 4.1.13 Hydro
 - 4.1.13.1 Support existing and new local small-scale hydroelectric power

To augment in-house capacity and expertise, staff propose issuing a request for proposals for expert consulting services on climate action planning, bioenergy, and hydroelectric power. In Humboldt County, these three topic areas have important inter-relationships that additionally call for expertise in land use planning and watershed management. Given the range of skills and knowledge required, it is possible multiple consultants or a company with a diversified team will be selected.

Michael J. Furniss provided valuable consulting services and technical expertise to RCEA in last year's update of our RePower Humboldt strategic plan. He has recently been issued a short-term contract within the Executive Director's spending authority to perform initial phase tasks on the topics listed above. However, staff envision a larger, sustained effort over a year or more that calls for an open solicitation with Board review prior to entering into a professional services agreement, to ensure RCEA gets the best possible value in meeting its consulting needs.

Staff will provide a presentation including more details on the proposed consulting effort.

FINANCIAL IMPACTS

Staff proposes a budget of up to \$200,000 for consulting services and other expenses such as supplies and local travel related to the proposed feasibility study.

RECOMMENDED ACTION

Authorize staff to develop and issue a request for proposals for consulting services on implementation of strategic plan measures, focusing on local hydropower, bioenergy, and climate action planning.

ATTACHMENT

Staff presentation on need for and proposed scope of consulting services



Proposed Hydropower, Bioenergy, and Climate Consulting Services Request for Proposals June 2020



Focus Areas from RePower Humboldt Strategic Plan Update

Section 1.4 – Planning, specifically:

- 1.4.2 Support carbon sequestration

- 1.4.3 Assist with **climate action planning**

Section 4.1 – Power resources, specifically:

- 4.1.11 **Bioenergy**

- 4.1.11.3 Investigate the impacts of biomass emissions

- 4.1.11.4 Establish a biomass technical advisory committee

- 4.1.11.6 Plan for a long-term transition away from direct combustion of forest-derived biomass and toward lower-impact uses of this material

- 4.1.13 **Hydro**

- 4.1.13.1 Support existing and new local small-scale hydroelectric power

Why Pursue Local Hydropower?

- Opportunity for “hydro done right”
 - Small scale <10 MW projects
 - Avoid impacting fish
 - Design and build to minimize instream and landscape impacts
- Availability is complementary with solar and wind
- Small hydro is eligible renewable resource in CA
- Regionally appropriate – local climate and topography make for abundant flow in steep watersheds – high productivity from small projects
- Existing examples of low-impact projects that have been operating for years

Hydropower – Current Work Scope

(Michael Furniss 90-day contract)

- Developing small hydropower prospectus document
- Producing bibliography on local hydropower
- Preparing watershed analysis template
- Performing preliminary regulatory assessment
- Identifying stakeholders, making initial engagement
- Developing public information campaign plan
- Planning a geographic database and mapping tool
- Engaging HSU on possible grad student assistance

Hydropower – Existing Feasibility Studies

- An Analysis of Small Hydroelectric Planning Strategies: Report to Humboldt County Board of Supervisors – Oscar Larson & Associates, 1982
- Hoopa Valley Small Scale Hydroelectric Feasibility Project – Miller, 2009
- Yurok Tribe Wind and Hydro Energy Feasibility Study – Zoellick et al., 2011
- Small Hydroelectric Assessment of Humboldt County – Brunner, Gwynn & Yim, 2014

Staff can make these studies available on request

Hydropower Consulting Needs

65% of contract scope

- Assemble advisory group
- Implement use of watershed evaluation template
- Secure cooperation with interested public and private landowners
- Perform in-depth regulatory analysis and determine permitting process
- Develop and populate GIS platform and knowledge management system for site analysis and project development
- Perform preliminary field surveys at selected sites
- Select one or more sites for pilot projects

Bioenergy Consulting Needs

20% of contract scope

- Establish and coordinate biomass Technical Advisory Committee
- Perform assessment of local biomass emissions
- Coordinate RCEA's biomass objectives with HSU's ongoing biomass life cycle assessment project
- Evaluate alternative biomass waste utilization
- Investigate and report on impacts of biomass energy on local ecology
- Develop an RCEA information management system on biomass

Climate Action Plan Consulting Needs

15% of contract scope

- Advise County personnel on climate science and forest management
- Integrate data from outside sources in local climate action plan (CAP)
- Contribute to writing and editing of CAP
- Create a system for evaluation of land management and forestry measures
- Organize and facilitate public meetings and expert panel discussions
- Prepare and deliver public presentations on land use and climate change

Proposed Budget

Staff recommends authorizing up to \$200,000 in consulting costs for FY 2020-2021. Actual costs to be determined through competitive RFP.

RCEA will provide staff support to engage the consultant and ensure objectives are achieved.

Proposed Timeline

June 25 - Board directs staff to develop and issue request for proposals (RFP)



June 30 – RCEA issues RFP



July 10 – Proposals due



July 13-15 – Staff reviews proposals, makes award recommendation for inclusion in Board packet



July 23 – Board makes decision on award of contract



July 31 – Contract executed, work begins



STAFF REPORT
Agenda Item # 7.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Dana Boudreau, Director of Operations
SUBJECT:	ACV Microgrid bid update, approvals for fence installation and tree removal

SUMMARY

Redwood Coast Energy Authority is partnering with Humboldt State University's Schatz Energy Research Center (SERC), PG&E, and the County of Humboldt to build a 7-acre, 2.5 MW solar array and battery energy storage system at the California Redwood Coast – Humboldt County Airport.

The site requires a new fence to secure the project site from the Aviation Operations Area at the start of construction and through the life of the project, and removal of trees and brush along the southern perimeter fence line to prevent an 11% reduction in annual energy production that would be caused by shading from this vegetation.

In September 2019, the Board authorized staff to obtain site control from the County and issue a request for proposals for installation of a new fence at the airport. In October 2019, the Board authorized staff to issue a request for proposals for removing trees along the southern boundary of the microgrid project site.

In November 2019, the County Public Works offered the option of the County conducting the fence installation and tree removal, streamlining activities by using the County's uniform cost accounting and informal bid process. At the November meeting the Board authorized the option of reimbursing the County for: a) brush removal and site work in preparation for fence installation; and/or b) fence installation; and/or c) tree removal.

Following these approvals last fall, several factors affected the ability to move forward with County support on the fence and tree work. Based on Federal Aviation Administration (FAA) oversight, no site improvements can commence until:

- FAA Approval of the Environmental Assessment (EA) Package including, but not limited to, completing the EA FAA review and approval, required publications, timelines, and public comment periods.
- Completion of the appraisal of the proposed leasehold area.
- FAA review and approval of the ground lease agreement, inclusive of the appraised value of the leasehold.

Final FAA approval is still pending, and several key documents remain in final review including the lease agreement and site appraisal. The current best estimate for final FAA approval is September 1, 2020.

Given this schedule and the risk of further compressing an autumn construction timetable, the project team chose to move forward with the fence installation and tree removal process through an RCEA RFP as authorized in the September and October 2019 Board meetings. Although staff greatly appreciated the County's offer to assist with the fence and tree work, it was determined that RCEA

and project partners have the best ability to directly coordinate preliminary site work in coordination with major construction scheduled for Fall 2020.

To conditionally prepare for tenant improvements pending a finalized lease agreement and FAA approval, on June 2, 2020, staff obtained interim approval from the County of Humboldt Department of Aviation to proceed with bidding efforts; see attachment.

After receiving this interim approval staff issued bid solicitations on June 3, 2020, to:

- 1) Construct an FAA approved fence to contain the project lease area and secure the runway area of the airport (bids due by 3:00 p.m., June 23, 2020).
- 2) Clear trees along the southern end of the project site to prevent shading of the solar array (bids due by 3:30 p.m., June 23, 2020).

The public bid openings will be held immediately following the deadlines for bid submissions on the afternoon of June 23, 2020. Staff is seeking approval to award bids to awardees to be named during the Board meeting.

FINANCIAL IMPACTS

The estimated project value is \$97,000 for the fence installation, and \$150,000 for the tree removal.

RECOMMENDED ACTIONS

Note: Following the public bid opening on June 23, 2020, the winning bidder will be posted on the RCEA website, <https://redwoodenergy.org/>.

Award bid for Airport Microgrid Project fence installation to **CR Fence Company Inc. dba Humboldt Fence Company** in the amount of **\$94,500.00** and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

Award bid for Airport Microgrid Project tree removal work to **Ford Logging dba Pacific Earthscape** in the amount of **\$76,427.00** and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

ATTACHMENT

1. County of Humboldt Department of Aviation; Interim Approval, Fence Installation and Tree Removal
2. Fence Installation Bid Tabulation
3. Notice of Award – Fence Installation
4. Tree Removal Bid Tabulation
5. Notice of Award – Tree Removal



COUNTY OF HUMBOLDT

DEPARTMENT OF AVIATION
3561 Boeing Ave., McKinleyville, CA 95519
Phone: (707) 839-5401

June 2, 2020

Mr. Matthew Marshall
Executive Director
Redwood Coast Energy Authority (RCEA)

RE: Interim Approval
Fence Installation and Tree Removal
ACV Microgrid Project

Mr. Marshall,

I hope this letter finds you well. In the interest of assisting RCEA to proceed with bidding efforts and to secure bids for the anticipated fence installation and removal of trees on the planned leasehold for the Microgrid Project, I am providing you this letter to grant interim approval to proceed with the bidding process for these two items. Please provide written confirmation that RCEA understands this is an interim approval and will become final upon completion of the following items:

- FAA Approval of the Environmental Assessment (EA) Package including, but not limited to, completing the EA FAA review and approval, required publications, timelines, and public comment periods.
- Completion of the appraisal of the proposed leasehold area.
- FAA review and approval of the ground lease agreement, inclusive of the appraised value of the leasehold.

To be clear, construction will not proceed including the issuance of a Notice to Proceed with construction until the County has completed the above listed processes with the FAA, and the County of Humboldt and RCEA have fully executed the ground lease agreement and all relevant documents.

Please contact my office should you have any questions regarding this matter.

Thank You,

Cody Rogatz, C.M.
Director of Aviation
County of Humboldt

Cc: Mr. Dana Boudreau-Operations Director, RCEA

Project: Fence Installation for ACV Microgrid

Bid No. N/A

Bids received electronically by no later than 3:00 pm, June 23, 2020

Bidder	Total Bid Amount	Received	Bid Walk	CSLB	DIR #
CR Fence Company Inc. dba Humboldt Fence Company	\$94,500.00	6/23/2020 09:23am	Y	808339	1000003061
Crusader Fence Company Inc.	\$135,408.00	6/19/2020 3:55pm	Y	1056652	1000449929

NOTICE OF AWARD

To: CR Fence Company Inc. dba Humboldt Fence Company

Project Description: Fence Installation for ACV Microgrid

Redwood Coast Energy Authority has considered the bid submitted by you for the above described work in response to its Notice Inviting Bids for the Project.

You are hereby notified that your bid has been accepted in the amount of: Ninety-Four Thousand Five Hundred Dollars (\$94,500.00).

You are required to execute the Contract and furnish the required Performance Bond and Payment Bond using the bond forms provided in the Contract Documents and the required certificates of insurance within ten (10) calendar days from the date of issuance of this Notice.

If you fail to execute the Contract and to furnish the bonds and insurance within ten (10) calendar days from the date of issuance of this Notice, RCEA will be entitled to consider all your rights arising out of its acceptance of your bid as abandoned and your Bid Bond forfeited. RCEA will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to RCEA.

Dated this 26th day of June 2020.

By: _____
Authorized Signature

Receipt of this above Notice of Award is hereby acknowledged by:

_____, this is the ____th day of June 2020.

By: _____

Title: _____

Project: Tree Removal for ACV Microgrid

Bid No. N/A

Bids received electronically by no later than 3:30 pm, June 23, 2020:

Bidder	Total Bid Amount	Received	Bid Walk	CSLB	DIR #
Ford Logging dba Pacific Earthscape	\$60,551.00	6/23/2020 09:25am	Y	793279	1000004081
Corner Bit Excavation	\$142,000.00	Non-responsive	Y	1038923	1000028080

NOTICE OF AWARD

To: Ford Logging dba Pacific Earthscape

Project Description: Fence Installation for ACV Microgrid

Redwood Coast Energy Authority has considered the bid submitted by you for the above described work in response to its Notice Inviting Bids for the Project.

You are hereby notified that your base bid and Add/Alt. #2 have been accepted in the amount of: Seventy-Six Thousand Four Hundred Twenty-Seven Dollars (\$76,427.00).

You are required to execute the Contract and furnish the required Performance Bond and Payment Bond using the bond forms provided in the Contract Documents and the required certificates of insurance within ten (10) calendar days from the date of issuance of this Notice.

If you fail to execute the Contract and to furnish the bonds and insurance within ten (10) calendar days from the date of issuance of this Notice, RCEA will be entitled to consider all your rights arising out of its acceptance of your bid as abandoned and your Bid Bond forfeited. RCEA will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to RCEA.

Dated this 26th day of June 2020.

By: _____
Authorized Signature

Receipt of this above Notice of Award is hereby acknowledged by:

_____, this is the ____th day of June 2020.

By: _____

Title: _____

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STAFF REPORT
Agenda Item # 7.2

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Fiscal Year 2020-22 Proposed Budget

SUMMARY

Attached is the proposed FY20-21 RCEA annual budget. This attachment includes a detailed breakdown of the budget by key program areas. Following the May Board meeting budget presentation, staff worked with The Energy Authority (TEA) to refine forecasts for the coming year and reviewed the proposed budget with the Board Finance Subcommittee on June 10, 2020.

Some notable elements of the budget include:

REVENUES

- **Government Agencies:** Includes approximately \$632,200 in RCEA-administered CPUC funding for energy efficiency programs, as well as \$74,000 in state funding for upgrades to RCEA's EV charging station networks.
- **Non-government Agencies:** Includes approximately \$1,339,000 in CA Energy Commission grant funding passed through to RCEA from HSU Sponsored Programs Foundation for the Airport Microgrid project, and about \$217,000 from the new PG&E local government energy efficiency program partnership contract.
- **Electricity Sales:** RCEA's largest source of revenue by far, this line item has a significant degree of uncertainty due to both regulatory/PG&E-rate uncertainty as well as the evolving impacts of COVID-19. The budget contains a conservative forecast, representing a significant ongoing reduction in customer load (commensurate with the more negative "high-impact" scenario presented in the April Board meeting's quarterly risk management report) as well as a significant increase in customer non-payments.

EXPENSES

- **Wholesale power supply:** The unknown duration and magnitude of COVID-19 impacts on wholesale power markets causes an increased degree of uncertainty with forward-looking power cost forecasts. The budget incorporates the cost-reduction strategies presented at the April Board meeting (maintaining a 1% generation discount and selling Humboldt Redwood Company PCC1 renewable energy credits), which will result in a projected 2020 power mix of approximately 32% renewable portfolio standard (RPS)-eligible renewables, 38% hydropower, and 30% system power.

For 2021, the forecast assumes a return to RCEA's standard, more ambitious power content performance targets (~44% RPS renewables, ~36% hydropower, and ~20% systems power). RCEA currently has some flexibility in its 2021 wholesale power procurement position, and so there will be an opportunity to consider additional cost-savings measures in the second half of the fiscal year should the need arise.

- **Personnel:** The draft budget represents a slight reduction from the current year's budget due to a reduction in the number of limited-term intern positions. (There were several long-standing vacancies in the current year that have resulted in the current year's staffing costs trending well under budget.)
- **Facilities and Operations:** This line item includes approximately \$6 million in facilities capital development, predominantly the construction of the Airport Microgrid, but also including \$161,000 in investments in RCEA's public EV charging network. The timeline for construction of the microgrid has been pushed back due to COVID-19 impacts, but the current schedule still aims to complete construction in the 2020-21 fiscal year. This budget line item also includes approximately \$100,000 for RCEA's share of annual CalCCA funding/dues and \$150,000 for development and first-year costs of new database and IT solutions for the management of RCEA customer programs.
- **Incentives and Rebates:** This includes \$136,000 in customer incentives funded through the RCEA-administered CPUC efficiency program funding, as well as CCE-funded customer program rebates. The draft budget includes a roll-over of \$280,000 in unspent CCE-funded customer program incentive budget allocations from FY19-20, along with a proposed \$185,000 of additional funding to continue and/or expand the programs approved in 2019, for a total of \$465,000 in FY20-21 customer program incentive funding.
- **Debt Proceeds:** The USDA has had ongoing delays with the processing of RCEA's loan for the non-grant funded costs of the Airport Microgrid. However, their process is nearing completion and the loan should be in place before construction begins this year. In the current fiscal year RCEA incurred about \$1.4 million in costs that were paid out of general funds but that are intended to be rolled into the approximately \$6 million loan financing. The \$6 million in loan funding is being matched by \$5 million in CA Energy Commission grant funding (through HSU), so the ultimate asset value of the microgrid to RCEA will exceed the out-of-pocket (financed) costs invested in the project.

The draft budget does not currently include costs or financing associated with the planned purchase and renovation of a new RCEA office. When estimates for the RCEA office budget are further developed they will be presented to the Board for consideration/approval. Staff proposes working with the Board Finance Subcommittee to evaluate and refine the next steps for this project.

The regulatory and market uncertainty that RCEA typically has to manage have been amplified by the COVID-19 pandemic, which creates increased uncertainty around numerous major budget elements, including customer energy usage, wholesale power market prices, and the ability to implement customer programs and capital improvement projects. Staff is working closely with TEA to monitor the situation and update forecasts on an ongoing basis as new information becomes available. Staff has tried to use conservative assumptions throughout the budget to hedge against the high degree of uncertainty created by current circumstances.

STAFF RECOMMENDATION

Adopt proposed FY20-21 budget.

ATTACHMENTS

1. Proposed Fiscal Year 2020-21 RCEA Budget (with programmatic details)
2. Budget presentation slides.

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	COMMUNITY CHOICE ENERGY (CCE) - POWER RESOURCES			
	Core Power Resources	Airport Solar Microgrid	Redwood Coast Offshore Wind	TOTAL Power Resources
Income				
5 REVENUE EARNED				
Total 5000 · Revenue - government agencies	-	-	-	-
Total 5100 · Revenue - program related sales	-	-	-	-
Total 5400 · Revenue-nongovernment agencies	-	1,339,500	-	1,339,500
5500 · Revenue - Electricity Sales				-
5510 · Electricity Sales	42,646,500	-	-	42,646,500
5512 · NEM Rebates	(30,000)	-	-	(30,000)
5580 · Uncollectable Accounts	(853,000)	-	-	(853,000)
Total 5500 · Revenue - Electricity Sales	41,763,500	-	-	41,763,500
Total 5 REVENUE EARNED	41,763,500	1,339,500	-	43,103,000
9500 DEBT PROCEEDS	-	6,000,000	-	6,000,000
Total Income	41,763,500	7,339,500	-	49,103,000
Expense				
Total 6 WHOLESALE POWER SUPPLY	36,074,000	-	-	36,074,000
Total 7 PERSONNEL EXPENSES	694,631	40,000	35,000	769,631
Total 8.1 FACILITIES AND OPERATIONS	100,000	5,891,500	-	5,991,500
Total 8.2 COMMUNICATIONS AND OUTREACH	90,050	-	-	90,050
Total 8.3 TRAVEL AND MEETINGS	5,700	-	2,000	7,700
8.4 PROFESSIONAL & PROGRAM SRVS				
8400 · Regulatory	100,000	-	-	100,000
8410 · Contracts - Program Related Ser	250,000	-	45,000	295,000
8420 · Accounting	-	-	-	-
8430 · Legal	62,000	-	18,000	80,000
8450 · Wholesale Services - TEA	620,500	-	-	620,500
8460 · Procurement Credit - TEA	650,500	-	-	650,500
8470 · Data Management - Calpine	913,450	-	-	913,450
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,596,450	-	63,000	2,659,450
Total 8.5 PROGRAM EXPENSES	618,500	-	-	618,500
Total 8.6 INCENTIVES & REBATES	-	-	-	-
Total 9 NON OPERATING COSTS	-	-	-	-
Total Expense	40,179,331	5,931,500	100,000	46,210,831
Net Income	1,584,169	1,408,000	(100,000)	2,892,169

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	DEMAND-SIDE MANAGEMENT (DSM)			
	Core DSM Services and Programs (CCE)	PG&E Local Government Partnership Program	RCEA- Administered CPUC Efficiency Program	TOTAL DSM
Income				
5 REVENUE EARNED				
Total 5000 · Revenue - government agencies	-	-	623,217	623,217
Total 5100 · Revenue - program related sales	-	-	-	-
Total 5400 · Revenue-nongovernment agencies	-	217,100	-	217,100
5500 · Revenue - Electricity Sales				
5510 · Electricity Sales	-	-	-	-
5512 · NEM Rebates	-	-	-	-
5580 · Uncollectable Accounts	-	-	-	-
Total 5500 · Revenue - Electricity Sales	-	-	-	-
Total 5 REVENUE EARNED	-	217,100	623,217	840,317
9500 DEBT PROCEEDS	-	-	-	-
Total Income	-	217,100	623,217	840,317
Expense				
Total 6 WHOLESALE POWER SUPPLY	-	-	-	-
Total 7 PERSONNEL EXPENSES	810,333	117,842	260,959	1,189,134
Total 8.1 FACILITIES AND OPERATIONS	156,000	-	-	156,000
Total 8.2 COMMUNICATIONS AND OUTREACH	2,150	5,000	4,100	11,250
Total 8.3 TRAVEL AND MEETINGS	2,850	3,200	2,800	8,850
8.4 PROFESSIONAL & PROGRAM SRVS				
8400 · Regulatory	10,000	-	10,000	20,000
8410 · Contracts - Program Related Ser	30,000	12,000	35,000	77,000
8420 · Accounting	-	-	-	-
8430 · Legal	10,000	-	-	10,000
8450 · Wholesale Services - TEA	-	-	-	-
8460 · Procurement Credit - TEA	-	-	-	-
8470 · Data Management - Calpine	-	-	-	-
Total 8.4 PROFESSIONAL & PROGRAM SRVS	50,000	12,000	45,000	107,000
Total 8.5 PROGRAM EXPENSES	1,200	500	1,000	2,700
Total 8.6 INCENTIVES & REBATES	306,000	-	136,000	442,000
Total 9 NON OPERATING COSTS	-	-	-	-
Total Expense	1,328,533	138,542	449,859	1,916,934
Net Income	(1,328,533)	78,558	173,358	(1,076,617)

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	TRANSPORTATION		
	Electric Transportation General (CCE)	Public EV Charging Network	TOTAL Transportation
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	-	74,000	74,000
Total 5100 · Revenue - program related sales	-	9,000	9,000
Total 5400 · Revenue-nongovernment agencies	-	-	-
5500 · Revenue - Electricity Sales			
5510 · Electricity Sales	-	-	-
5512 · NEM Rebates	-	-	-
5580 · Uncollectable Accounts	-	-	-
Total 5500 · Revenue - Electricity Sales	-	-	-
Total 5 REVENUE EARNED	-	83,000	83,000
9500 DEBT PROCEEDS	-	-	-
Total Income	-	83,000	83,000
Expense			
Total 6 WHOLESALE POWER SUPPLY	-	-	-
Total 7 PERSONNEL EXPENSES	186,944	-	186,944
Total 8.1 FACILITIES AND OPERATIONS	-	161,000	161,000
Total 8.2 COMMUNICATIONS AND OUTREACH	2,500	-	2,500
Total 8.3 TRAVEL AND MEETINGS	500	-	500
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	-	-	-
8410 · Contracts - Program Related Ser	2,000	-	2,000
8420 · Accounting	-	-	-
8430 · Legal	-	-	-
8450 · Wholesale Services - TEA	-	-	-
8460 · Procurement Credit - TEA	-	-	-
8470 · Data Management - Calpine	-	-	-
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,000	-	2,000
Total 8.5 PROGRAM EXPENSES	6,350	-	6,350
Total 8.6 INCENTIVES & REBATES	159,000	-	159,000
Total 9 NON OPERATING COSTS	-	-	-
Total Expense	357,294	161,000	518,294
Net Income	(357,294)	(78,000)	(435,294)

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	STRATEGIC PLANNING	GENERAL & ADMINISTRATIVE	PROPOSED FISCAL YEAR 2020-2021 BUDGET
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	40,100	-	737,317
Total 5100 · Revenue - program related sales	-	-	9,000
Total 5400 · Revenue-nongovernment agencies	-	-	1,556,600
5500 · Revenue - Electricity Sales			-
5510 · Electricity Sales	-	-	42,646,500
5512 · NEM Rebates	-	-	(30,000)
5580 · Uncollectable Accounts	-	-	(853,000)
Total 5500 · Revenue - Electricity Sales	-	-	41,763,500
Total 5 REVENUE EARNED	40,100	-	44,066,417
9500 DEBT PROCEEDS	-	-	6,000,000
Total Income	40,100	-	50,066,417
Expense			
Total 6 WHOLESALE POWER SUPPLY	-	-	36,074,000
Total 7 PERSONNEL EXPENSES	51,187	641,748	2,838,644
Total 8.1 FACILITIES AND OPERATIONS	-	297,984	6,606,484
Total 8.2 COMMUNICATIONS AND OUTREACH	-	10,200	114,000
Total 8.3 TRAVEL AND MEETINGS	-	1,400	18,450
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	-	-	120,000
8410 · Contracts - Program Related Ser	32,000	-	406,000
8420 · Accounting	-	75,000	75,000
8430 · Legal	-	35,000	125,000
8450 · Wholesale Services - TEA	-	-	620,500
8460 · Procurement Credit - TEA	-	-	650,500
8470 · Data Management - Calpine	-	-	913,450
Total 8.4 PROFESSIONAL & PROGRAM SRVS	32,000	110,000	2,910,450
Total 8.5 PROGRAM EXPENSES	-	-	627,550
Total 8.6 INCENTIVES & REBATES	-	-	601,000
Total 9 NON OPERATING COSTS	-	35,500	35,500
Total Expense	83,187	1,096,832	49,826,078
Net Income	(43,087)	(1,096,832)	240,339

Fiscal Year 2020-21 Proposed Budget

Key Factors Affecting the Budget

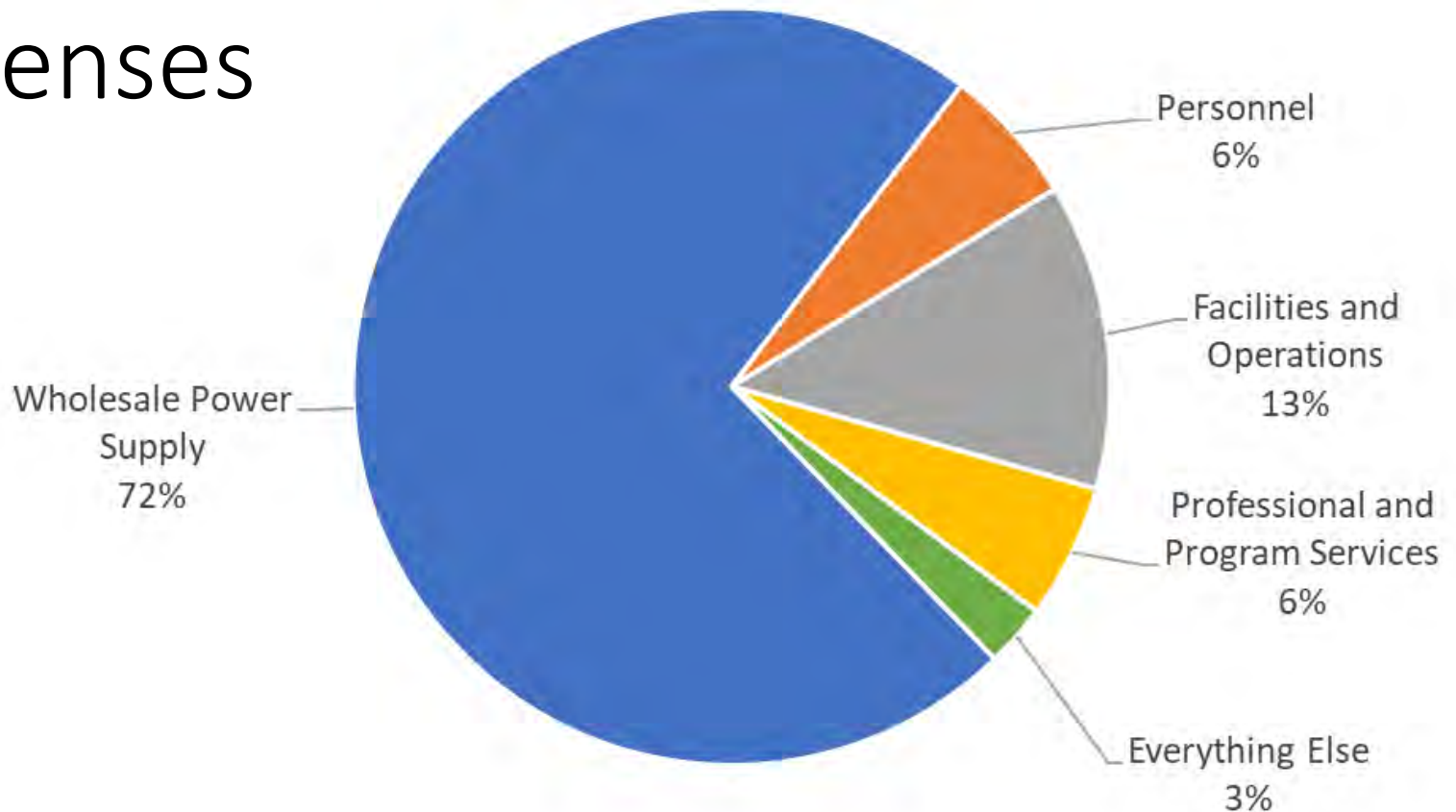
- Main budget driver is the community choice energy program -- electricity sales revenue and wholesale power supply costs
- COVID-19, impacts expected to include:
 - Reduced customer loads
 - Customer bill payment delays, non-payment
 - Wholesale power prices
 - *Energy efficiency customer programs*
- Airport microgrid project final construction and associated USDA financing and State grant funding
- Maintaining customer programs and continuing to evolve them beyond just efficiency

Revenue



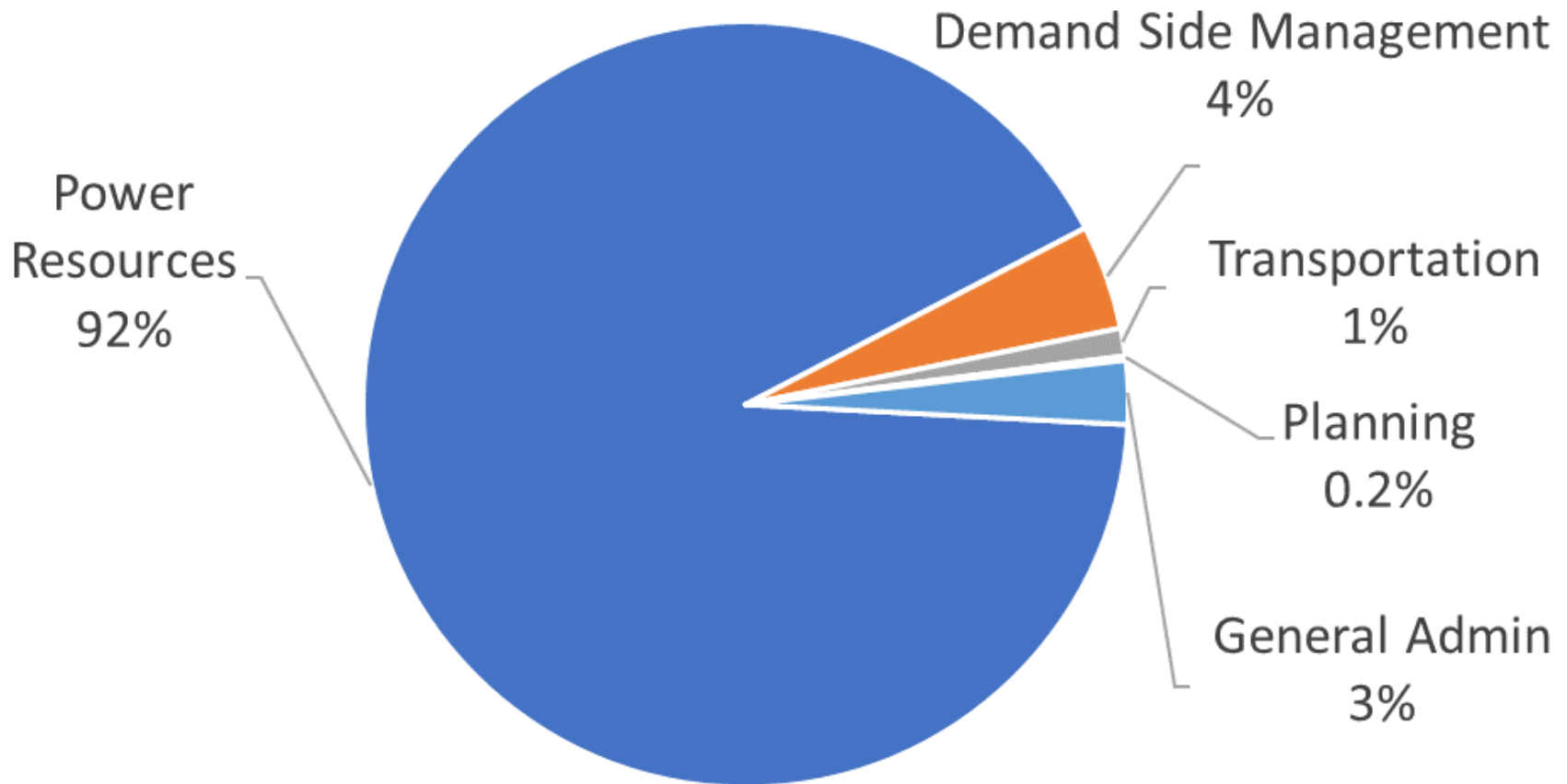
- **Gov agencies:** RCEA-administered efficiency program funding, State EV-charging station upgrade funding
- **Non-gov:** HSU sponsored program Foundation pass-through microgrid grant funding, PG&E efficiency contract
- Additional other income not included above: \$6million in microgrid USDA loan financing debt proceeds

Expenses

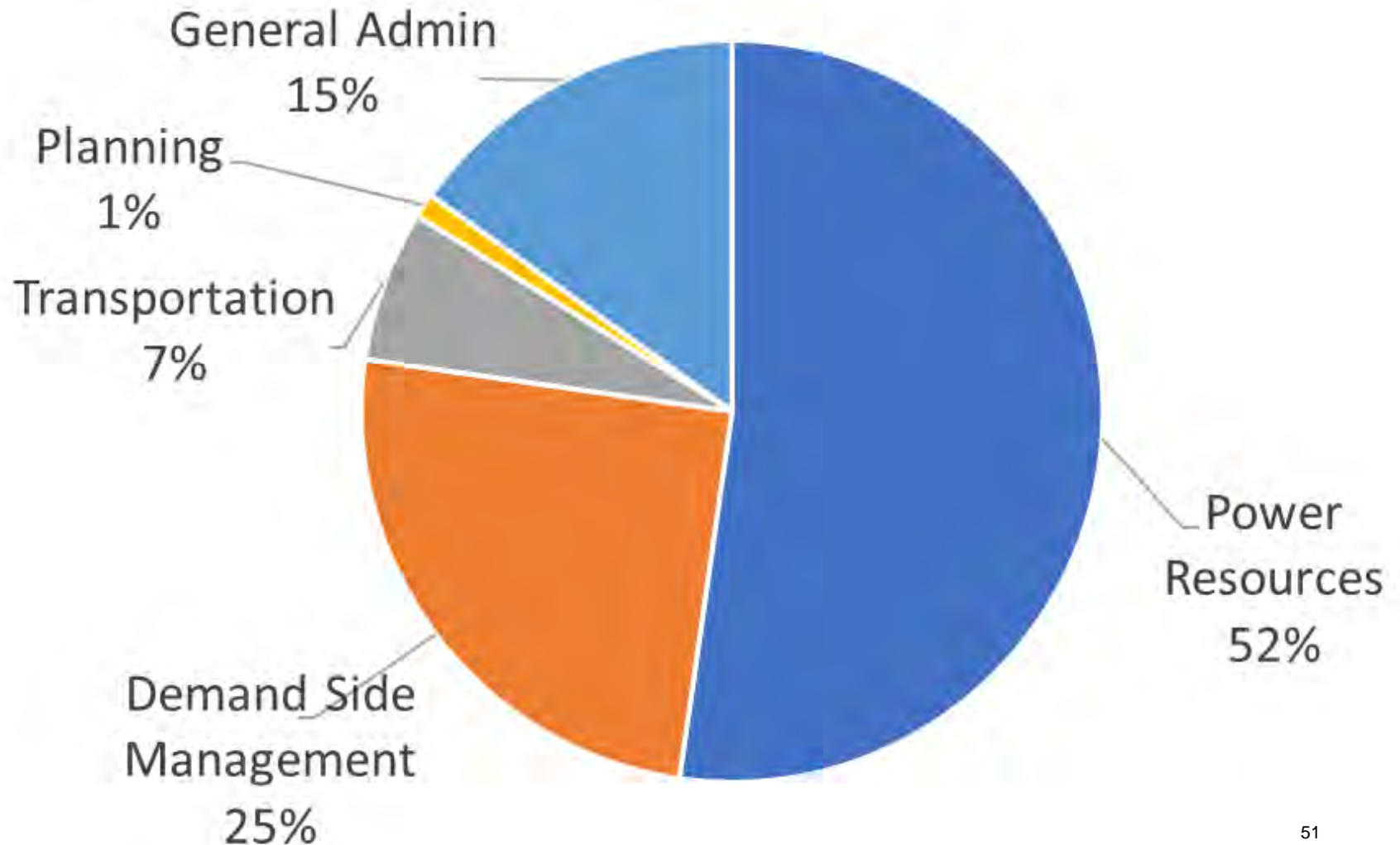


- **Facilities and Operations:** includes capital facility development -- microgrid construction and EV charging station investments
- **Wholesale Power:** includes 2020 cost-saving measures, assumes return to regular power portfolio content objectives in 2021
- **“Everything else” includes:** communications/outreach, travel, program expenses, incentives and rebates, and non-operating costs

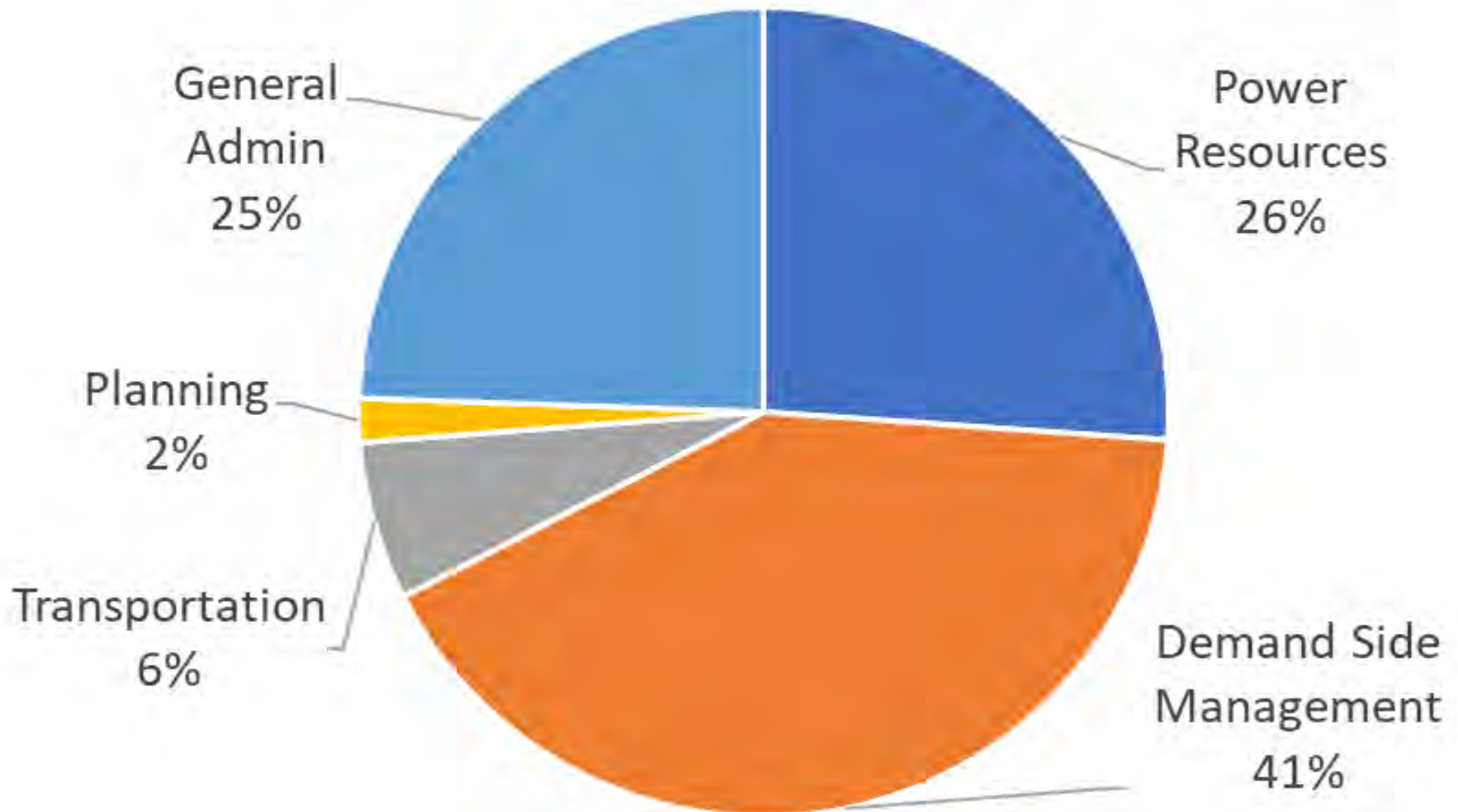
Expenses by Program Area



Expenses by Program, not including power supply



Personnel Budget by Program



Power Resources Projects

Airport Microgrid

- \$1.3 million in FY20-21 grant funding
- \$6 million USDA loan funding -- about \$1.4million in project costs incurred in FY19-20 that will be rolled into the loan

Offshore wind

- \$100K budgeted; timeline of activity dependent on BOEM and currently uncertain

Small, run-of-river hydro power assessment

- \$200K budgeted (consulting services); this is a unaddressed item in the Board's CCE-Program Guidelines

Customer Programs

- Demand side management – evolving focus to more integrated services, including distributed generation (historically focused almost exclusively on efficiency)
- Efficiency still strongly support by new CPUC funding and PG&E contract
- Transportation electrification remains small but important program area

Proposed CCE-funded Incentive Programs

Mobile Home Solar	50,000
Public Agency Technical Assist.	55,000
Heat Pumps	50,000
Grocery Refrigeration	16,000
Green Your Grow	35,000
EV Charging	74,000

Roll forward from FY19-20	280,000
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Residential kits	50,000
Heat pumps	50,000
EV charging/E-bikes	85,000

Addition to FY19-20 roll-forward	185,000
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Total FY20-21	465,000
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Energy market and COVID-19 impacts

Electricity sales revenue and wholesale power costs both significantly reduced from current year

- Significant uncertainty around the ultimate scale and duration of COVID-19 impacts
- Budget based on conservative assumptions
- Flexibility of some 2021 power procurement decisions provides ability to adapt to changing circumstances

Reserves Targets

- As of April reserves at ~\$9.9 million

Board-adopted targets for 2022:

- \$10 million minimum; \$35 million if feasible



Office Building Project (not incorporated into budget)

- Potential site current list price \$995,000
- @ ~\$1.5million total purchase/remodel cost:
annual expense = to current lease
- High estimate \$5.1 million (\$150/sq ft remodel of entire building including basement) and no tenants for extra ~16,000 sq ft: about \$200,000/yr above current lease
- Staff proposes working with Board Finance Subcommittee to evaluate and refine next steps

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REDWOOD COAST **Energy**Authority

STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Resolution on Racial Justice

SUMMARY

In light of the recent national and global discussion on racial justice, staff recommends that the Board issue a resolution to commit to racial justice.

FINANCIAL IMPACT

None.

STAFF RECOMMENDATION

Adopt Resolution 2020-3 Adopting a Commitment to Racial Justice

ATTACHMENTS:

1. A Resolution of the Board of Directors of the Redwood Coast Energy Authority Adopting a Commitment to Racial Justice

RESOLUTION NO. 2020-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDWOOD COAST ENERGY AUTHORITY ADOPTING A COMMITMENT TO RACIAL JUSTICE

WHEREAS, the murder of George Floyd by a Minneapolis police officer on May 25, 2020, and many other such incidents have catalyzed a national movement against police brutality, racism and white supremacy more broadly; and

WHEREAS, RCEA endeavors to end structural and institutional racism; and

WHEREAS, Humboldt County has a history of racial injustice which continues through the present day, dating back to white settlers forcefully removing Indigenous peoples from their land through government-sanctioned murder and violence and the expulsion of the entire Chinese immigrant population; and

WHEREAS, Indigenous, Black, Latinx, Asian, and other people of color have experienced discrimination throughout the history of the United States including redlining policies that have resulted in them being disproportionately affected by environmental pollutants caused by energy generation among other sources; and

WHEREAS, Indigenous, Black, Latinx, Asian, and other people of color have been subject to structural economic racism resulting in substantial disparities in household wealth as compared to white families; and

WHEREAS, RCEA is committed to supporting the economic viability of Humboldt County; and

WHEREAS, RCEA is committed to environmental justice, which is integrally linked to racial justice.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Redwood Coast Energy Authority adopts a commitment to racial justice.

BE IT FURTHER RESOLVED that RCEA staff is directed to:

1. Increase RCEA's involvement in CalCCA's Environmental Justice and Equity Committee.
2. Add equity and inclusion activities to new job descriptions, future revisions of existing job descriptions, and staff work plans.
3. Seek ways to ensure diversity and inclusion in hiring and promotion, observing the legal limitations on such practices set by state and national statutes.
4. Increase engagement with the local tribes and work directly with the tribes on a long-term plan for meaningful collaboration.
5. Explicitly address inclusion in selection, design, and implementation of RCEA's programs and projects, and in our public outreach and education materials to ensure that communities and organizations of Indigenous, Black, Latinx, Asian, and other people of color are optimally served.
6. Create a racial justice action plan to bring back to the Board of Directors for approval.

Adopted this ____ day of _____, 2020

ATTEST:

Austin Allison, 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 2020-3 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

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STAFF REPORT
Agenda Item # 9.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director Staff Report

SUMMARY

PG&E has prepared Humboldt Bay Generating Station to island the county during public safety shutoff events outside of Humboldt County and is installing temporary generation capacity to island the Willow Creek and Hoopa substations.

At the Board meeting the Executive Director will provide a report on PG&E's local preparations to reduce Public Safety Power Shutoff customer impacts and an update on the evaluation of options for County of Humboldt bond financing to support local energy independence and resilience.

STAFF RECOMMENDATION

N/A – Information only.

ATTACHMENTS

1. June 12, 2020, PG&E press release: "Humboldt Bay Generating Station Ready to Serve as a Direct Local Power Source During Emergencies, Reducing Impact of PSPS Events"
2. Map of Areas to Remain Energized During a PSPS Event
3. Willow Creek Substation Spec Sheet
4. Hoopa Substation Spec Sheet

"Especially during these difficult times when we are worried about everyone's health and safety, we don't need to worry about an event outside the county impacting our power right now," Honsal said.

Vesey praised the partnership of Supervisor Bohn, Sheriff Honsal, St. Joseph's Hospital, Eureka Chief Executive Dr. Roberta Luskin-Hawk and other community leaders.

"As soon as the last PSPS event of 2019 ended, we set a goal to complete direct local powering capabilities before this next wildfire season. The team worked on air permitting, design changes, and testing activities to reach this goal. Safety was at the forefront of everyone's minds, especially during the pandemic. We thank the community for its support in helping us with this major achievement," Vesey said.

The HBGS employs 17 full-time workers in Humboldt County and contributes more than \$4 million a year in property taxes and local sales taxes to Humboldt County. Operating since 2010, the 163-megawatt power plant uses 10 reciprocating engines that run on natural gas, with diesel fuel as a backup.

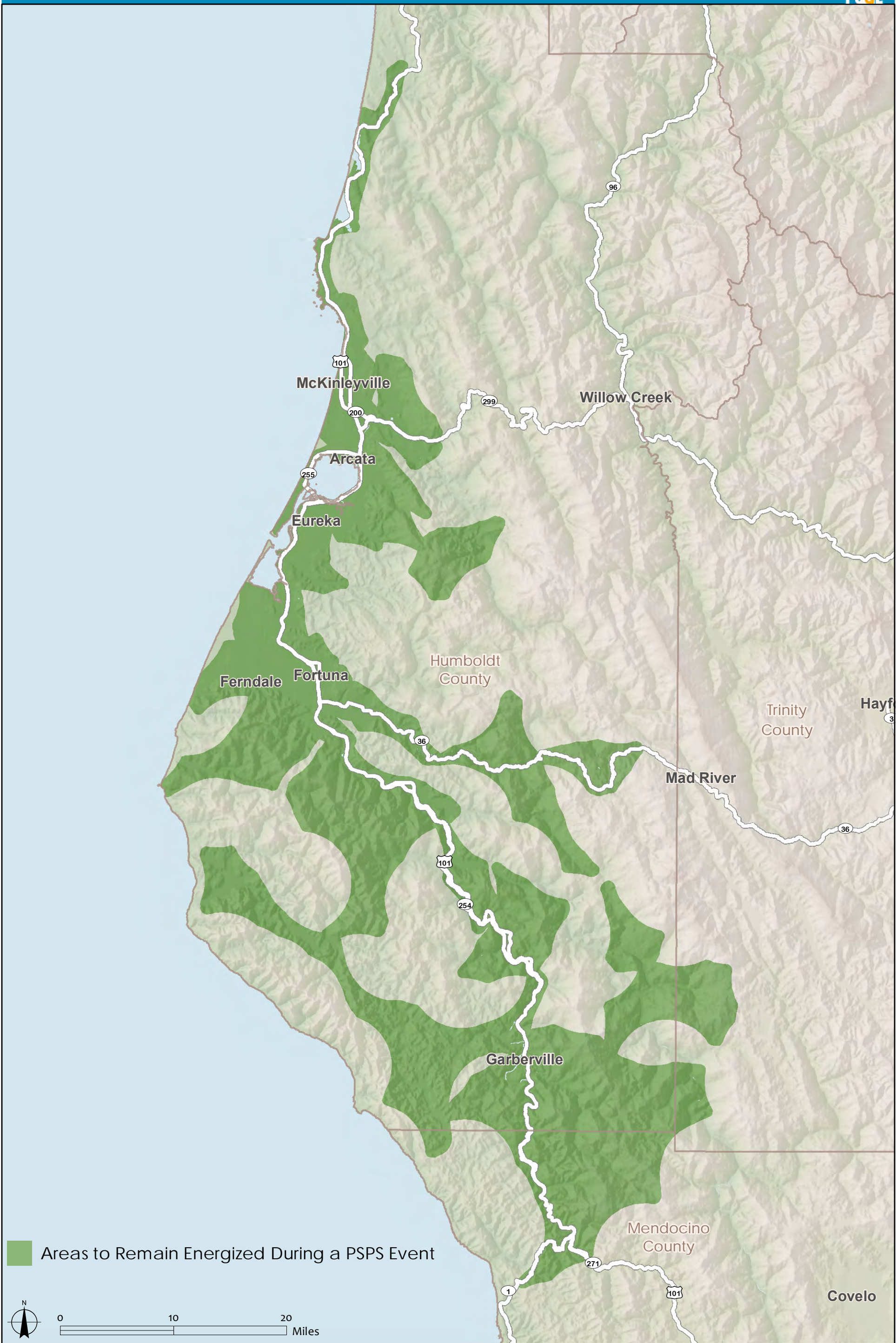
It is important for all Humboldt County customers to prepare for power outages. If there is a wildfire threat within the islanded area, PG&E could shut off the power for safety in Humboldt County. The sole purpose of a PSPS is to reduce the risk of major wildfires during severe weather. In 2020, PG&E has pledged to make any PSPS events smaller in size, shorter in duration and smarter for customers. For more information about how you can prepare for emergencies and PSPS events, visit PG&E's Safety Action Center at [safetyactioncenter.pge.com](https://www.pge.com/safetyactioncenter).

Forward-Looking Statements

This news release includes forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans and strategies of PG&E Corporation and Pacific Gas and Electric Company (the "Utility"), including but not limited to statements regarding the size of the energized area during future PSPS events. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in PG&E Corporation and the Utility's joint Annual Report on Form 10-K for the year ended December 31, 2019, and their joint Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and their subsequent reports filed with the Securities and Exchange Commission. PG&E Corporation and the Utility undertake no obligation to publicly update or revise any forward-looking

About PG&E

Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](https://www.pge.com) (NYSE:PCG), is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, with more than 23,000 employees, the company delivers some of the nation's cleanest energy to 16 million people in Northern and Central California. For more information, visit [pge.com](https://www.pge.com) and [pge.com/news](https://www.pge.com/news).



All information disclosed in this map is provided "as is, with all faults." PG&E expressly disclaims all warranties and conditions of any kind, express or implied, regarding the accuracy, completeness, intended use, improper use or release, or other attributes of the information disclosed in the map.

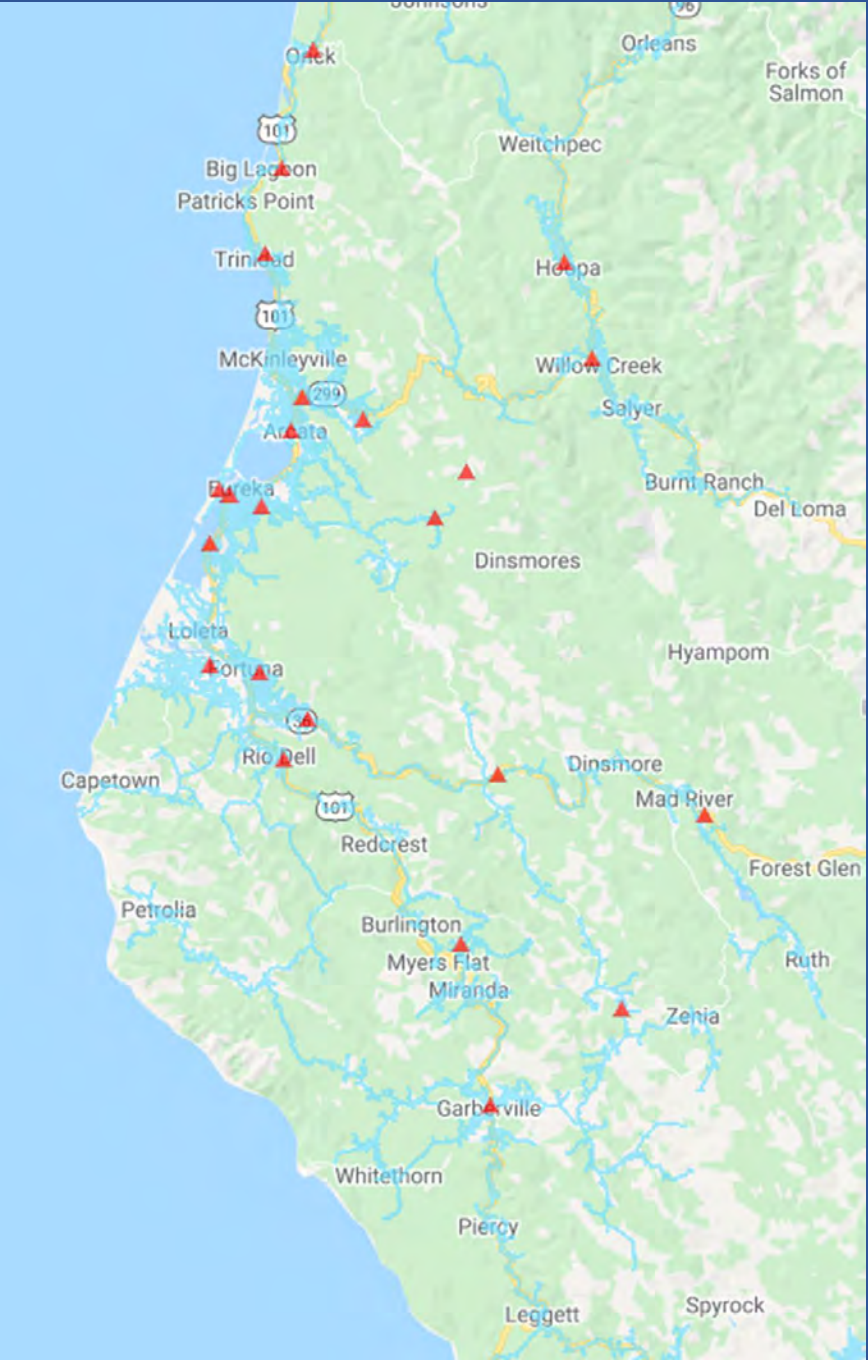
Humboldt Islanding Project

PG&E



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4/21/2020



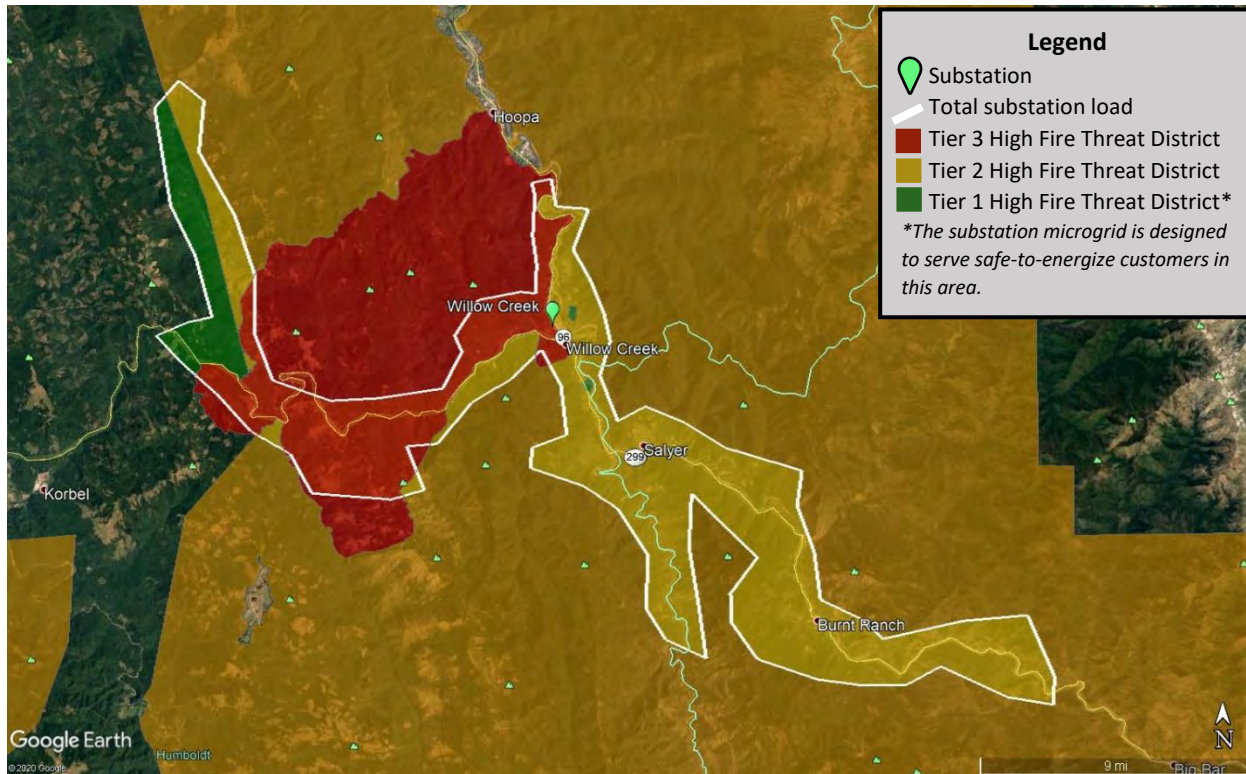


Willow Creek Substation

700 State Hwy 96, Willow Creek, CA

Substation Information:

City	Willow Creek
County	Humboldt
CCA	Redwood Coast Energy Authority
Local Air District	North Coast Unified Air Quality Management District
Preparation Type	Temporary generation will be connected at the substation and its functionality will be tested.
Target Date for Preparation Type	August 2020



Customer Experience:

During a PSPS event, customers served by the proposed Willow Creek substation microgrid would expect the following process/communications, if it is feasible to energize the substation with temporary generation:

- Standard and ongoing outage notifications and alerts related to the PSPS event.
- An alert from PG&E notifying customers of the potential usage of the Willow Creek substation microgrid.
- An outage while PG&E works to establish temporary generation to serve the microgrid.
- Temporary generators operating at the generation site.
- A second outage as PG&E works to reconnect Willow Creek to the surrounding electric grid once it is safe to re-energize lines serving the area.

Please note: At this time, PG&E is preparing the Willow Creek substation to receive temporary generation during 2020 PPS events. The ability to energize the substation microgrid with temporary generation during a PPS event will be subject to operational constraints, the specific circumstances of each PPS event, and the available supply of temporary generation.

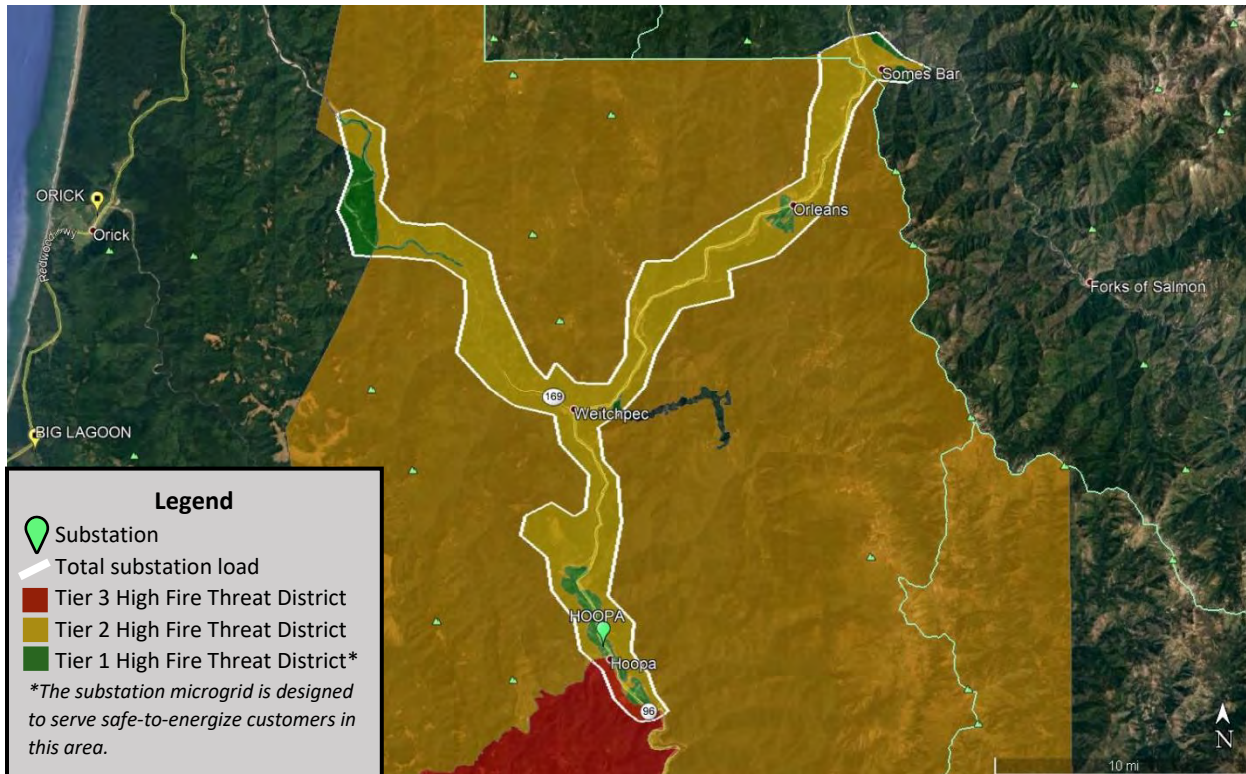


Hoopa Substation

Hwy 96 N/O Loop Rd

Substation Information:

City	Hoopa
County	Humboldt
CCA	Redwood Coast Energy Authority
Local Air District	North Coast Unified Air Quality Management District
Preparation Type	Temporary generation will be connected at the substation and its functionality will be tested.
Target Date for Preparation Type	August 2020



Customer Experience:

During a PSPS event, customers served by the proposed Hoopa substation microgrid would expect the following process/communications, if it is feasible to energize the substation with temporary generation:

- Standard and ongoing outage notifications and alerts related to the PSPS event.
- An alert from PG&E notifying customers of the potential usage of the Hoopa substation microgrid.
- An outage while PG&E works to establish temporary generation to serve the microgrid.
- Temporary generators operating at the generation site.
- A second outage as PG&E works to reconnect Hoopa to the surrounding electric grid once it is safe to re-energize lines serving the area.

Please note: At this time, PG&E is preparing the Hoopa substation to receive temporary generation during 2020 PSPS events. The ability to energize the substation microgrid with temporary generation during a PSPS event will be subject to operational constraints, the specific circumstances of each PSPS event, and the available supply of temporary generation.

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