



BOARD OF DIRECTORS MEETING AGENDA

February 25, 2021 -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 January 28, 2021, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Approve Revisions to the RCEA Fiscal Year 2020-21 Budgets Increasing the Regulatory and Professional Services Budget by \$80,000 and Decreasing the Contracts-Program Related Services Budget by \$80,000.

3.5 Authorize Staff to Execute an Amendment to the Current Contract with Environmental Indicator Accounting Services to Increase the Not-to-Exceed Contract Budget from \$38,828 to \$60,353 for Technical Support Through September 2021.

3.6 Approve Master Services Agreement with the Schatz Energy Research Center for Research and Development Services in an Amount Not to Exceed \$100,000 and Authorize the Executive Director to Execute All Applicable Documents Pending RCEA Legal Counsel Review.

3.7 Approve Amendment 1 Extending the Term of the Current Legal Services Agreement with Braun Blasing Smith Wynne, P.C. for Regulatory Support and Legal Services in Support of RCEA's CCE Program Through June 2021, and Authorize the Executive Director to Engage and Direct BBSW on Specific Matters as Needed, Subject to Sufficient Budgetary Allocations.

3.8 Adopt Resolution No. 2021-2, Approving and Authorizing Collateral in Connection with Loan "A8" From the United States Department of Agriculture, Rural Utilities Service for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid.

3.9 Adopt Resolution No. 2021-01, Modifying the List of Labor Market Agencies in RCEA's Compensation Policy.

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. Quarterly Energy Risk Management Update

Accept quarterly energy risk management report.

5.2. Biomass Power Purchase Agreement with Humboldt Sawmill Company

Direct staff to enter negotiations with Humboldt Sawmill Company for an amendment to the existing power purchase agreement at a reduced price, with flexibility to provide additional energy, and for a term of 2021-2031, to be brought back to the Board for approval at a future meeting.

6. NEW CCE BUSINESS

6.1. 2021 Legislative Update

Authorize staff to submit a letter of support for Senate Bill 99 (The Community Energy Resilience Act), Senate Bill 612 (Electrical Corporations: Allocation of Legacy Resources), and Assembly Bill 525 (Energy: Offshore Wind Generation).

Authorize the Executive Director to withdraw support if there is a substantive change to current bill language.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS – None.

8. NEW BUSINESS

8.1 RePower Humboldt Strategic Plan Status Update

8.1.1 Rural Regional Energy Network development contract

Approve Professional Services Agreement with San Joaquin Valley Clean Energy Organization in an amount not to exceed \$100,000 for Rural Regional Energy Network business plan development and authorize the Executive Director to execute all applicable documents pending RCEA Legal Counsel review.

8.2 Board Meeting Duration/Frequency

Discuss additional quarterly study session.

9. STAFF REPORTS – None.

10. FUTURE AGENDA ITEMS

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

11. CLOSED SESSION

- 11.1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS** Pursuant to Government Code § 54956.8 in re: APNs 001-104-001-000, 001-114-006-000, 003-062-027-000, and 001-011-021-000; RCEA negotiator: Executive Director; Owner's negotiating party: Kramer Investment Corporation, Coldwell Banker Pacific Partners, and the City of Eureka; Under negotiation: price and terms.

12. RECONVENE TO OPEN SESSION

13. CLOSED SESSION REPORT

14. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, March 25, 2021, 3:30 p.m.

This meeting will be an online teleconference following shelter-in-place orders.



BOARD OF DIRECTORS MEETING DRAFT MINUTES

January 28, 2021 -Thursday, 3:30 p.m.

Notice of this meeting was posted on January 24, 2021. Executive Director Matthew Marshall called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:35 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](#). Executive Director Marshall stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Stephen Avis, Scott Bauer, Chris Curran, Dave Grover, Mike Losey, Sarah Schaefer, Frank Wilson, Mike Wilson, Sheri Woo. ABSENT: None. STAFF AND CONSULTANTS PRESENT: General Counsel Nancy Diamond; Power Resources Director Richard Engel; The Energy Authority Client Services Specialist Jaclyn Harr; Executive Director Matthew Marshall; Account Services Manager Mahayla Slackerelli; Community Strategies Manager Nancy Stephenson; Ocean Winds Head of Offshore Wind Business Development – West Tyler Studds; Clerk of the Board Lori Taketa.

1. BOARD APPOINTMENTS

1.1. Election of Officers and Community Advisory Committee Liaison Appointments

The directors discussed the Board chair role's time commitment and long learning curve due to the complex technical nature of the agency's work. It was confirmed that the County's Board representative is not required to serve as the Board Chair and that the Community Advisory Committee now meets on the second Tuesday of every other month from 6 to 7:30 p.m.

Executive Director Marshall invited public comment. No member of the public came forward to speak or submitted public comment. Executive Director Marshall closed the public comment period.

M/S: F. Wilson, Curran: Appoint Sheri Woo as RCEA Board Chair and Stephen Avis as Vice Chair and authorize them as signers on RCEA bank accounts.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None.

M/S: M. Wilson, Bauer: Appoint Stephen Avis as Board Liaison, and Chris Curran as Alternate Board liaison, to the Community Advisory Committee to serve through January 2022.

Vice Chair Avis confirms that Director Curran would be willing to serve as the Board's CAC liaison.

Director Wilson rescinded the motion.

M/S: Grover, M. Wilson: Appoint Chris Curran as Board Liaison, and Stephen Avis as Alternate Board liaison, to the Community Advisory Committee to serve through January 2022.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None.

1.2. Board Subcommittee Review and Member Assignment

Executive Director Marshall asked the directors to determine whether they wished to continue the current list of Board subcommittees and described each of the subcommittees' work. Tyler Studds, Head of Ocean Winds' Offshore Wind Business Development – West, introduced himself to the Board. Ocean Winds was formerly known as EDP Renewables Offshore North America and is one of RCEA's offshore wind project partners.

Directors Grover, Schaefer, M. Wilson and Woo volunteered to serve on the ad hoc Offshore Wind Phase I Subcommittee until project area site control is secured from the Federal Bureau of Ocean Energy Management.

Power Resources Director Richard Engel described the proposed ad hoc Long Duration Energy Storage Procurement Review Subcommittee and the opportunity it would provide directors to learn more about energy procurement and view proprietary pricing information. Directors Avis, Bauer, Curran and Losey volunteered to serve on the ad hoc Long Duration Energy Storage Procurement Review Subcommittee until December 31, 2021, or until all contracts to which RCEA is a party resulting from the associated joint request for offers are executed, whichever comes first.

Directors Avis, Grover, Schaefer and Woo volunteered to serve on the ad hoc Racial Justice Action Plan Subcommittee until the Action Plan is submitted to the Board for approval.

Chair Woo invited public comment. No member of the public came forward to speak or submitted public comment. Chair Woo closed the public comment period.

M/S: M. Wilson, Losey: Appoint Directors Bauer, Curran and F. Wilson to serve on the standing Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2022.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None.

REPORTS FROM MEMBER ENTITIES

Director Curran reported that staff comments made in error on behalf of the City of Blue Lake protesting a proposed feed-in tariff project site have been redacted as the Blue City Council has not yet fully discussed the project. Director Curran expressed his support for the project.

Director Grover thanked the Humboldt Bay Municipal Water District for its presentation to the Trinidad City Council. He did not support participating in a water feasibility study and looks forwarding to participating in the subcommittees.

Director Losey thanked Executive Director Marshall and staff member Mike Avcollie for assisting the City of Fortuna with its Self-Generation Incentive Program project and with an offer from Tesla.

ORAL COMMUNICATIONS

Chair Woo invited public comment. No member of the public came forward to speak or submitted public comment. Chair Woo closed the public comment period.

CONSENT CALENDAR

- 4.1 Approve Minutes of December 17, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Approve the 2021 RCEA Board of Directors Meeting Calendar.
- 4.5 Approve Updated and Unchanged Community Choice Energy Weighted Board Vote Distribution.
- 4.6 Authorize Staff and General Counsel to Negotiate a Contract Extension with Calpine Energy Solutions for Data Management Services for Up to Five Years and Bring the Agreement to the Board for Final Approval Prior to Execution.
- 4.7 Approve Offshore Wind Cooperation Agreement Amendment No. 2 and Authorize the Executive Director to Execute the Amendment and All Associated Documents as Necessary, Contingent on Final Review and Approval by RCEA Legal Counsel.

Chair Woo invited public comment. No member of the public came forward to speak or submitted public comment. Chair Woo closed the public comment period.

M/S: Avis, Grover: Approve consent calendar items.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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

OLD CCE BUSINESS

6.1. 2021 CCE Customer Rate Setting Update (Information only)

Account Services Manager Mahayla Slackerelli reviewed how RCEA sets electric generation rates and the Board's December decision to reduce the RCEA discount relative to PG&E's generation rates from 1% to ½% in anticipation of forecasted revenue shortfalls. This rate change requires a 60-day public comment period. Meanwhile, PG&E decreased generation rates on January 1, 2021, and is expected to adjust generation rates again in March. To avoid two rate adjustments in a short period of time, which can create billing problems and customer confusion, staff will wait until March and implement both rate changes at once.

The power charge indifference adjustment (PCIA), or exit fee, was explained. The PCIA has increased since RCEA's CCE program started. RCEA and other CCE program customers must pay this exit fee which is collected by PG&E on CCE customers' bills. PG&E's recent generation rate decrease, and RCEA's matching plus ½% rate decrease, combined with the introduction of new super off-peak rates during certain hours in spring months, will result in negative rates for a few RCEA commercial customers during limited hours in one calendar quarter. PG&E still charges for delivery during super off-peak periods so customers will still be paying for service. The rate reduction and the exit fee increase result in a reduction in RCEA's net revenue.

Staff confirmed that the PCIA increase was anticipated and the CCE program remains within its forecasted budget. The directors discussed how CPUC regulation has not always been equitable for CCEs and that negative pricing may reflect CPUC errors in calculating PG&E's energy portfolio market value. It was noted that while both PG&E and CCE customers pay the PCIA, this fee disproportionately affects CCEs' bottom line. It was noted that during PG&E's recent bankruptcy proceedings, PG&E chose not to request voiding the legacy, above-market contracts that the exit fee was created to help pay. It was further noted that even if RCEA and PG&E generation rates were the same, Humboldt County residents would still benefit from participating in the CCE program because RCEA revenues are directly reinvested into local programs and projects such as the airport microgrid instead of being distributed to shareholders.

Chair Woo invited public comment. No one from the public submitted public comment or asked to speak. Chair Woo closed the public comment period.

6.2. Energy Risk Management Overview (Information only)

In lieu of the regularly scheduled Energy Risk Management update, Power Resources Director Engel described how RCEA manages energy procurement risks. The quarterly Energy Risk Management update will take place at the February 2021 Board meeting.

RCEA's Energy Risk Management Policy was put in place to protect the agency from very large price spikes and dips, like those that occurred during California's rolling blackouts or

during spring negative pricing periods, a downside of otherwise beneficial large-scale solar procurement. Director Engel described the RCEA power procurement process and the required power procurement audits and filings to the California Public Utilities Commission and California Independent System Operator. The three drivers of RCEA's power procurement decisions are Board-set goals for renewable and carbon-free energy, price risk decisions made to keep the agency financially solvent, and regulatory compliance, or requirements to do our part to fulfill state renewable energy goals. Director Engel reviewed the types of risks being monitored and addressed by the Risk Management Team and The Energy Authority (TEA), which provides needed energy procurement technical support, helps to forecast electricity needs and schedules power purchases for RCEA. TEA Client Services Specialist Jaclyn Harr introduced herself. TEA was selected to fulfil power procurement back-office support duties prior to the CCE program's launch because it is a not-for-profit organization which exclusively serves public agencies across the United States and was deemed to share RCEA's values and goals.

Chair Woo invited public comment. No one from the public submitted public comment or asked to speak. Chair Woo closed the public comment period.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

8.1. RePower Humboldt Strategic Plan Status Update (Information only)

Executive Director Marshall requested that this agenda item be tabled until the Board's February meeting. The forthcoming RCEA annual review of activities in the North Coast Journal will serve as a preview of staff's progress on strategic plan implementation. Director M. Wilson requested an RCEA Facebook post on the annual report that can be shared.

FUTURE AGENDA ITEMS

Director Bauer requested a report by RCEA consultant Michael Furniss on micro-hydro and Director F. Wilson asked that the Board webpage photos be updated.

There being no new business to discuss or staff reports. Chair Woo adjourned the meeting at 5:12 p.m.

Lori Taketa
Clerk of the Board

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

Type	Date	Num	Name	Memo	Amount
Liability Check	12/08/2020	ACH	Newport Group	Deferred compensation contributions	-14,345.61
Liability Check	12/10/2020	E-pay	EDD	Taxes	-4,338.60
Liability Check	12/10/2020	E-pay	Internal Revenue Service	Taxes	-21,312.42
Liability Check	12/10/2020	E-pay	EDD	Taxes	-30.71
Liability Check	12/10/2020	E-pay	EDD	Taxes	-353.33
Liability Check	12/10/2020	E-pay	Internal Revenue Service	Taxes	-743.00
Check	12/10/2020	11400-25	Employees	Reimbursements for utilities costs incurred	-17,640.00
Check	12/10/2020	11426	Employee	VOID: Utilities Reimbursement for (8) months	0.00
Check	12/10/2020	11427-36	NEM Customers	NEM Closeouts	-2,483.44
Bill Pmt -Check	12/10/2020	11437	Association of Energy Engineers	Membership renewal - P. Terry	-195.00
Bill Pmt -Check	12/10/2020	11438	AT&T	October 707269177 telephone charges	-232.26
Bill Pmt -Check	12/10/2020	11439	Bithell, M.	Purchase reimbursement - postage	-4.95
Bill Pmt -Check	12/10/2020	11440	Boutin Jones	Legal Services - PGE Bankruptcy - October	-413.05
Bill Pmt -Check	12/10/2020	11441	Braun Blaising Smith Wynne	Legal Services - Regulatory - October	-11,618.28
Bill Pmt -Check	12/10/2020	11442	CA Dept. of Tax & Fee Administration	Electrical Energy Surcharge Return 31-0003366 Q3 2	-46,282.09
Bill Pmt -Check	12/10/2020	11443	City of Arcata	Nov Utility User Tax	-7,563.70
Bill Pmt -Check	12/10/2020	11444	City of Eureka-Water	Water service, 9/25-11/23/20	-32.61
Bill Pmt -Check	12/10/2020	11445	CSDA	2020 Membership Dues ID 26262	-1,482.00
Bill Pmt -Check	12/10/2020	11446	Developed Employment Services, LLC.	Groundskeeping Services	-126.51
Bill Pmt -Check	12/10/2020	11447	Diamond, Nancy	Legal services	-10,250.00
Bill Pmt -Check	12/10/2020	11448	Donald Dame	Professional Services Nov 2020	-262.50
Bill Pmt -Check	12/10/2020	11449	Environmental Indicator Accounting Svcs.	Services & support for climate action plan.	-7,165.00
Bill Pmt -Check	12/10/2020	11450	FedEx	Shipping	-73.59
Bill Pmt -Check	12/10/2020	11451	Frontier Energy, Inc.	Professional Services Nov 2020	-5,426.50
Bill Pmt -Check	12/10/2020	11452	Lost Coast Communications	Radio spots - Online Panel Discussion	-500.00
Bill Pmt -Check	12/10/2020	11453	Mission Uniform & Linen	Nov mat service, janitorial supplies	-7.57
Bill Pmt -Check	12/10/2020	11454	Morse Media	Website Development Services	-97.20
Bill Pmt -Check	12/10/2020	11455	Owsley Electric	EV Station service and maintenance	-20,614.60
Bill Pmt -Check	12/10/2020	11456	PG&E CCA	October CCE Charges	-22,070.16
Bill Pmt -Check	12/10/2020	11457	PG&E EV Account	EV stations October	-431.58
Bill Pmt -Check	12/10/2020	11458	PG&E Utility Account	10/22-11/19/20 utilities	-623.80
Bill Pmt -Check	12/10/2020	11459	Pierson's Home Ctr	Facilities supplies	-55.30
Bill Pmt -Check	12/10/2020	11460	Ray Morgan Company	Printer Charges: 11/6-12/5/20	-17.34
Bill Pmt -Check	12/10/2020	11461	Recology	Nov garbage service	-91.71
Bill Pmt -Check	12/10/2020	11462	Stitch Witch	Merchandise Order - sweatshirt	-63.17
Bill Pmt -Check	12/10/2020	11463	The Climate Registry	Annual membership 2020-2021	-1,200.00
Bill Pmt -Check	12/10/2020	11464	Verizon Wireless	October tablet/cell service for staff & equipment	-1,291.81
Bill Pmt -Check	12/10/2020	11465	VISA	Nov statement 10/22-11/20/20	-4,356.99
Bill Pmt -Check	12/10/2020	11466	City of Arcata	Nov Excessive Energy Use Tax	-3,322.47
Check	12/10/2020	11467	Employee	Utilities Reimbursement for (8) months	-576.00
Paycheck	12/10/2020	ACH	Employees	Payroll 12/10/20	-51,381.78
Check	12/11/2020	E-pay	Internal Revenue Service	December 2019 Taxes	-11,729.70
Paycheck	12/11/2020	ACH	Employee	Final paycheck	-3,365.61
Liability Check	12/21/2020	ACH	Newport Group	Deferred compensation contributions	-15,670.63
Liability Check	12/22/2020	E-pay	EDD	Taxes	-4,148.18
Liability Check	12/22/2020	E-pay	Internal Revenue Service	Taxes	-20,865.90
Liability Check	12/22/2020	E-pay	EDD	Taxes	-32.22
Liability Check	12/22/2020	11468	Umpqua Bank	Health Savings Account contributions	-806.14
Liability Check	12/22/2020	11469	Calvert	Deferred compensation contributions	-603.22
Bill Pmt -Check	12/23/2020	11470	AT&T	Nov-Dec 707269177 telephone charges	-488.01
Bill Pmt -Check	12/23/2020	11471	Boudreau, D.	December mileage reimbursement	-18.30
Bill Pmt -Check	12/23/2020	11472	Braun Blaising Smith Wynne	Legal Services - Regulatory - September	-11,437.52
Bill Pmt -Check	12/23/2020	11473	CalCCA	Operational Member dues Q3 20/21	-28,783.00
Bill Pmt -Check	12/23/2020	11474	Eureka Chamber of Commerce	2021 Membership Dues	-235.00

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	12/23/2020	11475	FedEx	ResKit Mailing	-104.67
Bill Pmt -Check	12/23/2020	11476	HCOE	Envelope Printing	-220.50
Bill Pmt -Check	12/23/2020	11477	North Coast Cleaning	Oct & Nov cleaning	-420.00
Bill Pmt -Check	12/23/2020	11478	NYLEX.net, Inc.	Onsite network support services - January	-3,200.00
Bill Pmt -Check	12/23/2020	11479	PG&E CCA	November CCE Charges	-22,167.95
Bill Pmt -Check	12/23/2020	11480	Southern Humboldt Chamber	2021 Annual chamber membership	-325.00
Bill Pmt -Check	12/23/2020	11481	Verizon Wireless	November tablet/cell service for staff & equipment	-1,945.49
Bill Pmt -Check	12/23/2020	11482	Winzler, John	Office Lease - January	-6,512.00
Bill Pmt -Check	12/23/2020	11483	WREGIS	Reitred RECs	-43.10
Paycheck	12/23/2020	ACH	Employees	Payroll 12/25/20	-47,942.88
Bill Pmt -Check	12/24/2020	ACH	CalPine Corporation	Calpine November 2020 Costs	-73,527.55
Bill Pmt -Check	12/24/2020	ACH	Humboldt Redwood Company	Humboldt Redwood Co. November 2020	-731,567.32
TOTAL					<u>-1,245,236.52</u>

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

	Jul - Dec 20	Budget	% of Budget
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	65,420.00	737,317.00	8.87%
Total 5100 · Revenue - program related sales	6,025.75	9,000.00	66.95%
Total 5400 · Revenue-nongovernment agencies	396,993.43	1,556,600.00	25.5%
Total 5500 · Revenue - Electricity Sales	25,841,389.66	41,763,500.00	61.88%
Total 5 REVENUE EARNED	26,309,828.84	44,066,417.00	59.71%
Total Income	26,309,828.84	44,066,417.00	59.71%
Gross Profit	26,309,828.84	44,066,417.00	59.71%
Expense			
Total 6 WHOLESALE POWER SUPPLY	20,770,415.11	36,074,000.00	57.58%
Total 7 PERSONNEL EXPENSES	1,299,797.96	2,838,644.00	45.79%
Total 8.1 FACILITIES AND OPERATIONS	445,841.55	6,606,484.00	6.75%
Total 8.2 COMMUNICATIONS AND OUTREACH	33,051.40	114,000.00	28.99%
Total 8.3 TRAVEL AND MEETINGS	18.30	18,450.00	0.1%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	112,031.40	120,000.00	93.36%
8410 · Contracts - Program Related Ser	111,387.89	406,000.00	27.44%
8420 · Accounting	19,200.00	75,000.00	25.6%
8430 · Legal	69,688.24	125,000.00	55.75%
8450 · Wholesale Services - TEA	308,693.22	620,500.00	49.75%
8460 · Procurement Credit - TEA	343,153.59	650,500.00	52.75%
8470 · Data Management - Calpine	441,064.10	913,450.00	48.29%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,405,218.44	2,910,450.00	48.28%
Total 8.5 PROGRAM EXPENSES	291,606.68	627,550.00	46.47%
Total 8.6 INCENTIVES & REBATES	12,714.06	601,000.00	2.12%
Total 9 NON OPERATING COSTS	33,424.50	35,500.00	94.15%
Total Expense	24,292,088.00	49,826,078.00	48.75%
Net Ordinary Income	2,017,740.84	-5,759,661.00	-35.03%
Net Other Income	0.00	6,000,000.00	0.0%
Net Income	2,017,740.84	240,339.00	839.54%

Redwood Coast Energy Authority

Balance Sheet

As of December 31, 2020

	<u>Dec 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	193,950.72
1071 · Umpqua Deposit Control Acct 8215	10,584,137.61
1075 · Umpqua Reserve Account 2300	2,000,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	<u>12,798,851.65</u>
Total Accounts Receivable	250,281.04
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-984,115.06
1103 · Accounts Receivable-Other	9,390,144.02
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-54,000.26
1210 · Retentions Receivable	1,001.00
1499 · Undeposited Funds	15,502.00
Total Other Current Assets	<u>8,390,246.70</u>
Total Current Assets	21,439,379.39
Total Fixed Assets	151,725.39
Other Assets	
1700 · Retained Deposits	1,808,880.00
Total Other Assets	<u>1,808,880.00</u>
TOTAL ASSETS	<u><u>23,399,984.78</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	5,556,706.87
Total Credit Cards	-3,799.63
Other Current Liabilities	
2001 · Accounts Payable-Other	0.00
2013 · Unearned Revenue - PA 2020-2023	1,741,610.75
Total 2100 · Payroll Liabilities	<u>119,979.64</u>
Total Other Current Liabilities	<u>1,861,590.39</u>
Total Current Liabilities	<u>7,414,497.63</u>
Total Long Term Liabilities	<u>0.00</u>
Total Liabilities	7,414,497.63
Equity	
2320 · Investment in Capital Assets	151,725.38
3900 · Fund Balance	13,816,020.93
Net Income	2,017,740.84
Total Equity	<u>15,985,487.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,399,984.78</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.4

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	FY20-21 Budget Update and Proposed Revision

SUMMARY

Per the December 2020 Profit and Loss Budget versus Actual report presented this month, income and expenses for the first half of the fiscal year are tracking closely to where we would expect them to be relative to the adopted budget with a couple of exceptions.

- RCEA has not realized the revenue or expenses for the Airport Microgrid project (Other Income and 8.1 Facilities and Operations). Funding through the USDA Rural Utilities Services loan program has been delayed as we await key milestones which have also been delayed, such as the lease agreement with the County. However, the total budget for these line items is still expected to be accurate for this fiscal year.
- Regulatory costs under 8.4 Professional and Program Services have been higher than anticipated. This line item includes half of RCEA's CalCCA membership dues (about \$14,000 per quarter) and legal services. Because the professional services firm that provides regulatory services also provides legal services for other CCE matters, such as power purchase and resource adequacy contracts, this line item is inflated. Staff proposes increasing the budget to \$200,000 to accommodate needs through the fiscal year, and consideration of splitting the line items in next year's budget to accurately reflect the nature of the expenses.
- The program related services line item, which includes professional services contracts for specialized program needs such as drafting engineering plans, is underspent. Staff proposes reducing the budget for this line item to \$326,000, which should cover the current contracts and anticipated needs through the end of the fiscal year.

The proposed changes are zero-sum and will result in no changes to the 8.4 Professional and Program Services total budget as adopted.

FINANCIAL IMPACTS

Impacts are related to administrative labor costs only; the budget bottom line is unchanged.

RECOMMENDED ACTIONS

Approve revisions to the RCEA fiscal year 2020-21 budgets increasing the Regulatory and Professional Services budget by \$80,000 and decreasing the Contracts-Program Related Services budget by \$80,000.



STAFF REPORT Agenda Item # 3.5

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Aisha Cissna, Policy Manager
SUBJECT:	Environmental Indicator Accounting Services Climate Action Plan Contract Budget Increase of \$21,525 and Amendment

SUMMARY

RCEA is currently contracted by the County of Humboldt to provide technical expertise for the development of the 2030 Humboldt Regional Climate Action Plan (CAP). In 2019, RCEA subcontracted Environmental Indicator Accounting Services to assist with this effort. EIAS staff has extensive experience developing GHG inventories and Climate Action Plans for multiple member jurisdictions, and provides valuable expertise to the project.

Per RCEA's Financial Management Policy, the Board of Directors is responsible for reviewing and approving all contracts for goods and services that exceed \$20,000 during any fiscal year. Staff is requesting authorization from the Board to increase the EIAS contract budget by \$21,525 and amend the governing contract accordingly (Attachment A). The current not-to-exceed budget for this contract is \$38,828; the new total would be \$60,353.

Climate action is of paramount importance to RCEA's mission and the CAP will play an integral part in fulfilling the agency's RePower Humboldt strategic plan objectives, in addition to positioning member agencies for funding to implement projects that reduce greenhouse gas emissions, increase the energy resilience of Humboldt County, and adapt to climate change impacts. Due to limited staff bandwidth at the County and RCEA, RCEA is requesting authorization for this budget increase to maintain momentum on CAP development and ensure its timely completion.

RCEA and jurisdiction staff have had a very positive experience working with EIAS. EIAS has provided critical support to the project by assisting with the completion of the 2015 county-wide greenhouse gas emissions inventory, development of a suite of greenhouse gas emissions reduction measures, modelling reductions associated with said measures, engagement with jurisdiction staff in an iterative measure selection process, drafting portions of the CAP narrative, fielding technical questions posed by the general public and jurisdiction staff, and more. With this budget increase, the project team will be able to develop a robust implementation and monitoring protocol, assist with the environmental review process, and ensure the final CAP represents the priorities of the communities.

FINANCIAL IMPACTS

The increase to this contract's budget would have a net financial impact of \$21,525. The EIAS expense is included in the RCEA budget under 8.4 Professional and Program Services. Other expenses within this category are expected to be less than budgeted for the fiscal year and it is anticipated that an additional expense of \$21,525 will not require any changes to the RCEA FY20-21 budget.

RECOMMENDED ACTION

Authorize Staff to execute an amendment to the current contract with Environmental Indicator Accounting Services to increase the not-to-exceed contract budget from \$38,828 to \$60,353 for technical support through September 2021.

ATTACHMENTS

- A. Amendment No. 3 to Agreement for Professional Services Between the Redwood Coast Energy Authority and Jerome Carman dba Environmental Indicator Accounting Services

**AMENDMENT NO. 3
TO AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE REDWOOD COAST ENERGY AUTHORITY AND
JEROME CARMAN DBA ENVIRONMENTAL INDICATOR ACCOUNTING SERVICES**

This is an amendment (“Amendment”) to that certain Agreement by and between the Redwood Coast Energy Authority (“RCEA”), a Joint Powers Authority, and Jerome Carman dba Environmental Indicator Accounting Services, (“CONSULTANT”) entitled “Agreement For Professional Services Between The Redwood Coast Energy Authority and Jerome Carman Dba Environmental Indicator Accounting Services,” dated July 1, 2019 (“Agreement”). This Amendment is effective as of February 25, 2021.

RECITALS

WHEREAS, RCEA has need for additional professional services to provide technical project support.

WHEREAS, the Parties wish to amend the Agreement to revise the compensation and term of the agreement accordingly.

NOW, THEREFORE, based on the conditions recited herein and made a material part hereof, the parties agree as follows:

- 1. Compensation.** Section 3 is hereby replaced in its entirety with the following:
“CONSULTANT shall be paid for Services on a time and materials basis, based on the rate and budget attached hereto and incorporated herein as Exhibit B, “Compensation” for a maximum amount not to exceed Sixty Thousand Three Hundred Fifty-Three Dollars (\$60,353).”
- 2. Amendment to Exhibit A.**
Exhibit A to the Agreement shall be replaced in its entirety with Exhibit A attached hereto.
- 3. Amendment to Exhibit B.**
Exhibit B to the Agreement shall be replaced in its entirety with Exhibit B attached hereto.
- 4. Ratification of Agreement.**
The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 on the date and year first herein above written.

RCEA:

CONSULTANT:

Matthew Marshall, Executive Director
Redwood Coast Energy Authority

Jerome Carman, Principal Analyst
Environmental Indicator Accounting Services

Date: _____

Date: _____

EXHIBIT A: SCOPE OF WORK

CONSULTANT agrees to perform the following services for RCEA:

- Provide support as needed by RCEA on any of the tasks associated with the development of a multi-jurisdictional climate action plan (CAP). This may include, but is not limited to:
 - Guidance on identifying a path for developing an inventory of the carbon sequestration potential of natural and working lands in Humboldt County,
 - Support for the development of a 1990 baseline GHG inventory estimate for the County,
 - Support for the development of a forecast of GHG emissions out to 2050,
 - Support for the development of actions for the CAP that mitigate GHG emissions, including guidance and review on the calculation of the mitigation potential of the actions,
 - Support for estimating the cost and feasibility of actions,
 - Support for identifying measurement and verification methods for determining the success of proposed actions, and
 - Attending project and stakeholder meetings as needed.

Within this scope of work, the following table defines specific tasks that EIAS will contribute to, as defined by the County of Humboldt:

Task Description	Target Completion Date	Deliverable(s)
4A Monthly staff working group meetings	9/30/21	None
1G Support additional GHG modeling	7/1/20	Per unit reduction potentials for additional measures as requested by County and/or RCEA
2A Support refinement of transportation measures	7/15/20	CAP measures as requested by County and/or RCEA
2B Support refinement of building electrification measures	7/15/20	CAP measures as requested by County and/or RCEA
3C Feedback on climate adaptation/resilience measures developed by project team	7/15/20	None
3D Support development of municipal operations measures	7/15/20	CAP measures as requested by County and/or RCEA

Agenda Item # 3.5
Attachment A

3E	Support development of measures for any remaining missing sectors, excluding livestock and carbon sequestration related measures	7/15/20	CAP measures as requested by County and/or RCEA
1H	Support writing of reduction calculation methodology appendix	9/30/21	Report content as requested by County and/or RCEA
9A	Support development of implementation & monitoring protocol	9/30/21	Report content as requested by County and/or RCEA
5D	Support development of CEQA project checklist	9/30/21	None
11B	Support completion of Final Draft CAP	9/30/21	Report content as requested by County and/or RCEA

CONSULTANT will complete the work described above no later than September 30, 2021.

CONSULTANT will furnish all equipment and materials used to provide the services required by this Agreement, except to the extent that CONSULTANT's work must be performed on or with RCEA's computer, existing software, materials, or services. These specifically include the following:

- Access to related GHG Inventory paperwork and materials in possession by RCEA, including the current version of the Humboldt County Greenhouse Gas Emissions Inventory Tool and associated User Manual and Methodology reports, the current version of RCEA's GHG inventory report template, past completed GHG inventories, past completed climate action plans and related documentation and materials, and past related presentations.
- Access to RCEA's SEEC ClearPath accounts if needed.

EXHIBIT B: COMPENSATION

CONSULTANT will perform the above services on a time and materials basis for a total not-to-exceed amount of \$60,353, split over the course of two years. CONSULTANT will be compensated at the following rates:

Title	Billable Hourly Rate
Principal Analyst	\$95
Assistant	\$65



STAFF REPORT
Agenda Item # 3.6

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Stephen Kullmann, Director of Demand Side Management
SUBJECT:	Master Services Agreement with Schatz Energy Research Center

SUMMARY

RCEA frequently has the need for small research and development services that require professional expertise. We have successfully collaborated on many large and small projects with the Schatz Energy Research Center (SERC) and propose developing a Master Services Agreement (MSA) with SERC that will allow for a streamlined process for obtaining services.

The MSA would take the form of a Professional Services Agreement with a not to exceed annual value of \$100,000 between RCEA and SERC. Individual scopes of work will be developed as task orders, bypassing the need for individual contracts for each small task and saving considerable expense in both staff and legal counsel time. This is the type of agreement used by many jurisdictions for professional services such as engineering, planning, and legal counsel.

The first task order would be for the Mobile Home Solar Project, a citizen-sourced program approved by the RCEA Board two years ago. SERC's task would be to develop a set of plans for a ground mounted solar PV array that will be permittable by all local jurisdictions and the California Department of Housing and Community Development for use on mobile and manufactured homes. Once the plan set is completed, staff will put out a Request for Proposals for implementation projects in our region.

FINANCIAL IMPACTS

Annual expense not to exceed \$100,000, with potential saving of personnel and legal costs for developing multiple individual contracts.

RECOMMENDED ACTIONS

Approve Master Services Agreement with the Schatz Energy Research Center for research and development services in an amount not to exceed \$100,000 and authorize the Executive Director to execute all applicable documents pending RCEA Legal Counsel review.

ATTACHMENTS

The Master Services Agreement was not available at the time of agenda publication and will be posted to <https://redwoodenergy.org/> prior to the February 25, 2021, RCEA Board of Directors meeting.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.7

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Planning & Finance
SUBJECT:	Approve Amending BBSW Legal Services Agreement

SUMMARY

In response to the need for RCEA to obtain direct legal advice and/or representation in regulatory proceedings beyond the scope of services that The Energy Authority (TEA) was authorized to provide during the launch phases of the CCE program, RCEA contracted directly with the Sacramento law firm of Braun Blaising Smith and Wynne (BBSW). The term of the resulting services agreement ended on January 31, 2021. To avoid disruption of ongoing and timely assistance with agency regulatory and legal needs, staff is proposing to extend the current agreement through June 2021. Meanwhile, staff may reevaluate related needs since hiring a policy manager last year and determine an appropriate procurement process for services beyond the end of this fiscal year.

The BBSW firm specializes in energy power law and has extensive knowledge of, and experience with, regulatory compliance matters unique to CCAs. BBSW provides expert counsel to numerous CCAs throughout California.

FINANCIAL IMPACT

The financial impact of continuing to utilize BBSW services is presented in the FY20-21 Proposed Budget Revision staff report which includes a proposed increase of \$80,000 to the regulatory line item to accommodate ongoing needs.

RECOMMENDED ACTION

Approve Amendment 1 extending the term of the current Legal Services Agreement with Braun Blaising Smith Wynne, P.C. (BBSW) for regulatory support and legal services in support of RCEA's CCE program through June 2021, and authorize the Executive Director to engage BBSW on specific matters as needed, subject to sufficient budgetary allocations.

ATTACHMENT

Amendment No. 1 to Legal Services Agreement Between the Redwood Coast Energy Authority and Braun Blaising Smith Wynne, P.C.

**AMENDMENT NO. 1 TO
LEGAL SERVICES AGREEMENT
BETWEEN THE REDWOOD COAST ENERGY AUTHORITY AND
BRAUN BLAISING SMITH WYNNE, P.C.**

This is an amendment (“Amendment”) to that certain Agreement by and between the Redwood Coast Energy Authority (“Client”), a Joint Powers Authority, and Braun Blaising Smith Wynne, P.C., (“Firm”) entitled “Legal Services Agreement,” dated February 1, 2018 (“Agreement”). This Amendment is effective as of February 1, 2021.

RECITALS

WHEREAS, RCEA has need for additional legal services related to rules, policies, and regulations affecting Community Choice Aggregation (CCA) programs.

WHEREAS, the Parties wish to amend the Agreement to revise the term of the Agreement accordingly.

NOW, THEREFORE, based on the conditions recited herein and made a material part hereof, the parties agree as follows:

- 1. Term and Termination.** Section 1 is hereby replaced in its entirety with the following:
“This Agreement shall be effective as of February 1, 2018 and shall terminate on June 30, 2021. Either Party may terminate this Agreement earlier than the stated termination date by providing no less than 30 days written notice.”
- 2. Ratification of Agreement.**
The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 on the date and year first herein above written.

CLIENT:

FIRM:

Matthew Marshall, Executive Director
Redwood Coast Energy Authority

Scott Blaising, Principle/Shareholder
Braun Blaising Smith Wynne, P.C.

Date: _____

Date: _____



STAFF REPORT
Agenda Item # 3.8

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Nancy Diamond, RCEA General Counsel
SUBJECT:	Adopt Resolution No. 2021-2, Approving and Authorizing Collateral in Connection with Loan "A8" From the United States Department Of Agriculture, Rural Utilities Service for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid

SUMMARY

On December 17, 2020, the Board of Directors adopted Resolution No. 2020-9 and Resolution No. 2020-10 which collectively approved a loan and collateral with the USDA Rural Utilities Service (RUS) for up to \$6.6 million to partially fund the airport microgrid project. The Board's action approving the loan culminated more than two years of the loan approval process, which is summarized in the staff report for that December 17, 2020, Board agenda item available at this link: <https://redwoodenergy.org/wp-content/uploads/2020/12/December-17-2020-Board-Meeting-Agenda-and-Packet-Small.pdf>.

It was recently discovered that Resolution No. 2020-10 contains an error that results in mis-characterizing the pledge of revenue component of loan collateral. When applied for, the RUS loan was understood by RCEA staff as requiring a pledge of RCEA revenue sufficient to collateralize the loan balance, which would include pledging revenues in addition to those generated by the microgrid system. The second recital of Resolution No. 2020-10 captures this intent as shown below with underscoring used to identify the relevant language:

"WHEREAS, as a specific condition of receiving the Loan, RCEA agreed to provide the following collateral: 1) a lien on the Tesla, Inc. engineered, procured and constructed front of the meter DC coupled PV-BESS system assets located at the Microgrid Facility (collectively, the "Tesla/FTM System"); 2) a pledge of all of RCEA's revenues, including RCEA's revenues from the Tesla/FTM System up to the amount of the outstanding Loan balance; and 3) a reserve account to be established with a financial banking institution, which is to be made subject to a deposit account control agreement and is to be funded and maintained by RCEA in an amount equal to the principal and interest payable to RUS on the Loan for a period of one year (calculated based on the interest rate on the Loan, plus 1/8th of a percentage point, as calculated by RUS) for the life of the Loan."

However, the body of Resolution No. 2020-10 unintentionally pledged only the revenue stream from the microgrid facility. Resolution No. 2021-2 would correct the pledge of revenue consistent with the intent as stated in the recital set out above. Resolution No. 2020-9 and Resolution 2020-10 are attached for the Board's reference.

FINANCIAL IMPACT

As explained by the RCEA Director of Business Planning & Finance in the December 17, 2020, staff report, RCEA would be taking on a debt of up to \$6,600,000 advanced over the next three years. The last day for an advance would be 12/1/2024, however the current ACV microgrid project implementation schedule has the bulk of construction occurring in 2021, so staff would expect to receive most funds before 2022 and begin payments on the first principal payment date of 12/31/2022 as specified in the Federal Financing Bank Bond. The advances will accrue interest at the rate applicable at the time of the request, and RCEA may choose a final maturity date of 12/31/2044 or sooner. Assuming the full \$6,600,000 is advanced at an average interest rate of 3%, amortized until the final maturity date of 12/31/2044, yearly payments are expected to total about \$410,000 beginning in calendar year 2023.

RECOMMENDED ACTION

Adopt Resolution No. 2021-2 of the Redwood Coast Energy Authority Approving and Authorizing Collateral in Connection with Loan "A8" From the United States Department of Agriculture, Rural Utilities Service for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid.

ATTACHMENT

- Resolution No. 2021-2
- Resolution No. 2020-9
- Resolution No. 2020-10

RESOLUTION NO. 2021 - 2
OF THE REDWOOD COAST ENERGY AUTHORITY
APPROVING AND AUTHORIZING COLLATERAL IN CONNECTION WITH LOAN
“A8” FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL
UTILITIES SERVICE FOR CONSTRUCTION OF THE REDWOOD COAST –
HUMBOLDT COUNTY AIRPORT FRONT OF THE METER BACKUP ENERGY
STORAGE SYSTEM MICROGRID

WHEREAS, on December 17, 2020, the RCEA Board of Directors (the “RCEA Board”) adopted Resolution No. 2020-9, Approving and Authorizing Loan “A8” in the amount of up to \$6,600,000 from the United States Department of Agriculture, Rural Utilities Service (RUS) for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid (the “Loan”); and

WHEREAS, as a specific condition of receiving the Loan, RCEA agreed to provide the following collateral: 1) a lien on the Tesla, Inc. engineered, procured and constructed front of the meter DC coupled PV-BESS system assets located at the Microgrid Facility (collectively, the “Tesla/FTM System”); 2) a pledge of all of RCEA’s revenues, including RCEA’s revenues from the Tesla/FTM System up to the amount of the outstanding Loan balance; and 3) a reserve account to be established with a financial banking institution, which is to be made subject to a deposit account control agreement and is to be funded and maintained by RCEA in an amount equal to the principal and interest payable to RUS on the Loan for a period of one year (calculated based on the interest rate on the Loan, plus 1/8th of a percentage point, as calculated by RUS) for the life of the Loan; and

WHEREAS, on December 17, 2020, the RCEA Board adopted Resolution No. 2020-10, Approving and Authorizing Collateral in Connection with Loan “A8” from the United States Department of Agriculture, Rural Utilities Service (RUS) for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid, which was subsequently discovered to contain an inconsistency that mischaracterized the pledge of revenue component of collateral; and

WHEREAS, the RCEA Board now seeks to correct the pledge of revenue component of collateral by replacing Resolution 2020-10 with this Resolution 2021-2.

NOW, THEREFORE, the Board of Directors of the Redwood Coast Energy Authority hereby resolves as follows:

1. Findings and Determinations. The above stated recitals are true and correct. The RCEA Board additionally incorporates by reference all recitals stated in Resolution No. 2020-9 as if recited here. The Board determines that it is necessary and desirable to provide for the Loan collateral and that the actions authorized hereby constitute, and are in furtherance of, authorized purposes, policies and plans of the RCEA.
2. Loan Collateral. The RCEA Board hereby grants to RUS the following security interests as collateral for the Loan (collectively, the “Collateral”):

- a. *Lien.* A first lien in favor of RUS of all of RCEA's right, title and interest now owned or later acquired in the front of the meter DC coupled PV-battery electric storage system assets, engineered, procured and constructed by Tesla, Inc., as part of the Microgrid Facility, and all associated equipment (collectively, the "Tesla/FTM System"). The Board further authorizes perfecting this first lien on the Tesla/FTM System in favor of RUS through the filing of a UCC Financing Statement with the California Secretary of State.
- b. *Pledge of Revenue.* A present and continuing first lien and pledge of revenues and moneys derived from all of RCEA's revenues, including RCEA's revenues from the Tesla/FTM System, in an amount sufficient to pay the principal of and interest on the Loan as and when they shall become due, is hereby assigned and set aside for that purpose, which shall automatically terminate at the time the Loan has been repaid in full to RUS.
- c. *Debt Service Reserve Fund subject to Deposit Account Control Agreement.* A present and continuing security interest in the following:
 - i. A Debt Service Reserve Fund deposit account to be created, funded and maintained for the life of the Loan using revenue and moneys derived from the Tesla/FTM System to pay the principal and interest of the Loan as and when they should become due in an amount equal to one year of the principal and interest due on the loan, assuming an initial advance of the full loan amount and based on an interest rate equal to the current applicable interest rate for the term of the loan plus 1/8th%, as such amount is calculated by RUS (the "Deposit Account");
 - ii. All contract rights, claims and privileges in respect of the Deposit Account; and
 - iii. All cash, checks, money orders and other items of value of RCEA now or hereafter paid, deposited, credited or held (whether for collection, provisionally or otherwise) to or in the Deposit Account or otherwise in the possession or under the control of, or in transit to, the financial institution holding the Deposit Account, or any agent, bailee or custodian thereof for deposit in or credit to the Deposit Account and all proceeds of the foregoing.
3. *Authorized Representatives.* The Board Chair, Vice-Chair, Executive Director, Director of Business Planning and Finance, Board Clerk, and other persons authorized by the Board to act on behalf on the RCEA shall each be an "Authorized Representative" of the RCEA for purposes of structuring and providing for the execution of the Loan documents. Each Authorized Representative is hereby authorized, jointly and severally, for and in the name of and on behalf of RCEA, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Loan, and to do any and all things and take any and all actions which may be necessary

or advisable, in their respective discretion, to effectuate the actions and transactions contemplated by this Resolution and the Loan documents.

4. The Executive Director of the RCEA is hereby authorized on behalf of the Authority to execute and deliver to the RUS in connection with the pledge of the Collateral to RUS as security for RCEA's repayment of the Loan to RUS:
 - a. A UCC Financing Statement perfecting the first priority lien on the FTM/Tesla System substantially in the form of the UCC Financing Statement as submitted to this meeting;
 - b. A Deposit Account Control Agreement substantially in the form of the RUS Deposit Account Control Agreement as submitted to this meeting; and
 - c. Such other documents in connection with the pledge of the Collateral as submitted to this meeting.
5. The Executive Director is further authorized on behalf of RCEA to execute all such instruments, make all such payments and do all such other acts as in the opinion of the Executive Director as may be necessary or appropriate to carry out the purposes and intent of this Resolution.
6. The Business Planning and Finance Director of RCEA is authorized and directed on behalf of RCEA to open the Deposit Account and deposit reserve funds in an amount specified in RUS's loan contract.
7. Resolution No. 2020-10 is hereby rescinded.
8. This Resolution shall take effect from and upon the date of its adoption.

Adopted this 25th day of February, 2021.

ATTEST:

Sheri Woo, RCEA Chair of the Board

Lori Taketa, Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021-2 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 25th day of February, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Lori Taketa, Clerk of the Board,
Redwood Coast Energy Authority

RESOLUTION NO. 2020 - 9
OF THE BOARD OF DIRECTORS OF THE
REDWOOD COAST ENERGY AUTHORITY (RCEA)
APPROVING AND AUTHORIZING LOAN "A8" FROM THE UNITED STATES
DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE (RUS) FOR
CONSTRUCTION OF THE REDWOOD COAST – HUMBOLDT COUNTY AIRPORT
FRONT OF THE METER BACKUP ENERGY STORAGE SYSTEM MICROGRID

WHEREAS, in September 2017, the RCEA Board of Directors for the RCEA ("RCEA Board") approved RCEA's participation in a grant response to the California Energy Commission (CEC) for the installation of a solar microgrid facility with battery energy storage system (BESS) for resiliency and backup capability at the Redwood Coast – Humboldt County Airport ("Microgrid Facility"), which was awarded to RCEA's project partner, Humboldt State University Sponsored Programs (HSUSP) / Schatz Energy Research Center (SERC) in February 2018 in the amount of \$5.0 million;

WHEREAS, on April 16, 2018, the RCEA Board adopted Resolution No. 2018-03 (revised for administrative purposes through Resolution No. 2018-05, adopted May 21, 2018) authorizing submittal of an application for loan assistance for construction of the microgrid facility from the United States Department of Agriculture's (USDA) Rural Utility Service (RUS) program pursuant to the Rural Electrification Act of 1936, as amended;

WHEREAS, on February 28, 2019, the RCEA Board approved a Memorandum of Understanding with the HSUSP/SERC and the County of Humboldt concerning the development, design, installation and operation of the Microgrid Facility, acknowledging RCEA's estimated cost share of the total estimated \$11.6 million project cost to be an amount not to exceed \$7 million dollars;

WHEREAS, on July 22, 2020 the RUS approved RCEA's application for loan financing in the amount of \$6,600,000.00, supported by an estimated project budget and subject to commitments as set forth in Attachment A, attached hereto and incorporated herein (the "Loan"); and

WHEREAS, on December 17, 2020, the RCEA Board of Directors adopted Resolution No. 2020-10 Approving and Authorizing Collateral in Connection with the Loan, in particular: 1) a personal property lien on the Tesla, Inc. engineered, procured and constructed front of the meter DC coupled PV-BESS system assets located at the Microgrid Facility (collectively, the "Tesla/FTM System"); 2) a pledge of revenue from the Tesla/FTM System up to the amount of the outstanding Loan balance; and 3) a controlled deposit of one years' loan payment.

NOW, THEREFORE, the Board of Directors of the Redwood Coast Energy Authority hereby resolves as follows:

1. Findings and Determinations. The above stated recitals are true and correct. The RCEA Board determines that it is necessary and desirable to provide for the Loan and that the

actions authorized hereby constitute, and are in furtherance of, authorized purposes, policies and plans of the RCEA.

2. Approval of Loan. The RCEA is approved and authorized to borrow from the United States Federal Financing Bank ("FFB") an amount not to exceed \$6,600,000.00, to be guaranteed by the United States acting through the Administrator of the Rural Utilities Service ("RUS") and designated as Loan "A8" (the "Loan"), and hereby approves said Loan.
3. RCEA accepts the terms and conditions which the Administrator of RUS has established for obtaining the Loan, as such terms and conditions are set forth in the Loan Commitment Letter dated July 22, 2020, as revised on August 17, 2020, set forth in Attachment A.
4. Authorized Representatives. The Board Chair, Vice-Chair, Executive Director, Director of Business Planning and Finance, Board Clerk, and other persons authorized by the Board to act on behalf on the RCEA shall each be an "Authorized Representative" of the RCEA for purposes of structuring and providing for the execution of the Loan documents. Each Authorized Representative is hereby authorized, jointly and severally, for and in the name of and on behalf of RCEA, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Loan, and to do any and all things and take any and all actions which may be necessary or advisable, in their respective discretion, to effectuate the actions and transactions contemplated by this Resolution and the Loan documents.
5. Specific Authorization, Executive Director. The Executive Director of the RCEA is hereby authorized on behalf of the RCEA Board to execute and deliver to the RUS the following documents in connection with the Loan:
 - a. The RUS Loan Contract, substantially in the form as submitted to this meeting;
 - b. A promissory note in the form of a bond payable to the United States, acting through the Federal Financing Bank (FFB) and guaranteed by RUS in the principal amount of \$6,600,000, substantially in the form of the FFB Bond as submitted to this meeting;
 - c. A promissory note in the form of a bond payable to the United States, acting through the Administrator of RUS substantially in the form of the Reimbursement Bond as submitted to this meeting; and
 - d. Such other documents and instruments in connection with the Loan as may be required.
6. The Executive Director is further authorized on behalf of RCEA to execute all such instruments, make all such payments and do all such other acts as in the opinion of the Executive Director as may be necessary or appropriate to carry out the purposes and intent of this Resolution.

7. The Business Planning and Finance Director of RCEA is authorized on behalf of RCEA in connection with the Loan (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the bond payable to FFB, and (b) to specify information and select options as provided in such instruments.

8. This Resolution shall take effect from and upon the date of its adoption.

Adopted this 17th day of December, 2020.

Attachment A: USDA/RUS Commitment Letter, Form 10 Revised, and Form 740c (Cost Estimates and Loan Budget)

ATTEST:



Estelle Fennell, RCEA Vice Chair of the Board



Lori Taketa, Clerk of the Board

Date: 12/23/2020

Date: Dec. 17, 2020

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2020-9 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 17th day of December, 2020, by the following vote:

AYES:	Avis, Bauer, Curran, Fennell, Schaefer, Wilson, Woo
NOES:	None
ABSENT:	Glaser, Grover
ABSTENTIONS:	None



Lori Taketa, Clerk of the Board,
Redwood Coast Energy Authority

**RESOLUTION NO. 2020 - 10
OF THE BOARD OF DIRECTORS OF THE
REDWOOD COAST ENERGY AUTHORITY (RCEA)
APPROVING AND AUTHORIZING COLLATERAL IN CONNECTION WITH LOAN
“A8” FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL
UTILITIES SERVICE (RUS) FOR CONSTRUCTION OF THE REDWOOD COAST –
HUMBOLDT COUNTY AIRPORT FRONT OF THE METER BACKUP ENERGY
STORAGE SYSTEM MICROGRID**

WHEREAS, on December 17, 2020, the RCEA Board of Directors (the “RCEA Board”) adopted Resolution No. 2020-9, Approving and Authorizing Loan “A8” from the United States Department of Agriculture, Rural Utilities Service (RUS) for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid (the “Loan”);

WHEREAS, as a specific condition of receiving the Loan, RCEA agreed to provide the following collateral: 1) a lien on the Tesla, Inc. engineered, procured and constructed front of the meter DC coupled PV-BESS system assets located at the Microgrid Facility (collectively, the “Tesla/FTM System”); 2) a controlled deposit of one years’ loan payment; and 3) a pledge of revenue from the Tesla/FTM System up to the amount of the outstanding Loan balance.

NOW, THEREFORE, the Board of Directors of the Redwood Coast Energy Authority hereby resolves as follows:

1. Findings and Determinations. The above stated recitals are true and correct. The RCEA Board additionally incorporates by reference all recitals stated in Resolution No. 2020-9 as if recited here. The Board determines that it is necessary and desirable to provide for the Loan collateral and that the actions authorized hereby constitute, and are in furtherance of, authorized purposes, policies and plans of the RCEA.
2. Loan Collateral. The RCEA Board hereby grants to RUS the following security interests as collateral for the Loan:
 - a. *Lien*. A first lien in all of RCEA’s right, title and interest now owned or later acquired in the front of the meter DC coupled PV-battery electric storage system assets, engineered, procured and constructed by Tesla, Inc., as part of the Microgrid Facility (the “Tesla/FTM System”). The Board further authorizes perfecting this first lien through the filing of a UCC Financing Statement with the California Secretary of State.
 - b. *Pledge of Revenue*. A present and continuing first lien and pledge of a sufficient portion of revenue and moneys derived from the Tesla/FTM System to pay the principal and interest of the Loan as and when they should become due, is hereby assigned and set aside for that purpose, which shall automatically terminate at the time the Loan has been paid.

- c. *Debt Service Reserve Fund subject to Deposit Account Control Agreement.* A present and continuing security interest in the following:
- i. A Debt Service Reserve Fund deposit account to be created using revenue and moneys derived from the Tesla/FTM System to pay the principal and interest of the Loan as and when they should become due in an amount equal to one year of the principal and interest due on the loan, assuming an initial advance of the full loan amount and based on an interest rate equal to the current applicable interest rate for the term of the loan plus 1/8th%, as such amount is calculated by RUS (the "Deposit Account");
 - ii. All contract rights, claims and privileges in respect of the Deposit Account; and
 - iii. All cash, checks, money orders and other items of value of RCEA now or hereafter paid, deposited, credited or held (whether for collection, provisionally or otherwise) to or in the Deposit Account or otherwise in the possession or under the control of, or in transit to, the financial institution holding the Deposit Account, or any agent, bailee or custodian thereof for deposit in or credit to the Deposit Account and all proceeds of the foregoing.
3. Authorized Representatives. The Board Chair, Vice-Chair, Executive Director, Director of Business Planning and Finance, Board Clerk, and other persons authorized by the Board to act on behalf on the RCEA shall each be an "Authorized Representative" of the RCEA for purposes of structuring and providing for the execution of the Loan documents. Each Authorized Representative is hereby authorized, jointly and severally, for and in the name of and on behalf of RCEA, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Loan, and to do any and all things and take any and all actions which may be necessary or advisable, in their respective discretion, to effectuate the actions and transactions contemplated by this Resolution and the Loan documents.
4. The Executive Director of the RCEA is hereby authorized on behalf of the Authority to execute and deliver to the RUS in connection with the Loan collateral:
- a. A UCC Financing Statement perfecting the first priority lien on the FTM/Tesla System substantially in the form of the UCC Financing Statement as submitted to this meeting;
 - b. A Deposit Account Control Agreement substantially in the form of the RUS Deposit Account Control Agreement as submitted to this meeting; and
 - c. Such other documents in connection with the Loan collateral as submitted to this meeting.
5. The Executive Director is further authorized on behalf of RCEA to execute all such instruments, make all such payments and do all such other acts as in the opinion of the Executive Director as may be necessary or appropriate to carry out the purposes and intent of this Resolution.

6. The Business Planning and Finance Director of RCEA is authorized and directed on behalf of RCEA to open the Deposit Account and deposit debt service reserve funds consistent with the Loan documents.

7. This Resolution shall take effect from and upon the date of its adoption.

Adopted this 17th day of December, 2020.

ATTEST:



Estelle Fennell, RCEA Vice Chair of the Board



Lori Taketa, Clerk of the Board

Date: 12/23/2020

Date: Dec. 17, 2020

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2020-10 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 17th day of December, 2020, by the following vote:

AYES:	Avis, Bauer, Curran, Fennell, Schaefer, Wilson, Woo
NOES:	None
ABSENT:	Glaser, Grover
ABSTENTIONS:	None



Lori Taketa, Clerk of the Board,
Redwood Coast Energy Authority



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.9

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Patrick Owen, Human Resources & Workforce Development Manager
SUBJECT:	Update Compensation Policy

SUMMARY

Staff is recommending that two California Community Choice Aggregator (CCA) agencies be added to the list of Labor Market Agencies (LMAs) that are used for comparison in RCEA's biennial salary survey, and that one existing LMA be dropped from the list. The proposed changes to the LMA list should result in a more representative labor market comparison for this year's upcoming salary survey.

BACKGROUND

In December 2016, the Board passed Resolution 2016-5, which included approval of RCEA's Compensation Policy (see Attachment 2). The Compensation Policy requires that RCEA complete a biennial salary survey, where the pay rates of various positions ("benchmark classifications") at "labor market agencies" are compared to RCEA staff pay rates.

The existing Labor Market Agencies include:

- a. Humboldt Bay Municipal Water District
- b. City of Eureka
- c. County of Humboldt
- d. North Coast Unified Air Quality Management District
- e. HSU Schatz Energy Research Center
- f. Mendocino Energy Watch (administered by Mendocino County Community Development Commission)
- g. Trinity County Public Utility District
- h. City of Ukiah Electric Utility
- i. Sonoma Clean Power

When RCEA launched its Community Choice Energy program in May 2017, it was only the sixth CCA in California. There are now 23 operational CCAs in the state, with some (besides RCEA) now located in more rural areas of the state. Staff see the other CCAs in California as being part of the pool of agencies ("labor market") that are competing for talent in this specialized industry. Also, the Mendocino Energy Watch program is no longer active. Staff is proposing the following changes to the list of LMAs:

- Add:
 - Valley Clean Energy (located in Yolo County)
 - Pioneer Clean Energy (located in Placer County)
- Delete:
 - Mendocino Energy Watch

FINANCIAL IMPACT

None at this time. The biennial salary survey required by RCEA's Compensation Policy should be completed in the coming weeks, with results presented to the Board at an upcoming meeting.

STAFF RECOMMENDATION

Adopt Resolution No. 2021-01, Modifying the List of Labor Market Agencies in RCEA's Compensation Policy.

ATTACHMENTS:

1. Resolution No. 2021-01 Modifying the List of Labor Market Agencies in RCEA's Employee Compensation Policy
2. December 2016 RCEA Compensation Policy

RESOLUTION NO. 2021-01
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
MODIFYING THE LIST OF LABOR MARKET AGENCIES
IN THE EMPLOYEE COMPENSATION POLICY

WHEREAS, in December 2016, the Board approved the RCEA Employee Compensation Policy (“Compensation Policy”), which included a requirement to perform a biennial salary survey; and

WHEREAS, Section 2 of the Compensation Policy recognizes certain agencies within the labor market for use in the biennial salary survey and allows for additions and/or deletions to the recognized Labor Market Agencies list to be made by the Board at a scheduled meeting of the Authority; and

WHEREAS, many more Community Choice Aggregation agencies, including rural agencies, now operate in California than when the Compensation Policy was approved in 2016 and one of the original Labor Market Agencies is no longer in operation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby modifies the recognized labor market defined in Section 2 of the Compensation Policy, by adding Valley Clean Energy and Pioneer Clean Energy and deleting Mendocino Energy Watch.

Adopted this ____ day of _____, 2021.

ATTEST:

Sheri Woo, RCEA Board Chair

Clerk of the Board, RCEA

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2021-01 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

RESOLUTION NO. 2016-5
OF THE REDWOOD COAST ENERGY AUTHORITY ADOPTING
A COMPENSATION POLICY, EMPLOYEE PERFORMANCE REVIEW POLICY,
ORGANIZATION CHART, POSITION DESCRIPTIONS, AND SALARY SCHEDULE.

WHEREAS, the Redwood Coast Energy Authority (RCEA) requires a skilled team of employees for the successful administration of its ongoing programs as well as the launch of a Community Choice Energy Program on behalf of participating Humboldt County jurisdictions; and

WHEREAS, RCEA desires to attract and retain qualified employees at all levels of the organization and to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which RCEA competes for talented employees.; and

WHEREAS, RCEA is committed to a high standard operation excellence, including effective and fair employee policies and performance management practices.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority does hereby adopt and order as follows:

Section 1. The Board adopts an Employee Compensation Policy, as set forth in Appendix A, attached hereto and incorporated herein.

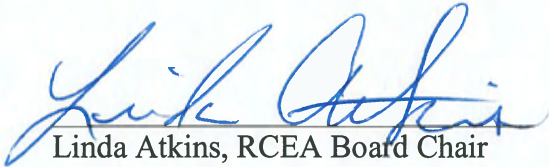
Section 2. The Board adopts an Employee Performance Review Policy, as set forth in Appendix B, attached hereto and incorporated herein.

Section 3. The Board adopts an updated Organization Chart and associated Position Descriptions, as set forth in Appendix C, attached hereto and incorporated herein. The update Organization Chart and Position Descriptions will be effective January 1, with the Executive Director to implement, the transition and hiring process over the course of the first quarter of 2017, to be completed by April 1, 2017. New or vacant positions will be filled by open recruitment. Staff will continue to operate under current job descriptions until they have been reassigned under the new organization chart and have met with their supervisor to review their new job description.

Section 4. The Board adopts an updated Job Classification Salary Schedule, as set forth in Appendix D, attached hereto and incorporated herein. Contingent on available funding, the Salary Schedule update will be effective February 1, 2017, prior to which staff will remain under the 2014 Board-adopted salary schedule at their current classification. The transition to the newly-defined classifications and associated salary schedule will be implemented in accordance with the Employee Compensation Policy, as well as a re-set of the Executive Director's salary down to step 1 of the updated Salary Schedule.

Adopted this 12th day of December, 2016

ATTEST:


Linda Atkins, RCEA Board Chair

Date: 12-12-2016


Matthew Marshall, Clerk

Date: 12-12-2016

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2016-5 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 12th day of December, 2016, by the following vote:

AYES: Linda Atkins, Sheri Woo, Susan Ornelas, Dwight Miller, Ryan Sundberg,
NOES: none. Dean Glaser, Jean Lynch, Michael Sweeney.
ABSENT: Tim Marks.
ABSTENTIONS: none.


Clerk of the Board, Redwood Coast Energy Authority

REDWOOD COAST ENERGY AUTHORITY

EMPLOYEE COMPENSATION POLICY

1. Purpose

The purpose of this policy is to define the philosophy of compensation for the Redwood Coast Energy Authority (hereinafter the Authority) for regular employees, and to specifically define how salary increases for various job classifications are determined.

The Compensation Policy specifically addresses:

- Objectives of the Policy
- Statement of Compensation Policy
- Basis for Determination of Salary and Salary Changes
- Salary Surveys
- Internal Alignment
- Review of Performance and Salary
- Procedures

Specific clarification of Performance Evaluation, Employee Classifications, and all matters pertaining to employee benefits are addressed under separate policies.

2. Definitions

a. Average of the Salary Survey

The average of the salary survey is the average of the salary figures for all the agencies surveyed at the mid-point of the salary range.

b. Labor Market Agencies

The Authority recognizes one labor market for all of its regular positions. The labor market includes the following agencies:

1. Humboldt Bay Municipal Water District
2. City of Eureka
3. County of Humboldt
4. North Coast Unified Air Quality Management District
5. HSU Schatz Energy Research Center
6. Mendocino Energy Watch (administered by Community Development Commission of Mendocino County)
7. Trinity County Public Utility District
8. City of Ukiah Electric Utility
9. Sonoma Clean Power

Additions and/or deletions to the recognized labor market may be made by the Board at a scheduled meeting of the Authority.

c. Benchmark Classification

A benchmark classification is a position or classification which is regarded as representative or comparable from agency to agency and which will serve as the basis for the internal alignment of salaries of related agency classifications. The Executive Director shall determine the benchmark positions to be utilized in any survey.

d. Salary Surveys

A periodic survey of the Labor Market Agencies will be conducted of the designated benchmark classifications at least every two (2) years. The results of the survey, including the collected raw survey data will be shared with the Authority board in a public meeting prior to adoption of changes to the Authority's salary ranges.

e. Merit Increase

A salary increase granted to an employee on the basis of performance that meets or exceeds performance criteria for the job classification.

3. Statement of Policy

In order to attract and retain qualified employees at all levels of the organization, it is the policy of the Authority to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which we compete for talented employees.

a. Statement of Compensation Policy

It is the policy of the Authority to:

- i. Establish salary ranges that reflect the value of various jobs, as determined by periodic job evaluation and review, taking into account the duties and levels of responsibility of each job;
- ii. Establish salary ranges consistent with the Authority's fiscal ability to maintain services consistent with projected revenues and Board direction;
- iii. Survey other agencies who employ similar positions relative to salary and to adjust salary ranges when warranted by changing economic and competitive factors, including periodic salary surveys;
- iv. Encourage superior performance by adjusting the salary of each employee on the basis of the quality of individual performance (merit) as determined by performance evaluations;
- v. Ensure that compensation is not influenced by race, creed, national origin, color, marital status, age, sex or sexual identity, or disability.

b. Basis for Determination of Salary and Salary Changes

Salary levels will be based upon:

- i. The fair and competitive salary ranges adopted by the Authority Board consistent with the economic constraint of the Authority and the labor market. This will be determined by the Board and at its sole discretion after reviewing the local area's consumer price index, salary increases granted by the comparable Labor Market Agencies, and the Authority's ability to maintain organizational services at a level consistent with projected revenues and Board direction.
- ii. A periodic (every 2 years) salary survey of benchmark positions within the established labor market to determine if any classifications should be considered for a market adjustment in salary;
- iii. Internal Authority classification relationships, and;
- iv. All compensation increases within a classification's salary range will be based upon merit.

c. Salary Surveys

The Authority has identified the Labor Market Agencies for benchmark classifications. The biennial salary survey shall identify the "average" level of salary for each benchmark classification paid by the labor market.

d. Internal Alignment

A minimum and maximum salary range is established for each job classification based upon external labor market data and upon the internal alignment of job classifications throughout the Authority. The alignment of the job classification system will be maintained and reviewed on a regular and systemic basis.

e. Review of Performance and Salary

While the performance of each employee is regularly reviewed, overall performance and salary level shall be appraised, in detail, at least once during every twelve (12) month period. The merit of employee performance as reported on such appraisals will determine salary increases to be granted.

Change in pay of an individual employee shall primarily reflect upon competence in the performance of all assigned duties and sustained accomplishment of the objectives and tasks of the position. Performance will be evaluated by those in management having direct supervisory responsibility for the employee and shall be reviewed and approved in accordance with the procedures outlined in the Performance Evaluation Policy.

Specific situations which warrant review of performance and of salary include the following:

i. New Hire/Initial Hire Employees

Before an applicant is hired or an employee promoted to a new or revised position, a job description must be prepared and the position must be evaluated, approved and placed in a salary range. Starting salary will be at the minimum established for the range, with the following exceptions:

- Directors may appoint new employees up to and including 5% above the range minimum, subject to approval of the Executive Director.
- The Executive Director may authorize appointments up to and including the mid-point of the salary range in the event of a recruitment emergency or exceptional qualifications of a candidate.

During the initial employment period, or first twelve (12) months of employment, employees are eligible to receive up to a 5% increase based upon the merit of their performance.

ii. Merit Increases

Employees are eligible to receive up to a 5% salary increase per year based upon the merit of their performance as established in their annual performance evaluation. The merit increase consideration allows an individual employee's salary to increase within the range established for his/her job classification (ie., no more than the maximum salary in the salary range.)

iii. Compensation Adjustments

Employees may receive additional compensation adjustments at such time that the Board determines that classifications and/or salary ranges should be adjusted based upon survey data. However the Board retains the jurisdiction to adjust salary ranges without modifying individual salaries, or to adjust individual salaries only for a portion of the classification (for example limiting the adjustment to employees who have been at the top step of the salary range for more than one year).

iv. Promotion

Employees promoted to a new position in a classification with a higher salary range will be compensated at least at the minimum salary in the new range.

A promoted employee begins a twelve (12) month probationary period in the new classification. During this period, employees are eligible to receive up to a 5% merit increase based upon completion of probation and a performance review with satisfactory or better performance.

v. Out of Class Pay

Subject to the prior written authorization of the Executive Director, employees may be eligible for up to 5% out of class pay for performing the majority of their assigned duties at a level significantly above their current job classification for periods 60 or more days.

4. Procedures for Approval of Salary Adjustments

a. Documentation Required

To ensure that salary adjustments are based upon an individual employee's current performance, proposed personnel actions that result in a change in compensation must include an explanation of the employee's performance in the space provided at the bottom of the Personnel Action Form (PAF).

b. Procedure

- i. Supervisors shall evaluate employee performance formally prior to any personnel action that affects salary positively, or negatively. The Personnel Action Form should be prepared and forwarded to the Director responsible for Human Resources for the Authority. It is important that proposed compensation increases are not discussed with the employee until after the Director responsible for Human Resources has reviewed the PAF for accuracy and consistency with the employee's salary, performance history, and policy.
- ii. The Director responsible for Human Resources will receive and review all Employee PAFs and initiate further discussion with the supervisor if necessary. If the PAF documents are in order, the supervisor will be authorized to schedule a meeting with the employee to discuss both their performance and the recommended salary adjustments and effective date.
- iii. The completed evaluation form, signed by the employee and supervisor shall be returned to Human Resources for processing and permanent placement in the employee's personnel file.



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 5.1

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Jaclyn Harr, TEA Client Services Specialist
SUBJECT:	Energy Risk Management Quarterly Report

BACKGROUND

The RCEA Board of Directors adopted an Energy Risk Management Policy in December 2016 in order to establish functions and procedures to manage the risks associated with the Community Choice Energy program's power procurement activities. In accordance with this policy, a quarterly update on activities and projected financial performance is presented to the Board during regularly scheduled meetings.

SUMMARY

TEA Client Services Specialist Jaclyn Harr and RCEA staff will provide an energy risk management quarterly program update.

RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

ATTACHMENTS

Energy Risk Management Quarterly Report slides will be presented at the meeting.



RCEA Energy Risk Management Plan Quarterly Report

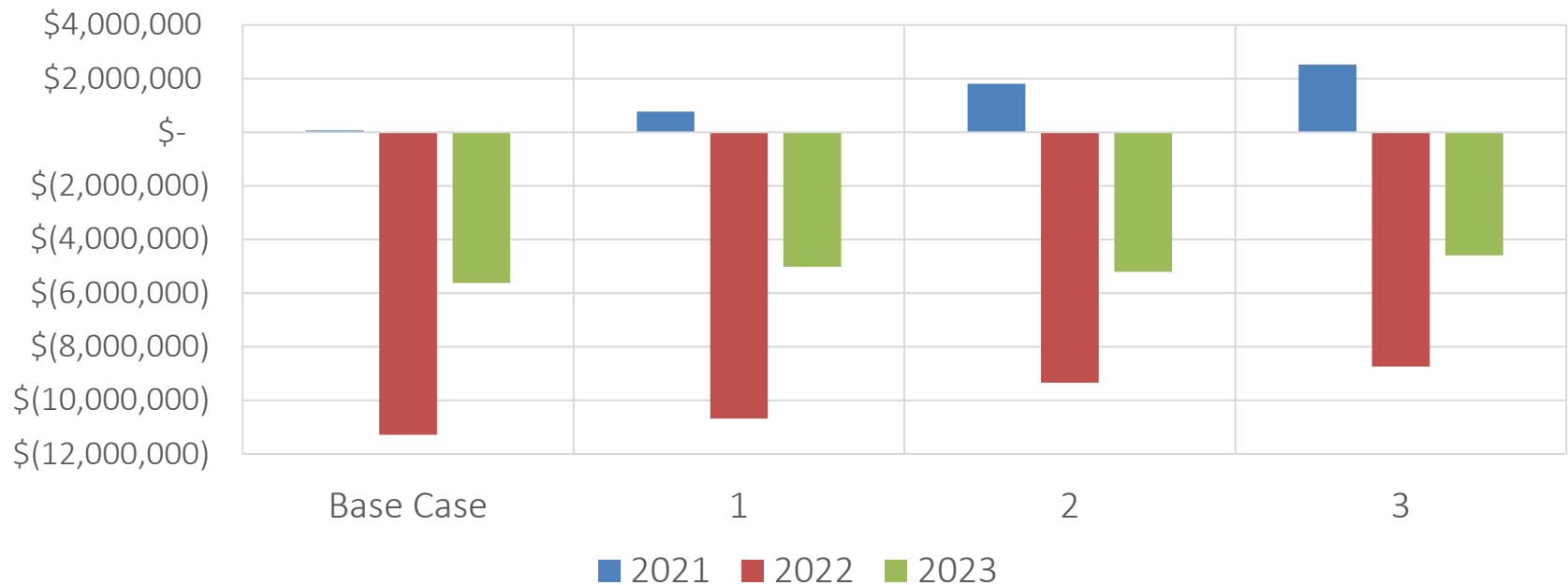
February 2021

Outline

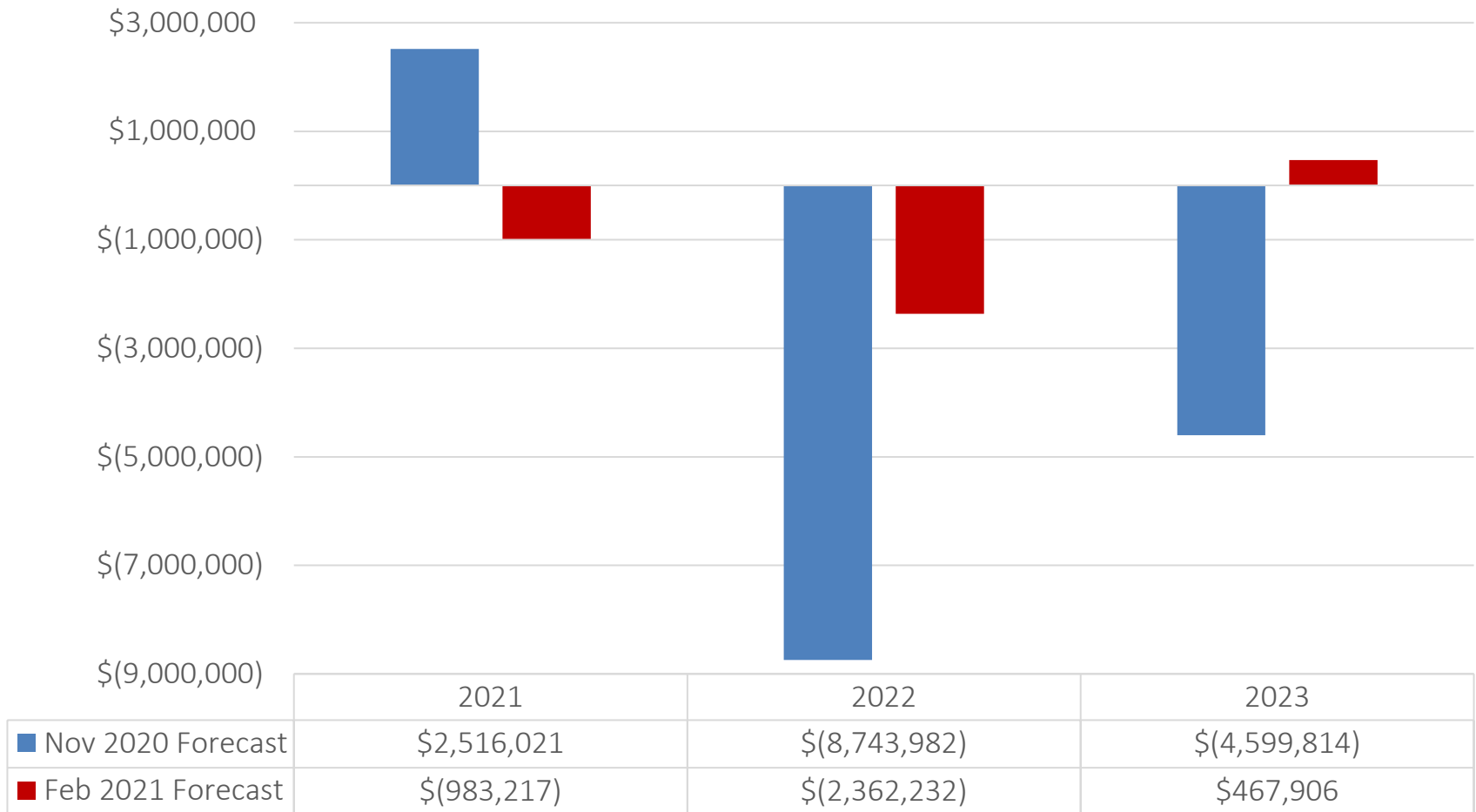
- RCEA Program Financial Update
- February 2021 Cold Snap Impact on RCEA Program

November Board Meeting – Belt Tightening

Scenario	General Rate Discount	Renewable In-State (PCC1)	Renewable Out-of-State (PCC2)	Carbon-Free Large Hydro	Total Renewable & Carbon-Free
Base Case	1%	27%	18%	35%	80%
1	0%				
2	1%	27%	9%	0%	36%
3	0.5%				



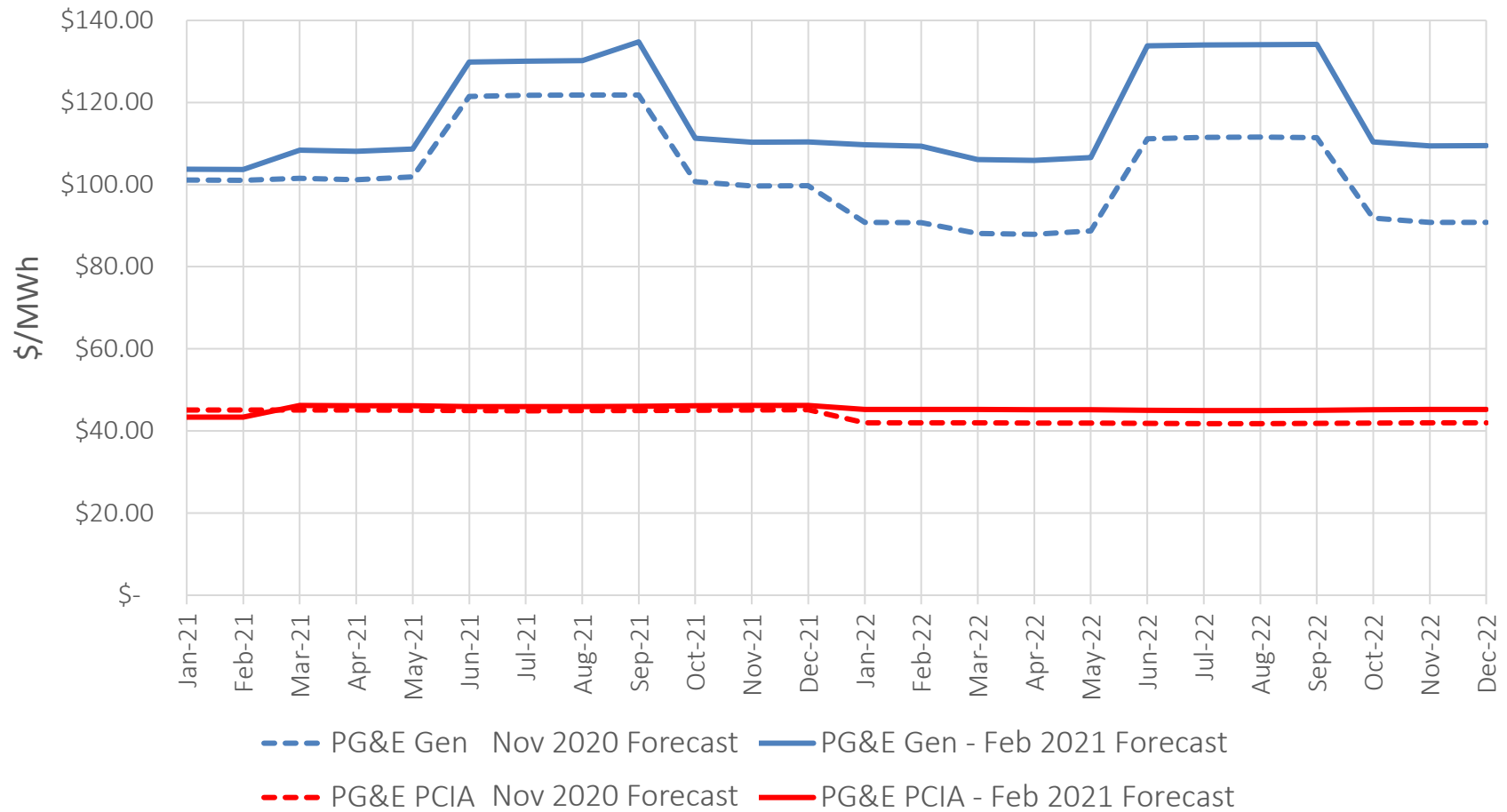
Annual Net Revenue Outlook



Financial Forecast Drivers

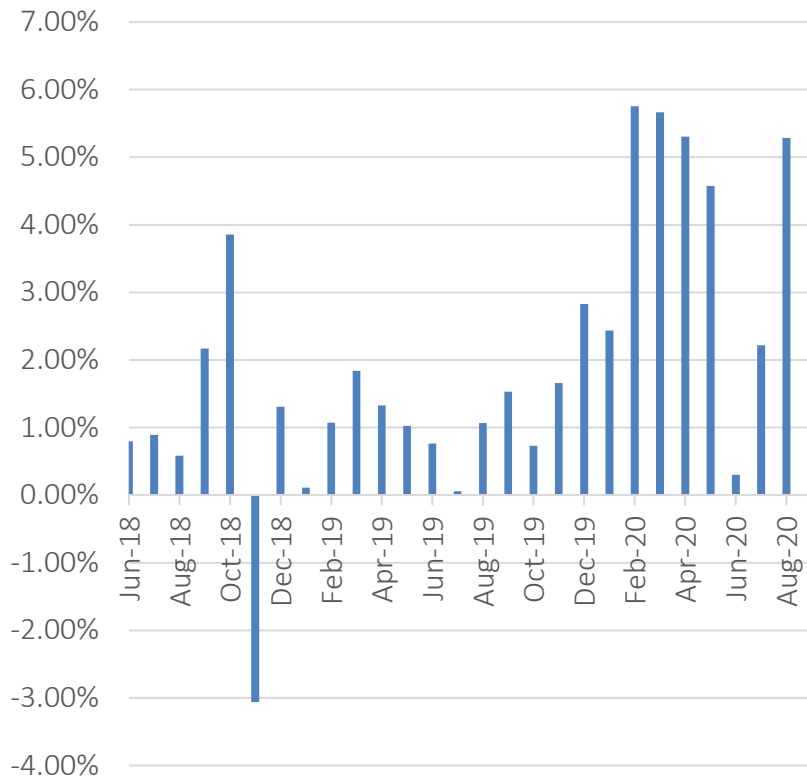
- **PG&E Rate Improvements**
 - Dramatic changes in PG&E generation & PCIA rates vs. forecast
 - 2021: mixed adjustments mostly wash out
 - 2022: ~\$8M increase in projected revenue
 - 2023: ~\$5.5M increase in projected revenue
- **2021 Environmental Products Cost Reductions**
 - Environmental Target Reduced (Nov. Board direction): \$1.8M savings
 - Renewable Energy Target = 36% (matches annual RPS compliance requirement)
 - Carbon Free Target = 36% (no compliance requirement)
- **Overdue Debt Increased in 2020 & Expected to Continue into 2021**
 - Overdue debt rose from <1% in 2019 to ~4% in 2nd half of 2020
 - Forecasting overdue debt levels to reach 5% through 2021 before receding back to 1% -> reducing net revenue ~\$1.3M in 2021
- **Summer Energy Prices Steadily Increasing**
 - Reduces net revenue ~\$1M in 2021, some reductions in 2022 & 2023

PG&E Avg. Rate Forecast

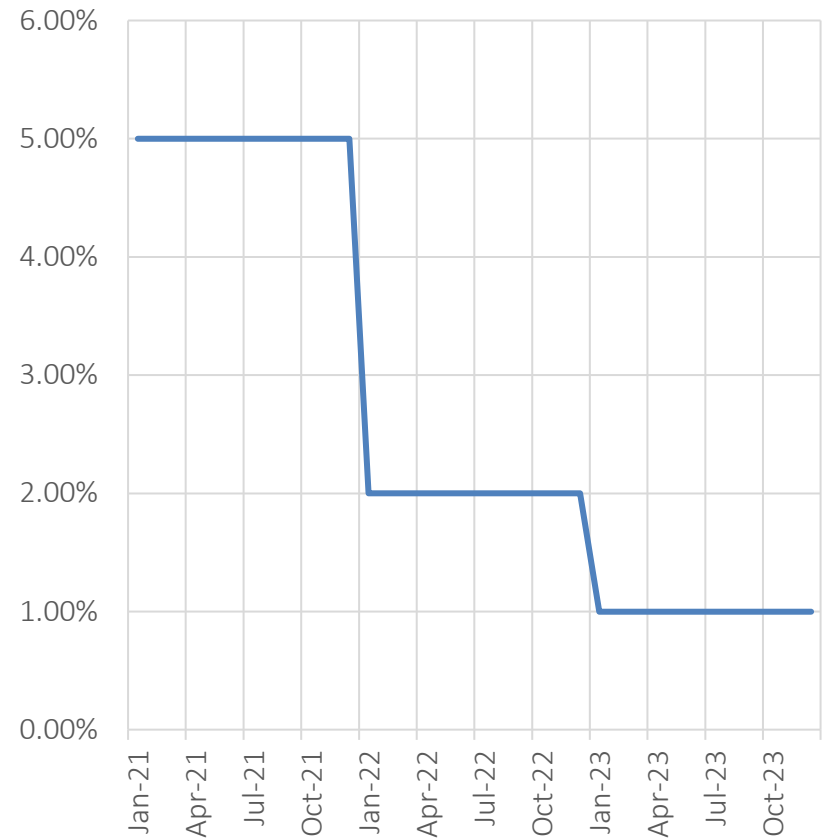


Overdue Debt

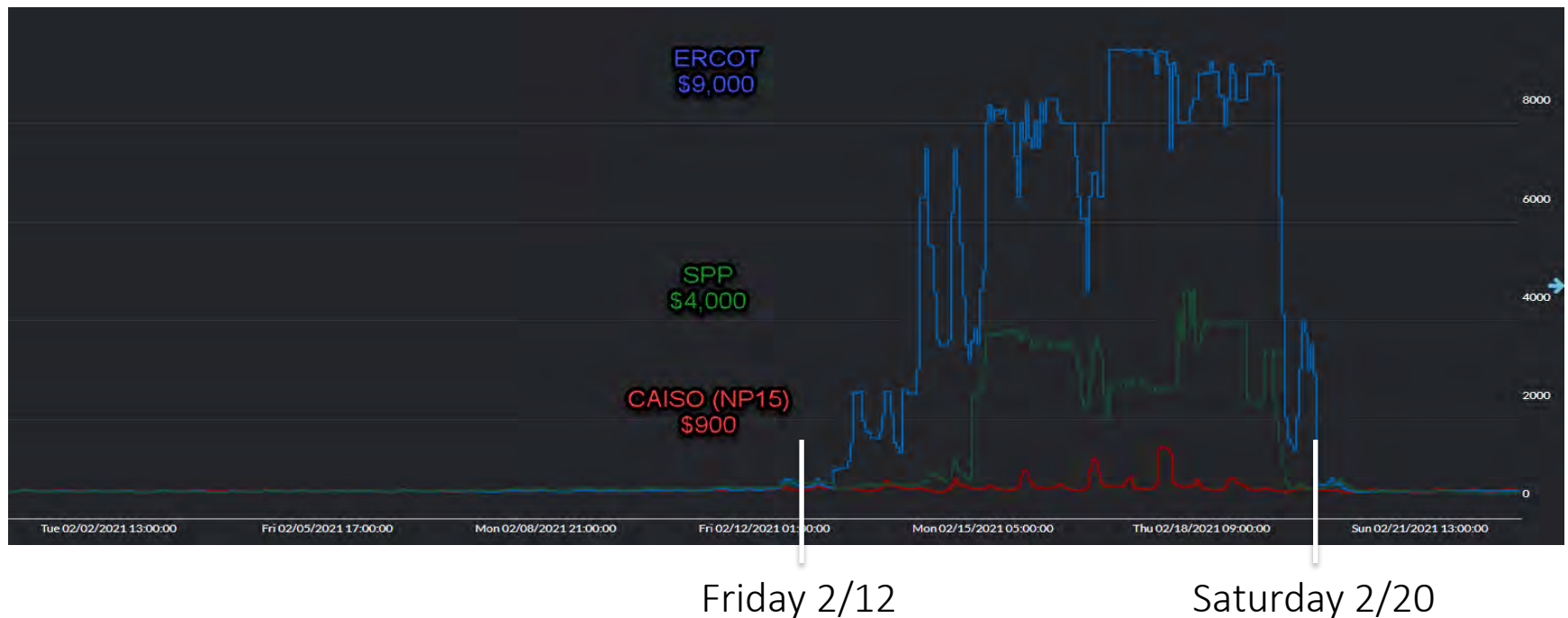
RCEA Historical >120 Days
Overdue Debt



RCEA Forecast Uncollected Debt



February 2021 Cold Snap Impacts



- CAISO Market: loads low but pricing impacted by natural gas constraints (flowing to Texas) + reduction in imports at most major interties
- RCEA Impact: RCEA well-hedged reducing price spike impact from ~260% price increase to only ~70% price increase (compared to normal February week).
 - ~\$350k increase in net costs over course of cold snap week



STAFF REPORT Agenda Item # 5.2

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Jocelyn Gwynn, Power Resources Manager
SUBJECT:	Biomass Power Purchase Agreement with Humboldt Sawmill Company

BACKGROUND

Since launch of RCEA's community choice energy (CCE) program in 2017, we have procured Renewable Portfolio Standard (RPS) eligible biomass power through a power purchase agreement (PPA) with Humboldt Sawmill Company's (HSC) Scotia plant. This agreement, which calls for HSC to provide on average 13.25 megawatts (MW) or about 18% of RCEA's total energy procurement, is set to expire in early 2024. This is one of two biomass PPAs that RCEA has had with local suppliers; the PPA with DG Fairhaven expired at the end of 2020 after the plant was non-operational for over nine months. When both plants were operating in 2018 and 2019, RCEA procured about a quarter of its energy portfolio from local biomass.

RCEA currently faces two challenges that could be addressed with an amendment extending our PPA with HSC at a lower price per megawatt-hour:

- As discussed previously with the Board, the financial outlook for RCEA and other California CCE programs is difficult in the next couple of years, due mainly to expected increases in the Power Charge Indifference Adjustment levied on CCE customers by investor-owned utilities (IOUs), and an expected decline in the generation rates charged by IOUs. Both of these trends force CCEs to lower their retail rates to stay competitive with the IOUs. Procuring renewable energy at lower cost could help to mitigate this expected loss in revenue.
- Senate Bill 350 (SB 350) requires load-serving entities (LSEs) including CCEs to procure at least 65% of our state-mandated RPS energy supply through contracts with term length of ten years or longer. The reasoning is that these long-term contracts provide the guaranteed revenue stream needed to drive investment in renewable energy development. LSEs can comply via long-term contracts with new or existing facilities. Analysis performed by The Energy Authority (TEA) shows that without additional long-term contracts, the few PPAs¹ RCEA already has in place will provide compliance if everything goes according to plan, but only by a margin of about 2% above the minimum threshold. If any projects come online later than their contractual start date or under-generate, or RCEA experiences unexpected load growth in the next few years, RCEA could find itself out of compliance in the current RPS compliance period. TEA recommends we have at least a 10% margin of over-procurement to buffer against these risks and that we procure this margin as soon as possible.

¹ RCEA's PPAs for Cove Hydro, Sandrini Sol 1 Solar Park, and the local FIT projects all count toward this requirement, as will the Redwood Coast Airport Microgrid project.

SUMMARY

Staff have engaged HSC in preliminary discussions on an extended PPA. HSC has proposed two options:

1. Extend the PPA for ten years at the current 13.25 MW average output and maintain the existing contract price trajectory, which includes an annual Consumer Price Index (CPI) adjustment for inflation. In other words, the PPA would be left essentially as-is apart from extending the expiration date. 13.25 MW is in keeping with the amount of biomass in RCEA's portfolio through 2030 in our Board-approved Integrated Resource Plan submitted to the California Public Utilities Commission in 2020.
2. Extend the PPA for ten years from 2021 and give HSC flexibility to deliver up to 25% more energy than the current amount, in exchange for a reduced contract price with the same annual CPI adjustment. This would partially replace the biomass power from DG Fairhaven previously included in RCEA's portfolio. Details of pricing, guaranteed energy production, and the terms for flexible delivery would need to be worked out in negotiations. *Staff recommends pursuing this option.*

If RCEA does not extend its contract with HSC, we will need to seek other means of ensuring SB 350 compliance. This will likely involve issuing a new solicitation for long-term renewable energy that can begin delivering within the next few years. Given our strategic goal of procuring 100% of our energy from local, renewable resources by 2030, and the long lead times for developing new renewable energy projects, it is unlikely that a solicitation issued by RCEA this year would lead to a new local project coming online in time to ensure SB 350 compliance by at least a 10% margin. The most likely outcome would be a contract for an existing renewable energy project outside of Humboldt County, constituting a missed opportunity for RCEA to pursue its strategic local energy development goal.

As for existing local renewable resources, the DG Fairhaven biomass plant remains non-operable at this time. The owners of the idle Blue Lake biomass plant have approached the Board with an offer to restart their plant. However, the energy-only pricing they have offered is not competitive with the current price we pay HSC, which is inclusive of high-value resource adequacy capacity. HSC has demonstrated their ability to deliver energy to RCEA reliably since 2017, and they engaged in good faith with us in 2018 when the material change clause in our PPA triggered a contract renegotiation.

RECOMMENDED ACTION

Direct staff to enter negotiations with Humboldt Sawmill Company for an amendment to the existing power purchase agreement at a reduced price, with flexibility to provide additional energy, and for a term of 2021-2031, to be brought back to the Board for approval at a future meeting.

ATTACHMENTS

None.



STAFF REPORT

Agenda Item # 6.1

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Aisha Cissna, Policy Manager
SUBJECT:	2021 Legislative Update

BACKGROUND

The California legislature reconvened on January 11, 2021. Subsequently, staff has monitored the development of various bills. A summary of current bills that are of particular interest to RCEA are provided in Attachment A. The deadline for new bill introductions was February 19, 2021. This report was written prior to that deadline, therefore staff may request authorization to actively engage in advocacy efforts for new bills at the next Board meeting.

At present, staff is requesting authorization from the Board to actively support three pieces of legislation:

- 1) "The Community Energy Resilience Act" (Senate Bill 99)
- 2) A bill which seeks to ensure CCAs' equitable access to the benefits of Power Charge Indifference Adjustment (PCIA) legacy energy resources (Senate Bill 612)
- 3) The "Energy: offshore wind generation" bill (Assembly Bill 525)

These three bills are bolded in Attachment A and will be described in further detail in the staff presentation.

Because bill language is subject to amendment and substantive changes, staff is requesting Board permission to authorize the Executive Director to withdraw support for legislation should changes occur which drastically change the nature and outcomes of a given bill. Furthermore, this permission is sought because the frequency of RCEA Board meetings may not always align adequately with the timelines of the legislative process to ensure a timely adjustment to RCEA's position in response to negative changes to legislation.

In the future, staff intends to seek guidance from the Board to inform a comprehensive set of advocacy priorities. This list of advocacy priorities would be coupled with the development of a formal legislative advocacy policy. Once advocacy priorities are approved, the policy would authorize the RCEA Executive Director (or other designee) the flexibility to adopt positions on legislation in a timely manner without Board approval, as long as the position is aligned with the

Board-approved priorities, while allowing the Board of Directors to set advocacy priorities to provide policy guidance¹.

STAFF RECOMMENDATION

- Authorize staff to submit a letter of support for Senate Bill 99 (The Community Energy Resilience Act), Senate Bill 612 (Electrical Corporations: Allocation of Legacy Resources), and Assembly Bill 525 (Energy: Offshore Wind Generation).
- Authorize the Executive Director to withdraw support if there is a substantive change to current bill language.

ATTACHMENTS

Attachment A: Bill Summary Table

¹ This language is paraphrased from California Special Districts Association Sample Legislative Advocacy Policy 1055.

2021 Legislative Update

Attachment A: Bill Summary Table

Bill Number	Author	Summary
Senate Bill (SB) 99	Dodd	Community Energy Resiliency Act of 2021; requires the California Energy Commission (CEC) to develop and implement a grant program for local governments to develop community energy resilience plans.
SB 612	Portantino	Ensures fair and equal access to the benefits of Investor-Owned-Utility (IOU) legacy resources and ensures resources held in IOU portfolios are managed to maximize value for all customers.
Assembly Bill (AB) 525	Chiu	This bill requires that state agencies develop an implementation plan for offshore wind that will set a state offshore wind planning goal, identify sufficient wind energy areas, establish a coordinated state-federal permitting process, plan for port improvements, support development of a skilled and trained workforce, and advance transmission planning.
AB 11	Ward	Creates regional climate change coordinating groups. Each group will coordinate and implement activities to reduce GHG emissions. Activities include reducing energy consumption and energy efficiency.
AB 33	Ting	Bans natural gas connections in new school buildings.
AB 64	Quirk	Requires the CEC, California Public Utilities Commission (CPUC), and California Air Resources Board (ARB) to develop a strategy on how to achieve SB 100 goals in a cost-effective manner. The strategy must include plans to promote the development of the technologies that will help achieve this goal. SB100 goals dictate that renewable and carbon-free resources supply 100% of retail sales and 100% of energy procured for state agencies by 2045.
AB 75	O'Donnell	Kindergarten-Community Colleges Education Facilities Bond Act of 2022; provides bond funding to replace, modernize, and improve the efficiency of public schools, among other provisions to support K-14 education.
AB 96	O'Donnell	Extends the sunset date for the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program from 2021 to 2026. It also requires that 20% of any funding made available to the program be used for the early commercial deployment of near-zero emission heavy-duty

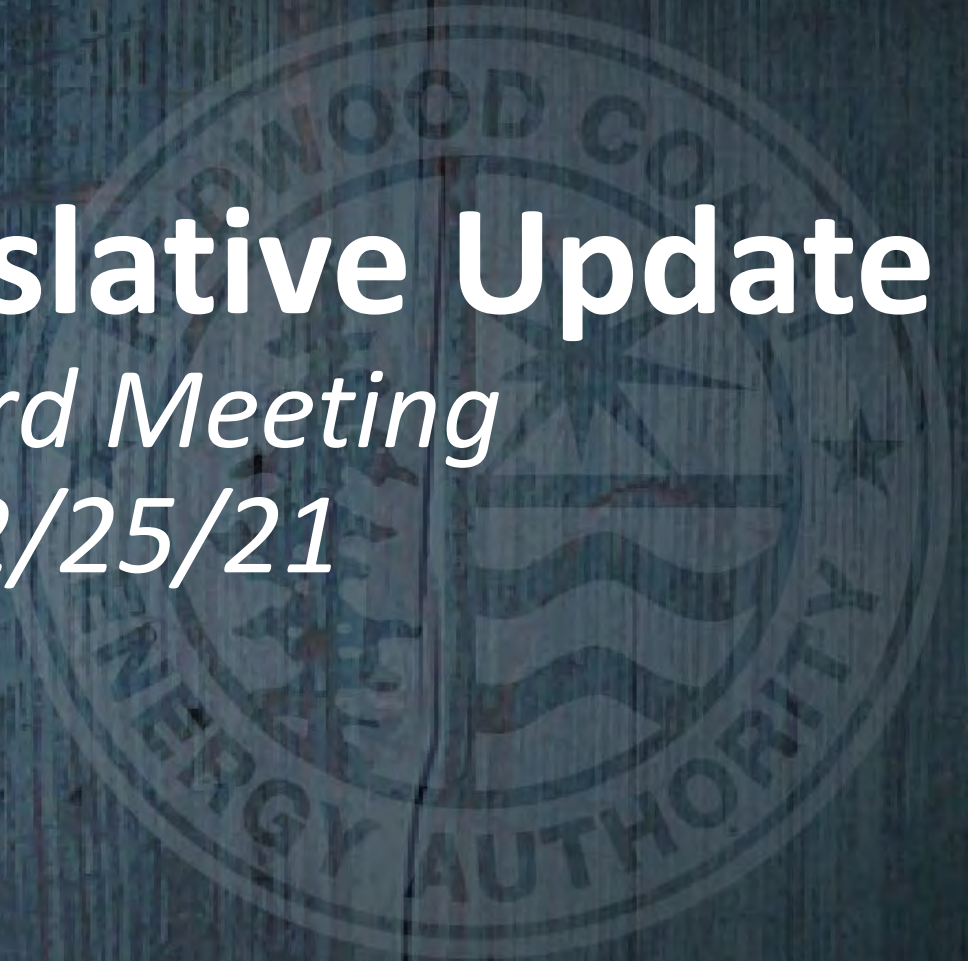
		truck technology, and that 20% of said funds are dedicated to near-zero-emission technologies.
AB 322	Salas	Requires the CEC to allocate at least 20% of Electric Program Investment Charge (EPIC) funds to bioenergy projects for biomass conversion. The EPIC program funds renewable energy and research, development, and demonstration programs.
SB 18	Skinner	Requires the State Air Resource Board in its AB32/SB32 scoping plan to develop a strategy accelerating the development of green hydrogen. Requires the CEC to study and report to the Legislature a model of how green hydrogen can help reach the state's climate goals in the power and transportation sectors. Requires the CPUC to consider green hydrogen and green electrolytic hydrogen to be a zero-carbon emitting resource to provide optimal integration of renewable resources. Allows green hydrogen to be considered a zero-carbon resource to meet SB 100 compliance requirements. Allows green hydrogen to satisfy local and system resource adequacy requirements. Encourages green hydrogen to be used for storage in meeting portfolio diversity requirements.
SB 22	Glazer	Public Preschool, K-12, and College Health and Safety Bond Act of 2022; this bill would place a \$15 billion bond on the 2022 ballot for facilities at public preschool, K-12, California Community Colleges (CCC), University of California (UC), and California State University (CSU). The bond money could be used for repairing aging classrooms, removing toxic mold out of schools, and the construction, reconstruction, and remodeling of existing or new facilities.
SB 30	Cortese	Prohibits design and construction of state facilities connected to natural gas after Jan 1, 2022. Also requires a plan to make all state facilities carbon neutral by 2035.
SB 31	Cortese	Directs the CEC to identify and implement building decarbonization programs. Authorizes the CEC to use federal COVID relief funds for building decarbonization programs and requires that EPIC funds be made available for building decarbonization programs.
SB 32	Cortese	Requires cities and counties to update their general plans to account for how they will decarbonize their building stock.
SB 44	Allen	Provides expedited review for environmental leadership transit projects (AB 900, 2011).

SB 52	Dodd	Adds de-energization events to the definition of "sudden and severe energy shortage" for purposes of classifying de-energization events as natural disasters.
SB 67	Becker	Spot bill (nonsubstantive placeholder bill whose contents will be replaced with substantive provisions at a later date) language to accelerate the state's progress toward having 100% of electricity provided by renewable or other zero-carbon sources on a 24-hour, 7-day basis.
SB 68	Becker	Spot bill language to help the state achieve its climate and air pollution reduction goals in the building sector through actions such as reducing barriers to upgrading electrical service panels or accommodating additional electrical appliances within existing service panels.
SB 204	Dodd	This bill would require that the base interruptible program be available to qualifying industrial customers regardless of their electricity supplier. The bill would require that the minimum incentive levels for program participation be those applicable within the service territory of each electrical corporation during 2018. It would authorize the CPUC to approve increased incentive levels for program participation. This bill would require actions by those load-serving entities that are community choice aggregators. "Base interruptible program" means the voluntary demand response program administered by the large electrical corporations that offers participating customers a monthly capacity bill credit for committing to reduce their electricity use to a minimum predetermined level within an hour notice during emergency situations.
Bioenergy Feed-In-Tariff bill (bill number TBD)	TBD	Currently, IOUs can recover procurement costs from ratepayers for small bioenergy renewable generators less than 5MW in size. This bill would allow CCAs to participate in that program as well.

2021 Legislative Update

Board Meeting

2/25/21



Bills of Interest

1. Senate Bill 99: “Community Energy Resilience Act”
2. Senate Bill 612: “Ratepayer Equity Act”
3. Assembly Bill 525: “Offshore Wind Generation” (Chiu)

Goals

1. Provide a high-level description of three bills of particular interest to RCEA and the CCA community
2. Seek Board authorization for Staff to submit letters of support for said bills
3. Seek Board authorization for Staff to withdraw support if there are substantive changes to said legislation

SB99: “Community Energy Resilience Act”

- Calls for the creation of a new technical assistance and grant program administered by the CEC for local governments to develop resilience plans (i.e. developing solar power and microgrids for critical facilities)
- IOUs are required to share energy resilience planning information with local gov, but there is no funding for local governments to complete planning

SB99: “Community Energy Resilience Act”

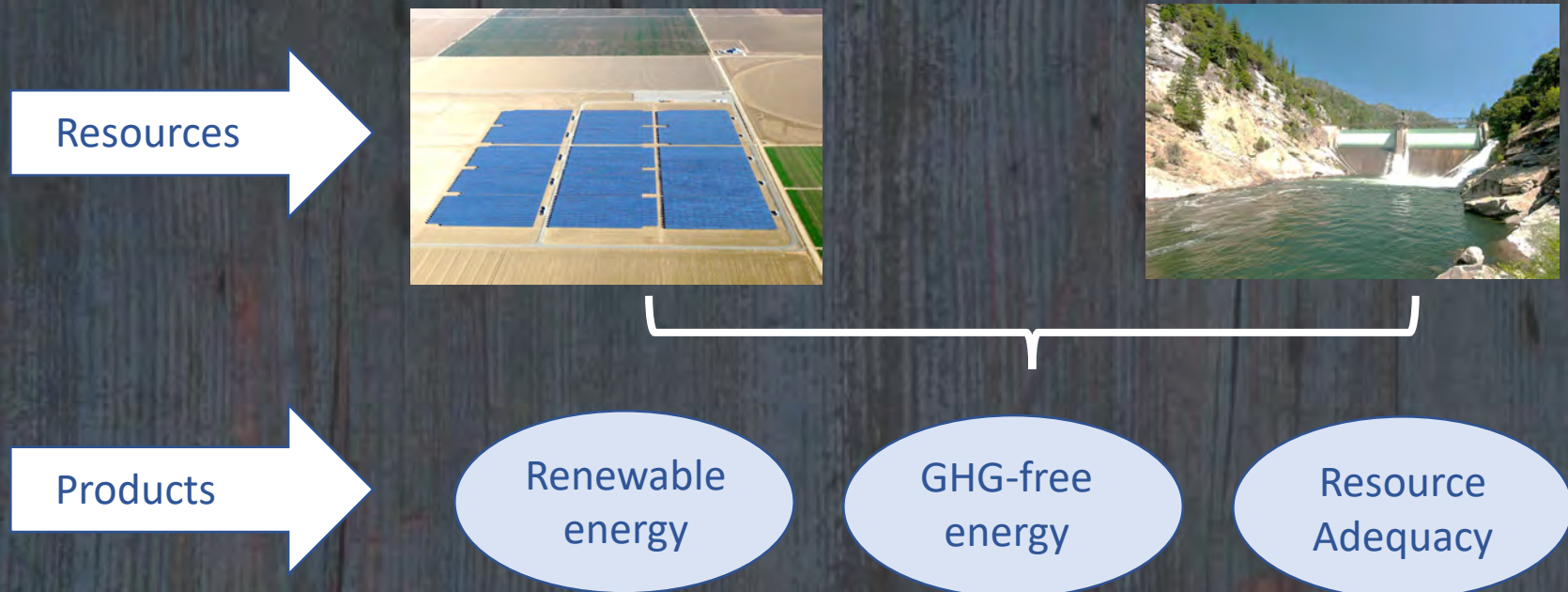
- Local governments could use funding to hire a resilience manager to manage the plan development process and the implementation of projects
- Prioritization: low-income or disadvantaged communities that are likely to experience future grid de-energization events
- Evaluation guidelines would prioritize proposals that support integration of resilience plans with GPs and climate action plans

SB612: “Ratepayer Equity Act”

- Bill would ensure fair access to legacy energy resource products
- Over the last ten years, millions of utility customers have transitioned from IOU electric service to CCA electric service

SB612: “Ratepayer Equity Act”

- When a customer transitions, the customer continues to share cost responsibility with IOU customers for energy resources purchased prior to the customer’s transition to CCA service; these resources have associated products



SB612: “Ratepayer Equity Act”

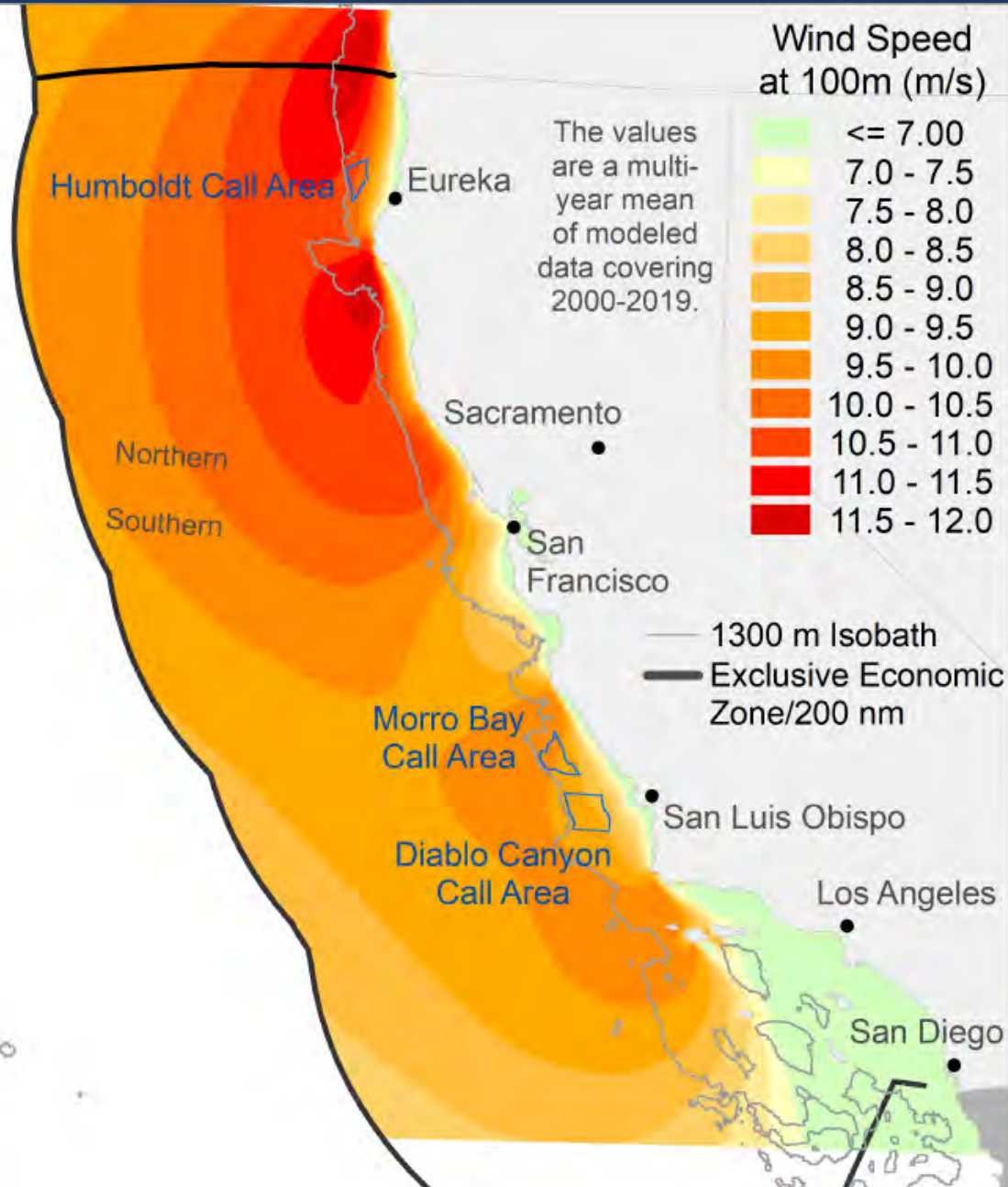
- While all customers bear the cost responsibility for legacy resources, only IOU customers have the right to access the resource products
- This bill resolves this inequity by providing IOU, CCA, and DA customers an equal right to receive legacy resource products procured on their behalf if they pay the full price of these products

AB525: “Offshore Wind Generation”

Requires state agencies to develop an implementation plan for OSW that will set a state offshore wind planning goal:



AB525: “Offshore Wind Generation”



- Identify sufficient wind energy areas in federal waters to accommodate at least 10 GW by 2040.
- This includes areas inside & beyond the BOEM call areas.

AB525: “Offshore Wind Generation”



OCEAN
PROTECTION
COUNCIL



CALIFORNIA
STATE LANDS
COMMISSION



- Establish a coordinated state-federal permitting process to efficiently manage the many agencies that must be involved in OSW permitting.

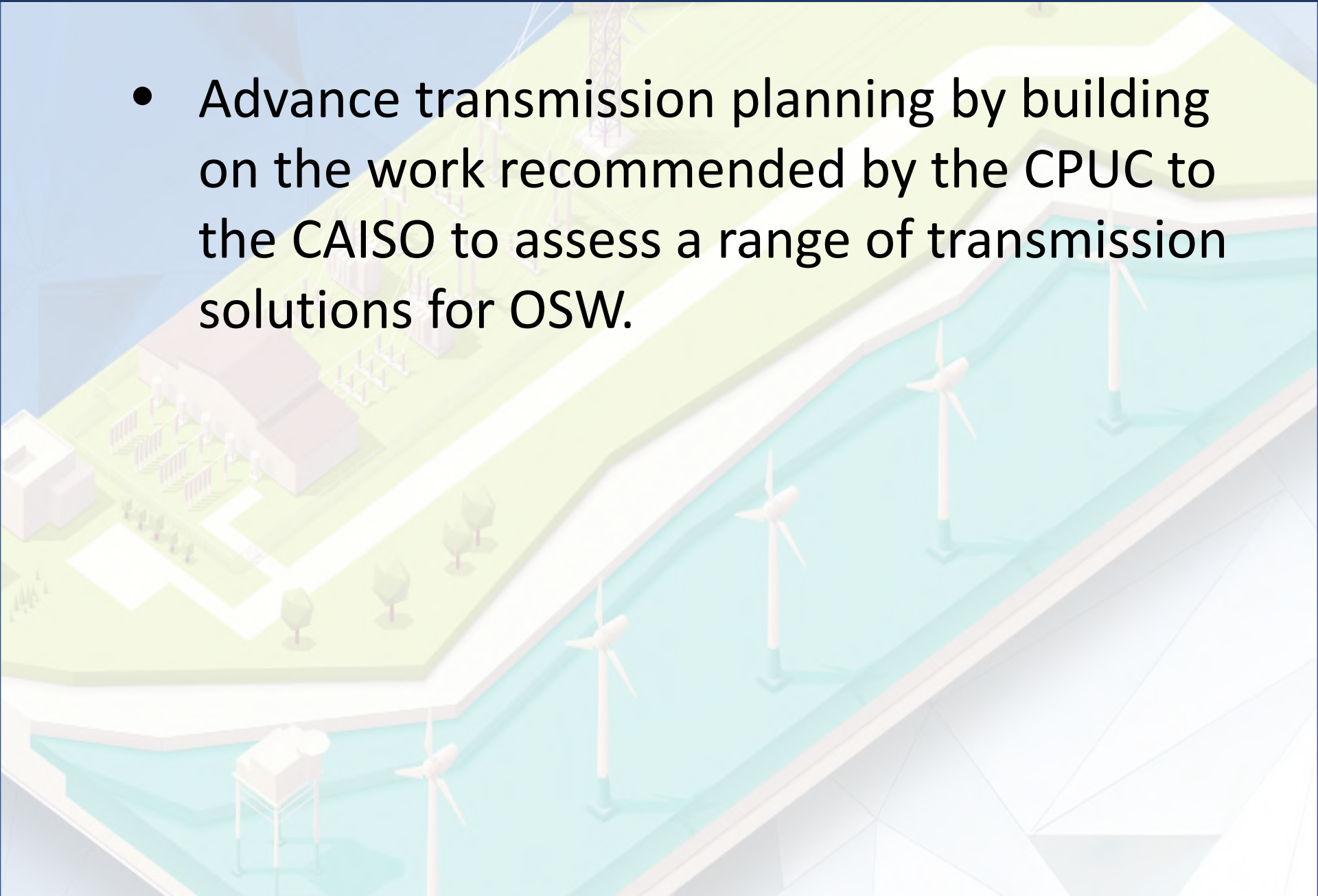
AB525: “Offshore Wind Generation”

- Plan for port improvements to support floating development activities including construction and staging foundations, manufacturing, and long-term O&M facilities.
- Support development of a skilled and trained workforce with consideration of apprenticeship programs and workforce training.



AB525: “Offshore Wind Generation”

- Advance transmission planning by building on the work recommended by the CPUC to the CAISO to assess a range of transmission solutions for OSW.





STAFF REPORT
Agenda Item # 8.1

GENDA DATE:	February 25, 2021
6TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	RePower Humboldt Energy Strategic Plan Update

SUMMARY

Following approximately nine months of analysis and gathering public input, in December of 2019 the RCEA Board adopted an update to the RePower Humboldt Strategic Plan, RCEA's comprehensive action plan for energy. The plan establishes goals and strategies to guide RCEA's work over the 2020-2030 period, and is available online at:

<https://redwoodenergy.org/wp-content/uploads/2020/06/RePower-2019-Update-FINAL-.pdf>

Staff intends to provide RePower Humboldt Plan updates every six months to keep the Board informed on implementation progress. At the meeting RCEA department directors will provide a presentation on the current status of plan implementation and related activities. This will include updates on the four focus areas of the plan:

1. Regional Planning and Coordination
2. Integrated Demand Side Management
3. Low-Carbon Transportation
4. Energy Generation and Utility Services.

STAFF RECOMMENDATION

N/A – Information only.

RePower Humboldt Strategic Plan Progress Update February 2021



RCEA's RePower Humboldt Strategic Plan

Updated December 2019 – 4 focus areas:



**Regional
Planning &
Coordination**



**Energy
Generation &
Utility Services**



**Integrated
Demand Side
Management**



**Low-carbon
Transportation**

Recent successes and activities – Check out the 2020 community report:



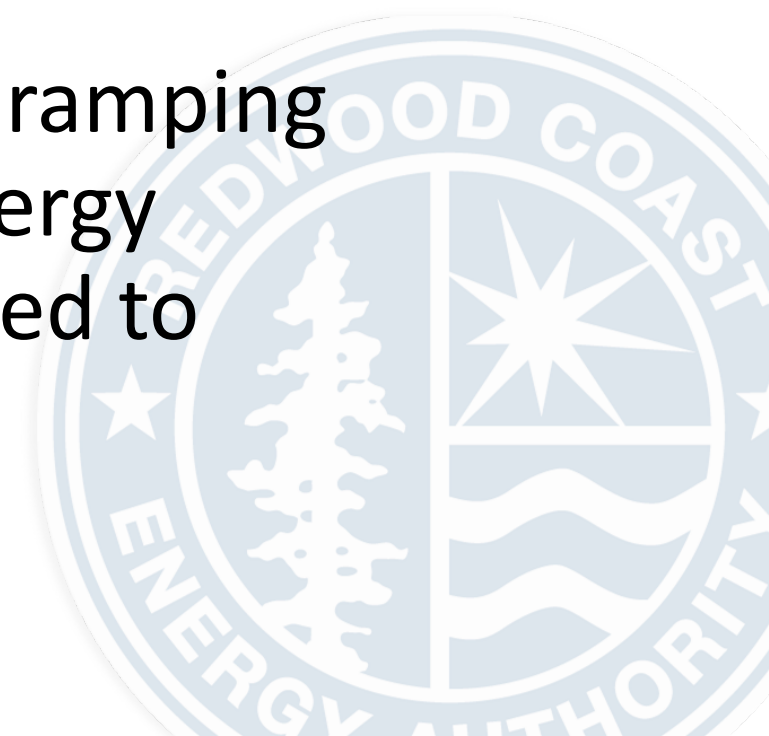
Link to the digital version at www.redwoodenergy.org



**Regional
Planning &
Coordination**

Current activities:

- Continuing work with County and Cities on regional climate action plan
- Offshore wind efforts will be ramping up, with Bureau of Ocean Energy Management process expected to begin moving again in 2021

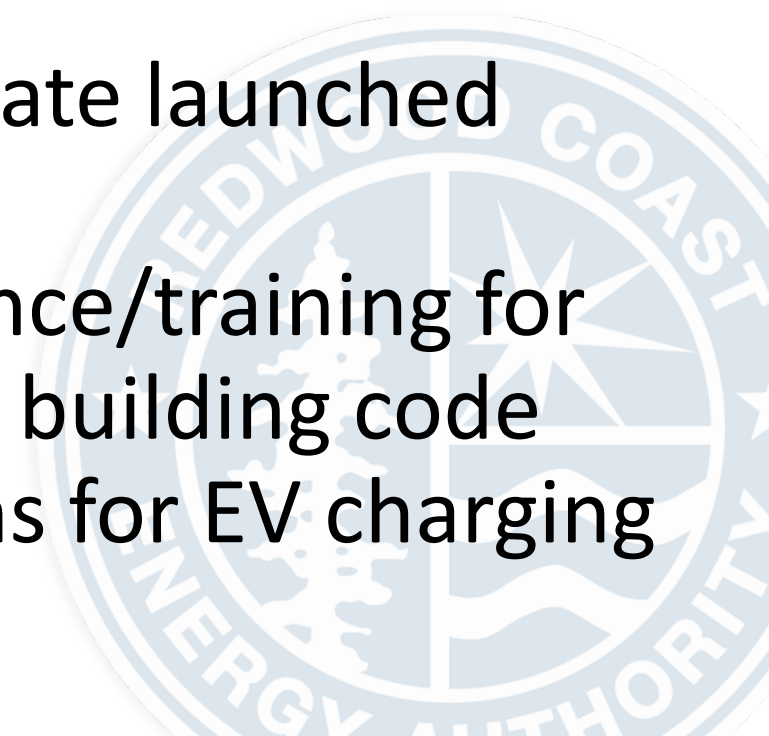




**Low-carbon
Transportation**

Current activities:

- Working on new charging station locations – Arcata, Old Town Eureka, McKinleyville Airport
- Electric vehicle customer rebate launched
- Working on technical assistance/training for County and City staff on new building code and permitting considerations for EV charging

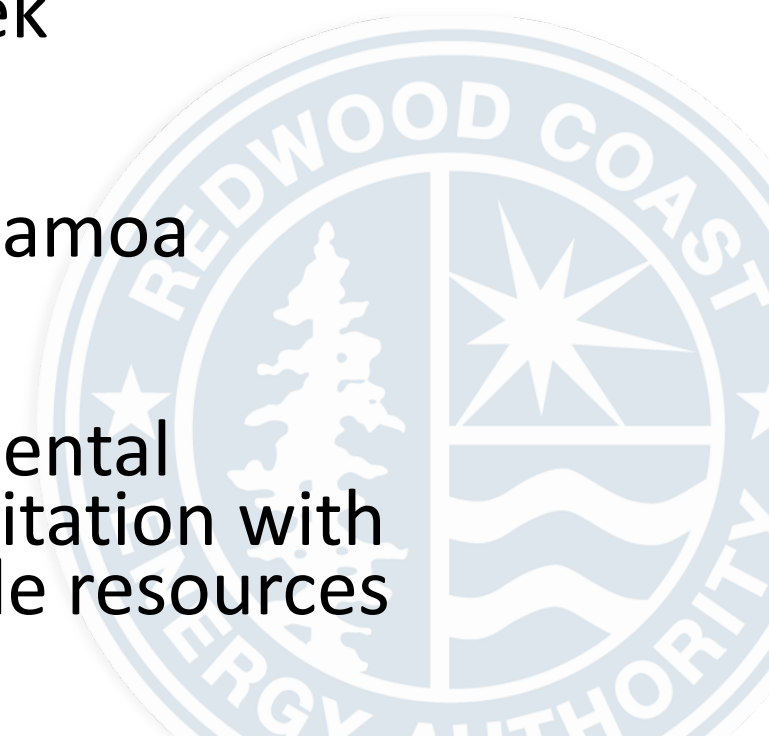




Energy Generation & Utility Services

Current activities:

- Airport microgrid beginning construction, local feed-in-tariff solar project progressing through permitting process.
- Pursue collaboration with PG&E on clean local power generation for resiliency in areas served by Hoopa and Willow Creek substations
- Explore clean power options for Samoa peninsula industrial development
- Pending CPUC decision on incremental capacity requirements, issue solicitation with preference for local and renewable resources





**Integrated
Demand Side
Management**

AKA:

**Customer
Energy
Solutions**

Current activities:

- Continued constraints of COVID restrictions
- Starting to roll out new 2021 program offerings:
 - CPUC “program administrator” funded
 - PG&E contract
 - Previously-approved CCE-funded programs
- Final negotiations to move forward with “behind the meter” customer storage for grid reliability program
 - Aligned with \$40million+ in state incentives reserved for Humboldt battery storage systems



STAFF REPORT

Agenda Item # 8.1.1

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Stephen Kullmann, Director of Demand Side Management
SUBJECT:	Rural Regional Energy Network Professional Services Agreement with San Joaquin Valley Clean Energy Organization

SUMMARY

The Demand Side Management Department has been working with the Rural Hard to Reach Working Group (RHTR) to develop a Regional Energy Network (REN) that will serve rural communities in California. The RHTR group was tasked in 2017 to explore an operable model of “rural” to meet objectives to increase customer participation in energy efficiency programs throughout the state and inform outreach to ensure inclusiveness at the rural level. The focus has turned to developing a REN for the several agencies and organizations that participate in the RHTR group. This Rural REN can give RCEA an opportunity to offer energy efficiency programs, workshops, and trainings that would otherwise not be offered in rural areas such as ours, with less restrictive cost-effectiveness requirements than our current State funding for energy efficiency programs. Some of these programs will integrate with our existing offerings to boost savings on energy efficiency projects for our customers and offer local workshops and training.

The first step will be to develop a business plan that will be presented to state-level stakeholders and regulators twice. The first presentation in June will be an introduction to the California Energy Efficiency Coordinating Committee (CAEECC). Then in September the business plan will be presented to the CPUC for approval. Time is of the essence for completing the business plan before mid-May in order to present at CAEECC in June.

The budget component of the business plan will be developed jointly with all seven RHTR member agencies and organizations and will be approximately \$15-20 million dollars annually. RCEA’s annual budget is anticipated to be \$1.5-\$2.5 million, with an additional amount for acting as REN Administrator.

In order for the group to develop a fundable business plan, the agency will hire qualified professionals that have the skills and training necessary to create the document needed. Staff proposed contracting with one of the RHTR partner organizations, San Joaquin Valley Clean Energy Organization, to oversee the business plan development and hire qualified professionals that have the skills and experience to create a fundable business plan. Staff will be using RCEA’s standard professional services agreement developed by RCEA’s legal counsel.

In addition, staff will bring a memorandum of understanding (MOU) between the proposed Rural REN state-wide partner organizations to the Board for consideration in March. The seven Rural REN member organization are:

- Redwood Coast Energy Authority
- Association of Monterey Bay Area Governments
- High Sierra Energy Foundation

- Kern County
- San Joaquin Valley Clean Energy Organization
- San Luis Obispo County
- Sierra Business Council
- Ventura County

FINANCIAL IMPACTS

The proposed contract with San Joaquin Valley Clean Energy Organization would be for a not-to-exceed amount of \$100,000, which could potentially be fully or partially reimbursed by the CPUC upon Business Plan approval. The Rural REN program could result in \$1.5-2.5 million per year of new funding for RCEA customer programs.

RECOMMENDED ACTIONS

Approve Professional Services Agreement with San Joaquin Valley Clean Energy Organization in an amount not to exceed \$100,000 for Rural Regional Energy Network business plan development and authorize the Executive Director to execute all applicable documents pending RCEA Legal Counsel review.

ATTACHMENTS

The Professional Services Agreement and Scope of Work were not available at agenda publication and will be made available at <https://redwoodenergy.org/> prior to the February 25, 2021, RCEA Board of Directors meeting.



STAFF REPORT
Agenda Item # 8.2

AGENDA DATE:	February 25, 2021
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Board Meeting Duration and Frequency Adjustments

SUMMARY

Since the launch of RCEA's Community Choice Energy program staff have noted competing needs of addressing a growing number of Board action items, respecting directors' limited availability, and the need to deliver background information to facilitate effective Board member decision-making. More recently, pandemic-driven Executive Orders amending Brown Act open meeting laws allowed for virtual Board meetings, requiring directors to consider technical issues in extended online sessions.

Staff have received feedback that meeting lengths have been difficult to manage while accelerating climate change-related events and responses necessitate increased education for new and incumbent directors on California's changing energy procurement and regulatory environment.

Directors have stated that complex staff reports are best scheduled for the first 90-minutes of each meeting. To address this request and to accommodate the substantial turnover of Board directors, staff proposes the addition of one special meeting per quarter to address significant driving issues such as the Power Charge Indifference Adjustment and CCA advocacy at the CPUC, anticipated state mandates, and RCEA's involvement in regional alternative biomass use development, for example. These study session-style special meetings can be shorter in length than regular meetings and involve no decision making. A quorum of directors (five) would be required to hold the meetings, which could be recorded for review by directors who are unable to attend.

Staff requests that the directors discuss their preferences and vote to call a special meeting for this quarter, if desired. The Chair may also agree to call a special meeting quarterly as needed.

RECOMMENDED ACTION

No formal action is needed unless the Board wishes to set a special meeting date at this time. Alternatively, the Chair may call special meetings as needed.

ATTACHMENTS

None.