



BOARD OF DIRECTORS MEETING AGENDA

April 22, 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 person 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 March 25, 2021, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Authorize the Executive Director to Execute, After Final Review and Approval by RCEA Legal Counsel, a Memorandum of Understanding Between RCEA and the Association of Monterey Bay Area Governments, the High Sierra Energy Foundation, the County of Kern, the San Joaquin Valley Clean Energy Organization, the County of San Luis Obispo, the Sierra Business Council, and the County of Ventura for the Development of the Rural Regional Energy Network.

3.5 Receive Biennial Salary Survey Report.

3.6 Approve Amendment No. 1 to the Contract for Legal Services with the Law Offices of Nancy Diamond and Authorize the RCEA Board Chair to Execute the Amendment and Any Associated Documents.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1 Amendment to Power Purchase Agreement with Humboldt Sawmill Company

Authorize the Executive Director to execute Amendment No. 2 to RCEA's power purchase agreement with Humboldt Sawmill Company.

6. NEW BUSINESS - None

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Energy Risk Management Quarterly Report

Accept quarterly Energy Risk Management Report.

8. NEW CCE BUSINESS - None

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1. Staff report by Executive Director Matthew Marshall on offshore wind related activities.

10. FUTURE AGENDA ITEMS

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

11. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, May 27, 2021, 3:30 p.m.

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



BOARD OF DIRECTORS MEETING DRAFT MINUTES

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

Notice of this meeting was posted on March 22, 2021. Chair Sheri Woo 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 OTHERS PRESENT: Business Planning and Finance Director Lori Biondini; General Counsel Nancy Diamond; Power Resources Director Richard Engel; RCEA Consultant Michael Furniss, Community Advisory Committee Member Kit Mann, Executive Director Matthew Marshall; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Mike Wilson reported that the County is considering dig once policies requiring conduit installation for future electric vehicle infrastructure, broadband and telecommunications service expansion when digging up roads within unincorporated Humboldt County. The policy would be geared toward encouraging EV charging infrastructure in public rights of way where there may not be onsite parking.

ORAL COMMUNICATIONS

There were no comments on any non-agenda item in response to Chair Woo's call for public comments. Chair Woo closed the public comment period.

CONSENT CALENDAR

- 3.1 Approve Minutes of February 25, 2021, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Approve Professional Services Agreement with Calpine Energy Solutions LLC and Authorize the Executive Director to Execute the Agreement and All Associated Documents as Necessary, Contingent on Final Review and Approval by RCEA Legal Counsel.

Director Curran requested that item 3.4 be removed from the consent calendar. Chair Woo invited public comment. No member of the public asked to speak. Chair Woo closed the public comment period.

M/S: Grover, Avis: Approve all consent calendar items except 3.4.

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.

ITEMS REMOVED FROM CONSENT CALENDAR

Director Curran thanked staff for saving \$145,000 annually and moving the call center back to Humboldt County, adding that the community will appreciate having someone local to speak with when calling RCEA with bill questions.

M/S: Avis, Grover: Approve consent calendar item 3.4.

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.

Chair Woo stated that there was neither old nor new CCE business to conduct at this meeting.

NEW BUSINESS

8.1. Biomass Analysis

Power Resources Director Richard Engel explained that the Board authorized staff to negotiate a contract extension with Humboldt Sawmill Company (HSC) to comply with long-term procurement requirements and to attempt to obtain more favorable prices. To prepare the Board for contract consideration, staff provided an overview of biomass energy in RCEA's Community Choice Energy program, including public engagement and research efforts.

RCEA Consultant Michael Furniss described the County's remaining biomass facilities, biomass' role as a bridge solution providing baseload power until enough dispatchable non-emitting power sources, storage and grid solutions are built and online to address solar and wind intermittency, and the general decline of biomass power in the United States. Biomass is considered to be a climate solution according to state renewable classifications, is Humboldt County's only renewable local power source currently and there is a general desire not to export well-paying local power jobs out of the County.

The difficulty of establishing biomass energy's carbon neutrality was discussed and comparisons to fossil fuel's nonbiogenic carbon dioxide production were made. While biomass' substitution for fossil fuels can be beneficial, its particulate emissions' negative health impacts are problematic. The HSC plant's location in the narrow and windy Scotia/Rio Dell river canyon helps move the polluted air away from populated areas. While Scotia residents have not complained about the smoke, no good human exposure monitoring exists. HSC's biomass plant consumes over 50 truckloads of sawmill residue per day, leaving another 80 loads per day of local residue that is sent to an Anderson power plant or

otherwise disposed of. Global warming and local air pollution effects of past open burning practices were described. Humboldt County, 70% of which is forested, is California's top forest-product producer. An equivalent of 3.8 billion tons of CO₂ are stored in the county's forests. Biomass was described as a potentially appropriate energy source for this bioregion, comparable to solar in California's deserts and geothermal in Sonoma County.

Potential alternative mill residue uses were described, including compost, biochar and nano cellulose. Developing economically viable alternative uses for the county's mill waste could sequester several hundred tons of carbon per year.

Community Advisory Committee (CAC) member Kit Mann presented a report by the CAC Alternative Biomass Uses Subcommittee which was formed after hearing Humboldt State University graduating engineering students report their research results on the subject. The subcommittee determined that it is appropriate for RCEA to investigate non-power uses of biomass as RCEA is working with the County on the regional climate action plan which involves non-energy measures and finding alternative biomass uses is listed as a strategy in the agency's RePower strategic plan. Also, addressing climate change is the overarching goal of RCEA's mission. The subcommittee recommended addressing both mill waste and in-forest slash because of the need to reduce extreme wildfire hazards. The subcommittee focused on biochar and nano cellulose as options offering the best greenhouse gas reduction possibilities and the capability of handling the volume of waste generated. The group requested guidance on next steps for the subcommittee and for RCEA in the sphere of alternative biomass use.

Chair Woo invited public comment.

Member of the public Dan Chandler opposed a 10-year HSC contract, proposed meeting SB 350 requirements with out-of-county solar while waiting for offshore wind and supported developing alternative biomass uses. Mr. Chandler stated he was heartened by people's realization of the drastic and immediate changes that need to be made to avoid exceeding a 1.5 degree Centigrade temperature rise, and reiterated the need to cut emissions by 55% in the next 10 years.

Member of the public Nancy Ihara thanked the Board for their interest in alternative biomass uses, opposed the 10-year HSC contract as it would be an example of non-adaptive management and agreed with Mr. Furniss that biomass is not a permanent energy solution. Ms. Ihara supported investigating alternative biomass uses.

Member of the public Dr. Wendy Ring stated the need to prioritize clean over local energy production due to the urgent need for climate action. Alternative biomass use development will require planning and investment and Dr. Ring stated that the waste generator should bear some of the cost. RCEA needs to set a sunset date for local biomass support to incentivize HSC to begin planning. Dr. Ring asked the Board not to dismiss compost as an alternative use, citing a Lawrence Livermore National Laboratory report finding that all natural lands must be employed to draw down carbon, and access to woody mill waste is needed to create cheap compost for application at a massive scale to all agricultural land across the state.

Member of the public Martha Walden opposed a 10-year HSC contract and stated that climate goals will best be served through non-energy uses of mill waste such as composting,

biochar and other options. Ms. Walden supported RCEA studying and developing alternative biomass uses and planning to sunset biomass energy. Chair Woo closed the public comment period.

The directors discussed the following:

- There is urgency from a climate perspective to pursue demonstration biochar, nano cellulose and compost projects.
- RCEA should partner with the private sector, the forest products industry, government agencies, Humboldt State University and other CCAs on alternative biomass uses.
- The cities and county need to help garner funding to develop these alternative uses and to develop policies to use biomass products as they are being developed.
- Lumber prices are very high right now and mills will continue to produce waste.
- Trucking mill waste to out-of-area biomass plants adds carbon impacts.
- The County is considering nano cellulose's economic development potential for Samoa Peninsula.
- Wood chips and whole logs are being exported through Humboldt Bay. There is already interest in pellet and biofuel exports.
- HSC will still burn biomass for on-site electricity and use the waste heat to dry lumber.
- Other entities can purchase electricity from HSC if RCEA does not.
- Biomass' baseload power, or power that can be generated around the clock, gives the community energy resiliency. HSC energy comes with state renewable energy credits because it provides baseload power when the sun goes down and would be attractive to other offtakers because of this.
- Electrons used in Humboldt County come either from fossil fuel or local biomass.
- RCEA is already investing in developing local grid reliability and will continue to work with HBGS and HSC on resilience even if not procuring power from these entities.
- Earlier prices paid to HSC subsidized local biomass; subsequent negotiations brought prices down. Current negotiations aim to bring prices down to local market rates.
- Short- and long-term solutions are needed. Biochar, nano cellulose and composting are long-term solutions. There are no other local solutions for mill waste at present.
- The HSC contract needs to be flexible so waste can be shifted to non-combustion uses as technology and industries advance.
- Humboldt County produces 140 truckloads of waste daily. If HSC increases its daily power output to fulfill a 10-year contract with RCEA, only half of the waste material would be used. There would still be opportunity for alternative use product development and market creation as well as energy generation.

The directors supported the CAC continuing to work on alternative biomass uses, and for the Alternative Biomass Uses Subcommittee to be a step in developing a biomass technical advisory committee with representatives from many fields, which is a RePower strategic plan goal. The directors requested that the Alternative Biomass Uses Subcommittee bring a workable proposal to the Board for consideration at the April or May Board meeting.

M/S: M. Wilson, Avis: Accept Biomass Power in Humboldt County report and presentation from consultant Michael J. Furniss.

Accept Alternative Uses of Biomass Material in Humboldt County preliminary report from the Community Advisory Committee.

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

8.2 Board Meeting Duration and Frequency Adjustments

Executive Director Marshall reported on staff's recommendation to schedule special meeting study sessions quarterly or at the Board's pleasure to address topics requiring more explanation and community input and to focus regular meetings on action items.

The Board agreed on the usefulness of study sessions and the need to refine how meetings are conducted, especially as the directors change. Other suggestions included setting time limits on agenda items and moving consent calendar and perfunctory business to the end of the meeting.

The directors requested that special meetings be scheduled on days other than regular meeting days and that the directors invest time in reading staff reports to shorten in-meeting reports. The directors were reminded that the Executive Director and other staff are available to answer questions. Staff offered to provide requested information thorough white papers.

No member of the public responded to Chair Woo's invitation for comment. Chair Woo closed the public comment period.

FUTURE AGENDA ITEMS

A report by RCEA Consultant Michael Furniss on the status of local micro hydropower was requested. A request for a report on wave energy converters will be addressed with a brief white paper to be shared with the Board.

CLOSED SESSION

Chair Woo invited public comment on closed session item 11.1. No one from the public asked to speak. Chair Woo closed the public comment period and the Board adjourned to closed session at 5:42 p.m. to discuss:

- 10.1. 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, 001-011-021-000, 002-062-008, 002-062-009, and 002-062-005: RCEA negotiator: Executive Director; Owner's negotiating party: Kramer Investment Corporation, Coldwell Banker Pacific Partners, the City of Eureka, and Ming Tree Realtors; Under negotiation: price and terms.

The directors reconvened in open session at 6:29 p.m. Chair Woo stated that there was nothing to report from closed session and adjourned the meeting at 6:29 p.m.

Lori Taketa
Clerk of the Board

Redwood Coast Energy Authority
Disbursements Report
As of February 28, 2021

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/04/2021	ACH	Leapfrog Energy	Return of deposit	-115,500.00
Liability Check	02/09/2021	ACH	Newport Group	Deferred Compensation Contributions	-11,443.54
Bill Pmt -Check	02/09/2021	ACH	Keenan	Anthem Medical Insurance February 2021	-22,798.45
Bill Pmt -Check	02/09/2021	ACH	Keenan	Anthem Medical Insurance January 2021	-22,798.45
Liability Check	02/09/2021	E-pay	Internal Revenue Service	Taxes	-21.87
Liability Check	02/09/2021	E-pay	EDD	Taxes	-4,232.89
Liability Check	02/09/2021	E-pay	Internal Revenue Service	Taxes	-20,555.24
Liability Check	02/09/2021	E-pay	EDD	Taxes	-840.48
Liability Check	02/09/2021	E-pay	Internal Revenue Service	Taxes	-8,404.36
Check	02/10/2021	11547 - 54	NEM Customer	NEM Close-Out Acct	-807.12
Bill Pmt -Check	02/10/2021	11555	Advanced Security	Security monitoring: Feb-Apr 2021	-124.50
Bill Pmt -Check	02/10/2021	11556	AM Conservation	LED Stock	-14.35
Bill Pmt -Check	02/10/2021	11557	Ameritas - Dental	Dental premiums	-3,029.16
Bill Pmt -Check	02/10/2021	11558	Ameritas - Vision	Vision Premiums	-637.44
Bill Pmt -Check	02/10/2021	11559	Biondini, L.	VOID: Purchase reimbursement	0.00
Bill Pmt -Check	02/10/2021	11560	City of Arcata	CAP Micro-Grant for the City of Arcata	-3,651.24
Bill Pmt -Check	02/10/2021	11561	City of Eureka-Water	Water service, 12/22-1/26/21	-79.21
Bill Pmt -Check	02/10/2021	11562	Diamond, Nancy	Legal services	-11,878.00
Bill Pmt -Check	02/10/2021	11563	Donald Dame	Professional Services Jan 2021	-262.50
Bill Pmt -Check	02/10/2021	11564	FedEx	ResKit Mailing	-65.18
Bill Pmt -Check	02/10/2021	11565	Frontier Energy, Inc.	Professional Services - Program Support	-1,671.00
Bill Pmt -Check	02/10/2021	11566	Humboldt Area Chapter CSDA	Humboldt CSDA Dues 2019-2021	-150.00
Bill Pmt -Check	02/10/2021	11567	North Coast Cleaning	January monthly cleaning service	-210.00
Bill Pmt -Check	02/10/2021	11568	NYLEX.net, Inc.	IT support services	-973.99
Bill Pmt -Check	02/10/2021	11569	PG&E EV Account	EV stations January	-353.89
Bill Pmt -Check	02/10/2021	11570	PG&E Utility Account	12/22-1/22/21 utilities	-859.73
Bill Pmt -Check	02/10/2021	11571	Ray Morgan Company	Printer Charges: 01/06/21-02/05/21	-19.51
Bill Pmt -Check	02/10/2021	11572	Recology	Jan garbage service	-91.71
Bill Pmt -Check	02/10/2021	11573	Suddenlink Communications	Phone & Internet access - January	-1,101.27
Bill Pmt -Check	02/10/2021	11574	Times Printing Company	Misc printing services	-1,611.46
Bill Pmt -Check	02/10/2021	11575	Verizon Wireless	January Tablet/Cell Service	-1,891.20
Bill Pmt -Check	02/10/2021	11576	VISA	Jan statement 12/19-01/21/21	-4,215.68
Bill Pmt -Check	02/10/2021	11577	Biondini, L.	Purchase Reimbursement	-80.58
Paycheck	02/10/2021	ACH	Employees	Payroll 2/10/21	-51,180.78
Liability Check	02/23/2021	ACH	Newport Group	Deferred Compensation Contributions	-11,803.33
Bill Pmt -Check	02/24/2021	ACH	Snow Mountain Hydro, LLC	Cove plant hydro - JAN 2020	-2,400.10
Bill Pmt -Check	02/25/2021	ACH	CalPine Corporation	Calpine January 2021 Costs	-73,689.70
Bill Pmt -Check	02/25/2021	ACH	Humboldt Redwood Company	Humboldt Redwood Co. January 2021	-591,809.69
Bill Pmt -Check	02/25/2021	ACH	Keenan	Anthem Medical Insurance March 2021	-22,798.45
Liability Check	02/25/2021	E-pay	EDD	Taxes	-4,558.17
Liability Check	02/25/2021	E-pay	Internal Revenue Service	Taxes	-21,764.56
Liability Check	02/25/2021	E-pay	EDD	Taxes	-214.50
Bill Pmt -Check	02/25/2021	11578	Ameritas - Dental	#010-055098-00001 March 2021	-1,514.58
Bill Pmt -Check	02/25/2021	11579	Ameritas - Vision	010-055098-00002 March 2021	-318.72
Bill Pmt -Check	02/25/2021	11580	Arcata Chamber of Commerce	Membership dues	-440.00
Bill Pmt -Check	02/25/2021	11581	AT&T	VOID: July fax & internet	0.00
Bill Pmt -Check	02/25/2021	11582	Basic	FSA Funding	-12,180.00
Bill Pmt -Check	02/25/2021	11583	Bidwell Consulting Services, Inc.	Annual administration for 2020	-1,000.00
Bill Pmt -Check	02/25/2021	11584	Braun Blaising Smith Wynne	Legal Services - Regulatory - January	-5,024.60
Bill Pmt -Check	02/25/2021	11585	Chargepoint	Hardware for repairs	-777.50
Bill Pmt -Check	02/25/2021	11586	CSMFO	CSMFO Membership Renewal	-110.00
Bill Pmt -Check	02/25/2021	11587	Dell USA	OptiPlex 7070 SFF BTX	-1,243.83
Bill Pmt -Check	02/25/2021	11588	Developed Employment Services, LLC.	Facilities maintenance work	-105.02
Bill Pmt -Check	02/25/2021	11589	FedEx	ResKit Mailing	-29.56

Redwood Coast Energy Authority
Disbursements Report
As of February 28, 2021

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/25/2021	11590	Jackson & Eklund	Accounting consulting re. cafeteria plans.	-80.00
Bill Pmt -Check	02/25/2021	11591	Newport Group	Participant Fees for Retirement Plan	-812.50
Bill Pmt -Check	02/25/2021	11592	PG&E CCA	January CCE Charges	-22,246.77
Bill Pmt -Check	02/25/2021	11593	Premier Financial Group	Advisory Fee	-3,051.34
Bill Pmt -Check	02/25/2021	11594	Silicon Valley Clean Energy	Fractional Share of legal fees - CC Power	-3,357.63
Bill Pmt -Check	02/25/2021	11595	Times Printing Company	Misc. printing costs	-1,285.30
Bill Pmt -Check	02/25/2021	11596	Winzler, John	Office Lease - March	-6,512.00
Liability Check	02/25/2021	11597	Umpqua Bank	Health Savings Account contributions	-155.16
Check	02/25/2021	11598	CCE Customer: EV Buyer	EV Rebate Program: EV4	-500.00
Paycheck	02/25/2021	ACH	Employees	Payroll 2/25/21	-53,432.32
TOTAL					<u>-1,134,770.11</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2020 through February 2021

	<u>Jul '20 - Feb 21</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	77,420.00	737,317.00	10.5%
Total 5100 · Revenue - program related sales	8,440.96	9,000.00	93.79%
Total 5400 · Revenue-nongovernment agencies	417,978.25	1,556,600.00	26.85%
Total 5500 · Revenue - Electricity Sales	33,344,565.89	41,763,500.00	79.84%
Total 5 REVENUE EARNED	33,848,405.10	44,066,417.00	76.81%
Total Income	33,848,405.10	44,066,417.00	76.81%
Gross Profit	33,848,405.10	44,066,417.00	76.81%
Expense			
Total 6 WHOLESALE POWER SUPPLY	27,338,460.94	36,074,000.00	75.78%
Total 7 PERSONNEL EXPENSES	1,684,948.67	2,838,644.00	59.36%
Total 8.1 FACILITIES AND OPERATIONS	581,734.30	6,606,484.00	8.81%
Total 8.2 COMMUNICATIONS AND OUTREACH	52,789.26	114,000.00	46.31%
Total 8.3 TRAVEL AND MEETINGS	368.30	18,450.00	2.0%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	114,020.38	200,000.00	57.01%
8410 · Contracts - Program Related Ser	133,903.99	326,000.00	41.08%
8420 · Accounting	19,280.00	75,000.00	25.71%
8430 · Legal	102,994.07	125,000.00	82.4%
8450 · Wholesale Services - TEA	411,590.96	620,500.00	66.33%
8460 · Procurement Credit - TEA	453,426.15	650,500.00	69.7%
8470 · Data Management - Calpine	588,341.15	913,450.00	64.41%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,823,556.70	2,910,450.00	62.66%
Total 8.5 PROGRAM EXPENSES	360,976.57	627,550.00	57.52%
Total 8.6 INCENTIVES & REBATES	34,008.75	601,000.00	5.66%
Total 9 NON OPERATING COSTS	42,996.81	35,500.00	121.12%
Total Expense	31,919,840.30	49,826,078.00	64.06%
Net Ordinary Income	1,928,564.80	-5,759,661.00	-33.48%
Net Other Income	0.00	6,000,000.00	0.0%
Net Income	<u>1,928,564.80</u>	<u>240,339.00</u>	<u>802.44%</u>

Redwood Coast Energy Authority
Balance Sheet
As of February 28, 2021

	<u>Feb 28, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	493.22
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking Acct 0560	146,277.63
1071 · Umpqua Deposit Cntrol Acct 8215	9,488,381.87
1075 · Umpqua Reserve Account 2300	2,000,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	<u>11,655,422.82</u>
Total Accounts Receivable	130,922.96
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-1,137,299.70
1103 · Accounts Receivable-Other	10,333,438.82
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-10,423.02
1205 · Prepaid Insurance	-46,160.38
1210 · Retentions Receivable	1,001.00
1499 · Undeposited Funds	1,377.00
Total Other Current Assets	<u>9,163,648.72</u>
Total Current Assets	<u>20,949,994.50</u>
Total Fixed Assets	151,725.39
Other Assets	
1700 · Retained Deposits	2,071,380.00
Total Other Assets	<u>2,071,380.00</u>
TOTAL ASSETS	<u><u>23,173,099.89</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	5,501,680.82
Total Credit Cards	715.71
Other Current Liabilities	
2013 · Unearned Revenue - PA 2020-2023	1,741,610.75
Total 2100 · Payroll Liabilities	205,620.97
Total Other Current Liabilities	<u>1,947,231.72</u>
Total Current Liabilities	<u>7,449,628.25</u>
Total Liabilities	7,449,628.25
Equity	
2320 · Investment in Capital Assets	151,725.38
3900 · Fund Balance	13,643,210.69
Net Income	1,928,535.57
Total Equity	<u>15,723,471.64</u>
TOTAL LIABILITIES & EQUITY	<u><u>23,173,099.89</u></u>



STAFF REPORT
Agenda Item # 3.4

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Stephen Kullmann, Director of Demand Side Management
SUBJECT:	Rural Regional Energy Network Memorandum of Understanding

SUMMARY

As reported at the February RCEA Board meeting, the Demand Side Management Department has been working with the Rural Hard to Reach Working Group (RHTR) to develop a Regional Energy Network (REN) to administer CA Public Utilities Commission (CPUC) funding for the delivery of energy efficiency programs in rural communities across the state. The RHTR group was established in 2015 to foster state-wide collaboration on increasing rural access and participation in energy efficiency programs throughout the state and to advocate for the needs and interests of rural communities in state regulatory processes.

Over the last several years RCEA and its partners have been exploring the opportunity to develop a CPUC-funded REN program that would be implemented by the agencies and organizations that participate in the RHTR group. There are currently three other programs funded and operating through the CPUC's REN program model: BayREN (serving the San Francisco Bay Area), SoCalREN (serving Southern California), and Tri-County REN (serving the central coast). Establishing a RuralREN will give RCEA and its partners an opportunity to offer energy efficiency programs, workshops, and trainings that would otherwise not be offered in rural areas such as ours, with reduced cost-effectiveness constraints compared to RCEA's current CPUC-funded 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.

To support moving forward with the application for CPUC funding, the RHTR group is developing a Memorandum of Understanding (MOU) between the parties agreeing to work together to form the RuralREN. The parties to the MOU will be:

- 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

RCEA's staff and legal counsel are working with these other parties to draft the MOU. Staff is requesting approval to enter into the MOU once finalized based on the terms outlined below and after final review and approval by RCEA's Legal Counsel. Formalizing the working relationship between the parties in early May will allow the group to meet the deadlines for the submission and presentation of the proposed program to the California Energy Efficiency Coordinating Committee (CAEECC) in June

2021 and to the California Public Utilities Commission (CPUC) in September 2021. By keeping to this schedule, the RuralREN can be implemented upon the end of RCEA's current Program Administrator contract with the CPUC in 2023, insuring uninterrupted delivery of services to our customers.

The budget component of the business plan will be developed jointly with all seven member agencies and organizations and will be approximately \$15-20 million dollars annually. RCEA's portion of this annual budget is anticipated to be \$1.5-\$3 million, with an additional \$1-2 million annually for acting as REN Administrator.

The pertinent terms of the MOU are as follows:

- A. RCEA will be the REN Program Administrator, responsible for:
 - a. Filing required regulatory submissions and reporting to the CPUC,
 - b. Representing RuralREN in proceedings and on committees as necessary,
 - c. Managing portfolio-wide procurement and contracts,
 - d. Providing oversight of individual program budgets,
 - e. Coordinating with IOUs on invoicing and regulatory requirements,
 - f. Administering the overall RuralREN budget, including fund shifts among programs and parties,
 - g. Coordinating with other program administrators, and
 - h. Managing the contracts between the RuralREN and the parties or consultants implementing the applicable RuralREN Program Implementation Plan, in consultation with the other participating organizations.
- B. The governance of the RuralREN will be through a leadership team comprised of a representative from each participating organization.
- C. New organizations who meet an agreed-on definition of rural may be added to the RuralREN in the future by a two-thirds vote of the leadership team.

If funding is secured this MOU will be replaced by a successor agreement prior to the implementation phase of the RuralREN.

FINANCIAL IMPACTS

The potential fiscal impact to RCEA of an approved Rural REN is anticipated to be an increase of approximately \$1.5-3 million in programmatic funds annually to provide energy services to RCEA's service territory and an additional \$1-2 million annually for RCEA to act as the statewide administrator for the Rural REN. To secure this funding there will be a commitment of some staff and consulting cost to support the development of the funding request and associated planning documents, including the \$100,000 for contracted support that the Board authorized toward for this purpose in February.

RECOMMENDED ACTIONS

Authorize the Executive Director to execute, after final review and approval by RCEA Legal Counsel, a Memorandum of Understanding between RCEA and the Association of Monterey Bay Area Governments, the High Sierra Energy Foundation, the County of Kern, the San Joaquin Valley Clean Energy Organization, the County of San Luis Obispo, the Sierra Business Council, and the County of Ventura for the Development of the Rural Regional Energy Network.

ATTACHMENTS

None.



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 3.5

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Patrick Owen, Manager, Human Resources & Workforce Development
SUBJECT:	Biennial Salary Survey Report

SUMMARY

Attachment A shows the results of our latest biennial salary survey, which is required to be prepared and presented to the Board of Directors every two years, as per RCEA's Compensation Policy. The original December 2016 salary survey was prepared in consultation with HR subject matter expert, Don Turko, and was based on comparisons made to "Benchmark Classifications" at "Labor Market Agencies."

As approved at the February 2021 Board meeting, the list of Labor Market Agencies has been updated, with two newer CCAs, Pioneer Community Energy and Valley Clean Energy added, and the defunct Mendocino County Energy Watch program dropped.

Since the 2019 survey, the benchmark classifications have seen salary increases between roughly 6% and 17%, with an average increase of 11.8% for all classes (excluding the Executive Director class); during this same period, the federal Bureau of Labor Statistics' Consumer Price Index – All Urban Consumers, West Region (CPI-W) has increased by 5.0%.

Attachment B shows a survey of selected employee benefits at RCEA's Labor Market Agencies, in addition to a couple of RCEA's larger member agencies. This data is not part of the formal biennial salary survey, but it may be informative when comparing relative pay scale differences to consider non-salary benefits such as paid time off and retirement.

FINANCIAL IMPACT

No impact at this time. Staff may propose a revised RCEA salary schedule based on the updated survey as part of the upcoming fiscal year budget development process.

STAFF RECOMMENDATION

Receive salary survey report.

ATTACHMENTS:

Attachment A – April 2021 Salary Survey

Attachment B – Survey of Selected Employee Benefits at Labor Market Agencies

Biennial Salary Survey of Benchmark Classifications at RCEA's Labor Market Agencies, April 2021

Note: positions added to survey in 2021 are shown in italics

Note: positions added to survey in 2021 are shown in italics				
Title	Organization	Mar-19	Apr-21	
		Midpoint of range or single point	Midpoint of range or single point	% increase from prior
Assistant/Associate/Coordinator				
Student/Grad Student Assistant	HSU Schatz Energy Research Center	\$31,106.40	\$36,400.00	17.0%
Administrative Assistant	City of Eureka	\$34,907.50	\$34,907.50	0.0%
Administrative Support	North Coast Air Quality Management District	\$31,567.38	\$31,567.38	0.0%
Clerk I	Trinity County PUD	\$42,993.60	\$45,604.00	6.1%
Customer Services Representative I/II	City of Ukiah Electric Utility	\$41,993.82	\$43,253.64	3.0%
<i>Administrative Assistant</i>	<i>HSU Schatz Energy Research Center</i>	\$49,920.00	\$51,781.60	NA
<i>Administrative Assistant</i>	<i>Pioneer Clean Energy</i>	NA	\$59,652.00	NA
Administrative Secretary	County of Humboldt	\$39,062.40	\$40,040.00	2.5%
AVERAGE		\$38,793.01	\$42,900.76	10.6%
Current RCEA Midpoint (Asst/Assoc/Coord step 5), effective 7/1/19		\$37,450.00		
Specialist/Senior Specialist				
Admin				
Customer Service & Accounting/HR Assistant	Humboldt Bay Municipal Water District	\$51,822.00	\$54,817.80	5.8%
Executive Assistant & Board Secretary	Humboldt Bay Municipal Water District	\$54,408.00	\$56,055.48	3.0%
Assistant To The APCO & Clerk Of The Board	North Coast Air Quality Management District	\$63,473.06	\$63,473.06	0.0%
IT Technician I/II	County of Humboldt	\$57,782.40	\$59,238.40	2.5%
Clerk II	Trinity County PUD	\$58,323.20	\$61,880.00	6.1%
Clerk III	Trinity County PUD	\$66,071.20	\$70,085.60	6.1%
Accounting & HR Specialist	Humboldt Bay Municipal Water District	\$60,006.00	\$63,474.90	5.8%
Programatic				
Burn Permit Coordinator	North Coast Air Quality Management District	\$63,473.06	\$63,473.06	0.0%
Electric Utility Program Coordinator	City of Ukiah Electric Utility	\$54,950.94	\$56,331.00	2.5%
Utility Services Team Leader	City of Ukiah Electric Utility	\$53,610.54	\$54,957.00	2.5%
Operations/Customer Service Specialist	Humboldt Bay Municipal Water District	\$60,006.00	\$63,474.90	5.8%
Program & Regulatory Analyst	Humboldt Bay Municipal Water District	\$67,092.72	\$70,970.58	5.8%
Research Engineer	HSU Schatz Energy Research Center	\$77,022.00	\$79,884.00	3.7%
<i>Programs</i>	<i>Valley Clean Energy</i>	NA	\$62,500.00	NA
<i>Program Specialist I</i>	<i>Pioneer Clean Energy</i>	NA	\$107,648.50	NA
Customer Care Specialist	Sonoma Clean Power	\$62,500.00	\$90,000.00	44.0%
AVERAGE		\$59,706.25	\$67,391.52	12.9%
Current RCEA Midpoint (Specialist step 8), effective 7/1/19		\$58,850.00		

Note: positions added to survey in 2021 are shown in italics

Note: positions added to survey in 2021 are shown in <i>italics</i>		Mar-19	Apr-21	
		Midpoint of range or single point	Midpoint of range or single point	% increase from prior
Title	Organization			
Technician/Senior Technician				
Inspector I-III	North Coast Air Quality Management District	\$63,473.06	\$63,473.06	0.0%
Air Pollution Specialist	North Coast Air Quality Management District	\$63,473.06	\$63,473.06	0.0%
Electrical Engineering Technician I-III	City of Ukiah Electric Utility	\$81,524.58	\$83,971.64	3.0%
Utility Worker (2019), <i>now Senior Estimator</i>	Trinity County PUD	\$87,349.60	\$91,769.60	5.1%
AVERAGE		\$71,507.38	\$75,671.84	5.8%
Current RCEA Midpoint (Technician step 8), effective 7/1/19		\$69,550.00		
Manager/Senior Manager				
<i>Admin</i>				
Controller	North Coast Air Quality Management District	\$63,473.06	\$63,473.06	0.0%
Deputy (Assistant) Finance Director	City of Eureka	\$81,089.50	\$81,089.50	0.0%
Billing & Customer Service Manager	City of Ukiah Electric Utility	\$68,301.00	\$70,016.28	2.5%
Communications Manager	City of Eureka	\$70,172.50	\$70,172.50	0.0%
<i>Customer Services Manager</i>	<i>Pioneer Clean Energy</i>	NA	\$133,915.50	NA
<i>Programatic</i>				
Special Projects Manager	City of Eureka	\$81,089.50	\$81,089.50	0.0%
Project Manager	City of Eureka	\$70,172.50	\$70,172.50	0.0%
Deputy Public Works Director	City of Eureka	\$85,236.00	\$85,236.00	0.0%
Compliance and Enforcement Manager	North Coast Air Quality Management District	\$84,058.57	\$84,058.51	0.0%
Senior Research Engineer	HSU Schatz Energy Research Center	\$93,666.00	\$97,164.00	3.7%
<i>Legislative and Regulatory Manager</i>	<i>Pioneer Clean Energy</i>	NA	\$133,915.50	NA
Construction Projects Manager	County of Humboldt	\$78,124.80	\$80,100.80	2.5%
AVERAGE		\$78,216.37	\$87,533.64	11.9%
Current RCEA Midpoint (Manager step 8), effective 7/1/19		\$80,250.00		

Note: positions added to survey in 2021 are shown in italics

Note: positions added to survey in 2021 are shown in <i>italics</i>		Mar-19	Apr-21	
		Midpoint of range or single point	Midpoint of range or single point	% increase from prior
Title	Organization			
Director				
Administrative				
Business Manager	Humboldt Bay Municipal Water District	\$91,242.00	\$96,516.72	5.8%
Finance Director	City of Eureka	\$108,830.00	\$108,830.00	0.0%
Chief Financial Officer	Trinity County PUD	\$119,869.15	\$145,041.68	21.0%
Administrative Services Manager	Trinity County PUD	\$105,307.96	\$113,413.30	7.7%
<i>Director of Finance & Internal Operations</i>	<i>Valley Clean Energy</i>	NA	\$175,000.00	NA
Director of Regulatory Affairs	Sonoma Clean Power	\$135,000.00	\$167,500.00	24.1%
Programatic				
<i>Director (Pwr Res, Reg/Leg Affairs, Public Affairs & Mktg, Prgms)</i>	<i>Pioneer Clean Energy</i>	NA	\$198,682.00	NA
<i>Director of Customer Services & Outreach</i>	<i>Valley Clean Energy</i>	NA	\$150,000.00	NA
Assistant Utility Director	City of Ukiah Electric Utility	\$141,694.56	\$145,253.28	2.5%
Electrical Superintendent	City of Ukiah Electric Utility	\$128,813.28	\$132,048.48	2.5%
Superintendent	Humboldt Bay Municipal Water District	\$100,590.00	\$106,405.14	5.8%
Electric Superintendant	Trinity County PUD	\$160,154.80	\$169,908.22	6.1%
Director of Programs	Sonoma Clean Power	\$135,000.00	\$167,500.00	24.1%
AVERAGE		\$122,650.18	\$144,315.29	17.7%
Current RCEA Midpoint (Director step 5), effective 7/1/19		\$107,000.00		
Executive Director				
General Manager	Humboldt Bay Municipal Water District	\$134,328.00	\$149,532.00	11.3%
Air Pollution Control Officer	North Coast Unified Air Quality District	\$124,480.00	\$125,000.00	0.4%
General Manager	Trinity County Public Utility District	\$225,050.80	\$238,756.44	6.1%
Electric Utility Director	City of Ukiah Electric Utility	\$170,070.72	\$174,342.12	2.5%
<i>Executive Director</i>	<i>Pioneer Clean Energy</i>	NA	\$263,851.50	NA
<i>Interim General Manager</i>	<i>Valley Clean Energy</i>	NA	\$250,000.00	NA
Chief Executive Officer	Sonoma Clean Power	\$275,000.00	\$324,714.00	18.1%
AVERAGE		\$185,785.90	\$218,028.01	17.4%
Current RCEA Midpoint (Executive Director step 5), effective 7/1/19		\$139,100.00		

average all classifications, excluding ED **11.8%**

ATTACHMENT B

Selected Employee Benefits at Labor Market Agencies:

Agency	PERS agency?	Deferred comp plan offered?	Vacation days/year	Paid holidays /year	Sick leave days/yr	Management/ Admin Leave*	Longevity pay?	Employer paid life Insurance?
RCEA	No	457(b) with up to 7% employer match	10 to 20	11	12	no	no	no
City of Eureka	Yes	457(b), no employer match	12 to 22	13	12	6 to 9 days/yr	1% of salary @5 yrs; 2% @10; 3% @15	yes, \$5K to \$20K policy paid by City
Sonoma Clean Power	No	457/401, with 8% employer match	Combined PTO, 20 to 35	12	see PTO	see PTO	?	yes, \$100K policy paid by SCP
City of Ukiah Electric Dept	Yes	457, without employer match	12 to 24	17	12	10 days/year	\$1000@7 yrs; \$2500@12; \$3500@20 (mgmt only)	yes, \$10K policy paid by City
NCUAQMD	Yes	457, without employer match?	12 to 30	14	12	no	no	yes, \$50K paid by agency
Trinity County PUD	Yes	?	14 to 29	14	13	5 to 15 days/yr	no	yes, policy equal to twice the employee's salary
HBMWD	Yes	yes, with \$50 to \$100/mo. employer match	10 to 25	14	12	2 to 4 days/yr	2.5% @5 years; 5% @10, 7.5% @ 20	\$50K policy paid by HBMWD
Schatz Center - HSU SPF	No	403(b) with 10% employer contribution	10 to 24	14	12	no	no	no
County of Humboldt	Yes	457(b), no employer match	10 to 30	14	12	10 days/yr	5% @10 years; 10% @ 20 years	\$10K policy paid by County
Pioneer Community Energy	No	457(b) with \$19,500 employer contribution	10 to 25	13	12	10 days/yr	no	?
Valley Clean Energy	No	457(b) & 401(a), with employer contribution between 7% and 10% of salary	20 days PTO, with 1 add'l day/yr thru year 10	10	see PTO	see PTO	no	yes, \$25K policy paid by agency
Non -Labor Market Agencies								
City of Arcata	Yes	457 with \$30/month employer contribution (OE3)	12 to 30	15	12	10 to 14 days/yr	3% @10 years; 6% @15; 9% @20 (OE3)	yes, \$50K policy paid by City
City of Fortuna	Yes	?	10 to 20	12 (Mgmt); 14 (FEA)	12	20 to 80 hrs/yr	5% @ 10 yrs	yes, \$10K policy paid by City

* for Salaried -exempt employees only - who qualifes varies by agency

Note: this information was gathered from agency websites and through personal communications. Benefits may vary between bargaining units, and the accuracy of this information is not guaranteed - please contact agencies directly to verify.



STAFF REPORT
Agenda Item # 3.6

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Legal Services Contract Amendment

SUMMARY

Nancy Diamond was retained to help establish RCEA as a joint powers agency in 2003 and has served as RCEA's General Counsel since that time. In addition to the high-quality of legal services provided by Ms. Diamond, the institutional knowledge provided by her almost two decades of service to RCEA is invaluable and irreplaceable.

The current contract for legal services with the Law Offices of Nancy Diamond was approved in 2016 is set to expire on May 1, 2021. Staff proposes extending the contractor for an additional 5-year term. In addition to the extension the proposed contract amendment adds the provision that any future rate increases be reviewed and approved by the Board Chair and Executive Director (only the Executive Director reviews and approves changes to billing rates under the current contract).

FINANCIAL IMPACT

The hourly rates included in the amendment are the same as the current billing rates, so there is no increase in costs to RCEA resulting from the amendment.

Ms. Diamond's billing rates are very competitive for the nature of legal services required by RCEA. If the amendment is not approved, the specialized knowledge related to RCEA's business would require retaining a new general counsel with relevant energy-sector expertise. This would almost certainly result in a significant cost increase. For example, RCEA's current contract for supplemental legal services with Braun Blasing Smith Wynne has attorney billing rates of \$360 to \$420 per hour compared to Ms. Diamond's rate of \$250.

STAFF RECOMMENDATION

Approve Amendment No. 1 to the Contract for Legal Services with the Law Offices of Nancy Diamond and authorize the RCEA Board Chair to execute the amendment and any associated documents.

ATTACHMENTS

Amendment No. 1 to the Contract for Legal Services with the Law Offices of Nancy Diamond.

**AMENDMENT No. 1 TO
CONTRACT FOR LEGAL SERVICES WITH
LAW OFFICES OF NANCY DIAMOND**

This is an amendment (“Amendment”) to that certain Agreement by and between the REDWOOD COAST ENERGY AUTHORITY (“RCEA”) and the LAW OFFICES OF NANCY DIAMOND, “Attorney” for Legal Services, dated May 1, 2016 (“Agreement”). This Amendment is effective on May 1, 2021.

RECITALS

WHEREAS, the Agreement expires on May 1, 2021, and the parties wish to extend the Agreement on the terms and conditions below.

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. **Term.** Section V, “Term,” is hereby extended until May 1, 2026.
2. **Attorney Rates.** Section II, “Compensation and Expense Reimbursement,” Subsection A, “Attorney Rates,” is hereby replaced with the following:

“**A. Attorney Rates:** RCEA agrees to compensate Attorney for services and expenses incurred on RCEA's behalf at the rate of \$250.00 per hour, for paralegal services at the rate of \$100.00 per hour, and for Associate Attorney services at a rate subject to approval by the Executive Director not to exceed the rate charged for services by Attorney. After May 1, 2023, this hourly rate is subject to increase upon written notice by Attorney and approval by the Board Chair and Executive Director.
3. **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 have executed this Amendment No.1 effective on the date above.

Redwood Coast Energy Authority:

By: _____
Sheri Woo, Chair of the Board

Date: _____

Attest:

By: _____
Lori Taketa, Clerk of the Board

Date: _____

Law Offices of Nancy Diamond:

By: _____
Nancy Diamond, Attorney

Date: _____



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 5.1

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Amendment to Power Purchase Agreement with Humboldt Sawmill Company

BACKGROUND

As discussed with the Board in February of this year (see attached staff report), staff recommend amending RCEA's biomass power purchase agreement (PPA) with Humboldt Sawmill Company (HSC) with two principal objectives:

- Extend the term of the agreement to ten years from the present, in order to ensure compliance with Senate Bill 350, which starting this year requires RCEA to procure at least 65% of our state-mandated RPS energy supply through contracts with term length of ten years or longer.
- Agree to a lower price per megawatt-hour (MWh) for the longer term, more closely in line with current market prices for renewable energy.

The February staff report provides more detail on the rationale for the proposed amendment.

SUMMARY

Staff have come to agreement with HSC on an amendment (see attached cover sheet; full amendment is being completed and will be made available to the Board prior to the meeting), which includes the following changes to our PPA:

1. Extends contract end date to May 31, 2031
2. Reduces price to \$63/MWh for up to 125,000 MWh per year, then \$58/MWh for up to 20,000 additional MWh per year (the PPA's current Contract Quantity is 116,070 MWh per year)
3. Reduces the Green Attribute Price from \$14.50/MWh to \$11/MWh, in keeping with current market pricing for renewable energy attributes
4. Modifies the Guaranteed Energy Production terms, including a seasonal Guaranteed Energy Production for the third quarter (Q3) of each calendar year, when power delivery is most critical and cost of replacement power products can be exorbitant
5. Adds a quarterly energy production forecast requirement, with penalties for significant over or under delivery, specifically \$10/MWh for deviations greater than 5% in Q3 and \$5/MWh for deviations greater than 7% in the rest of the year
6. Increases the Delivery Term Security amount to reflect the longer contract term and increased volume, as well as the compliance risk associated with non-delivery
7. Adds Public Safety Power Shutoffs as a new qualifying Force Majeure event

Note that even if HSC delivers the full 145,000 MWh per year making up both pricing tiers noted in item 2 above, the total biomass energy procured by RCEA annually would be only 71% of the

combined annual contract amounts of the HSC and DG Fairhaven biomass PPAs in place through December 2020 when the DG Fairhaven PPA expired.

RECOMMENDED ACTION

Authorize the Executive Director to execute Amendment No. 2 to RCEA's power purchase agreement with Humboldt Sawmill Company.

ATTACHMENTS

1. Staff report for agenda item 5.2, February 2021 meeting of the RCEA Board of Directors
2. Cover Sheet for Amendment No. 2 to Power Purchase Agreement (Humboldt Sawmill Company)

DRAFT Amendment No. 2 is available for viewing online [here](#).



REDWOOD COAST Energy Authority

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.

**POWER PURCHASE AGREEMENT
COVER SHEET – AMENDED May 1, 2021**

This Power Purchase Agreement (“Agreement”) is entered into between Redwood Coast Energy Authority, a California joint powers authority (“Buyer” or “RCEA”), and Humboldt Redwood Company, LLC, a Delaware limited liability company (“Seller”), as of April 27, 2017, the Execution Date. The information contained in this Cover Sheet shall be completed by Seller and incorporated into the Agreement.

A. Transaction Type

Seller may not modify the Transaction Type designated in this Part A of the Cover Sheet at any time after the Execution Date.

Product:

- ☒ As-Available, woody biomass facilities only
- ☐ Baseload, woody biomass facilities only

Deliverability:

- ☐ Energy Only Status
- ☐ Partial Capacity Deliverability Status (“PCDS”)
 - a) If PCDS is selected, provide the Expected PCDS Date, or the date the Project received a PCDS finding if already received:
_____ (mm/dd/yyyy);
 - b) The Partial Capacity Deliverability Status Amount the Project will obtain is _____ MW.
- ☒ Full Capacity Deliverability Status (“FCDS”)
 - a) If FCDS is selected, provide the Expected FCDS Date, or the date the Project received a FCDS finding if already received:
_____ (mm/dd/yyyy).

Seller shall elect one of the following types of transactions pursuant to Section 3.1(b) of the Agreement:

- ☐ Full Buy/Sell
- ☒ Excess Sale

Seller shall elect one of the following Delivery Terms:

- ☒ 13 Years and 3 Months

B. Contract Capacity and Expected Initial Energy Delivery Date

Contract Capacity: 18 MW

Expected Initial Energy Delivery Date: 3/1/2018

C. Contract Price

The Contract Price for each MWh of Product as measured by Delivered Energy in each Contract Year or Delivery Month and the price for Deemed Delivered Energy in each Contract Year or Delivery Month shall be as follows:

	Contract Price (\$/MWh)	Excess Delivered Energy Price (\$/MWh)	Surplus Delivered Energy Contract Price (\$/MWh)
Delivery Period	<i>Applicable to Delivered Energy up 100% of the Contract Quantity in each Contract Year</i>	<i>Applicable to Delivered Energy exceeding 100% of the Contract Quantity in each Contract Year but less than 116% of the Contract Quantity in each Contract Year</i>	<i>Applicable to Surplus Delivered Energy and to Delivered Energy exceeding 116% of the Contract Quantity in each Contract Year</i>
Contract Year 1	83	N/A	Energy Price + Green Attribute Price
Contract Year 2	65 (March-December 2019); 67 (January-February 2020)	N/A	Energy Price + Green Attribute Price
Contract Year 3	67	N/A	Energy Price + Green Attribute Price
Contract Year 4	63	58	Energy Price + Green Attribute Price
Contract Year 5	Contract Year 4 Contract Price times Annual Contract Price Adjustment	Contract Year 4 times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 6	Contract Year 5 Contract Price times Annual Contract Price Adjustment	Contract Year 5 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 7	Contract Year 6 Contract Price times Annual Contract Price Adjustment	Contract Year 6 Tier 2 Contract Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 8	Contract Year 7 Contract Price times Annual Contract Price Adjustment	Contract Year 7 Tier 2 Contract Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 9	Contract Year 8 Contract Price times Annual Contract Price Adjustment	Contract Year 8 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price

Contract Year 10	Contract Year 9 Contract Price times Annual Contract Price Adjustment	Contract Year 9 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 11	Contract Year 10 Contract Price times Annual Contract Price Adjustment	Contract Year 10 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 12	Contract Year 11 Contract Price times Annual Contract Price Adjustment	Contract Year 11 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price
Contract Year 13	Contract Year 12 Contract Price times Annual Contract Price Adjustment	Contract Year 12 Excess Delivered Energy Price times Annual Contract Price Adjustment	Energy Price + Green Attribute Price

The Contract Price shall be increased annually, commencing on March 1, 2022, by the Annual Contract Price Adjustment, such that each year such Contract Price is equal to the prior year's Contract Price multiplied by the Annual Contract Price Adjustment. The "Annual Contract Price Adjustment" will be determined in 2021 as one (1) plus the percentage increase in the monthly CPI between January 2019 and January 2021. The "Annual Contract Price Adjustment" will be determined in each succeeding year as one (1) plus the percentage increase in the monthly CPI between January of the prior year and January of the year in which the adjustment is made. The Contract Price, if adjusted as aforesaid, shall remain unchanged until it is adjusted again pursuant to the terms of this Section.

"Consumer Price Index" or "CPI" means the Consumer Price Index - California for All Urban Consumers, not seasonally adjusted, as published monthly by the California Department of Industrial Relations; or such other or similar index as Seller reasonably selects to measure change in the purchasing power of the U.S. dollar in California, as approved in advance by RCEA.

"Energy Price" means the simple average of the Integrated Forward Market hourly price, as published by the CAISO, for the Existing Zone Generation Trading Hub (as defined in the CAISO Tariff), in which the PNode resides, associated with Surplus Delivered Energy for each Delivery Month.

"Green Attribute Price" means the \$11.00 per MWh payment for Green Attributes associated with Surplus Delivered Energy conveyed to Buyer in accordance with the terms of this Agreement.

D. Delivery Term Contract Quantity Schedule

Quantity of energy to be delivered by contract year:

Delivery Period	Contract Quantity (MWh)	Surplus Delivered Energy Quantity (MWh)
Contract Year 1 (beginning March 1, 2018)	116,070	0
Contract Year 2	116,070	0
Contract Year 3	116,070	0
Contract Year 4	125,000	0
Contract Year 5	125,000	0
Contract Year 6	125,000	0
Contract Year 7	125,000	0
Contract Year 8	125,000	0
Contract Year 9	125,000	0
Contract Year 10	125,000	0
Contract Year 11	125,000	0
Contract Year 12	125,000	0
Contract Year 13	125,000	0
Contract Year 14 (March, April, May 2031)	31,250	0

E. Collateral

- Pre-Development Term Security

Dollar Amount: \$1,530,000

- Cash, or
- Letter of Credit

- Delivery Term Security

Dollar Amount: \$2,500,000

- Cash, or
- Letter of Credit

F. Buyer Bid Curtailment and Buyer Curtailment Orders.

Operational characteristics of the Project for Buyer Bid Curtailment and Buyer Curtailment Orders are listed below. Buyer, as the Scheduling Coordinator or through its Third-Party Scheduling Coordinator, may request that CAISO modify the Master File for the Project to reflect the findings of a CAISO audit of the Project. In addition, Seller agrees to coordinate with Buyer or Third-Party SC, as applicable, to ensure all information provided to the CAISO regarding the operational and technical constraints in the Master File for the Project are accurate and are based on the true physical characteristics of the resource.

- PMax of the Project: 28.8 MW

- Minimum operating capacity: 0 MW
- Ramp Rate: 0.17 MW/Minute
- Maximum number of Start-ups per calendar day, month, year (if any such operational limitations exist): 1/month
- Advance notification required for Buyer Bid Curtailment and Buyer Curtailment Order: Not greater than the shortest Dispatch Interval in the Real-Time Market (as defined in the CAISO Tariff).

Other Requirements:

- Maximum number of hours annually for Buyer Curtailment Periods: zero hours
- The Project will be capable of receiving and responding to all Dispatch Instruction in accordance with Section 3.1(q).
- Start-Up Time (if applicable): NA*
- Minimum Run Time after Start-Up (if applicable): NA*
- Minimum Down Time after Shut-Down (if applicable): NA*
- *Generator: Continuously Operating biomass Unit

Note: Sellers should enter the maximum flexibility the Project can offer given the operational constraints of the technology.

G. Damage Payment (as described under Damage Payment definition in Section 1.47)

X Thirteen Year, Three Month Delivery Term. Dollar amount: \$2,500,000

H. Notices List [Seller to Update]

Name: Humboldt Redwood Company,
LLC, a Delaware limited liability company
("Seller")

All Notices:

Delivery Address:

Street: 3700 Old Redwood Highway
Suite 200, Santa Rosa, CA 95403

Mail Address: (if different from above)

Attn: Jim Pelkey
Chief Financial Officer

Phone: [REDACTED]

Email: [REDACTED]

DUNS: to be supplied

Federal Tax ID Number: to be supplied

Name: Redwood Coast Energy Authority,
("Buyer" or "RCEA")

All Notices:

Delivery Address:

633 3rd St, Eureka, CA 95501

Mail Address:

Attn: Richard Engel
Director of Power Resources

Phone: [REDACTED]

Email: [REDACTED]

DUNS: to be supplied

Federal Tax ID Number: to be supplied

Invoices:

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Scheduling:

Attn: Michael Richardson

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Payments:

Attn: Josh Monson

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]
[REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: to be supplied
ACCT: to be supplied

Credit and Collections:

Attn: Josh Monson

Phone: [REDACTED]
Email: [REDACTED]

Notices of an Event of Default to:

Attn: Jim Pelkey
Chief Financial Officer

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

With additional Notices of an Event of Default to:

Bob Mertz
Chief Executive Officer
3700 Old Redwood Highway, Suite 200

Invoices:

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Scheduling:

Attn: The Energy Authority designated as Buyer's
SC

Real Time Desk Phone: [REDACTED]
Facsimile: [REDACTED]

Payments:

Attn: Lori Biondini

Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

Wire Transfer:

BNK: [REDACTED]
ABA: contact [REDACTED]
ACCT: contact [REDACTED]

Credit and Collections:

Attn: Lori Biondini

Phone: [REDACTED]
Email: [REDACTED]

Attn: Lori Biondini

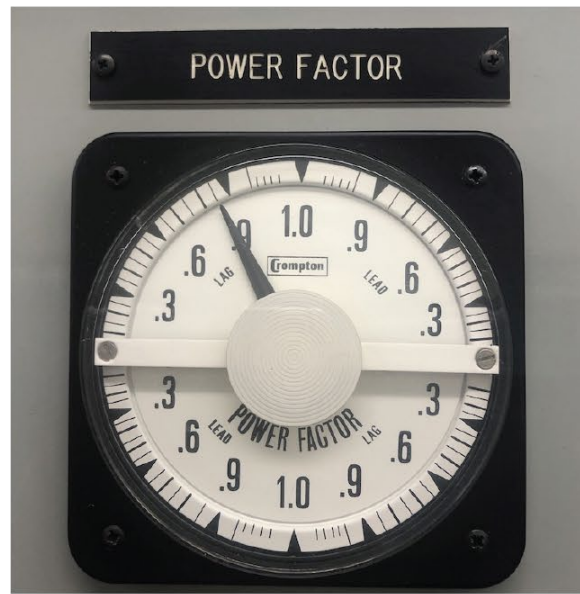
Phone: [REDACTED]
Facsimile: [REDACTED]
Email: [REDACTED]

RCEA General Counsel
Nancy Diamond, Law Offices of Nancy
Diamond
822 G. Street, Suite 3

Santa Rosa, CA 95403
Phone: [REDACTED]

Arcata, CA 95521
Phone: [REDACTED]
Facsimile: [REDACTED]

DRAFT



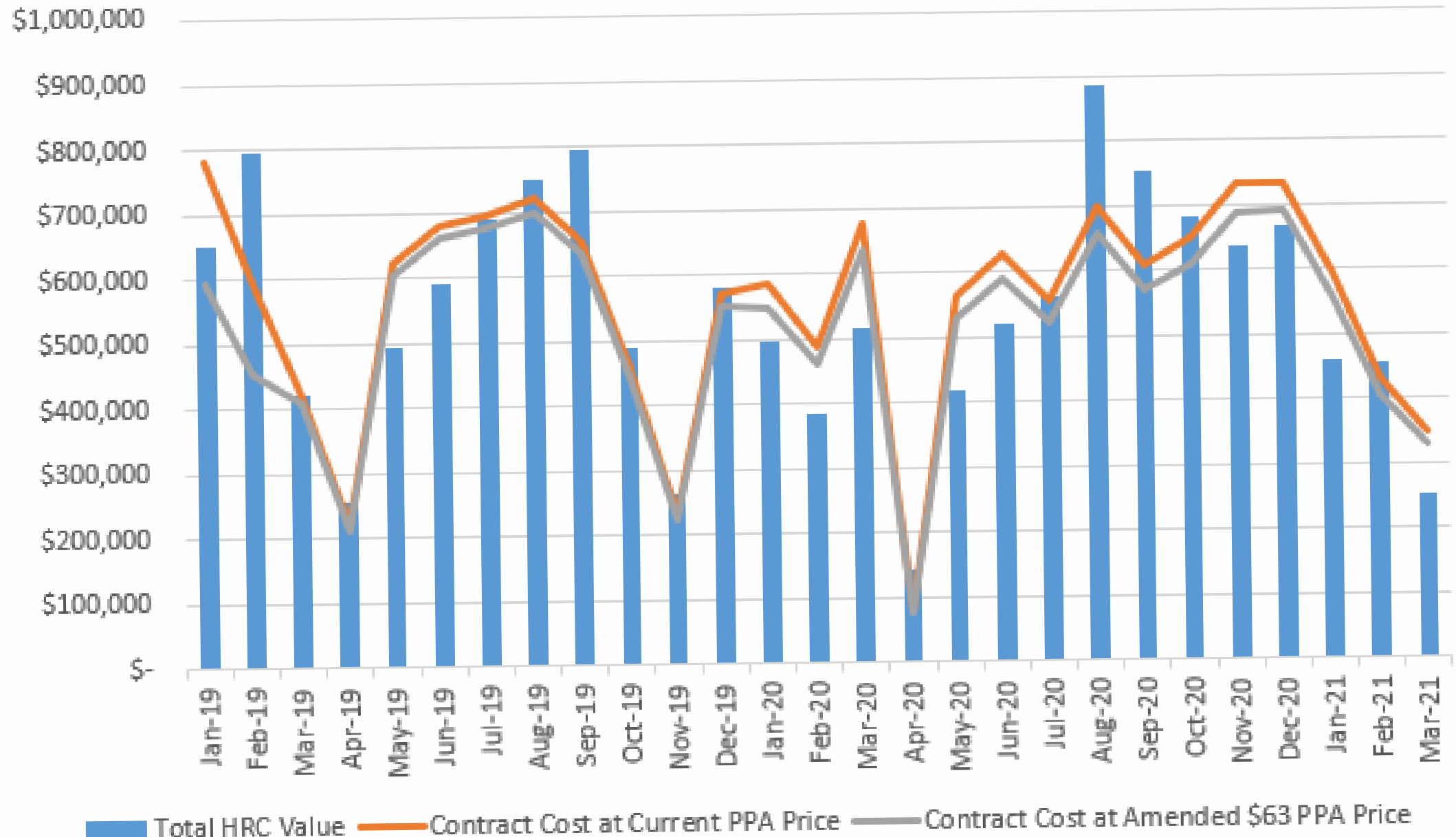
5.1 – Humboldt Sawmill Company Biomass PPA Amendment

April 2021 Board Meeting

Redwood Coast Energy Authority



HSC Value and Cost to RCEA by Month





STAFF REPORT
Agenda Item # 7.1

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Jaclyn Harr, TEA Client Services Manager
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 Manager Jaclyn Harr and RCEA staff will provide an energy risk management quarterly program update.

RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

ATTACHMENTS

None - Energy Risk Management Quarterly Report slides will be presented at the meeting.



RCEA Energy Risk Management Plan Quarterly Report

April 2021

Outline

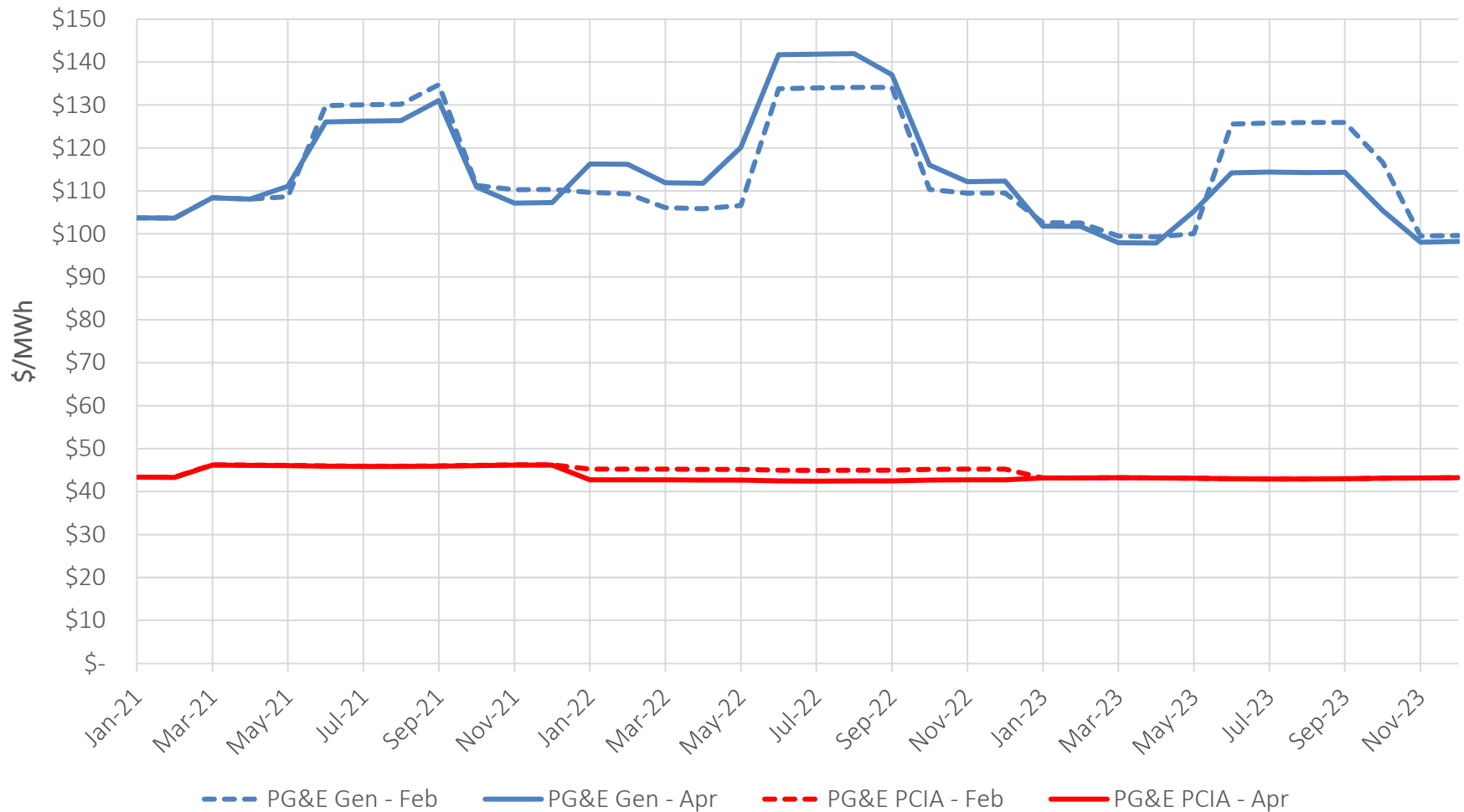
- RCEA CCE Financial Outlook
- Overview of RCEA Procurement
- Upcoming IRP Procurement

RCEA CCE Financial Outlook

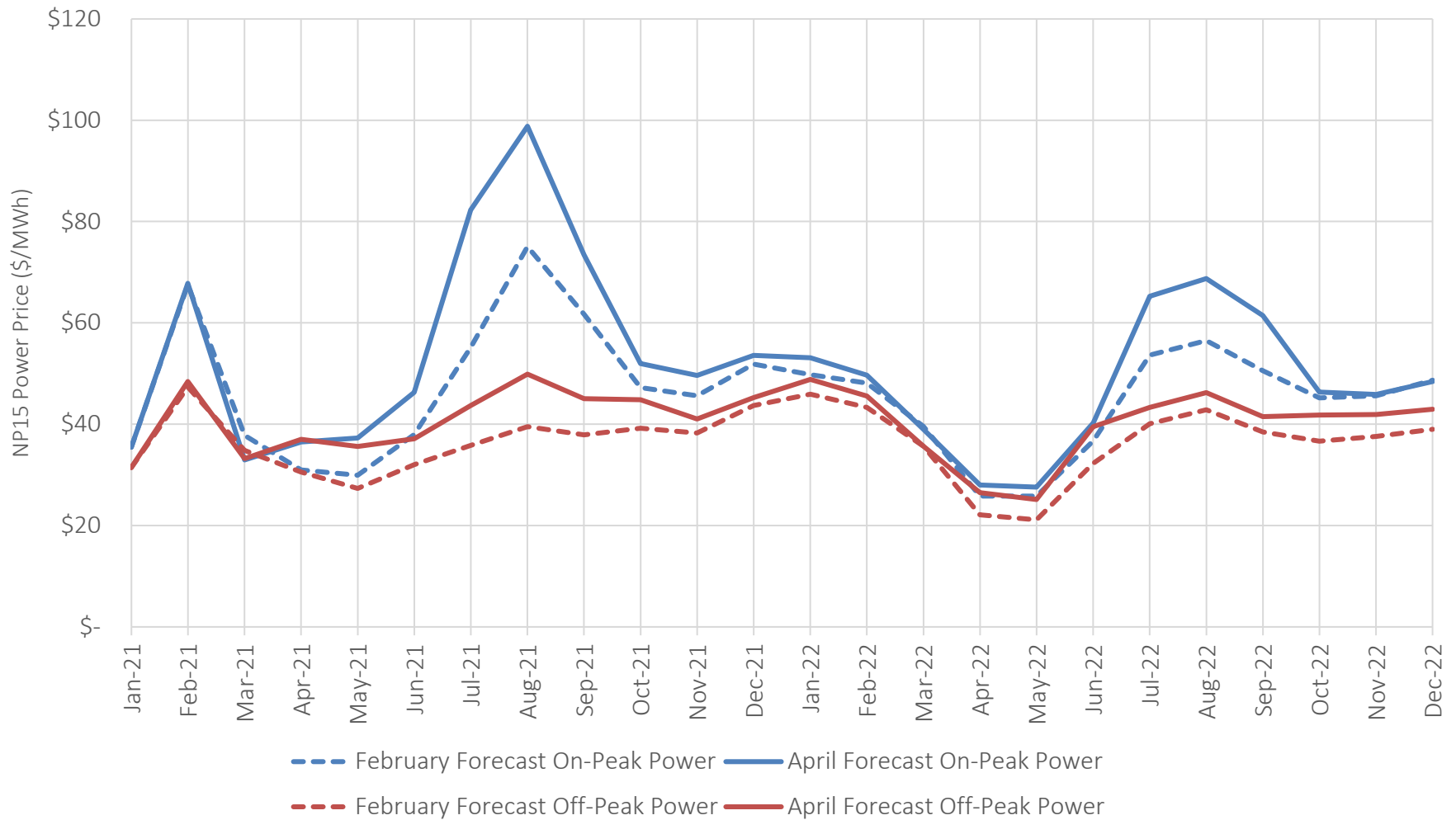
Financial Forecast Updates

- PG&E Rate Forecast Update
 - Generation Rates: ~5.5% avg. increase in 2022, ~4.5% avg. decrease in 2023
 - PCIA Rates: ~5.5% decrease in 2022
- Energy Market Costs
 - 14% increase in average 2021 vs. Feb forecast
 - 9% increase in average 2022 vs. Feb forecast
- Environmental Target Assumptions
 - 2021 at minimum compliance
 - 2022+ resume normal renewable objectives
 - HSC contract amendment not yet included

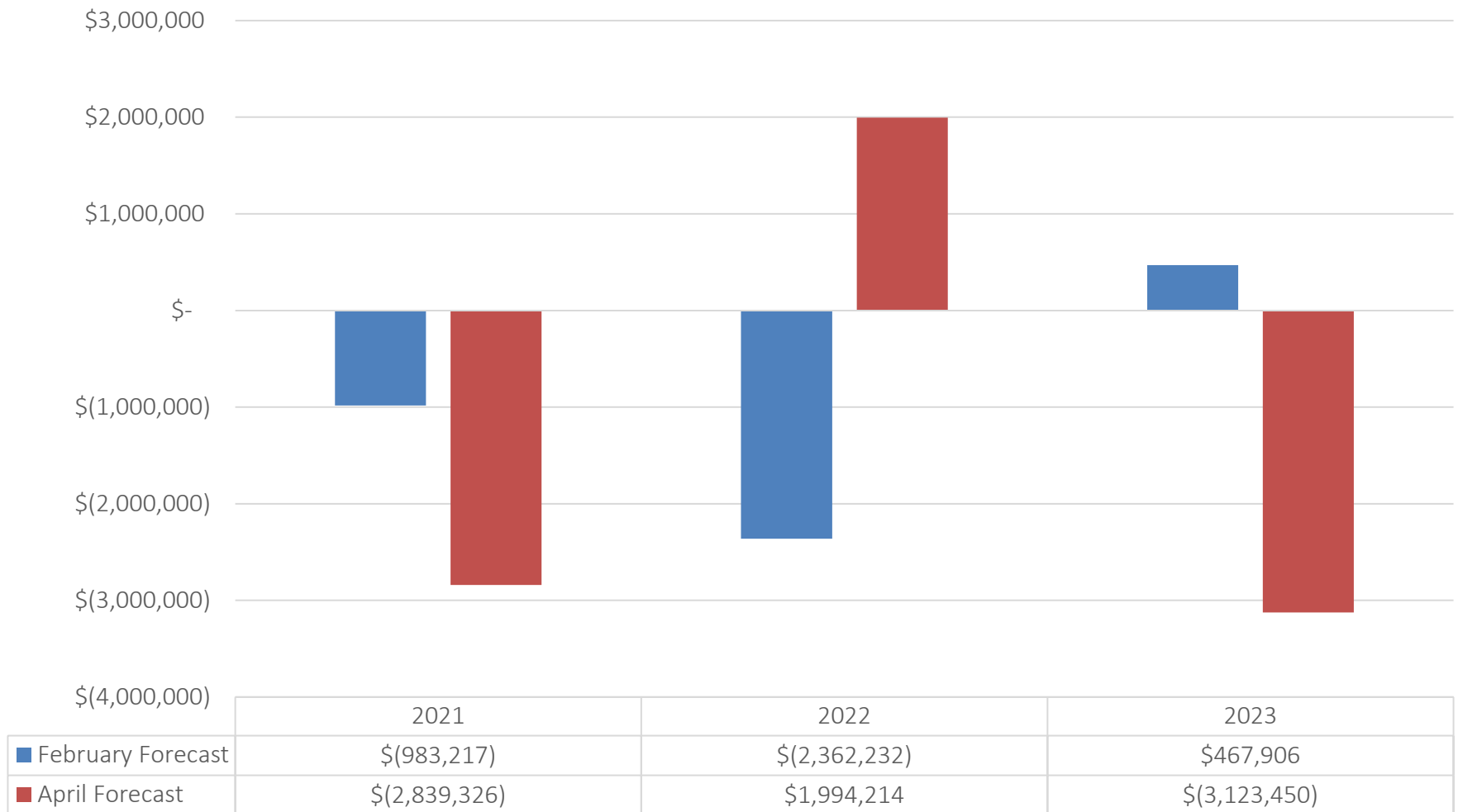
PG&E Rates



Cost of Energy



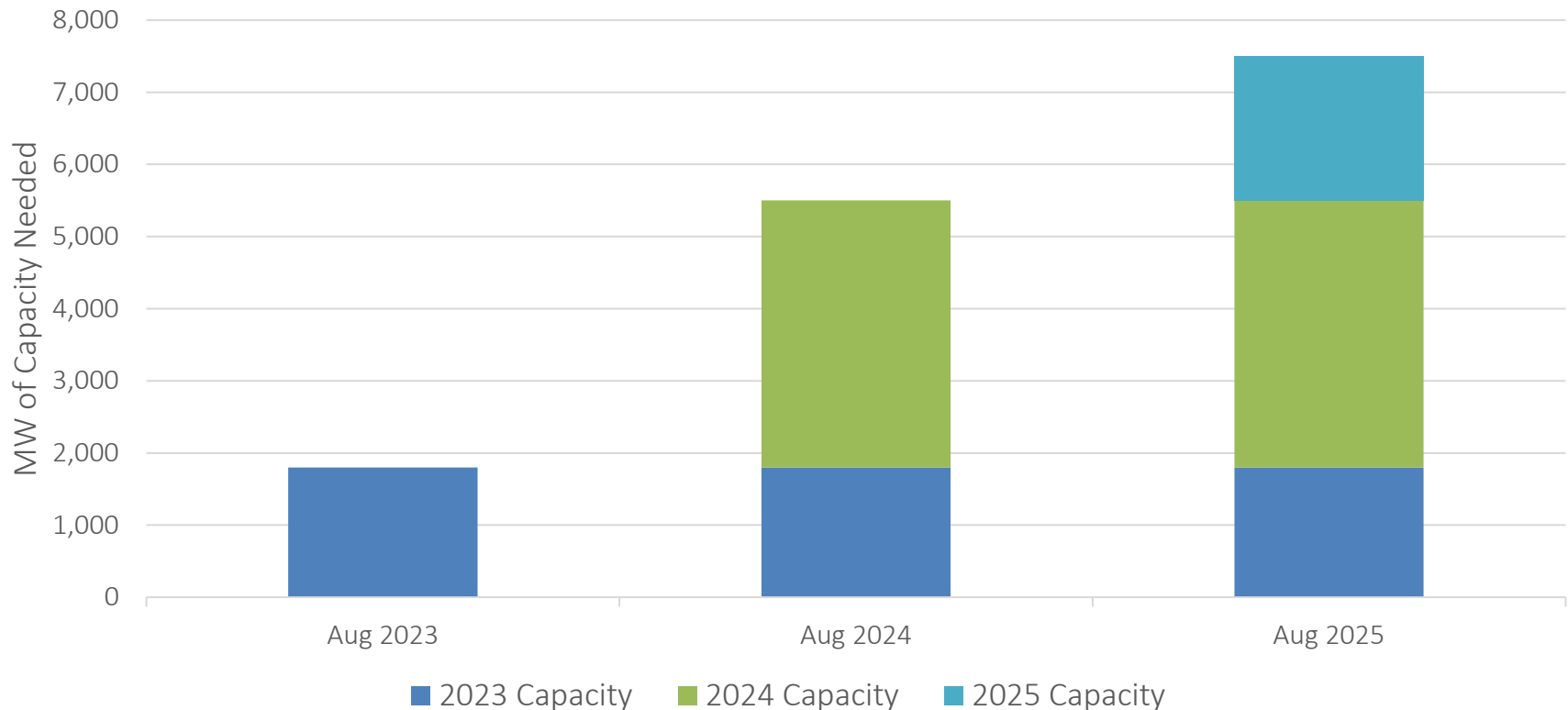
Net Revenue Forecast



Upcoming 2020 IRP Procurement

2020 IRP Procurement Proposed Ruling

CPUC has issued a proposed ruling ordering 7,500 MW of new system capacity statewide



Proposed IRP Procurement Details

- Statewide Technology Mandate:
 - At least 1,000 MW of geothermal
 - At least 1,000 MW of long-duration storage
 - Out-of-state & off-shore wind encouraged if timely
- Procurement allocation methodology still being developed (i.e. how much each investor owned utility and CCA will need to procure)
- Driven primarily by planned retirements:
 - Diablo Canyon (2,250 MW) in 2024-2025
 - Once-Through Cooling Natural Gas (5,000 MW) in 2021 – 2029
- California currently has ~45,000 MW of capacity online



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 9.1**

AGENDA DATE:	April 22, 2021
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director Staff Report

SUMMARY

Executive Director Matthew Marshall will provide a brief update on local and national offshore wind related activities at this Board meeting.

STAFF RECOMMENDATION

N/A – Information only.

ATTACHMENTS

None.