

Public comment
Agenda item 7.1 - DG Fairhaven Biomass
Power Purchase Agreement Expiration

From: [Matthew Marshall](#)
To: [Lori Taketa](#)
Cc: [Richard Engel](#); [Nancy Stephenson](#)
Subject: FW: Revision to Redwood Coast's Proposal to Supply Power
Date: Wednesday, November 18, 2020 10:33:45 AM
Attachments: [RedwoodCoastRCEAProposal1120.pdf](#)

Lori,

See attached written public comment for the DG Fairhaven item.

Thanks,
Matthew

From: David O'Neill [REDACTED]
Sent: Wednesday, November 18, 2020 10:18 AM
To: Richard Engel [REDACTED]; Matthew Marshall
[REDACTED]
Cc: Kevin Davis [REDACTED]; Kevin Leary [REDACTED]; Brian Morrison
[REDACTED]; Aaron Roberts [REDACTED] blue lake
[REDACTED]; Diane O'Neill [REDACTED]; Glen Zane
[REDACTED]
Subject: Revision to Redwood Coast's Proposal to Supply Power

Dear Mr. Marshall and Mr. Engle,

In an effort to make our proposal to supply power to the RCEA more attractive to you and your Board, we have modified our proposal to supply the power at a price of \$50/MWh. A copy of the letter documenting this modification is attached to this e-mail.

This letter is intended to be an open letter to be shared with the Board members and your customers prior to and at the Board meeting scheduled for November 19, 2020. Redwood Coast would appreciate your efforts to supply this letter to the members of the Board and participants in the Board meeting as well as make the letter available to the general public both prior to and at the meeting.

David S. O'Neill

Attorney at Law

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David S. O'Neill
November 18, 2020

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

re: Open Letter and Proposal to Supply Renewable Energy to the RCEA at a Stated Price per MegaWatt

Dear Mr. Marshall:

It is my understanding that the Redwood Coast Energy Authority will be considering the opportunity to purchase power from Redwood Coast Power LLC at its Board meeting on November 19, 2020. You and the Board have previously received a proposal from Redwood Coast Power delineating the advantages of negotiating a power-purchase agreement with Redwood Coast Power. However, in an effort to advance a possible agreement between the parties, I want to present an additional detail to the offer being proposed that will hopefully make the opportunity more attractive to you and your members.

Redwood Coast Power LLC is offering to supply base-load, biomass energy to RCEA for a fixed price of \$50 per MegaWatt hour. Under this proposal, Redwood Coast Power will retain the renewable energy credits generated from the sale. It is our understanding that the RCEA has an excess of renewable energy credits.

Redwood Coast Power is of the opinion that this price is very competitive with the price that the RCEA is presently paying for biomass power as well as the full cost that the RCEA incurs in buying power from sources that are not base-load and not reliably delivered. In addition to the reasonable price for base-load, renewable power, this proposal has the additional benefits previously discussed:

- a reliable, non-interruptible, base-load power supply, delivered on a reliable basis that would maximize its value to the RCEA.
- the power will be generated at the Redwood Coast Power Biomass Power and Carbon

Sequestration Plant located at 200 Taylor Way in Blue Lake CA. That has been fully refurbished to provide clean and efficient operation. Among the repairs and improvements are:

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

- the plant will be operated to maximize the production of high-quality char. As a result of the char production, carbon from the carbon-base wood fuel will be sequestered. This carbon capture will consequently reduce green house gases and global warming. LandGas Technology LLC (the manager of Redwood Coast Power) is a leader in the field of char production and beneficial use and is offering to make the city of Blue Lake and the RCEA participants in this pioneering effort.

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

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

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

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

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


- the potential benefit of RCEA being able to supply power during periods when PG&E curtails transmission as a result of the plant being located in the center of the Blue Lake service area.

I would like this letter to be treated as an open letter to the RCEA Board as well as the customers of the RCEA. I would appreciate your efforts to forward this letter to the member of the RCEA Board and other parties that will be involved in the consideration of the offer at your November 19, 2020 Board meeting. I would also appreciate if the letter could be included in the package of information for that meeting or made available to the general public through other means before or at the meeting.

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

Thank you for your consideration of this offer and please call me with any questions or concerns.

Sincerely submitted,



David S. O'Neill

cc:

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

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

Public Comment, RCEA Board of Directors

Item 7.1, DG Fairhaven Biomass Power Purchase Agreement Expiration

From: Kit Mann

Disclosures: I am a member of the RCEA CAC. I am making these comments as an individual; I am not representing the views of the CAC or any agency or organization, explicitly not the City of Blue Lake.

Dear Board Members,

My home is the closest residential structure to the Blue Lake biomass power plant and I observe it on an almost daily basis. I offer the following facts in response to David O'Neill's letter to RCEA dated November 18, 2021.

- The plant has not been operational for nearly six years. By all appearances during this time the plant has been steadily falling into disrepair. There has been no outward evidence of any significant work or maintenance being done on any part of the facility for several years now. The plant is nearly 40 years old.
- The very large pile of biomass material on site has been there for as long as the plant has been idle. Its usability as a fuel is highly questionable. Further, because the site is already choked with this old material, the facility would have a hard time accepting current mill waste, removing one of the stated benefits of biomass power plants for our region.
- It is my understanding from conversations with the NCUAQMD that because the plant has been idle for more than five years, their current air quality permits have lapsed and they would have to apply for entirely new permits.
- The plant is located on property owned by the City of Blue Lake and the ground lease expires in 2025. In 2019 the plant owners requested an extension to the lease which the City Council denied by vote.
- When it was operating, the plant accrued a very large number of air quality violations and had numerous other operational and financial difficulties. In addition, there was significant public opposition to the plant; petitions from hundreds of Blue Lake residents opposing the plant were submitted to the Blue Lake City Council, and the Blue Lake Rancheria opposes the plant. These are all matters of public record.

These are just a few of the major issues with this biomass power plant. It is hard to imagine how the price they are offering for power could support the costs of surmounting these problems to restart the plant. Biomass energy is already a very contentious issue, and enabling this particular plant to restart could embroil RCEA in further and escalating controversy. I urge the Board to continue to pursue the other opportunities described by staff that have a higher likelihood of success.

Thank you.

From: [Daniel Chandler](#)
To: [Public Comment](#)
Subject: Agenda Item 7.1 RCEA Board Meeting November 19, 2020. ERROR CORRECTION
Date: Thursday, November 19, 2020 12:38:08 PM

To the Clerk. I apologize, but I misstated a fact when I sent this email. It is corrected in the following.

Thank you.

Dear RCEA Board,

Item 7.1 reads:

Provide staff with guidance on whether or how to replace the renewable energy attributes associated with the expiring DG Fairhaven power purchase agreement

I would like to comment briefly.

1. I hope there will not be an attempt to revive this contract or contract with Blue Lake. The equipment in both plants is antiquated, which means it is a public health hazard and that it emits far more greenhouse gases than is necessary for the power produced.
2. In the present circumstances, calling biomass “renewable” energy is obfuscation. Assuming that we will continue to cut trees and have sawmills, the question is what method of using sawmill waste will contribute least to global warming. There are many options, including a plant with a modern design to produce energy and biochar, but burning it for power in inefficient equipment is at the extreme damaging end of these options.

The two existing biomass plants together emit approximately as much greenhouse gases in a year as does the Humboldt County transportation sector. We need to be actively planning alternative uses for sawmill waste.

3. The Blue Lake plant has been a model of unreliability. It would be foolish to contract with it again.
4. I urge the Board to replace the Fairhaven share of our “renewable” power with power from wind or solar and to continue to try to move the other biomass generation plant owners toward climate protective alternatives for sawmill waste.

Thank you very much for this opportunity to raise these issues.

Dan Chandler

Daniel Chandler, Ph.D.
Research and Evaluation Consultant
[REDACTED] Trinidad CA 95570

Phone: [REDACTED]