



BOARD OF DIRECTORS MEETING AGENDA

September 24, 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 August 27, 2020, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Approve Conflict of Interest Waiver for Braun Blaising Smith and Wynne, P.C. to Represent RCEA on a Ten-Year Resource Adequacy Sales Contract for 0.6 MW of Capacity from the Sandrini Sol 1 Solar Project with the Regents of the University of California.

Approve Ten-Year Resource Adequacy Sales Contract for 0.6 MW of Capacity from the Sandrini Sol 1 Solar Project with the Regents of the University of California, and Authorize the Executive Director to Execute All Applicable Documents.

3.5 Appoint Katherine Gurin and Roger Hess to the Community Advisory Committee for the Remainder of Two Terms Ending on April 13, 2021, and April 12, 2022, Respectively.

3.6 Approve Resolution 2020-6 Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Public Agency Coalition Enterprise (PACE) Medical Benefits Program, and

Resolution 2020-7 Designation of the Official Representative and Alternate Representative to the PACE JPA Board of Directors and Authorize the Executive Director to Sign All Applicable Documents.

3.7 Approve Addition of Milestones to Contract with Leapfrog Power, Inc.

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. DG Fairhaven Update (Information only)

5.2. 2021 REpower+ Portfolio

Approve Proposed REpower+ Portfolio Starting in 2021 Consisting of Carbon-Free RPS Resources.

6. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS

7.1. Feed-In Tariff Program

Approve a 20-Year Power Purchase Agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road C Solar Project, and Authorize RCEA's Executive Director to Execute All Applicable Documents.

Approve a 20-Year Power Purchase Agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road D Solar Project, and Authorize RCEA's Executive Director to Execute All Applicable Documents.

7.2. Update by Schatz Energy Research Center Staff on the Airport Microgrid Project (Information only)

8. NEW BUSINESS – None.

9. STAFF REPORTS

9.1. Report by Executive Director Matthew Marshall on Grid Reliability and the Power Charge Indifference Adjustment Customer Fee

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, October 22, 2020, 3:30 p.m.

In accordance with Executive Order N-29-20

the RCEA Board of Directors meetings will be held virtually until further notice.



BOARD OF DIRECTORS MEETING MINUTES

August 27, 2020 - Thursday, 3:30 p.m.

Notice of this meeting was posted on August 22, 2020. Vice Chair Estelle Fennell called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:32 p.m., stating that the teleconference meeting was being conducted pursuant to Brown Act waivers included in Governor Newsom's COVID-19 State of Emergency Executive Order [N-29-20](#) of March 17, 2020, and the Humboldt County Health Officer's March 30, 2020, [Shelter-in-Place Order](#). Vice Chair Fennell stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Austin Allison (arrived 3:40 p.m.), Stephen Avis, Chris Curran, Vice Chair Estelle Fennell, Dean Glaser, David Grover, Frank Wilson, Michael Winkler, Sheri Woo.
ABSENT: None. STAFF AND CONSULTANTS PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Power Resources Manager Jocelyn Gwynn, Executive Director Matthew Marshall, Accounts Services Manager Mahayla Slackerelli, Community Strategies Manager Nancy Stephenson, Board Clerk Lori Taketa.
OTHERS PRESENT: Leapfrog Chief Development Officer Andrew Hoffman, Viridity Energy Solutions Western U.S. Director of Business Development Mark Stout.

REPORTS FROM MEMBER ENTITIES

Directors Avis, Wilson, Winkler and Woo reported that their cities and agency were applying for Self-Generation Incentive Program funds to help pay for, or fully cover the costs of, solar power battery storage at wastewater treatment plants, a water pump station and a turbidity reduction facility.

Director David Grover reported that he will be on the ballot in the upcoming Trinidad City Council election.

Director Michael Winkler reported that he participated in a recent CalCCA meeting for elected officials where he learned of potentially large exit fee increases in San Diego Gas & Electric's service area. Director Winkler stated that it was important to address this matter.

Director Sheri Woo reported that the Humboldt Bay Municipal Water District Board received a presentation by Executive Director Marshall on the district's large rise in power expenses.

Chair Austin Allison joined the meeting at 3:40 p.m. due to computer difficulties. Vice Chair Fennell agreed to continue facilitating the meeting.

Vice Chair Fennell requested more information on differing power levels available during heat events mentioned in a recent CAISO briefing, and on managing the current electrical grid with its large percentage of renewable energy.

ORAL COMMUNICATIONS

No member of the public made a comment.

CONSENT CALENDAR

- 3.1 Approve Minutes of July 23, 2020, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Approve Ten-Year Resource Adequacy Sales Contract for 0.6 MW of Capacity from the Sandrini Sol 1 Solar Project with the Regents of the University of California, and Authorize the Executive Director to Execute All Applicable Documents.
- 3.5 Approve a 20-year Power Purchase Agreement with the Marshall Ranch, LLC for the 430 kW Marshall Ranch Solar Array Project, and Authorize RCEA's Executive Director to Execute All Applicable Documents.
- 3.6 Approve Ground Lease Agreement with the County of Humboldt for an Area Located at the California Redwood Coast-Humboldt County Airport for the Airport Microgrid Project, Contingent on FAA Approval; Authorize the Executive Director and General Counsel to Approve Any FAA Recommendations that are Consistent with the MOU Entered into March 19, 2019, Between the County of Humboldt, Redwood Coast Energy Authority, and the Humboldt State University Sponsored Programs Foundation / Schatz Energy Research Center; and, Authorize the Executive Director to Execute All Applicable Documents.
- 3.7 Accept Quarterly Budget Report.

There was no public comment or director discussion of consent calendar items. Executive Director Marshall requested tabling item 3.4 until the September meeting when the contract would be ready for review and removing item 3.5 to allow staff to give a brief report.

M/S: Grover, Winkler: Approve consent calendar items except 3.4 and 3.5.

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

REMOVED FROM CONSENT CALENDAR ITEMS

Account Services Manager Mahayla Slackerelli reported on the Marshall Ranch's feed-in-tariff program application. Sale of electricity generated by their 430 kW solar array in Briceland will help fund the project's Redwood Creek flow enhancement work to improve

coho and steelhead salmon habitat. Redwood Creek is a tributary to the south fork of the Eel River. The solar project is expected to be operational in November of 2021.

The directors expressed support for the project, stating that it set a good example for achieving self-sufficiency and was very timely.

There were no responses to Vice Chair Fennell's invitation for public comment. Vice Chair Fennell closed the public comment period.

M/S: Avis, Glaser: Approve consent calendar item 3.5.

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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

OLD CCE BUSINESS

6.1. 2020 Integrated Resource Plan Approval

Power Resources Manager Jocelyn Gwynn reported on RCEA's Integrated Resource Plan, a year-by-year plan to meet customer electricity load for the next ten years that is required by the California Public Utilities Commission (CPUC). RCEA's plan fits into a statewide plan that considers the intermittent nature of renewable energy supply, introduction of new energy sources to the grid and retirement of older resources. Load-serving entities (LSEs) were required to create two power portfolios meeting their respective share of two statewide greenhouse gas (GHG) emission targets for the electric sector, 46 MMT and 38 MMT. The lower emissions target is close to, but higher than, a portfolio reflecting RCEA's goals and strategic plan. Staff recommended Board approval of the lower-than-38 MMT emission portfolio as the agency's procurement plan.

Staff worked with The Energy Authority to analyze potential power portfolios that include current long-term contracts and Board-approved programs. Staff's recommended portfolio includes reliable energy sources such as biomass and small hydro, sources with fewer likely implementation barriers, and a moderate amount of offshore wind. Manager Gwynn explained that this year's sale of 50,000 MWh due to COVID-reduced customer load lowered GHG emissions and thereby caused an apparent emission increase in future years, when biomass is assumed to be part of RCEA's portfolio. The recommended portfolio's total emissions are still below the CPUC's 2030 CO2 benchmark. The 2026 to 2030 criteria pollutant emissions increase is caused by a higher percentage of intermittent renewable resources which may trigger a reliance on unspecified system power, often from natural gas, to meet evening peak energy demand. The plan development process description will be posted on the RCEA website.

The directors expressed concern with CPUC-assigned benchmarks, commended staff for meeting those targets, and inquired about current and potential long-duration storage technologies. Director Woo stated that the Humboldt Bay Municipal Water District received

inquiries about pumped water storage in the county. The geography around the Ruth Lake dam does not allow for this type of long-term storage.

Vice Chair Fennell invited public comment. No member of the public commented and Vice Chair Fennell closed the public comment period.

M/S: Grover, Winkler: Adopt Resolution No. 2020-5 Approving the 2020 Integrated Resource Plan Portfolios.

The motion passed with a unanimous roll call vote. Ayes: Allison, Avis, Curran, Fennell, Glaser, Grover, Wilson, Winkler. Noes: None. Absent: None. Non-Voting: Woo.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

7.1 Long-Term Resource Adequacy Contracts with Ormat/Viridity Energy Solutions and Leapfrog Power

Power Resources Director Richard Engel explained that the CPUC directed all California LSEs to procure incremental resource adequacy (RA), or energy-generating capacity beyond resources already on the CPUC's baseline list. LSEs must procure different amounts of RA by 2021, 2022, and 2023 deadlines. Staff partnered with Valley Clean Energy (VCE), the Yolo County community choice aggregator, in RCEA's first joint-procurement solicitation. Two very different companies were selected based on financial experience, credit worthiness, expected impacts, economic benefit and their ability to diversify RCEA's and VCE's portfolios. Director Engel and company representatives described the proposals.

Leapfrog Power lowers its residential and non-residential customers' electricity use in response to peak demand periods by controlling their smart thermostats, HVAC systems, EV chargers and water pumps. Leapfrog aggregates and bids this resource into the California energy market. Demand-response payments are sent to Leapfrog's customers, some of whom reside in RCEA and VCE service areas. Leapfrog Chief Development Officer Andrew Hoffman expressed a desire to see Leapfrog's product fill intermittent resource gaps. Leapfrog does not currently aggregate heat pump water heaters because many units would be required to have a significant aggregate impact, due to these devices' high efficiency.

Viridity Energy Solutions, a subsidiary of the 55-year-old renewable independent power producer Ormat, is developing the Tierra Buena utility-scale battery storage project on roughly one-third of an acre in Sutter County. Director of Business Development for the Western U.S. Mark Stout said Ormat, which owns and operates almost 1 gigawatt of generating capacity across ten countries, is best known for geothermal power development and entered the solar energy market in the last decade. Most recently, Viridity has begun developing utility-scale energy storage.

The 2023 deadline RA requirement will be met by the Board-approved EDPR Sandrini solar project in Kern County. If approved, the Leapfrog and Tierra Buena contracts complete RCEA's fulfillment of challenging RA obligations from 2021 through 2023. As CCAs have not previously entered into long-term RA contracts, contract terms were based on projections of

short-term RA prices. The contract commitments were deemed to be reasonable by staff and TEA and will not change RCEA's financial outlook.

The directors expressed excitement about managing existing resources through new technology as a sustainable solution. A request was made for Board members to view proprietary market information such as contract prices to ensure accountability.

No member of the public responded to Vice Chair Fennell's call for public comments and the public comment period was closed.

M/S: Avis, Grover:

Approve Ten-Year Purchase Agreement for 5.5 MW of Resource Adequacy with Leapfrog Power, Inc., and Authorize the Executive Director to Execute All Applicable Documents.

Approve Ten-Year Purchase Agreement for 2.5 MW of Resource Adequacy with VESI 10 LLC, and Authorize the Executive Director to Execute All Applicable Documents.

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

STAFF REPORTS

9.1. Staff Report by Executive Director Matthew Marshall on the heatwave, the challenge of meeting California's energy demands during heat events, and ways to conserve power.

Executive Director Marshall explained how the recent energy emergency differed from Public Safety Power Shutoffs (PSPS). In PSPS events, parts of the grid in high fire risk areas are shut off to prevent fires. If there is no immediate fire risk in Humboldt County, the Humboldt Bay Generating Station and the Willow Creek and Hoopa substation microgrids can generate enough electricity to meet the local load.

In the recent emergency, a heatwave affected the entire western U.S. causing an extremely large energy demand increase. The states from which California imports energy needed that energy to satisfy their own state's needs. California entered a stage two emergency, the last of which occurred in 2006, where there was not enough energy to meet demand. In stage three emergencies, the energy shortage triggers controlled rotating outages to maintain manageable energy demand. These rolling blackouts, the last of which took place in 2001, are preferable to more disruptive, uncontrolled blackouts. Some natural gas plants experienced outages and failed to ramp up production when they were needed to transition from solar energy generation at sunset. The CPUC, California Energy Commission and CAISO are investigating the planning failure that caused the recent outages which occurred despite adequate resources. There is an opportunity to plan better for energy emergency decision-making, coordination and communication at the state level.

Locally, the high-risk period was much shorter and not county-wide. More than half of all customers live in blocks connected to a critical facility which are not prioritized for deenergizing. Block information is available on PG&E's website and RCEA is creating a map

to clarify grid service blocks. Staff would like to continue planning with PG&E and County staff on handling different energy emergencies. During the recent heatwave, HBGS and the Scotia biomass plant were operating at full capacity to export electricity above local needs to other parts of the state. If rolling blackouts are ever implemented locally during grid emergencies, it will be done to export electricity toward Redding and the Central Valley.

Upon inquiry about grid changes, Mr. Marshall responded that California's electricity grid is very different than it was in 2001. With the dramatic increase in solar energy production, California's net peak energy demand, or total demand minus what is contributed by intermittent solar and wind generation, now occurs around sunset instead of during the hottest part of the day. Natural gas plants currently ramp up to provide energy during peak evening hours. Natural gas plants with significant air quality and other environmental impacts are being retired, however, and the statewide trend is towards fewer natural gas plants. Planning for robust power during the evening transition from solar power is needed as more intermittent, renewable resources are brought online. Demand-response and energy storage will be key to balancing the grid during the early evening hours.

In response to a question regarding the power charge indifference adjustment (PCIA) or exit fee issue in San Diego, Executive Director Marshall explained that the CPUC created the PCIA to enable investor-owned utilities (IOUs) to honor their existing, long-term power contracts despite loss of customers to community choice aggregators. The CPUC established a PCIA cap to prevent volatility, and a trigger which allowed for the PCIA to be increased should exit fee collections not meet legacy contract payment requirements. The trigger point was reached in the San Diego Gas & Electric service area and the utility proposed an exit fee that would recoup three months of shortfall all at once, resulting in a monthly \$200 exit fee increase per customer. The CPUC's imminent decision on this proposal is highly anticipated because it would apply to PG&E and other IOU territories. Statewide and local government advocacy may be required should the decision be unreasonable.

FUTURE AGENDA ITEMS

Director Wilson requested a report on the investigation of California's electricity grid and the recent rolling blackouts.

Director Winkler requested information on the long-term future of D.G. Fairhaven's biomass plant.

Vice Chair Fennell adjourned the meeting at 5:13 p.m.

Lori Taketa
Clerk of the Board

Redwood Coast Energy Authority

Disbursements Report

As of July 31, 2020

Type	Date	Num	Name	Memo	Amount
Liability Check	07/10/2020	E-pay	EDD	499-0864-3 QB Tracking # -82676154	-4,312.10
Liability Check	07/10/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -82558154	-21,348.04
Bill Pmt -Check	07/10/2020	11080	Advanced Security	Service on wireless siren	-103.68
Bill Pmt -Check	07/10/2020	11081	Bithell, M.	Purchase reimbursement - Mailings	-15.25
Bill Pmt -Check	07/10/2020	11082	CA Dept. of Tax & Fee Administration	Electrical Energy Surcharge Return 31-0003366 Q:	-48,504.66
Bill Pmt -Check	07/10/2020	11083	CalCCA	Operational Member dues Q1 20/21	-28,783.00
Bill Pmt -Check	07/10/2020	11084	City of Arcata	Tax payments	-24,070.33
Bill Pmt -Check	07/10/2020	11085	City of Blue Lake	Energy tax payments	-1,457.37
Bill Pmt -Check	07/10/2020	11086	City of Eureka-Water	Water service, 5/26-6/26/20	-115.18
Bill Pmt -Check	07/10/2020	11087	Donald Dame	Professional Services - June 2020	-218.75
Bill Pmt -Check	07/10/2020	11088	Enterprise	Car rental fees (March)	-260.31
Bill Pmt -Check	07/10/2020	11089	HCOE	Business cards	-42.00
Bill Pmt -Check	07/10/2020	11090	Humboldt Bay Coffee Co.	Office Coffee	-51.90
Bill Pmt -Check	07/10/2020	11091	Humboldt Builders' Exchange	Plan scans	-7.50
Bill Pmt -Check	07/10/2020	11092	Lost Coast Communications	Radio spots - NEM Workshop	-636.00
Bill Pmt -Check	07/10/2020	11093	Mission Uniform & Linen	July mat service, janitorial supplies	-7.57
Bill Pmt -Check	07/10/2020	11094	Morse Media	Website Hosting Services	-25.00
Bill Pmt -Check	07/10/2020	11095	North Coast Journal	Print advertising	-298.00
Bill Pmt -Check	07/10/2020	11096	PG&E CCA	June CCE Charges	-22,119.58
Bill Pmt -Check	07/10/2020	11097	PG&E EV Account	EV stations April	-264.51
Bill Pmt -Check	07/10/2020	11098	PG&E Utility Account	5/22-6/22/20 utilities	-632.56
Bill Pmt -Check	07/10/2020	11099	Ray Morgan Company	Printer Charges: 6/6-7/5/20	-26.97
Bill Pmt -Check	07/10/2020	11100	Recology	June garbage service	-90.72
Bill Pmt -Check	07/10/2020	11101	Redwood Community Radio	Radio underwriting	-780.00
Bill Pmt -Check	07/10/2020	11102	SDRMA Medical	August 2020 Premium	-26,890.26
Bill Pmt -Check	07/10/2020	11103	Times Printing Company	Misc. printing services	-3,532.76
Bill Pmt -Check	07/10/2020	11104	Verizon Wireless	June tablet/cell service for staff & equipment	-1,475.96
Check	07/10/2020	11105	NEM Customer	NEM Yearly Payout	-149.86
Check	07/10/2020	11106	CCE Customer	CCE E-Bike Program Rebate: EB9	-500.00
Check	07/10/2020	11107	CCE Customer	CCE E-Bike Program Rebate: EB25	-500.00
Check	07/10/2020	11108	CCE Customer	CCE E-Bike Program Rebate: EB26	-500.00
Check	07/10/2020	11109	CCE Customer	CCE E-Bike Program Rebate: EB34	-500.00
Bill Pmt -Check	07/10/2020	11110	VISA	June statement 5/21-6/18/20	-3,013.88
Liability Check	07/10/2020	ACH	Newport Group	Deferred compensation contributions	-11,285.08
Paycheck	07/10/2020	ACH	Employees	Payroll, 6/15-6/30/20	-52,691.68
Bill Pmt -Check	07/23/2020	ACH	Humboldt Sawmill Company	Bilateral payment June 2020	-627,234.06
Bill Pmt -Check	07/23/2020	ACH	Snow Mountain Hydro, LLC	Bilateral payment June 2020	-12,452.21
Bill Pmt -Check	07/23/2020	ACH	CalPine Corporation	Calpine June 2020 Costs	-73,465.45
Liability Check	07/24/2020	E-pay	EDD	Tax payments	-101.16
Liability Check	07/24/2020	E-pay	EDD	Tax payments	-4,269.40
Liability Check	07/24/2020	E-pay	EDD	Tax payments	-47.55
Liability Check	07/24/2020	E-pay	Internal Revenue Service	Tax payments	-21,132.70
Liability Check	07/24/2020	E-pay	Internal Revenue Service	Tax payments	-134.22
Liability Check	07/24/2020	E-pay	EDD	Tax payments	-1.90
Liability Check	07/24/2020	E-pay	EDD	Tax payments	-1.90
Liability Check	07/24/2020	11112	Calvert	Deferred compensation contributions	-1,893.22
Liability Check	07/24/2020	11113	Umpqua Bank	VOID: 74-3104616	0.00
Check	07/24/2020	11115-24	NEM Customers	NEM Account Close Outs	-744.79
Bill Pmt -Check	07/24/2020	11125	Arcata Technology Center	Site Host Reimbursement 4/1-6/30/20	-269.39
Bill Pmt -Check	07/24/2020	11126	AT&T	June 707269177 telephone charges	-123.60
Bill Pmt -Check	07/24/2020	11127	Blue Lake Rancheria	Site Host Reimbursement 4/1-6/30/20	-8.04
Bill Pmt -Check	07/24/2020	11128	Boutin Jones	Legal services: PG&E and Common Interest	-2,309.50
Bill Pmt -Check	07/24/2020	11129	Braun Blaising Smith Wynne	Legal Services - Regulatory - June	-15,170.91
Bill Pmt -Check	07/24/2020	11130	City of Arcata	M. Winkler travel for RCEA CCA Meeting	-677.92

Redwood Coast Energy Authority
Disbursements Report
As of July 31, 2020

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	07/24/2020	11131	City of Blue Lake	Site Host Reimbursement 4/1-6/30/20	-3.83
Bill Pmt -Check	07/24/2020	11132	City of Eureka - REVNet	Site Host Reimbursement 4/1-6/30/20	-171.71
Bill Pmt -Check	07/24/2020	11133	City of Trinidad	Site Host Reimbursement 4/1-6/30/20	-239.76
Bill Pmt -Check	07/24/2020	11134	County of Humboldt- Building Dept.	Permits - EV stations	-140.00
Bill Pmt -Check	07/24/2020	11135	Diamond, Nancy	Legal services - June	-6,190.80
Bill Pmt -Check	07/24/2020	11136	Environmental Indicator Accounting Svcs.	Climate Action Planning services	-5,415.00
Bill Pmt -Check	07/24/2020	11137	FedEx	ResKit Shipping	-343.51
Bill Pmt -Check	07/24/2020	11138	GHD	Site Host Reimbursement 4/1-6/30/20	-150.60
Bill Pmt -Check	07/24/2020	11139	Humboldt Lighting, LLC.	Contractor rebates	-5,731.50
Bill Pmt -Check	07/24/2020	11140	Mission Uniform & Linen	July mat service, janitorial supplies	-7.57
Bill Pmt -Check	07/24/2020	11141	North Coast Unified Air Quality	Site Host Reimbursement 4/1-6/30/20	-243.46
Bill Pmt -Check	07/24/2020	11142	NYLEX.net, Inc.	Onsite network support services - July	-3,200.00
Bill Pmt -Check	07/24/2020	11143	Open Door	Site Host Reimbursement 4/1-6/30/20	-109.08
Bill Pmt -Check	07/24/2020	11144	PG&E EV Account	EV stations May	-376.45
Bill Pmt -Check	07/24/2020	11145	SDRMA Dental	August Premium	-1,613.91
Bill Pmt -Check	07/24/2020	11146	St. Joseph Hospital	Site Host Reimbursement 4/1-6/30/20	-282.01
Bill Pmt -Check	07/24/2020	11147	Winzler, John	Office Lease - August	-5,582.00
Bill Pmt -Check	07/24/2020	11148	WREGIS	RECs	-1,140.78
Check	07/24/2020	11149-53	NEM Customers	NEM Account Close Outs	-15.77
Bill Pmt -Check	07/24/2020	11155	City of Arcata	Site Host Reimbursement 4/1-6/30/20	-191.91
Bill Pmt -Check	07/24/2020	11156	Rainbow Self Storage	Storage Unit for CALeVIP	-78.00
Bill Pmt -Check	07/24/2020	11157	Suddenlink Communications	Phone & Internet access - July	-1,093.21
Liability Check	07/24/2020	ACH	Newport Group	Deferred compensation contributions	-11,351.40
Paycheck	07/24/2020	ACH	Employees	Payroll, 7/1-7/15/20	-52,015.89
TOTAL					<u>-1,110,936.53</u>

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

	<u>Jul 20</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
5000 · Revenue - government agencies	0.00	737,317.00	0.0%
Total 5100 · Revenue - program related sales	588.70	9,000.00	6.54%
5400 · Revenue-nongovernment agencies	0.00	1,556,600.00	0.0%
Total 5500 · Revenue - Electricity Sales	4,644,248.42	41,763,500.00	11.12%
Total 5 REVENUE EARNED	4,644,837.12	44,066,417.00	10.54%
Total Income	4,644,837.12	44,066,417.00	10.54%
Gross Profit	4,644,837.12	44,066,417.00	10.54%
Expense			
Total 6 WHOLESALE POWER SUPPLY	3,286,401.14	36,074,000.00	9.11%
Total 7 PERSONNEL EXPENSES	218,651.54	2,838,644.00	7.7%
Total 8.1 FACILITIES AND OPERATIONS	16,119.25	6,606,484.00	0.24%
Total 8.2 COMMUNICATIONS AND OUTREACH	2,862.18	114,000.00	2.51%
8.3 TRAVEL AND MEETINGS	0.00	18,450.00	0.0%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	22,330.76	120,000.00	18.61%
8410 · Contracts - Program Related Ser	683.50	406,000.00	0.17%
8420 · Accounting	0.00	75,000.00	0.0%
8430 · Legal	9,821.92	125,000.00	7.86%
8450 · Wholesale Services - TEA	51,448.87	620,500.00	8.29%
8460 · Procurement Credit - TEA	52,286.68	650,500.00	8.04%
8470 · Data Management - Calpine	73,531.00	913,450.00	8.05%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	210,102.73	2,910,450.00	7.22%
Total 8.5 PROGRAM EXPENSES	15,746.38	627,550.00	2.51%
Total 8.6 INCENTIVES & REBATES	2,754.33	601,000.00	0.46%
Total 9 NON OPERATING COSTS	4,570.75	35,500.00	12.88%
Total Expense	3,757,208.30	49,826,078.00	7.54%
Net Ordinary Income	887,628.82	-5,759,661.00	-15.41%
Net Other Income	0.00	6,000,000.00	0.0%
Net Income	<u>887,628.82</u>	<u>240,339.00</u>	<u>369.32%</u>

Redwood Coast Energy Authority
Balance Sheet
As of July 31, 2020

	<u>Jul 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	493.22
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking Acct 0560	1,718,613.61
1071 · Umpqua Deposit Cntrol Acct 8215	8,809,146.40
1075 · Umpqua Reserve Account 2300	2,000,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	<u>12,548,523.33</u>
Total Accounts Receivable	101,639.91
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-549,749.33
1103 · Accounts Receivable-Other	5,530,522.50
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-47,443.08
1210 · Retentions Receivable	1,001.00
1499 · Undeposited Funds	12,757.62
Total Other Current Assets	<u>4,968,803.71</u>
Total Current Assets	17,618,966.95
Total Fixed Assets	151,725.39
Other Assets	
1700 · Retained Deposits	2,095,380.00
Total Other Assets	<u>2,095,380.00</u>
TOTAL ASSETS	<u><u>19,866,072.34</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	3,282,558.01
Total Credit Cards	41.83
Other Current Liabilities	
2013 · Unearned Revenue - PA 2020-2023	1,896,704.00
Total 2100 · Payroll Liabilities	<u>120,692.07</u>
Total Other Current Liabilities	<u>2,017,396.07</u>
Total Current Liabilities	<u>5,299,995.91</u>
Total Long Term Liabilities	<u>0.00</u>
Total Liabilities	5,299,995.91
Equity	
2320 · Investment in Capital Assets	151,725.38
3900 · Fund Balance	13,604,830.74
Net Income	888,724.10
Total Equity	<u>14,645,280.22</u>
TOTAL LIABILITIES & EQUITY	<u><u>19,945,276.13</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.4

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Long-Term Resource Adequacy Sale to University of California

SUMMARY

As discussed previously with the Board, all California load-serving entities (LSEs) including RCEA have been directed by the California Public Utilities Commission (CPUC) to procure resource adequacy (RA) from sources deemed as “incremental” (those not included in a CPUC list of existing baseline resources). The LSEs are required to meet procurement milestones in mid-2021, mid-2022, and mid-2023.

Last month the Board approved two contracts that meet RCEA’s 2021 and 2022 incremental RA obligation, and the executed power purchase agreement for the Sandrini Sol 1 solar project will meet our 2023 obligation. CPUC rules allow LSEs to resell surplus incremental RA to other LSEs, provided these resale agreements also meet the CPUC’s required terms for incrementality and minimum contract term.

RCEA’s portfolio manager The Energy Authority (TEA) brought to staff’s attention an opportunity to resell surplus RA associated with the Sandrini Sol 1 project to the Regents of the University of California (UC), another TEA client, hence the agreement being presented to the Board. UC itself acts as an LSE in procuring energy for its campuses across the state. TEA and outside expert counsel at Braun Blasing Smith Wynne, P.C. (BBSW) have helped to craft the proposed agreement so as not to expose RCEA to liability with respect to UC, should the solar project fail to come online or should the RA capacity be less than that anticipated under RCEA’s PPA for the Sandrini project.

RCEA’s Legal Services Agreement with BBSW anticipates the potential for conflicts of interest where BBSW serves other clients that could have competing interests with RCEA. The Legal Services Agreement includes provisions for RCEA to approve a waiver, or for BBSW to withdraw from representation of RCEA if needed, on a specific transaction or other matter. Because BBSW also provides legal services to UC, the Board is asked to approve a waiver for BBSW to represent RCEA on this proposed transaction. The waiver is justified as BBSW has been providing legal services to RCEA since the inception of our community choice energy program and has familiarity with RCEA and our contracting needs and preferences. RCEA General Counsel Nancy Diamond has reviewed this matter and concurs with staff’s recommendation to waive the conflict.

FINANCIAL IMPACTS

The proposed sale will allow RCEA to monetize part of its anticipated long position on CPUC-ordered incremental resource adequacy starting in 2023 after the Sandrini Sol 1 solar project under contract to RCEA comes online. TEA has proposed a unit price for the RA that is intended to be fair to both the seller and the buyer. This pricing has been agreed to with the mutual understanding among TEA, the seller (RCEA), and the buyer (UC) that RA has historically not been transacted through long-term agreements such as those required under the CPUC's incremental reliability procurement directive. Actual market value of the resource over the life of the agreement is thus not possible to ascertain. However, selling the RA at some price is financially preferable to retaining a resource not needed by RCEA for compliance purposes.

STAFF RECOMMENDATIONS

1. Approve conflict of interest waiver for Braun Blaising Smith Wynne, P.C. to represent RCEA on a ten-year resource adequacy sales contract for 0.6 MW of capacity from the Sandrini Sol 1 solar project with the Regents of the University of California
2. Approve ten-year resource adequacy sales contract for 0.6 MW of capacity from the Sandrini Sol 1 solar project with the Regents of the University of California, and authorize the Executive Director to execute all applicable documents.

ATTACHMENTS

1. Conflict of Interest Waiver letter from Braun Blaising Smith Wynne, P.C.
2. Cover Sheet for Resource Adequacy Agreement between The Regents of the University of California and Redwood Coast Energy Authority (redacted)

Braun Blaising Smith Wynne, P.C.

Attorneys at Law

September 17, 2020

Austin Allison
Board Chair
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501
(707) 269-1700

RE: Conflict of Interest Waiver

Dear Mr. Allison:

Braun Blaising Smith Wynne, P.C. (“Firm”) has an existing attorney-client relationship with the Redwood Coast Energy Authority (“RCEA”). The Firm provides RCEA with regulatory and transactional support, including assisting in the negotiation of power purchase agreements and resource adequacy agreements. The Firm also represents the Regents of the University of California (“UC”) for certain regulatory and compliance matters. It is my understanding that RCEA and UC have entered into negotiations for RCEA to sell a resource adequacy product to UC. RCEA has asked the Firm to assist in the review and negotiation of a proposed contract for this transaction. Although our firm does not represent or otherwise provide support to UC in the negotiation of contracts, nevertheless we believe there is a conflict.

The Firm represents UC in its role as an Electric Service Provider (“ESP”) in several CPUC regulatory proceedings. The Firm has assisted in the drafting and filing of comments on topics including the application of the Power Charge Indifference Amount (“PCIA”), integrated resource planning (“IRP”) requirements applicable to ESPs, and the CPUC’s proposed changes to its resource adequacy requirements. In addition, the Firm has assisted UC in CPUC compliance matters, including supporting the drafting and filing of UC’s annual renewables portfolio standard (“RPS”) procurement plans, the filing of resource adequacy waiver requests, and the development and filing of its IRP. Through the support that the Firm provides in the above-referenced compliance matters, the Firm has access to confidential information about UC that is of a market-sensitive nature.

It is my understanding that the scope of the Firm's role in supporting RCEA in the review and negotiation of the resource adequacy agreement between RCEA and UC does not include an evaluation of the commercial terms of the contract, such as price or quantity. Further, the Firm is prohibited from disclosing any confidential information of UC that it possesses by California Business and Professions Code § 6068(e) and Rule 1.6 of the California Rules of Professional Conduct.

RULES OF PROFESSIONAL CONDUCT

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

(a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.

(b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

...

(d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:

(1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law; and

(3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

Our representation of RCEA in the review of the proposed resource adequacy agreement implicates Rule 1.7(b).

OUR REPRESENTATION

Our Firm has no role in the review or negotiation of power purchase agreements or resource adequacy agreements for UC. However, this fact does not obviate the actual conflict that exists if our Firm represents UC in other capacities. As such, California law requires that we obtain written informed consent from each client before continuing representation.

ADVERSE CONSEQUENCES

We cannot predict every negative impact for you which may occur as a result of giving consent as requested here, however the reasonably foreseeable adverse consequences that could arise are the following:

- We may be tempted to favor the interests of one client over the other.
- Our exercise of independent judgment relating to RCEA matters may be impaired or clouded by our relationship with UC.
- We may be restricted from forcefully advocating a client's position for fear of alienating the other client.
- We may impair the position, claims or defenses of one client because of an adverse position we take for another client.
- We may be forced to withdraw from representing either or both clients because of disputes or further conflicts of interest, which could increase either or both clients' attorney's fees and costs.
- There may be an appearance of impropriety in our representation of the clients simultaneously.

YOUR CONSENT

This letter sets forth the factual background in this matter. However, if you believe that there is any other information that you need before consent can be granted, please let me know immediately.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be promptly notified of that fact, and continued representation will be subject to the informed written consent of involved parties.

You are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent form.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Section 1.7 of the California Rules of Professional Conduct previously quoted in this letter, and that you knowingly and voluntarily consent to representation by the Firm despite actual conflicts of interest. Such signature will acknowledge your consent to the Firm's representation of RCEA as described above, and shall apply to all work performed on or after August 19, 2020.

Thank you for your expeditious consideration of this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin Wynne", is written over a horizontal line.

Justin Wynne
Braun Blaising Smith Wynne, P.C.

AGREED AND ACCEPTED:

Redwood Coast Energy Authority

By: _____

Austin Allison
Board Chair
Redwood Coast Energy Authority

Dated: _____

RESOURCE ADEQUACY AGREEMENT
Between
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
and
REDWOOD COAST ENERGY AUTHORITY

PREAMBLE

This Resource Adequacy Agreement (“Agreement”) is entered into between **The Regents of the University of California** (“Buyer”) and **Redwood Coast Energy Authority**, a California joint powers authority (“Seller”), each individually a “Party” and together the “Parties,” dated as of **[date]** (the “Execution Date”) in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Agreement.

COVER SHEET

A. Unit Information

Project Name:	EDPR CA Solar Park II LLC
Location:	Kern County, CA
CAISO Resource ID:	To be assigned by CAISO
Unit SCID:	To be assigned by CAISO
Unit NQC:	To be assigned by CAISO (27 MW August NQC under CY 2021 Solar ELCC Factors)
Unit EFC:	N/A
Resource Type:	Solar
Resource Category (1, 2, 3 or 4):	4
Flexible RAR Category (1, 2 or 3):	N/A
Path 26 (North or South):	North
Local Capacity Area (if any, as of Effective Date):	N/A
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment:	None
Run Hour Restrictions:	N/A

B. RA Product and Attributes

RAR and LAR Attributes

Seller shall provide Buyer with the Designated RA Capacity of RAR Attributes and, if applicable, LAR Attributes, from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

☒ RA Attributes

☐ RA Attributes with Flexible RA Attributes

- ☐ LAR Attributes
- ☐ LAR Attributes with Flexible RA Attributes
- ☐ Flexible RA Attributes

☐ **Flexible RA Product**

Seller shall provide Buyer with Designated RA Capacity of FCR Attributes from the Units in the amount of the applicable Contract Quantity.

☐ **Firm RA Product**

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the Contract Quantity. If the Units are not available to provide the full amount of the Contract Quantity for any reason other than Force Majeure, including, without limitation, any Outage or any adjustment of the RA Capacity of any Unit, pursuant to Section 3.5, then, Seller shall provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 3.6 hereof. If Seller fails to provide Buyer with replacement Designated RA Capacity from Replacement Units pursuant to Section 3.6, then Seller shall be liable for damages and/or be required to indemnify Buyer for CAISO costs, penalties or fines pursuant to the terms of Sections 3.8 and 3.9 hereof.

☒ **Contingent Firm RA Product**

Seller shall provide Buyer with Product from the Units in the amount of the applicable Contract Quantity; provided, however, that if the Units are not available to provide the full amount of the Contract Quantity on account of an Outage or Force Majeure, then Seller may provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 3.6 hereof. If Seller fails to provide Buyer with the Designated RA Capacity, then Seller shall be liable for damages and/or be required to indemnify Buyer for costs, penalties or fines pursuant to the terms of Sections 3.8 and 3.9 hereof; provided, however, that Seller shall not be liable for damages and/or required to indemnify Buyer for costs, penalties or fines pursuant to the terms of Sections 3.8 and 3.9 hereof in connection with a Planned Outage if, and only if, Seller has provided Buyer with timely notice pursuant to Section 3.5(a) of Seller's intent not to provide Alternate Capacity due to a Planned Outage in an amount equal to the portion of the Contract Quantity of that Showing Month that is unavailable due to such Planned Outage.

C. Delivery Term

The Delivery Term is set forth in Section 2.1(b).

D. Contract Quantities

The Contract Quantities for the entire Delivery Term shall be:

RA Attributes: 0.600 MW NQC

Local RA Attributes: N/A MW

Flexible RA Attributes: N/A MW EFC, Category N/A

E. Contract Price

The Contract Price for every Showing Month of the Delivery Term shall be \$ [REDACTED] per kW-month for each kW-Month that Product is available for RAR Showing.

F. Performance Security Amount

Performance Security shall not be required from either Party in connection with this Transaction.

G. Milestones

Milestone	Date for Completion
Commercial Operation Date	December 31, 2022

H. Initial Delivery Date

The Expected Initial Delivery Date shall be June 1, 2023.

The Initial Delivery Date Deadline shall be August 1, 2023.



STAFF REPORT

Agenda Item # 3.5

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Community Advisory Committee Nominations

BACKGROUND

In April 2020, Eureka appointee and original Community Advisory Committee member Kathy Srabian informed staff of her intention to step down from the CAC and requested that Chair Austin Allison seek another Eureka nominee for her seat.

Chair Allison has nominated Catherine (Katy) Gurin to serve on the CAC. Ms. Gurin is a hydraulic engineer at AECOM, a senior analyst at EIAS, and a member of the 350 Humboldt Steering Committee. She is a 30-year Humboldt County resident and hopes to provide input to the Board and support RCEA's public engagement efforts.

Director Frank Wilson has nominated Roger Hess to fill the CAC's Rio Dell vacancy. Mr. Hess is a recent Humboldt State University Environmental Science, Energy and Climate program graduate. He previously worked as a program coordinator for RCEA's Public Agency Solar program and would like to use his knowledge and experience in the energy field to make improvements for the community and provide decision-making support to RCEA's Board.

The current Community Advisory Committee members are:

REPRESENTING JURISDICTION	MEMBER NAME	TERM EXPIRATION DATE
ARCATA	Norman Bell	4/13/2021
AT-LARGE	Jerome Carman	4/12/2022
AT-LARGE	Colin Fiske	4/12/2022
AT-LARGE	Larry Goldberg, Chair	4/12/2022
AT-LARGE	Pam Halstead	4/12/2022
BLUE LAKE	Kit Mann	4/13/2021
COUNTY 1: ORLEANS - E. HUMBOLDT	Luna Latimer	4/13/2021
COUNTY 2: SOUTHERN HUMBOLDT	Matty Tittman	4/13/2021
COUNTY 3: MCKINLEYVILLE	Tom Hofweber	4/12/2022
EUREKA	Kathy Srabian (resigning)	4/13/2021
FERNDALE	Dennis Leonardi, Vice Chair	4/12/2022
FORTUNA	Elizabeth Burks	4/12/2022
HBMWD	Amin Younes	4/12/2022
RIO DELL	Vacant	4/12/2022
TRINIDAD	Richard Johnson	4/13/2021

STAFF RECOMMENDATION

Appoint Katherine Gurin and Roger Hess to the Community Advisory Committee for the remainder of two terms ending on April 13, 2021, and April 12, 2022, respectively.

ATTACHMENTS

None.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.6

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Patrick Owen, Human Resources & Workforce Development Manager
SUBJECT:	Approve Participation in the PACE JPA for Employee Health Benefits and Broker of Record Agreement with Keenan & Associates

SUMMARY

In July, the Special District Risk Management Authority (SDRMA), the current administrator of RCEA's employee health plans, notified staff that insurance premiums for our Anthem Blue Cross coverage would increase by 10.5% starting in January 2021. Since then, staff have been exploring other options for comparable Anthem Blue Cross coverage for RCEA employees.

Staff determined that some of RCEA's member agencies purchase insurance services through Redwood Empire Municipal Insurance Fund (REMIF) and Association of California Water Agencies (ACWA), both of which RCEA is not eligible to participate in. Staff also determined that the comparable plans offered through CalPERS have higher premiums than SDRMA. Staff inquired with two local brokers that offer group health insurance, however both only offered age-rated plans rather than composite rate plans. Staff does not recommend switching to an age-rated plan as they may have more cost fluctuations as employee demographics change.

Three of our member agencies, the Cities of Rio Dell, Ferndale, and Blue Lake, as well as another local agency, Humboldt Bay Fire, purchase insurance through Keenan & Associates (Keenan) which stood out as a good fit for RCEA. Staff determined that insurance premiums through the Public Agency Coalition Enterprise (PACE) pool administered by Keenan would be approximately \$45,000 less in calendar year 2021 than our anticipated premiums through SDRMA.

Staff evaluated the PACE pool's Anthem Blue Cross plan offerings, using several criteria, including confirming that employee's current providers accept this insurance, and that the user interface and member services are easily accessible. A more detailed proposal is attached to this report. PACE was formed in 2012 through a Joint Powers Agreement (JPA), and it consists of 38 small public agencies, many of them located in the Central Valley and Sierra Nevada area, but also includes two local agency members, the City of Rio Dell, and Humboldt Bay Fire. Staff reached out for references regarding both PACE and Keenan's services, and they have been excellent.

PACE requires a two-year commitment, so by approving this agreement, RCEA will need to stay in the health insurance pool for calendar years 2021 and 2022. Under the PACE JPA and its

bylaws, Keenan has been designated as the Program Manager for PACE, and membership in PACE requires a Broker of Record Agreement with Keenan. The broker of record agreement has a 60-day cancellation notice.

FINANCIAL IMPACT

The agreement will mitigate rising health insurance costs for calendar year 2021, and potentially into the future.

STAFF RECOMMENDATION

Approve:

1. Resolution 2020-6 - Approving the form of and authorizing the execution of a memorandum of understanding and authorizing participation in the Public Agency Coalition Enterprise (PACE) Medical Benefits Program,
2. Resolution 2020-7 - Designation of the official representative and alternate representative to the PACE JPA Board of Directors, and
3. Authorize the Executive Director to sign all applicable documents.

ATTACHMENTS:

1. Resolution 2020-6 Approving MOU and Participation in the PACE Medical Benefits Program
2. Resolution 2020-7 Designation of RCEA Representative to the PACE Board
3. Exhibit B - Agreement and Acceptance of Amended and Restated Joint Exercise of Powers Agreement
4. PACE Joint Powers Agreement
5. PACE Amended Bylaws
6. Broker of Record Designation
7. Keenan 9/14/20 Medical/Dental/Vision proposal

RESOLUTION NO. 2020-6

A RESOLUTION OF THE REDWOOD COAST ENERGY AUTHORITY APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE PUBLIC AGENCY COALITION ENTERPRISE (PACE) MEDICAL BENEFITS PROGRAM

WHEREAS, the Redwood Coast Energy Authority, a public agency duly organized and existing under and by virtue of the laws of the State of California (the “Entity”), has determined that it is in the best interest and to the advantage of the Entity to participate in medical benefits offered by the Public Agency Coalition Enterprise (the “Authority”); and the Entity understands a condition of participation in Medical Benefits is a minimum of two years; and

WHEREAS, the “Authority” became operational on April 1, 2012 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing best-value benefit solutions and other coverage protection programs; and

WHEREAS, participation in the “Authority” medical programs requires the execution of the attached joint exercise of powers agreement (“Agreement”); which states the purpose and participation requirements for the Authority; and

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

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

Section 1. Findings. The Entity’s Board of Directors hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Entity.

Section 2. Memorandum of Understanding. The Agreement to be executed and entered into by and between the Entity and the Authority in the form presented at this meeting and on file with the Entity’s Clerk of the Board, is hereby approved. The Entity’s Board hereby authorizes and directs the Executive Director, for and in the name and on behalf of the Entity, to execute and deliver to the Authority the Agreement, to be effective January 1, 2021.

Section 3. Program Participation. The Entity’s Board of Directors approves participating for a minimum of two years in the Authority’s medical benefits program.

Section 4. Other Actions. The Board of Directors authorizes and directs the Executive Director to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by the Executive Director in conformance with this Resolution are hereby ratified, confirmed and approved.

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

Section 6. The Clerk of the Board shall certify to the adoption of this Resolution.

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 2020-6 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:

ABSTAIN:

Clerk of the Board
Redwood Coast Energy Authority

RESOLUTION NO. 2020-7

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
DESIGNATING THE OFFICIAL REPRESENTATIVE AND ALTERNATE REPRESENTATIVE
TO THE PUBLIC AGENCY COALITION ENTERPRISE JPA BOARD OF DIRECTORS**

WHEREAS, the Redwood Coast Energy Authority (RCEA) is a member of the Public Agency Coalition Enterprise (PACE) JPA; and

WHEREAS, the PACE JPA requires each member agency to have a representative at the regularly scheduled meetings; and

WHEREAS, the Bylaws of the PACE JPA requires the Board of each member agency to appoint a representative and alternate.

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

1. the Executive Director is hereby appointed as the official representative from RCEA to serve on the PACE Board of Directors; and,
2. the Manager of Human Resources & Workforce Development is hereby designated as the official alternate from RCEA to attend the PACE JPA meetings, in the absence of the Executive Director.

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 2020-7 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

EXHIBIT B

AGREEMENT AND ACCEPTANCE OF AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the undersigned public agency (“Agency”) seeks to become a member of the Public Agency Coalition Enterprise (“PACE”);

WHEREAS, the Board of Directors has approved the undersigned’s application for membership in PACE,

NOW ,THEREFORE, in consideration of being granted membership in PACE, the Agency hereby accepts and agrees that, as of the Effective Date noted below, it shall be bound by all terms and conditions of the Amended and Restated Joint Exercise of Powers Agreement attached hereto, as if the Agency had been an original signatory thereto.

Redwood Coast Energy Authority

BY: _____

Name: **Matthew Marshall**

Title: **Executive Director**

Date: **January 1, 2021**

AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
PUBLIC AGENCY COALITION ENTERPRISE
JOINT POWERS AUTHORITY

TABLE OF CONTENTS

JOINT POWERS AGREEMENT

1. Creation of the Joint Powers Agency
2. Functions of PACE
3. Powers of PACE
4. Term of the Agreement
5. Bylaws
6. Membership in PACE
7. Withdrawal from or Termination of Membership
8. Termination of Agreement
9. Disposition of Property and Funds
10. Amendments
11. Severability
12. Liability
13. Enforcement
14. Definitions

EXHIBIT A: BYLAWS

Preamble

- I. Board of Directors
- II. Rules of the Board of Directors
- III. Executive Committee
- IV. Rules of the Executive Committee
- V. Officers
- VI. Finance
- VII. Memorandum of Coverage
- VIII. Accounts and Records
- IX. Risk Management
- X. Withdrawal from or Termination of Membership
- XI. Disposition of Property and Funds
- XII. Investment of Surplus Funds
- XIII. Amendment
- XIV. Severability
- XV. Effective Date

JOINT EXERCISE OF POWERS AGREEMENT

PUBLIC AGENCY COALITION ENTERPRISE

This Joint Exercise of Powers Agreement ("Agreement") is entered into pursuant to the provisions of title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, for the purpose of operating an agency to be known as the Public Agency Coalition Enterprise which shall be organized and operated as a California joint powers authority ("JPA").

WITNESSETH:

WHEREAS, it has been determined to be to the mutual benefit and in the best interests of the agencies who have signed this Agreement and those that may later sign onto this Agreement ("Signatories") to join together to establish a JPA to carry out the purposes and powers as later described herein; and

WHEREAS, it has been determined by the Signatories that there is a need to establish and operate a cooperative program for the purchase of insurance, creation and management of pooled self-insurance programs, and/or the implementation of appropriate risk management activities, and other related services and programs for insured and self-insured members ("Program"); and

WHEREAS, it has also been determined that such a Program is of value on an individual and mutual basis; and

WHEREAS, it has also been determined that the establishment of a Program can adequately meet the needs of the of Signatories; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC AGENCIES, each of the Signatories does agree as follows:

1. CREATION OF THE JOINT POWERS AUTHORITY

A JPA, separate and apart from each public agency that is a Signatory, shall be and is hereby created and shall hereafter be designated as the Public Agency Coalition Enterprise ("PACE").

2. PURPOSE AND POWERS

(a) PACE is established for the purpose of administering this Agreement, pursuant to the joint powers provisions of the California Government Code, and for taking all action necessary and appropriate for the establishment, operation and maintenance of the Program and to provide a forum for discussion, study, development and implementation of recommendations relating to the Program.

(b) The powers of PACE are:

(1) To establish a vehicle for the cost effective purchase of employee benefits insurance and/or such other insurance by and for the Members of PACE ("Members"),

(2) To establish such programs of and/or for self-insurance and/or risk pooling arrangements as the Board of Directors of PACE ("Board") shall deem appropriate.

(3) To facilitate the cost-effective purchase of third-party administration (TPA) and other services deemed appropriate by the Board for the Members.

(4) To take such actions and to enter into such contracts as may be necessary for to accomplish the purpose stated in this Section 2(b).

(5) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the creating and sustaining the Program including, but not limited to, the acquisition of such resources, facilities, equipment and personnel as may be necessary the Program.

(6) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this Agreement.

(7) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental agency in furtherance of the Program.

(8) To invest surplus reserve funds as deemed appropriate by the Board and as required by law.

(9) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other joint programs.

(10) To sue and be sued in the name of PACE.

(11) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

(12) To exercise any power common to the Signatories, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of PACE shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member of a JPA except as otherwise provided in this Agreement.

4. TERM OF THE AGREEMENT

This Agreement shall become effective on August 6, 2014. With respect to organizations that have previously executed a Joint Exercise of Powers Agreement (JPA Agreement) with PACE, this amended and restated Agreement shall expressly supersede the prior JPA Agreement. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the Signatories, the successor in interest or successors in interest to the obligations of any such reorganized Signatory may be substituted as a party or as parties to this Agreement.

5. BYLAWS

(a) PACE shall be governed pursuant to bylaws ("Bylaws"), approved and adopted by the Board and by such amendments to the Bylaws as may from time to time be adopted. Upon approval by the Board, a copy of the Bylaws and all subsequent amendments thereto, shall be attached to and incorporated into this Agreement as Exhibit A. PACE shall be operated pursuant to this Agreement and the Bylaws.

(b) Procedures for amending the Bylaws shall be as provided in the Bylaws so long as not inconsistent with this Agreement. Such amendments shall be binding upon all Members of PACE ("Members"). The effective date of any Bylaw amendment will be on the first day of the next month following adoption, unless otherwise stated.

6. DESIGNATION OF PROGRAM MANAGER

It is recognized that for PACE to develop and maintain a financially sound, cost-effective Program and to grow its membership, oversight of the Program must be provided by a party that has a demonstrated record of success in dealing with insurance and self-insurance programs of public agencies and in managing JPA's established for insurance-related purposes. To that end, it is agreed that Keenan & Associates shall be the Program Manager of PACE. Any decision to remove Keenan as the Program Manager shall be carried out in the manner provided in the Bylaws.

7. MEMBERSHIP IN PACE

(a) Each Signatory must be eligible for membership in PACE as defined in the Bylaws, and shall become a Member on the effective date of this Agreement or on the date that the Signatory becomes a party to this Agreement, whichever is later. Each public agency that becomes a Member shall be entitled to the rights and privileges of membership. By signing this Agreement each Signatory agrees to be subject to and bound by all terms and conditions of this Agreement and of the Bylaws.

(b) Upon approval the Executive Committee, any self-insured or fully insured California public agency or California JPA, may become a Member by executing a copy of this Agreement

(c) Each Member shall (i) pay its own insurance premiums for programs of commercial insurance purchased through PACE, (ii) make such contributions as the Board may deem necessary for any pooled self-insurance program established by PACE, (iii) maintain the minimum self-insured retention as may be set by the Board in conjunction with any insurance or self-insurance coverage arranged, established, or provided for by PACE, (iv) perform such other acts as are reasonably required by the Board in conjunction with the Program, and (v) with respect to self-insured Members securing TPA services through PACE, agree to the terms of the TPA services agreement.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

(a) Any Signatory which has completed two complete years as a Member may voluntarily terminate this Agreement as to itself and withdraw from membership in PACE. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

(b) A Member may be involuntarily terminated from PACE as provided the Bylaws. Such removal from membership shall operate to terminate the Agreement as to such party, but shall have no effect on the continued operation of this Agreement with respect to other Signatories.

8. TERMINATION OF PACE

This Agreement and the JPA may be terminated effective at the end of any fiscal year by the affirmative vote of three-fourths (3/4) of the Members of PACE; provided, however, that PACE and this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of PACE.

9. DISPOSITION OF PROPERTY AND FUNDS

(a) In the event of the dissolution of PACE, the complete recision, or other final termination of this Agreement by the Signatories then a party hereto, any property interest remaining in PACE following a discharge of all obligations shall be disposed of as provided for by the Bylaws.

(b) In the event a Signatory terminates its participation in this Agreement and membership in PACE, any property interest of that Signatory remaining in PACE following discharge of its obligations shall be disposed of as provided for by the Bylaws .

(c) The term "obligations," as referred to herein, shall include, but not be limited to, all payments required by law together with any other obligations incurred by PACE or a Signatory, as applicable, pursuant to this Agreement or the Program.

10. AMENDMENTS

This Agreement may be amended at any time in writing by agreement of by three-fourths (3/4) of the-current Signatories. Any such amendment shall be effective upon the date of final execution thereof, unless otherwise provided in the amendment.

11. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

12. LIABILITY

(a) Pursuant to the provisions of Sections 895, et seq., of the California Government Code, the Signatories are jointly and severally liable upon any liability which is otherwise imposed by law upon any one of the Signatories or upon PACE for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement and the operation of the JPA.

If a Signatory is held liable upon any judgement for damages caused by such an act or omission and makes payments in excess of its pro rata share on such judgment, such Signatory is entitled to contribution from each of the other Signatories that were parties to the Agreement at the time of the

incident or action giving rise to the liability. A Signatory's pro rata share shall be determined in the same manner as for the disposition of property and funds as provided in the Agreement and the Bylaws.

(b) PACE may insure itself, to the extent deemed necessary or appropriate by the Board, against loss, liability, and claims arising out of or connected with this Agreement.

13. ENFORCEMENT

The Board is hereby given authority to enforce this Agreement. In the event suit is brought upon this Agreement by PACE and judgment is recovered against a Signatory, the Signatory shall pay all costs incurred by PACE, including reasonable attorney's fees as fixed by the court.

14. EXECUTION

Those public agencies who are the original Signatories to this Agreement shall be considered the founding Members of PACE. Each public agency that subsequently seeks to join PACE will be required to sign an "Agreement and Acceptance" form in substantially the same form as Exhibit B, the execution of which will cause the public agency to be deemed a Signatory of this Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

SIGNATORIES:

Name of Agency: Town of Danville

Date: Sept. 4, 2014

By: Renné M. Tasean

Title: PACE Board President

Name of Agency: City of Livingston

Date: Sept. 8 2014

By: Torel Ramirez

Name of Agency: Del Mar Union School District

Date: 9-14-14

By: Catherine Birds

Name of Agency: Municipal Services Authority

Date: September 16, 2014

By: _____

EXHIBIT A

Bylaws of PACE

[To be attached once approved by PACE Board of Directors]

EXHIBIT B

AGREEMENT AND ACCEPTANCE OF AMENDED AND RESATATED JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the undersigned public agency ("Agency") seeks to become a member of the Public Agency Coalition Enterprise ("PACE");

WHEREAS, the Board of Directors has approved the undersigned's application for membership in PACE,

NOW ,THEREFORE, in consideration of being granted membership in PACE, the Agency hereby accepts and agrees that, as of the Effective Date noted below, it shall be bound by all terms and conditions of the Amended and Restated Joint Exercise of Powers Agreement attached hereto, as if the Agency had been an original signatory thereto.

Insert Name of Public Agency

BY: _____

Name: Insert Name of Person Signing

Title: Insert Title of Person Signing

**AMENDED AND RESTATED BYLAWS
PUBLIC AGENCY COALITION ENTERPRISE
JOINT POWERS AUTHORITY**

PREAMBLE

The Public Agency Coalition Enterprise Joint Powers Authority ("PACE" or "JPA") is established for the purpose of the establishment, operation, and maintenance of a joint program for employee benefits coverage, and such other coverages and associated services as the Board may later determine, by its members ("Members"), and to provide a forum for discussion, study, development, and implementation of programs regarding employee benefits, insurance, and self-insurance. PACE shall comply with the provisions of Sections 6503.5 and 53051 of the Government Code requiring the filing of a statement with the Secretary of State.

**ARTICLE I
BOARD OF DIRECTORS**

- A. A Board of Directors ("Board") is hereby established to direct and control PACE. The number of directors shall equal the number of Members. As additional Members are added, the number of directors shall be adjusted accordingly without need to amend these bylaws.
- B. Each Member of PACE shall appoint one of its employees to serve on the Board, and shall notify PACE in writing of the appointment. Each Member will also appoint one Alternate Board member who shall serve in the absence of the Board member. The Insurance Advisory Committee described in Article VIII ("IAC") shall also appoint one of its members to serve on the Board.
- C. Each Director shall serve an indefinite term which shall end upon the occurrence of any of the following events:
 - 1. Written notice from the appointing Member that it has appointed a replacement for the director;
 - 2. The director ceases to be an employee of the appointing Member, or the IAC, if service as IAC representative;
 - 3. The director provides written notice of resignation; or
 - 4. The director is involuntarily removed from office by a majority vote of the Board.Any vacancy on the Board shall be filled by the Member that appointed the Director leaving the vacancy.
- D. The Board shall meet at least annually and at other times as special meetings are called. The date, time, and place for each such regular meeting shall be fixed by resolution of the Board of Directors, which resolution shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Board and filed with each Member. All meetings of the Board of Directors shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, Sections 54950, et seq., of the California Government Code ("Act"), as from time to time amended, and in accordance with rules adopted by the Board, provided that such rules are not inconsistent with the Act. The Board

shall cause minutes of its meetings to be kept, and shall promptly transmit to the Members true and correct copies of the minutes of such meetings.

- E. The Board, by resolution, shall designate a specific location at which it will receive notices, correspondence, and other communications, and shall designate one of its Members as an agent for the purpose of receiving service on behalf of PACE.
- F. Each Director shall have one vote and, unless otherwise provided under these Bylaws, the action of a majority of Directors at any meeting at which a quorum is present shall constitute the action of the Board. A quorum shall consist of a majority of Directors present at any regular or specially called meeting of the Board.
- G. In addition to those standing committees established by the Bylaws, the Board may appoint and dissolve working committees whose function shall be as designated by the Board. Working committees shall not have authority to act on behalf of the Board, but shall present information, offer input, and/or make suggestions and recommendations to the Board. Unless otherwise prohibited by law or these Bylaws, membership in a working committee is not restricted to Directors. Any employee of a Member may serve on a working committee, provided, however, that each working committee shall have at least one (1) member who is a Director. The President shall appoint the chair and all members of each working committee.
- H. No Director shall receive any compensation in exchange for service as a Director, provided, however, that the Directors shall be reimbursed, in accordance with policies to be adopted by the Board, for all legitimate expenses incurred in the performance of their duties.
- I. The JPA may secure insurance coverage for the Board of Directors.

ARTICLE II

POWERS OF THE BOARD OF DIRECTORS

- A. The Board may establish rules governing its own conduct and procedure, and have such expressed or implied authority as is not inconsistent with, or contrary to, the laws of the State of California, these Bylaws, or the Joint Powers Agreement (“JPA Agreement.”)
- B. The Board of Directors shall directly or by contract take such action and provide for services required to effectively implement all aspects of this joint program.
- C. Unless otherwise prohibited by law or these Bylaws, the Board may delegate to the Executive Committee the authority to act on Behalf of the Board on any matter that is to be brought before the Board.
- D. The Board shall designate and engage a Program Manager to oversee the day-to-day activities of the JPA.

ARTICLE III EXECUTIVE COMMITTEE

- A. Once the Authority has reached seven (7) Members, the Board may, at its discretion, establish an Executive Committee. The size of the Executive Committee shall be as set by resolution of the Board. The Executive Committee shall be comprised of the PACE Officers and such other Directors as are elected by the Board. Until such time as the Executive Committee is established, the powers and duties of the Executive Committee as designated in these Bylaws shall be the responsibility of the full Board of Directors.
- B. The non-Officer members of the Executive Committee shall be elected by a majority vote of the Directors and shall serve a term ending on December 31 of odd numbered years. In the event of a vacancy on the Executive Committee, the vacancy shall be filled by the majority vote of the Executive Committee. Any individual elected to fill a vacancy shall serve for the remainder of the unexpired term.
- C. The Executive Committee may conduct regular, adjourned regular, special, and adjourned special meetings, provided, however, that it will hold at least two regular meetings each fiscal year. Such meetings may be held concurrent with PACE meetings. The date, time, and place for each such regular meeting shall be fixed by resolution of the Executive Committee, which resolution shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Executive Committee and filed with each Member of PACE.

All meetings of the Executive Committee shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.) (“Brown Act”) of the California Government Code, as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Executive Committee not inconsistent therewith.

- D. Except as otherwise provided or permitted by law, all meetings of the Executive Committee shall be open and public. The Executive Committee shall cause minutes of its meetings to be kept, and shall promptly transmit to the Members of PACE true and correct copies of the minutes of such meetings.
- E. Each member of the Executive Committee shall have one (1) vote and, unless otherwise provided in these bylaws, the action of a majority at any meeting at which a quorum is present shall constitute the action of the Executive Committee. A quorum shall consist of a majority of Directors, or their Agency Alternate, present at any regular or specially called meeting of the Executive Committee.
- F. No individual shall receive any compensation in exchange for service on the Executive Committee, provided, however, that the members of the Executive Committee shall be reimbursed, in accordance with policies to be adopted by the Board, for all legitimate expenses incurred in the performance of their duties.

ARTICLE IV POWERS OF THE EXECUTIVE COMMITTEE

- A. The Executive Committee may establish rules governing its own conduct and procedure, and have such expressed or implied PACE as is not inconsistent with or contrary to the laws of the State of California, these Bylaws, the Agreement, or any rule, policy, procedure, action, or directive of the Board. The Executive Committee shall have no power to overrule or invalidate any action validly taken by the Board.
- B. The Executive Committee shall have the duty to act on behalf of the Board in between the meetings of the Board, but only as described in Part C below.
- C. The powers of the Executive Committee include:
 - 1. Appoint and dissolve working committees;
 - 2. Directly or by contract provide for services required to effectively implement all aspects of this joint program;
 - 3. Review, approve and/or terminate any contract to which PACE is a party, except that the JPA's contract with the Program Manager may only be approved or terminated by the full Board;
 - 4. Approve admission of new Members;
 - 5. Approve the health benefits insurance and insurance-related programs to be offered to the Members;
 - 6. Work with the Program Manager, as appropriate, to oversee PACE's insurance programs and day-to-day operations; and
 - 7. Any other power necessary to conduct the business of PACE unless such power is specifically reserved to the Board.

ARTICLE V OFFICERS

- A. The Officers of PACE shall be elected by the Board, and shall be the President, Vice President, Secretary/Treasurer, and Past President. Each officer, not including the Past President, shall serve a 2-year term. The Past President will serve a 1-year term upon leaving office. The President and Secretary/Treasurer will serve a 2-year term ending on December 31 of even numbered years, and the Vice President will serve a 2-year term ending on odd numbered years. Any person elected or appointed as an Officer may be removed at any time, with or without cause, by a majority vote of the Board. Any vacancy in an Officer position shall be filled by the Board.
- B. The President shall be the chief executive officer and shall have general supervision and direction of the business of PACE, shall see that all orders and resolutions of the Board are carried into effect, and shall have other powers and perform such other duties as may be prescribed from time to time by the Board. The President shall also be a Member of all working committees established by the Board or Executive Committee.
- C. The Vice President shall have such powers and perform such duties as may be prescribed from time to time by the Board or the President. In the absence or disability of the

President, the Vice President shall be vested with all the powers and authorized to perform all the duties of the President.

D. The Secretary/Treasurer shall have the following duties:

1. Attend all meetings of PACE and record all votes and the minutes of all meetings;
2. Give, or cause to be given, notice of all meetings of PACE when notice is required by law or these Bylaws;
3. Act as the chief financial officer of PACE and assume the following duties described in Sections 6505.1 and 6505.5 of the California Government Code:
 - i. Receive and receipt for all money of PACE and place it in a County Treasury and/or a commercial account as approved by PACE to the credit of PACE;
 - ii. Be responsible for the safekeeping and disbursement of all money of PACE; and
 - iii. Pay, when due, out of money of PACE, all legitimate and verifiable sums payable by PACE.
4. Verify and report in writing on the first day of July, October, January, and April of each year, or as soon as possible thereafter, to PACE, the amount of money he holds for PACE, the amount of receipts since his last report, and the amount paid out since his last report.
5. Act as Custodian of PACE property; and
6. Perform such other duties as may be prescribed from time to time by law or by PACE or the President.

ARTICLE VI MEMBERSHIP

- A. Membership in PACE is open to any commercially insured or self-insured California public agency. Membership shall be deemed to be effective when the prospective Member has:
1. Been approved by the Board or Executive Committee;
 2. Has executed the Agreement; and
 3. Agreed in writing to be bound by these Bylaws.
- B. For purposes of Section A above, “public agency” means any city, state, county, or local government or an agency of city, state, county, or local government, or other public entity or any joint powers authority comprised of any of the foregoing and serving the interests of the public entities detailed in this section.

ARTICLE VII PROGRAM MANAGER

A Program Manager shall oversee the day-to-day operations and administrative functions of PACE. The Program Manager shall also act as PACE’s benefits consultant and insurance broker for the organization. Given its extensive experience as an insurance broker/consultant and in the management of pooled insurance programs and joint powers authorities, Keenan shall serve as PACE’s Program Manager. Keenan shall serve at the pleasure of the Board and may be removed as the Program Manager if such removal is authorized by unanimous consent of all Directors. The

compensation of the Program Manager will be set each year by the Board. Members shall comply with any initiatives or programs implemented by the Program Manager on behalf of PACE, including, but not limited to, the use of the BenefitBridge data platform to facilitate enrollment and the transmission of eligibility data.

ARTICLE VIII INSURANCE ADVISORY COMMITTEE

- A. There shall be created an Insurance Advisory Committee (“IAC”) whose purpose shall be to advise and consult with the Board with respect to the interests and concerns of non-management employees of the Members. Each Member shall designate up to two (2) individuals from the organization to serve on the IAC. Individuals shall serve on the IAC at the pleasure of the appointing Member and any individual so serving may be removed and replaced by the appointing Member at any time for any reason.
- B. The IAC shall appoint two (2) members of the Committee to serve as Directors of the Authority. Except as expressly described in this Article VII, any individual representing the IAC on the Board of Directors shall have the same duties, responsibilities, and conditions of tenure as each other Director.
- C. The IAC shall select one individual to serve as its Chair. The Chair shall preside over all meetings of the IAC.
- D. The IAC shall function only in an advisory capacity and shall have no authority to take any action or make any decision on behalf of the Authority.
- E. All meetings of the IAC will be called, held and conducted in compliance with the provisions of the Brown Act.
- F. The IAC members shall not receive compensation for their service on the Committee. Expenses incurred by an IAC member at the direction or request of the Board shall be eligible for reimbursement only if approved in advance.
- G. The IAC shall meet at least once annually. Additional meetings may be convened upon request of the Chair or any IAC member, or at the request or direction of the Board.

ARTICLE IX WELLNESS INITIATIVES

Each Member shall promote the health and well-being of its employees through participation in the wellness initiatives adopted by PACE. In furtherance of such initiatives, and to support a wellness program among its own employees, each Member shall:

1. Create a wellness leadership team representing management and labor, which meets monthly and assists with providing direction for the program design, implementation, and evaluation;

2. Establish an employee wellness committee to provide involvement of the workforce in program design and advocacy;
3. Conduct an audit of the wellness environment in the organization, and identify actions to be taken to support a culture of wellness;
4. Conduct an assessment of employee wellness needs, interests, and challenges;
5. Develop a multi-year wellness program blueprint – including mission, goals, and objectives – to provide an action plan for implementing and evaluating the program, and for sustaining the program to achieve a positive return on investment;
6. Create a wellness program branding;
7. Develop a strategy for engaging employees in the program, including an incentives program plan; and
8. Identify metrics for monitoring and evaluating the program’s progress and outcomes.

ARTICLE X FINANCE

- A. PACE shall operate on a fiscal year from January 1st through December 31st.
- B. No less than 120 days before the end of the fiscal year, the Executive Committee shall adopt an operating budget (“Operating Budget”) for the following fiscal year. A copy of the Operating Budget shall be transmitted to each of the Members.
- C. As necessary, an Operating Account shall be established and maintained by the Program Manager for any the monies that may be received by PACE. Funds from the Operating Account shall be used for the payment of the operating expenses of PACE.
- D. Each Member shall be responsible for the payment of its own insurance premiums. A 2% late fee will be charged for premiums received sixteen (16) days after the due date, and a 5% late fee will be charged for premiums received thirty-one (31) days after the due date.
- E. Each Member shall be responsible for a pro rata share of the fees of the Program Manager and such other expenses as may be authorized by the Board. The amount of each Member’s share shall be calculated on a per employee per month basis.

ARTICLE XI INSURANCE COVERAGE AND OTHER SERVICES

- A. The Program Manager shall, upon Board recommendation, solicit and obtain quotes from insurance carriers for presentation to the Board.

- B. The Board shall determine the carrier(s) and insurance options that will be made available to the Members.
- C. Coverage shall renew as of the first day of each fiscal year.
- D. Each commercially insured Member must purchase its benefits insurance coverage through the JPA, unless the selected carrier(s) refuses to offer a quote for such Member, in which case the Member may either elect to continue as a self-insured Member or be terminated from membership in PACE, pursuant to Article XII.
- E. Each member may select from the available commercial insurance coverage options in accordance with the guidelines set up by carrier(s) and/or the JPA. Once its options have been selected, a Member may not change its selected options for a period of 3 years, provided, however, that under extenuating circumstances a Member may request that this requirement be waived. Any Member requesting a waiver must present its request in writing to the Executive Committee explaining the circumstances and the reasons why the waiver should be granted. The Executive Committee shall have the sole authority to determine, in its absolute discretion, whether or not to grant the waiver. The decision of the Executive Committee shall be final.
- F. Each commercially insured Member will be responsible for the timely payment of its insurance premiums. Failure to pay premiums when due is grounds for termination of membership in the JPA.
- G. PACE will make available the third-party administration (TPA) services to its self-insured Members. Self-insured TPA services will be provided by the PACE Program Manager. Members will be expected to utilize the services of TPA PACE's Program Manager unless an exception is granted in writing by the Board.
- H. Self-insured Members securing TPA services through PACE will have access to the pricing negotiated by the TPA and the applicable network.
- I. Self-insured Members will be required to accept the terms and conditions of the TPA service agreement entered into by PACE and the Program Manager.
- J. Each self-insured Member will be fully and solely responsible for the payment of its claims and will be responsible for funding a claims payment account for use by the TPA.
- K. Self-insured Members will be billed directly by the TPA for the TPA services and will be solely responsible for payment of the TPA fees.

ARTICLE XII

ACCOUNTS AND RECORDS

- A. The Secretary/Treasurer is the designated depository of PACE funds in compliance with California Government Code 6505.5 and 6505.6.

- B. PACE is strictly accountable for all funds received and dispersed by it and, to that end, PACE shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of law or any resolution of PACE. Books and records of PACE in the hands of the Secretary/Treasurer shall be open to inspection at all reasonable times by representatives of the Members. As soon as practical after the close of each fiscal year, PACE shall give, or cause to be given, a complete written report of all financial activities for such fiscal year to each Member.
- C. The Board of Directors shall make, or contract with a Certified Public Accountant to make, an annual audit of the accounts, records, and financial affairs of PACE. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the California Government Code and shall conform to generally accepted auditing standards and accounting principles. When such an audit of accounts and reports is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Members of PACE.

ARTICLE XIII TERMINATION OF MEMBERSHIP

- A. Any Member who has been a member of PACE for at least two (2) years may terminate its membership and its participation in the Joint Powers Agreement by providing notice in the manner prescribed in Section B below. Termination will be effective as of the last day of the then-current fiscal year.
- B. Notice must be given at least 60 days before the end of the fiscal year. Notice must be in writing signed by the chief executive of the Member and submitted with a copy of a resolution of the Member's Board of Trustees authorizing the termination. If a Member submits notice of an intent to terminate, but subsequently decides to remain in PACE, the Member shall not be permitted to submit another termination notice for two years. The Board has the right to impose a termination fee upon any Member who fails to provide notice in the manner required by these Bylaws.
- C. Any Member withdrawing from PACE shall not be eligible to reapply for membership for a period of three (3) years.
- D. The terminating Member will not be eligible to renew any insurance coverage obtained through PACE at the rates available to PACE Members
- E. A Member may be involuntarily terminated from PACE upon a two-thirds (2/3) majority vote of the Executive Committee at any meeting at which a quorum is present.
- F. Grounds for involuntary termination include, but are not limited to, the following:
 - 1. Failure or refusal to abide by the Agreement or Bylaw, and/or any amendment thereto;
 - 2. Any action which in the opinion of the Board is contrary to best the interests, goals and/or objectives of PACE and its Members.

3. Failure of a Member to disclose a material fact to PACE or its Program Manager which, in the opinion of the Board, constitutes fraud, misrepresentation or concealment for the purposes of obtaining coverage with PACE.
4. Failure to qualify for any insurance coverage offered through PACE, if not continuing as a self-insured Member securing TPA services through PACE;
5. Failure for more than 60 days to pay any of its share of the Program Manager's fees;
6. The cancellation of insurance obtained through PACE for non-payment of premiums, or
7. Failure for more than 60 days to make any payment due for TPA services secured through PACE.

Involuntary termination shall have the effect of eliminating the Member as a signatory to the Agreement and as a Member of PACE. Termination shall be effective upon such other date as the Board may specify, but in no case less than thirty (30) days after notice of involuntary termination is given. In the event that termination occurs before the last day of the fiscal year, any insurance obtained by the terminated Member through PACE shall continue until the first day of the month following the termination date.

ARTICLE XIV DISPOSITION OF PROPERTY AND FUNDS

In the event of the dissolution of PACE, the complete rescission, or other final termination of Joint Powers Agreement by all Members then a party to the Agreement, any property interest remaining in PACE following a discharge of all obligations shall be disposed of pursuant to a plan adopted by the Board of Directors with the objective of returning to each Member a pro rata share of the remaining interest. The pro rata share shall be determined by the length of time each entity has been a Member.

ARTICLE XV INVESTMENT OF FUNDS

- A. PACE shall have the power to invest or cause to be invested, in compliance with Section 6509.5 of the California Government Code, such funds as are not necessary for the immediate operation of PACE as allowed by Section 53601 of the California Government Code.
- B. The level of cash to be retained for the actual operation of PACE shall be determined by the Board.

ARTICLE XVI AMENDMENT

- A. Amendment to these Bylaws may be proposed by any Member of the Board.
- B. Except as otherwise provided in these Bylaws, amendments to these Bylaws must be adopted by a two-thirds (2/3) vote of all Directors. Any amendments duly adopted by the Board shall be binding upon all Members of PACE. Any amendment that would alter the

rights of the Members or would fundamentally change the purpose of the JPA as established in the Preamble to these Bylaws, must be approved by the unanimous consent of all Directors. The effective date of any amendment will be on the first day of the next month following adoption, unless otherwise stated.

ARTICLE XVII SEVERABILITY

Should any portion, term, condition, or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE XVIII EFFECTIVE DATE

These Bylaws shall become effective immediately upon their adoption by the Board.

Amended and Approved: May 27, 2020

Broker of Record Designation

As of **January 1, 2021**, the organization listed below (“Client”) appoints Keenan & Associates (“Keenan”) as the Broker of Record in connection with the following coverages: **Medical, Dental, Vision, EAP, Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA), Employee Paid Voluntary Benefits** and such additional coverages or insurance as Client may from time-to-time request from Keenan (the “Coverages”). This appointment rescinds any and all previous appointments Client may have made with respect to the Coverages, and shall remain in full force and effect until cancelled in writing with sixty (60) days advance notice. The parties hereby agree to the following additional terms:

With respect to the Coverages, Keenan shall have the exclusive authority and right to negotiate with insurance carriers and other coverage providers on Client’s behalf. Keenan shall provide those services as listed on Exhibit A attached to and made a part of this document. Client shall provide Keenan with timely and accurate information necessary to obtain the Coverages and authorizes Keenan to provide such information to prospective insurers and other coverage providers. Except for Keenan’s responsibilities with respect to funds obtained from or on behalf of Client, Keenan shall not be a fiduciary of Client. As compensation for its services, Keenan shall receive commissions from insurance carriers and/or other vendors for the placement of insurance coverage. Client shall have no responsibility for the payment of any such commission to Keenan. Additional information concerning Keenan’s compensation Disclosure Policy is available online at www.Keenan.com or from your Keenan account representative.

Disputes arising out of or relating to this designation, other agreements between the parties, or any other relationship involving Client and Keenan (whether occurring prior to, as part of, or after the signing of this Agreement) shall first be resolved by good faith negotiations between representatives of the parties with decision-making authority. If either party determines that the dispute cannot be resolved through informal negotiation then the dispute shall be submitted to non-binding mediation. The site of the mediation and the selection of a mediator shall be determined by mutual agreement of the parties.

Redwood Coast Energy Authority		Keenan & Associates	
<u>Signature:</u>		<u>Signature:</u>	
<u>By:</u>	Matthew Marshall	<u>By:</u>	Laurie LoFranco
<u>Title:</u>	Executive Director	<u>Title:</u>	Municipality Practice Leader
<u>Address:</u>	633 3rd Street	<u>Address:</u>	2355 Crenshaw Blvd., Ste. 200
	Eureka, CA 95501		Torrance, CA 90501
<u>Telephone:</u>	707-269-1700	<u>Telephone:</u>	310 212-0363
<u>Attention:</u>	Patrick Owen	<u>Attention:</u>	Howell Southmayd
<u>E-mail:</u>	powen@redwoodenergy.org	<u>E-mail:</u>	hsouthmayd@keenan.com

EXHIBIT A
KEENAN SERVICES

Keenan shall provide the following Services:

1. Plan Review – Keenan shall review applicable benefit plan(s) and provide information and recommendations regarding insured and/or self-insured options, as requested by Client.
2. Insurance Needs Assessment – Keenan shall work with Client to determine Client's insurance needs.
3. Insurance Marketing Plan – Review, evaluate and negotiate insurance renewals on Client's behalf. Keenan shall prepare and present to Client its plan for marketing Client to various carriers and/or Coverage providers. In furtherance of its plan, Keenan shall contact those markets that it has determined most likely to meet Client's needs, as made known to Keenan, but shall not necessarily contact every available market for the particular Coverage being sought. In so far as practical, Keenan shall honor Client's timely and reasonable requests to contact specific markets, but Keenan shall not be obligated to present Client to any carrier or Coverage provider which Keenan has determined would not be willing to quote Client's business or would not give a competitive quote.
4. Insurance Marketing Results – Keenan shall present to the client, in summary format, information concerning all markets and carriers approached. The summary shall include, as applicable: name of carrier and Coverage providers approached, limits, premium, and deductible. The summary shall also include the names of any carriers or Coverage providers who declined to provide a quote.
5. Review of Insurance Options – Keenan shall present, along with the Marketing Results, a comparison summary highlighting the significant terms and/or differences among the various Coverages quoted. This summary is provided for Client's convenience only. It is Client's responsibility to ask questions and to request any additional information that it deems necessary for it to make an informed decision regarding its insurance or self-insurance program.
6. Obtain Coverage – Once the Client has made its decision, Keenan shall take all steps necessary to communicate Client's decision to the carrier selected and to have the carrier or other Coverage provider bind Coverage on behalf of the Client.
7. Implementation – Keenan shall assist Client in the preparation and distribution of materials relating to the implementation of its coverage, for which client shall give final approval.
8. Ongoing Service -- Keenan will provide the following Client support services:
 - Continued analysis of benefit plan design and performance noting available alternatives as appropriate;
 - Direction and support with claims resolution and other related issues;
 - Review of claims experience and trends;
 - Support with billing/eligibility concerns;
 - Acting as a liaison between Client and carriers and vendors and serving as a proactive Client advocate;
 - Responding to day-to-day benefit questions from Client;
 - Assisting Client with governmental reporting and filings (e.g., 5500's and Summary Annual Reports), as applicable;

- Providing information concerning current developments and trends in employee benefits and new legislation that may affect Client's plans;
- Assisting in drafting, review and/or amendment of benefit plan and related documents. Any document drafted or reviewed by Keenan and approved by Client under this Agreement shall apply solely to the plan year for which the Service was provided. They are not intended for use beyond the plan year for which they were created, reviewed or revised. Keenan shall not be held liable for any direct, punitive, special, consequential or incidental damages, loss of profit or revenue, loss of business, loss or inaccuracy of data or scope of insurance resulting from the continued use of such plan documents or SPD beyond the dates for which they were intended;
- Notwithstanding the foregoing, benefit guides shall not be part of the services contemplated herein, unless Keenan has explicitly agreed in writing to include them pursuant to the current agreement;
- Assisting in the coordination and preparation of open enrollment, orientation, health fairs, and/or question and answer meetings for Client's employees. and
- Attendance at **two (2)** meetings of the Client's Insurance Committee.



Redwood Coast Energy Authority

Medical, Dental, Vision & Group Life/AD&D Marketing

Effective: January 1, 2021

Presented by: Howell Southmayd





Redwood Coast Energy Authority

Current vs. PACE Rates w/Illustrative Renewal

Effective: January 1, 2021

Blue Shield Access+ HMO 20

		Current	Renewal *	PACE
Carrier		Blue Shield	Blue Shield	Anthem
Plan Name		Access+ HMO	Access+ HMO	EPO 25
Effective Date		1/1/2020	1/1/2021	1/1/2021
	Subsc			
EE Only	12	\$935.34	\$1,033.55	\$860.02
EE + 1	3	\$1,870.68	\$2,067.10	\$1,720.03
EE + Family	2	\$2,428.62	\$2,683.63	\$2,236.04
Monthly Premium		\$21,693.36	\$23,971.16	\$19,952.41
Annual Premium		\$260,320.32	\$287,653.95	\$239,428.92
% Change Over Proposed Plan			10.50%	-8.03%
\$ Change Over Proposed Plan			\$27,333.63	-\$20,891.40
% Change Over Renewal				-16.76%
\$ Change Over Renewal				-\$48,225.03

Blue Shield HDHP PPO 10%

		Current	Renewal *	PACE
Carrier		Blue Shield	Blue Shield	Anthem
Plan Name		HDHP 10%	HDHP 10%	HSA 1400
Effective Date		1/1/2020	1/1/2021	1/1/2021
	Subsc			
EE Only	2	\$722.16	\$797.99	\$784.37
EE + 1	0	\$1,448.40	\$1,600.48	\$1,568.74
EE + Family	1	\$1,881.90	\$2,079.50	\$2,039.36
Monthly Premium		\$3,326.22	\$3,675.47	\$3,608.10
Annual Premium		\$39,914.64	\$44,105.68	\$43,297.20
% Change Over Proposed Plan			10.50%	8.47%
\$ Change Over Proposed Plan			-\$216,214.64	\$3,382.56
% Change Over Renewal				-1.83%
\$ Change Over Renewal				-\$808.48

Aggregate: EPO 25 & HSA 1400

		Current	Renewal *	PACE
Monthly Premium		\$25,019.58	\$27,646.64	\$23,560.51
Annual Premium		\$300,234.96	\$331,759.63	\$282,726.12
% Change Over Proposed Plan			10.50%	-5.83%
\$ Change Over Proposed Plan			\$31,524.67	-\$17,508.84
% Change Over Renewal				-14.78%
\$ Change Over Renewal				-\$49,033.51

* Renewal rates are estimated based on a flat, 10.5% increase per tier



Redwood Coast Energy Authority
Current vs. PACE Rates w/Illustrative Renewal
Effective: January 1, 2021

Blue Shield Access+ HMO 20

		Current	Renewal *	PACE
Carrier		Blue Shield	Blue Shield	Anthem
Plan Name		Access+ HMO	Access+ HMO	EPO 25
Effective Date		1/1/2020	1/1/2021	1/1/2021
	Subsc			
EE Only	12	\$935.34	\$1,033.55	\$860.02
EE + 1	3	\$1,870.68	\$2,067.10	\$1,720.03
EE + Family	2	\$2,428.62	\$2,683.63	\$2,236.04
Monthly Premium		\$21,693.36	\$23,971.16	\$19,952.41
Annual Premium		\$260,320.32	\$287,653.95	\$239,428.92
% Change Over Proposed Plan			10.50%	-8.03%
\$ Change Over Proposed Plan			\$27,333.63	-\$20,891.40
% Change Over Renewal				-16.76%
\$ Change Over Renewal				-\$48,225.03

Anthem PPO 250 (Proposed)

	PACE
Carrier	Anthem
Plan Name	PPO 250
Effective Date	1/1/2021
EE Only	\$861.94
EE + 1	\$1,723.88
EE + Family	\$2,241.05



Redwood Coast Energy Authority

Current v PACE EPO

Effective: January 1, 2021

	SDRMA	PACE
Carrier Name	Blue Shield	Anthem
Plan Name	Access+ HMO 20	EPO 25
Effective Date	January 1, 2020	January 1, 2021
General Plan Information		
Annual Deductible/Individual	\$0	\$0
Annual Deductible/Family	\$0	\$0
Coinsurance	100%	100%
Office Visit/Exam	\$20 copay	\$25 copay
Outpatient Specialist Visit	\$20 copay	\$25 copay
Annual Out-of-Pocket Limit/Individual	\$1,500	\$1,500
Annual Out-of-Pocket Limit/Family	\$3,000	\$3,000
Outpatient Services		
Preventive Services		
Most ACA-mandated services	100%	100%
Diagnostic X-Ray and Lab Tests	TBD	100%
Maternity Care		
Pregnancy and Maternity Care (Pre-Natal Care)	\$20 copay	\$25 copay
Inpatient Hospital Services		
Inpatient Hospitalization	\$250 copay/admit	\$250 copay (per admit)
Pre-Authorization of Services Required	Yes	Yes
Surgical Services		
Outpatient Facility Charge	\$50 copay	\$125 copay (per admit)
Emergency Services		
Emergency Room Copay (waived if admitted)	\$100 copay	\$100 copay
Ambulance (Air & Ground)	\$100 copay	\$100 copay (per trip)
Urgent Care		
Urgent Care Facility	\$20 copay	\$25 copay
Mental Health & Substance Abuse		
Inpatient Care	\$250 copay/admit	\$250 copay (prior auth. required)
Outpatient Care	\$20 copay	\$25 copay

CONFIDENTIAL: The information in this chart is intended for the exclusive use of the recipient in connection with the recipient's review of this proposal. It is not intended for any other purpose. The information described on this page is only intended to be a summary of your benefits. It does not include all benefit provisions, limitations, exclusions, or qualifications for coverage. Please review your Summary Plan Description (SPD) for a complete summary of your benefits. If the information on this page conflicts in any way with the SPD, the contract provisions of the appropriate policy or plan document (available through your employer) will prevail.

Redwood Coast Energy Authority

Current v PACE EPO

Effective: January 1, 2021

	SDRMA	PACE
Carrier Name	Blue Shield	Anthem
Plan Name	Access+ HMO 20	EPO 25
Prescription Drug Benefits		
Rx Drug Deductible	\$0	N/A
Rx Annual Out-of-Pocket Limit/Individual	\$5,100	Included in Medical OOP limit
Rx Annual Out-of-Pocket Limit/Family	\$10,200	Included in Medical OOP limit
Generic	\$10 copay	\$10 copay
Brand (Formulary/Preferred)	\$25 copay	\$25 copay
Brand (Non-Formulary/Non-preferred)	Not covered	\$45 copay
Specialty	20% coinsurance (\$100 max)	20% coinsurance (\$150 max)
Number of Days Supply	30 days	30 days
Mail Order		
Mail Order Mandatory	TBD	No
Generic	\$20 copay	\$10 copay
Brand (Formulary/Preferred)	\$50 copay	\$50 copay
Brand (Non-Formulary/Non-preferred)	Not covered	\$90 copay
Number of Days Supply for Mail Order	90 days	90 days
Other Services and Supplies		
Durable Medical Equipment	80%	80% covered
Home Health Care	\$20 copay/visit (100 visits/year)	\$25 copay (100 visits/calendar year)
Skilled Nursing or Extended Care Facility	TBD	100% (limit 100 days/calendar year)
Hospice Care	100% (\$150/day at-home care)	100% covered
Chiropractic Services	\$10 copay (30 visits/year)	\$25 copay (60-days/year max)
Acupuncture	\$10 copay (30 visits/year)	\$25 copay
Outpatient Rehabilitative Therapy Services		
Physical, Occupational, & Speech	\$20 copay	\$25 copay



Redwood Coast Energy Authority

Current v PACE PPO

Effective: January 1, 2021

	SDRMA		PACE	
Carrier Name	Blue Shield		Anthem Blue Cross	
Plan Name	HDHP 10%		HSA 1400	
Effective Date	January 1, 2020		January 1, 2021	
	In-Network	Non-Network	In-Network	Non-Network
General Plan Information				
Annual Deductible/Individual	\$1,400	\$3,000	\$1,400	\$1,400
Annual Deductible/Family	\$2,800	\$6,000	\$2,800	\$2,800
Coinsurance	90%	50%	90%	70%
Office Visit/Exam	90%	50%	90%	70%
Outpatient Specialist Visit	90%	50%	90%	70%
Annual Out-of-Pocket Limit/Individual	\$5,000	\$5,950	\$2,500	\$5,000
Annual Out-of-Pocket Limit/Family	\$10,000	\$11,900	\$5,000	\$10,000
Deductible Included in OOP Max	Yes	Yes	Yes	Yes
Outpatient Services				
Preventive Services				
Most ACA-Mandated Services	100% (deductible waived)	Not covered	100% (deductible waived)	70%
Diagnostic X-Ray and Lab Tests	TBD	TBD	100% (90% non-preventive)	70%
Maternity Care				
Pregnancy and Maternity Care (Pre-Natal Care)	90%	50%	90%	70%
Inpatient Hospital Services				
Inpatient Hospitalization	90%	50% (up to \$600/day)	90%	70% (\$1,000/day non-emergency)
Pre-Authorization of Services Required	No	No	Yes	Yes
Surgical Services				
Outpatient Facility Charge	90%	50% (up to \$350/day)	90%	70% (\$350/day max)
Emergency Services				
Emergency Room Copay (waived if admitted)	\$100 copay	\$100 copay	90%	90%
Ambulance (Air & Ground)	90%	90%	90%	90% (70% non-emergency)
Urgent Care				
Urgent Care Facility	90%	50%	90%	70%
Mental Health & Substance Abuse				
Inpatient Care	90%	50% (up to \$600/day)	90%	70% (\$1,000/day non-emergency)
Outpatient Care	90%	50%	90%	70%

CONFIDENTIAL: The information in this chart is intended for the exclusive use of the recipient in connection with the recipient's review of this proposal. It is not intended for any other purpose. The information described on this page is only intended to be a summary of your benefits. It does not include all benefit provisions, limitations, exclusions, or qualifications for coverage. Please review your Summary Plan Description (SPD) for a complete summary of your benefits. If the information on this page conflicts in any way with the SPD, the contract provisions of the appropriate policy or plan document (available through your employer) will prevail.



Redwood Coast Energy Authority

Current v PACE PPO

Effective: January 1, 2021

Carrier Name Plan Name Effective Date	SDRMA		PACE	
	Blue Shield		Anthem Blue Cross	
	HDHP 10%		HSA 1400	
	January 1, 2020		January 1, 2021	
	In-Network	Non-Network	In-Network	Non-Network
Prescription Drug Benefits				
Rx Deductible	Medical deductible applies	Medical deductible applies	Medical deductible applies	Medical deductible applies
Rx Annual Out-of-Pocket Limit/Individual	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP
Rx Annual Out-of-Pocket Limit/Family	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP
Generic	\$7 copay	\$7 copay	\$10 copay	\$10 copay + 50%
Brand (Formulary/Preferred)	\$25 copay	\$25 copay	\$30 copay	\$30 copay + 50%
Brand (Non-Formulary/Non-preferred)	Not covered	Not covered	\$50 copay	\$50 copay + 50%
Specialty	30% coins., to \$150 max (mail order only)	Not covered	30% coinsurance up to \$150	Not covered
Number of Days Supply	30 days	30 days	30 days	30 days
Mail Order				
Generic	\$14 copay	Not covered	\$10 copay	Not covered
Brand (Formulary/Preferred)	\$60 copay	Not covered	\$60 copay	Not covered
Brand (Non-Formulary/Non-preferred)	Not covered	Not covered	\$100 copay	Not covered
Number of Days Supply for Mail Order	90 days	N/A	90 days	N/A
Other Services and Supplies				
Durable Medical Equipment	90%	Not covered	50%	50%
Home Health Care	90% (100 visits/year)	Not covered without prior auth.	90% (100 visits/year)	70% (100 visits/year)
Skilled Nursing or Extended Care Facility	TBD	TBD	90% (100 days/year)	70% (100 days/year)
Hospice Care	90%	Not covered without prior auth.	90%	70%
Chiropractic Services	90% (26 visits/year, up to \$25/visit)	50% up to \$25/visit	90% (30 visits/year)	70% (20 visits/year)
Acupuncture	90% (26 visits/year, up to \$50/visit)	50% up to \$50/visit	90% (20 visits/year)	70% (20 visits/year)
Outpatient Rehabilitative Therapy Services				
Physical, Occupational, & Speech	90%	50% (up to \$350/day)	90%	70%



Redwood Coast Energy Authority

Current v PACE PPO

Effective: January 1, 2021

	SDRMA		PACE	
Carrier Name	Blue Shield		Anthem Blue Cross	
Plan Name	HDHP 10%		PPO 250	
Effective Date	January 1, 2020		January 1, 2021	
	In-Network	Non-Network	In-Network	Non-PPO
General Plan Information				
Annual Deductible/Individual	\$1,400	\$3,000	\$250	\$250
Annual Deductible/Family	\$2,800	\$6,000	\$750	\$750
Coinsurance	90%	50%	90%	70%
Office Visit/Exam	90%	50%	\$20 copay (deductible waived)	70%
Outpatient Specialist Visit	90%	50%	\$20 copay (deductible waived)	70%
Annual Out-of-Pocket Limit/Individual	\$5,000	\$5,950	\$2,500	\$6,500
Annual Out-of-Pocket Limit/Family	\$10,000	\$11,900	\$5,000	\$13,000
Deductible Included in OOP Max	Yes	Yes	Yes	Yes
Outpatient Services				
Preventive Services				
Most ACA-Mandated Services	100% (deductible waived)	Not covered	100% (deductible waived)	70%
Diagnostic X-Ray and Lab Tests	TBD	TBD	100% (deductible waived)	70%
Maternity Care				
Pregnancy and Maternity Care (Pre-Natal Care)	90%	50%	\$20 copay (deductible waived)	70%
Inpatient Hospital Services				
Inpatient Hospitalization	90%	50% (up to \$600/day)	90%	70% (\$1,000/day non-emergency)
Pre-Authorization of Services Required	No	No	Yes	Yes
Surgical Services				
Outpatient Facility Charge	90%	50% (up to \$350/day)	90%	70% (\$350 max/admit)
Emergency Services				
Emergency Room Copay (waived if admitted)	\$100 copay	\$100 copay	\$150 copay	\$150 copay
Ambulance (Air & Ground)	90%	90%	90%	90% (70% non-emergency)
Urgent Care				
Urgent Care Facility	90%	50%	\$20 copay (deductible waived)	70%
Mental Health & Substance Abuse				
Inpatient Care	90%	50% (up to \$600/day)	90%	70% (\$1,000/day non-emergency)
Outpatient Care	90%	50%	\$20 copay (deductible waived)	70%



Redwood Coast Energy Authority

Current v PACE PPO

Effective: January 1, 2021

Carrier Name Plan Name Effective Date	SDRMA		PACE	
	Blue Shield		Anthem Blue Cross	
	HDHP 10%		PPO 250	
	January 1, 2020		January 1, 2021	
	In-Network	Non-Network	In-Network	Non-PPO
Prescription Drug Benefits				
Rx Deductible	Medical deductible applies	Medical deductible applies	\$0	\$0
Rx Annual Out-of-Pocket Limit/Individual	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP
Rx Annual Out-of-Pocket Limit/Family	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP	Included in Medical OOP
Generic	\$7 copay	\$7 copay	\$10 copay	\$10 copay + 50%
Brand (Formulary/Preferred)	\$25 copay	\$25 copay	\$30 copay	\$30 copay + 50%
Brand (Non-Formulary/Non-preferred)	Not covered	Not covered	\$50 copay	\$50 copay + 50%
Specialty	30% coins., to \$150 max (mail order only)	Not covered	30% coinsurance up to \$150	Not covered
Number of Days Supply	30 days	30 days	30 days	30 days
Mail Order				
Generic	\$14 copay	Not covered	\$10 copay	Not covered
Brand (Formulary/Preferred)	\$60 copay	Not covered	\$60 copay	Not covered
Brand (Non-Formulary/Non-preferred)	Not covered	Not covered	\$100 copay	Not covered
Number of Days Supply for Mail Order	90 days	N/A	90 days	N/A
Other Services and Supplies				
Durable Medical Equipment	90%	Not covered	90%	70%
Home Health Care	90% (100 visits/year)	Not covered without prior auth.	90% (100 visits/year)	70% (100 visits/year)
Skilled Nursing or Extended Care Facility	TBD	TBD	90% (100 days/year)	70% (100 days/year)
Hospice Care	90%	Not covered without prior auth.	100% (deductible waived)	70%
Chiropractic Services	90% (26 visits/year, up to \$25/visit)	50% up to \$25/visit	\$20 copay (deductible waived); 30 visits/year	70% (30 visits/year)
Acupuncture	90% (26 visits/year, up to \$50/visit)	50% up to \$50/visit	\$20 copay (deductible waived); 20 visits/year	70% (20 visits/year)
Outpatient Rehabilitative Therapy Services				
Physical, Occupational, & Speech	90%	50% (up to \$350/day)	90%	70%



Redwood Coast Energy Authority

Dental PPO

Effective: January 1, 2021

		Current		Proposed	
Carrier Name		Delta Dental		Ameritas	
Rate Guarantee		1 year		1 year	
Plan Name		DPPO		DPPO Plan 1	
Network		Delta	Non-PPO	Ameritas	Non-PPO
General Plan Information					
Annual Deductible/Individual		\$50	\$50	\$0	\$0
Annual Deductible/Family		\$150	\$150	\$0	\$0
Annual Plan Maximum		\$2,000	\$2,000	\$1,500	\$1,500
Preventive Max Waiver		N/A	N/A	N/A	N/A
Annual Max Rollover		N/A		\$250/yr up to \$1,000	
Waiting Period		None		None	
Out-of-Network Reimbursement		N/A	TBD	N/A	95th% UCR
Covered Services					
Diagnostic and Preventive					
Diagnostic and Preventive		100%	100%	100%	100%
Sealants		80%	80%	100%	100%
Basic Services					
Basic		80%	80%	80%	80%
Endodontic Treatment		80%	80%	80%	80%
Periodontic Treatment		80%	80%	80%	80%
Major Services					
Major		80%	80%	80%	80%
Prosthodontics		80%	80%	80%	80%
Implants		Not covered	Not covered	80%	80%
Orthodontia Services					
Lifetime Maximum		\$1,000	\$1,000	\$1,000	\$1,000
Orthodontia (Child) - to age 26		50%	50%	50%	50%
Orthodontia (Adult)		50%	50%	50%	50%
Rate Structure	Subs				
Employee Only	18	\$50.80		\$48.26	
Employee + Spouse	2	\$90.68		\$86.15	
Employee + Child(ren)	1	\$90.68		\$86.15	
Employee + Family	3	\$142.49		\$135.65	
Monthly Premium		\$1,613.91		\$1,534.08	
Annual Premium		\$19,366.92		\$18,408.96	
% Savings Increase Over Current				-4.95%	
\$ Savings Increase Over Current				-\$957.96	

CONFIDENTIAL: The information contained in this chart is intended for the exclusive use of the recipient in connection with the recipient's review of this proposal. It is not intended for any other purpose. The information described on this page is only intended to be a summary of your benefits. It does not include all benefit provisions, limitations, exclusions, or qualifications for coverage. Please review your Summary Plan Description (SPD) for a complete summary of your benefits. If the information on this page conflicts in any way with the SPD, the contract provisions of the appropriate policy or plan document (available through your employer) will prevail. The rates outlined are intended as a sample rate comparison only. Final rates may differ and are based upon actual enrollment, plan design(s) selected, and underwriting approval.



Redwood Coast Energy Authority

Vision

Effective: January 1, 2021

		Current		Proposed	
Carrier Name		VSP		Ameritas (VSP)	
Rate Guarantee		1 year		4 years	
Plan Name		Plan B \$25-\$130/\$130		Plan C \$10/\$10 (\$130 or \$150 option)	
Network		Signature	Non-Network	Choice	Non-Network
General Plan Information					
Copay					
Examination		\$25 copay	\$50 reimbursed	\$10 copay	\$45 reimbursed
Materials		\$0 copay	N/A	\$10 copay	\$10 copay
Benefit Frequency					
Examination		12 months		12 months	
Lenses		12 months		12 months	
Contacts		12 months		12 months	
Frames		24 months		12 months	
Covered Services					
Lenses					
Single Vision Lens		\$0 after copay	\$50 copay	\$0 after copay	\$30 reimbursed
Bifocal Lens		\$0 after copay	\$75 copay	\$0 after copay	\$50 reimbursed
Trifocal Lens		\$0 after copay	\$100 copay	\$0 after copay	\$65 reimbursed
Contact Lenses					
Fit-and-Follow-Up		Up to \$60 copay	Not covered	Up to \$60 copay	Not covered
Medically Necessary		\$0 after copay	\$210 reimbursed	\$0 after copay	\$210 reimbursed
Elective		\$130 allowance	\$105 reimbursed	\$130 or \$150	\$105 or \$120
Frames		\$130 allowance	\$70 reimbursed	\$130 or \$150	\$70 reimbursed
Rate Structure	Subs			\$130	\$150
Employee Only	18	\$11.30		\$9.76	\$10.12
Employee + Spouse	2	\$17.50		\$19.60	\$20.32
Employee + Child(ren)	1	\$17.50		\$19.60	\$20.32
Employee + Family	3	\$29.30		\$27.56	\$28.52
Monthly Premium		\$343.80		\$317.16	\$328.68
Annual Premium		\$4,125.60		\$3,805.92	\$3,944.16
% Change Over Current				-7.75%	-4.40%
\$ Change Over Current				-\$319.68	-\$181.44

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Redwood Coast Energy Authority
Employee Assistance Program
Effective: January 1, 2021

Proposed		
Carrier Name		Morneau Shepell
Plan Name		Employee Assistance Program
Schedule of Benefits		
Unlimited Telephonic Service		Included
Number of Face-to-Face Visits		5 face-to-face visits
Number of California providers		250+
General Plan Information		
Who answers the first call?		Masters-level clinician
Health Management Programs		Wellness available as an add-on
Work/Life Consultant Services		Eldercare, childcare, parenting, education, financial, legal, relocation, information & research and more
Legal Resource and Referral Service		Included in Work/Life services
Financial Counseling Resource		Included in Work/Life services
On-Site Employer Services		Available as fee-for-service
Job Performance Referrals		Included in managerial support
Critical Incident Debriefing		\$230/hr standard response (2h min.) \$315/hr emergency response (2h min.)
Management Consultations - Telephonic		Included
Management Training		\$350 - \$595/hr for workspace learning solutions
Utilization Reports		Annual and quarterly reports
Rate Structure		Subs
Employee	20	
Monthly Premium		\$166.67
Annual Premium		\$2,000.00

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STAFF REPORT
Agenda Item # 3.7

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Addition of milestones to RCEA's contract with Leapfrog Power, Inc.

SUMMARY

In August 2020 the Board authorized staff to execute a ten-year purchase agreement for 5.5 MW of resource adequacy with Leapfrog Power, Inc. The redacted agreement presented to the Board in August is posted on RCEA's website at:
<https://redwoodenergy.org/wp-content/uploads/2020/08/RCEA-Leapfrog-EEI-RA-Agreement.pdf>

Section 16.1 of the agreement, Assembly of the Portfolio, includes a set of milestones agreed to by both parties in negotiating the agreement. These milestones are when Leapfrog agrees to have sufficient customers enrolled to make up the indicated percentages of the demand response portfolio's required capacity. If the milestones are met, RCEA will return indicated percentages of the Performance Assurance funds to be collected from Leapfrog at the time of contract execution.

In preparing to execute the agreement, Leapfrog staff noticed that the actual milestone dates, which had been agreed to by the parties during contract negotiation, were inadvertently left out of the agreement presented to the Board. Leapfrog and RCEA staff propose to insert the dates as shown in bold type below prior to execution.

16.1 Assembly of the Portfolio

- (a) Unit Recruiting. Seller shall use commercially reasonable efforts to recruit Units and have them committed to join the Portfolio. In support of the obligation specified in this Section 16.1(a), Seller shall achieve the following Unit recruitment milestones:
- (i) Milestone 1: By no later than **December 31, 2020**, Seller shall have(i) identified and contracted with the Portfolio's Scheduling Coordinator, (ii) directed the Portfolio's Scheduling Coordinator to have completed its registration with the CAISO, and (iii) received confirmation from the Portfolio's Scheduling Coordinator of the completion of all applicable CAISO requirements. After the completion of this milestone, Buyer shall return to Seller twenty percent (20%) of the Performance Security, the return of which shall not be unreasonably withheld or delayed .
 - (ii) Milestone 2: By no later than **January 1, 2021**, Seller shall have enrolled or otherwise have a binding commitment from customers sufficient to supply fifty percent (50%) of the Contract Quantity, the evidence of which shall be provided by Seller to Buyer substantially in the form of Exhibit J. After the completion of this milestone, Buyer shall return to Seller fifteen percent (15%) of the Performance Security, the return of

which shall not be unreasonably withheld or delayed.

- (iii) Milestone 3: By no later than **March 31, 2021**, Seller shall have enrolled or otherwise have a binding commitment from customers sufficient to supply seventy-five percent (75%) of the Contract Quantity, the evidence of which shall be provided by Seller to Buyer substantially in the form of Exhibit J. After the completion of this milestone, Buyer shall return to Seller fifteen percent (15%) of the Performance Security, such that Buyer is only holding 50% of the initial Performance Security, the return of which shall not be unreasonably withheld or delayed
- (iv) Milestone 4: By no later than **January 1, 2026**, Seller shall have enrolled or otherwise have a binding commitment from customers sufficient to supply 100% of the Contract Quantity for delivery years 2026 – 2030, the evidence of which shall be provided by Seller to Buyer substantially in the form of Exhibit J. After the completion of this milestone, Buyer shall return to Seller 25% of the Performance Security such that Buyer is only holding 25% of the initial Performance Security, the return of which shall not be unreasonably withheld or delayed.

In addition to the insertion of milestones, two administrative changes are being made to the contract approved by the Board prior to execution:

- In section 2.2(d), the words “On or before the Effective Date,” will be removed. This will resolve an inconsistency with section 14.1 regarding when Performance Assurance is to be posted by Leapfrog.
- In section 16.1(a), the term “Contract Capacity” is replaced in all three instances where it appears with “Contract Quantity,” as Contract Capacity is not a defined term in the agreement. Contract Quantity as a term is consistent with language used elsewhere in the agreement.

FINANCIAL IMPACTS

The Performance Assurance funds to be collected from Leapfrog and held by RCEA are treated as a deposit and do not become part of RCEA’s operating cash flow; hence there are no direct financial impacts on RCEA from approving this change. Holding the Performance Assurance reduces financial risk to RCEA in the event that Leapfrog fails to perform its contractual obligations.

STAFF RECOMMENDATION

Approve addition of milestones to contract with Leapfrog Power, Inc

ATTACHMENT

None



STAFF REPORT
Agenda Item # 5.1

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Manager of Power Resources Richard Engel, Director of Power Resources
SUBJECT:	DG Fairhaven Update

SUMMARY

The DG Fairhaven biomass plant, which had been shutting down intermittently for various technical reasons over the course of its contract with RCEA, stopped operating in late February 2020 and has not come back online since. The company stopped invoicing RCEA for energy but continued to invoice for resource adequacy (RA) with the expectation the plant could be brought back online in short order.

As the outage continued, RCEA and our consultants at The Energy Authority (TEA) became concerned about the ability to continue claiming RA from a non-operational plant. TEA consulted with staff at the California Independent System Operator (CAISO), and based on CAISO's advice, RCEA sent a letter to DG Fairhaven's owners EWP Renewable Corporation (EWPRC) on May 8 asking that EWPRC stop billing for RA after the monthly invoice for May. TEA made arrangements to procure RCEA's replacement RA for the remainder of the year from alternative sources, considering it likely the plant would remain offline indefinitely.

Ed Kent, President and CEO of EWPRC, provided the following information on request from staff:

A brief summary of the challenges this year; on the morning of March 4th, DG Fairhaven Power had a failure of one phase of their 52-1 electrical breaker located in the switchyard. The failure occurred in a ceramic bushing. The site had two spare bushings. During the repair phase it was found that both of these spares were not usable since the bushings are cracked and cannot be repaired. The high voltage contractor we hired confirmed we should not install them.

The corporate engineering staff then spent several weeks contacting a number of resources / vendors to find a match replacement bushing but were unsuccessful. The OEM (ASEA / ABB) does not manufacture them any longer as they are only supporting newer breaker systems. Consequently, we purchased an entire replacement unit. We had planned to install the replacement breaker (including operational testing) to re-establish DG Fairhaven's capability to export power to the grid and ability to provide RA to RCEA. Pacific Gas & Electric (PG&E) was asked to review and approve the replacement of the equipment to confirm it met all standards. PG&E subsequently reviewed the breaker specifications as well as DG Fairhaven's documentation records for the required Protective Relay testing and determined that addition testing and protective relay upgrades and DC power Battery systems would be required to comply with PG&E's Transmission Handbook Section G5; "Energization and Synchronization Requirements for Transmission Generation Entities". This would include the

completion of a Pre-Parallel inspection by PG&E prior to the approval to reconnect to the transmission line. These added requirements elevated the cost to reconnect to over \$250,000 and established a new timeline that extended into the fourth quarter.

Mr. Kent added that EWPRC is currently looking for a buyer for the facility that would continue to operate the plant and provide value to the community. He has placed multiple prospective buyers doing their due diligence in touch with RCEA staff this year, but for various reasons they have not yet reached a sale agreement. Mr. Kent says if EWPRC is not successful in finding a buyer, “the company is considering various new energy related investments in the property. The economics of continuing to operate under the current PPA pricing make the restart of the facility unlikely in the immediate future.”

In researching EWPRC’s recent business performance, staff found an article from a New Hampshire newspaper noting the company closed two biomass plants in that state in late 2019, resulting in the loss of approximately 40 jobs. The New Hampshire governor’s veto of a bill that would have provided a state subsidy for the cost of biomass power was cited as the key factor in the decision to close the plants.

FINANCIAL IMPACTS

The main financial impact of the loss of generation from DG Fairhaven is the need to procure replacement RA. The cost of short-term replacement RA varies widely by time of year; as a result, replacing the RA from DG Fairhaven resulted in increased costs in some months and savings in other months. Based on the plant’s performance during the year prior to going offline, net cost savings of approximately \$140,000 are expected in 2020 by replacing DG Fairhaven’s output with other resources.

RECOMMENDED ACTIONS

N/A – information only

ATTACHMENTS

None



STAFF REPORT
Agenda Item # 5.2

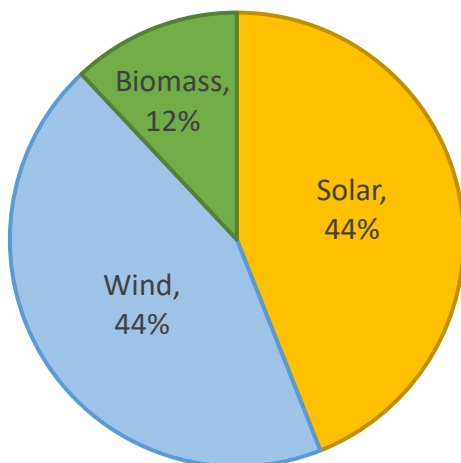
AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Manager of Power Resources Richard Engel, Director of Power Resources
SUBJECT:	2021 REpower+ Portfolio

SUMMARY

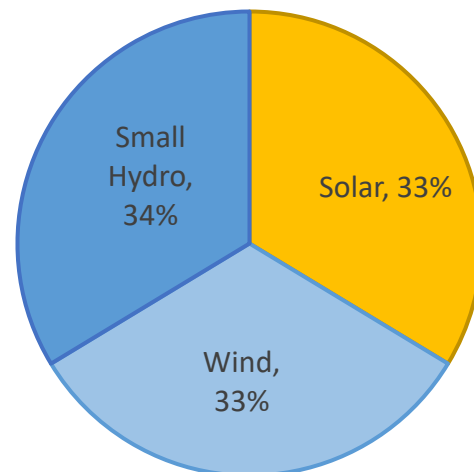
The REpower+ product is available for customers to opt up to 100% renewable energy for an extra \$0.01/kWh charge on their electricity bill. Currently, approximately 1.3% of RCEA accounts are enrolled in REpower+. The power that RCEA purchases on behalf of these customers has consisted of 44% each of solar and wind, with the remainder coming from biomass power, as seen in the below left chart. The portfolio was established by preserving the proportion of biomass in RCEA's REpower mix during the CCE program's first year, and then splitting the remainder between solar and wind.

The 2019 update of RCEA's RePower Strategic Plan includes a strategy to provide a 100% carbon-free service option to CCE customers (section 4.3.7) in response to a number of public comments requesting this. Staff propose that the Board approve using the REpower+ product for this offering starting in 2021. The new portfolio is to consist of a third each of solar, wind, and small hydropower, as seen in the below right chart. The small hydro component will come from the Cove Hydro facility in Shasta County, which began providing power to RCEA in February 2020 under a 15-year contract. The solar and wind components will come from short-term Renewable Portfolio Standard (RPS) contracts until 2023 when Sandrini Solar begins delivering power and whenever RCEA enters into a long-term wind contract.

2017-2020 REpower+ Portfolio



Proposed 2021 REpower+ Portfolio



FINANCIAL IMPACTS

The proposed change in the REpower+ portfolio will not have any overall financial impacts, since the energy comes from facilities that also serve RCEA's general customer base, and opted up customers represent a very small portion of that. However, from a cost accounting perspective, the proposed portfolio will be less expensive due to the high price of the biomass that is to be removed from the mix. Changing over to the new portfolio may even generate revenue that RCEA can direct toward customer programs or some other community benefit. Staff have not yet quantified this as solar and wind energy procurements for 2021 have not yet been completed.

RECOMMENDED ACTIONS

Approve proposed REpower+ portfolio starting in 2021 consisting of carbon-free RPS resources.

ATTACHMENTS

None



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Mahayla Slackerelli, Account Services Manager
SUBJECT:	Feed-in Tariff Contracts

SUMMARY

In March 2019, the Board directed staff to launch the feed-in tariff (FIT) program. This program offers above market pricing for renewable energy generation in Humboldt County less than one megawatt in capacity. It is open to all applicants who meet the criteria. The RCEA FIT includes a market adjusting pricing mechanism, such that when demand is high for this program the price on offer goes down and if there are few applicants the price rises to attract more interest. While the Board already approved the FIT program, including the 20-year power purchase agreement (PPA), the program guidelines give the Board final approval of projects as well.

The FIT program received two completed project applications for the Board to consider:

Hatchery Road C – This project is located on Hatchery Road in Arcata and will be 990 kilowatts of solar generation. The application has been proposed by RPCA Solar 5, a subsidiary of Renewable Property Holdings. This project was submitted on August 7, 2020, and secured a price of \$84/MWh. On August 19, staff determined that the application packet was complete. The commercial operation date for this project is April 1, 2022, or within 18 months of signing the PPA, whichever comes sooner.

Hatchery Road D – This project is located on the same property in Arcata as the Hatchery Road C project and it will similarly be a 990-kilowatt solar array. The same company, RPCA Solar 5, has submitted this project. On August 7, 2020, RCEA received this application when the FIT price for energy was \$84/MWh. Staff certified that the application packet was complete on August 19, along with its twin project. This project should be online by April 1, 2022, or within 18 months of signing the PPA, whichever comes first.

A single developer proposed the Hatchery Road development as two separate projects that are each just below the FIT program's 1 MW project size limit. These two projects will be in addition to the Hatchery Road A and B projects on the same location. RCEA staff have determined that this approach is consistent with our program objectives, and the projects are being advanced by PG&E in its interconnection application process. The developer's permit application for this solar development, submitted to the County on April 29, 2020 and currently under review, encompasses the full 4 MW of Hatchery Road A, B, C, and D as a single project. RCEA staff have been in communication with the County and the developer to help identify and proactively address any permitting issues that could affect the project.

If these two contracts are approved by the board the available capacity for the FIT program will be exhausted. While this iteration of the FIT will be complete, in May the board directed staff to create a second version of the FIT program with slightly amended features. Staff is expecting to launch the second round of the program in the first quarter of 2021.

FINANCIAL IMPACTS

This program specifically aims to support local community-scale renewable energy projects by providing above-market pricing. The Hatchery Road projects, at \$84/MWh, are approximately 227% of average international utility-scale (typically multi-megawatt scale) solar cost of energy. However, this price is only 73% of average commercial-scale cost of energy, which is a better comparison for capacity size.

It is also important to note that these projects would constitute a modest portion of RCEA's energy portfolio. Combined, the two FIT projects are forecasted to produce 4,900 MWh per year. RCEA's yearly load is 650,000 MWh. Together these two projects would contribute about 0.7% of RCEA's load.

STAFF RECOMMENDATION

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road C solar project, and authorize RCEA's Executive Director to execute all applicable documents.

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road D solar project, and authorize RCEA's Executive Director to execute all applicable documents.

CITATIONS

Lazard, Levelized Cost of Energy Analysis – Version 13.0, (2019, November). Retrieved from <https://www.lazard.com/perspective/lcoe2019>

ATTACHMENTS

None.

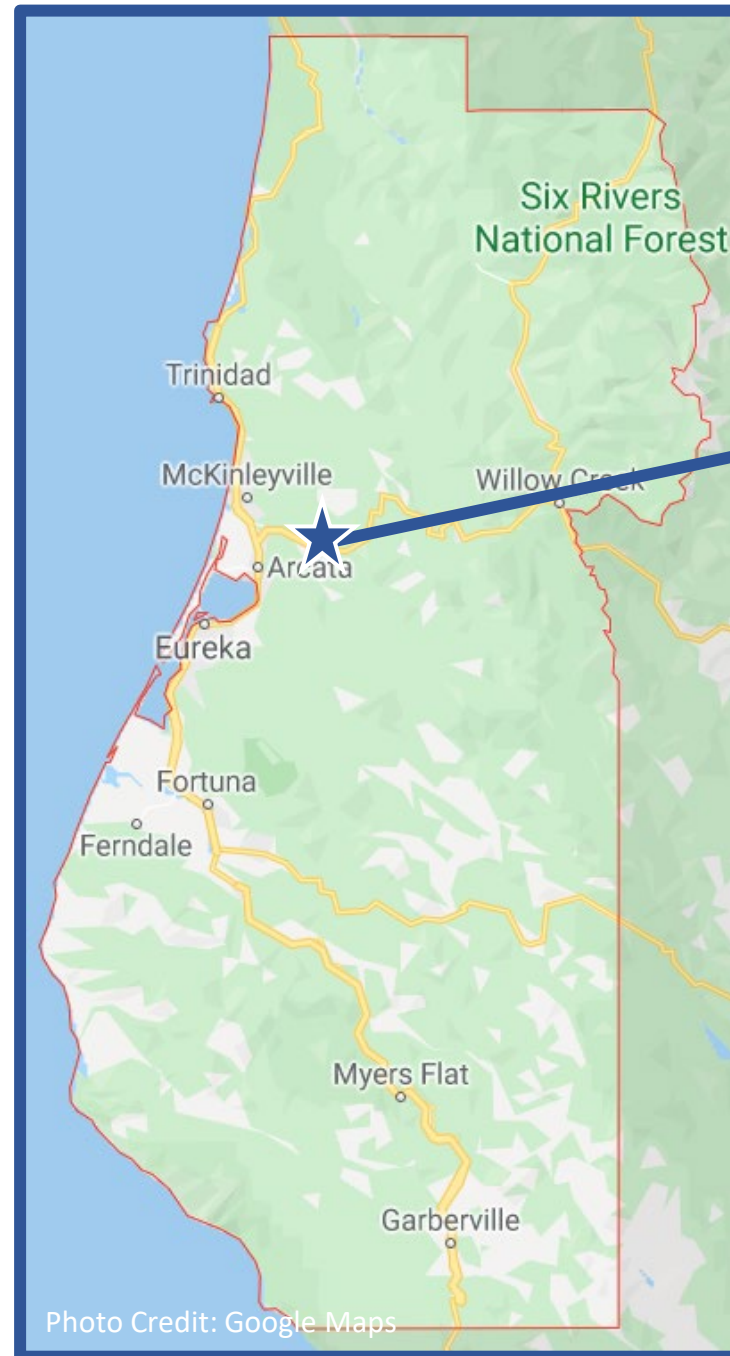


Feed-in Tariff Renewable Generation Program

- Approved by the Board March 2019
- Support local renewable energy generation with:
 - above market prices
 - standardized applications
 - 20-year contract
- Market adjusting pricing → different prices for projects
- 6.5 MW programmatic capacity

Feed-in Tariff Renewable Generation Contracts: Completed Applications

If approved, these contracts would complete the 6.5 MW programmatic capacity for the FIT.



- Hatchery Road C and D:**
- Two one-megawatt solar projects outside of Blue Lake.
 - \$84/MWh
 - Expected operation date 4/1/2022.



STAFF REPORT
Agenda Item # 7.2

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	ACV Microgrid Update

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 Board recently approved the signing of a lease agreement with the County of Humboldt.

Staff from the Schatz Energy Research Center will present an update on the project at this meeting.

RECOMMENDED ACTIONS

None, information only.

ATTACHMENT

Redwood Coast Airport Microgrid update presentation

Redwood Coast Airport Renewable Energy Microgrid Project Update

Jim Zoellick, Principal Engineer, Schatz Energy Research Center

September 24, 2020

Redwood Coast Energy Authority Board Meeting



Project Description



- First 100% renewable, front-of-meter, multi-customer microgrid on PG&E's system
- 2.2 MW PV array DC-coupled to 2.2 MW/ 8.8 MWh battery → wholesale distribution tariff (WDT) interconnection, CAISO market participation
- 300 kW_{AC} net-metered PV array → will reduce airport electric bills, land lease compensation
- Microgrid controls → will allow the system to island and provide renewable, uninterruptible power nearly indefinitely



Project Update



- FAA approval process
- Construction schedule
- Lease with County is approved
- Appraised value matches proposed compensation
- Building permit submitted
- CAISO interconnection process underway
- Design essentially complete
- USDA loan approved, paperwork underway
- EV charging design & permitting
- PG&E Microgrid Operating Agreement



PG&E Microgrid Operating Agreement

- Project team working with PG&E
- Draft operational agreement to be available for review on October 2nd
 - Operational Roles and Responsibilities
 - Microgrid Infrastructure Cost Recovery
 - Covered by existing Rule 2 SFA
 - Islanded Energy Tariff
 - Not needed, always in CAISO market
 - Islanded Grid Services Tariff
 - Limited monetizable value with high transaction costs
 - Upfront compensation under negotiation



Business Model Work

- Working with TEA & CAISO on wholesale market participation
 - TEA will handle day-to-day market participation
 - Expect to participate in energy and ancillary services markets
- Working with WREGIS on RECs accounting
- Working toward full deliverability and RA qualification for RA benefits
- TRC Companies evaluating the business case, including value of resilience



- CPUC Microgrid proceeding
 - PG&E CMEP Program approved, CPUC requiring adoption statewide
 - RCAM is the model for the PG&E program
- CAISO hybrid resource initiative
- WREGIS RECs accounting for hybrid resource
- CPUC interest in terms of diesel alternatives for substation microgrids for PSPS mitigation

We are on the cutting edge of microgrid development and deployment!



An aerial photograph showing a coastal landscape. In the foreground, a long, straight runway with white markings stretches across a grassy field. To the left of the runway, there are some buildings and a parking lot. To the right, there's a sandy beach and the ocean with waves breaking. The sky is clear and blue. The wing of an airplane is visible in the top left corner.

Thank You

Schatz Energy Research Center: serc@humboldt.edu



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 9.1

AGENDA DATE:	September 24, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director Staff Report

SUMMARY

At the Board meeting Executive Director Matthew Marshall will provide brief updates on:

1. Local electric grid reliability and the Public Safety Power Shutoff that impacted over 3,000 Humboldt County Customers on September 8-9.
2. Ongoing issues related to the PG&E Power Charge Indifference Adjustment exit fee that is charged to RCEA's community choice energy customers.

STAFF RECOMMENDATION

N/A – Information only.

ATTACHMENTS

None.