



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS REGULAR MEETING AGENDA

**Wharfinger Building, downstairs Bay Room
1 Marina Way, Eureka, CA 95501**

**May 23, 2024
Thursday, 3:30 p.m.**

Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email LTaketa@redwoodenergy.org or call (707) 269-1700 at least 3 business days before the meeting. Assistive listening devices are available.

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, including those received less than 72 hours prior to the Committee's meeting, will be made available to the public at www.RedwoodEnergy.org.

NOTE: Speakers wishing to distribute materials to the Board at the meeting, please provide 13 copies to the Board Clerk.

THIS IS A HYBRID IN-PERSON AND VIRTUAL MEETING.

The RCEA Board of Directors holds in-person hybrid meetings. When attending, please socially distance as much as possible and be courteous to those who choose to wear a mask.

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

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 prompt you to unmute your phone or computer. You will have 3 minutes to speak.

You may submit written public comment by email to PublicComment@redwoodenergy.org. Please identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

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."

OPEN SESSION Call to Order

1. ROLL CALL - REMOTE DIRECTOR PARTICIPATION

- 1.1. Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

2. REPORTS FROM MEMBER ENTITIES

3. ORAL AND WRITTEN 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.

4. 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.

- 4.1 Approve Minutes of April 22, 2024, Board Special Meeting.
4.2 Approve Disbursements Report.
4.3 Accept Financial Reports.
4.4 Authorize Amendment 2 to 2021 Task Order 1 for Operational Services with The Energy Authority, Inc., and Authorize the Interim Executive Director to Execute the Amendment and All Associated Documents.
4.5 Accept Quarterly Budget Report for Fiscal Year 2023-2024 Q3.
4.6 Approve Resolution 2024-5 Approving the Form of and Authorizing the Execution of the Second Amendment to the Power Purchase Agreement with Foster Clean Power A LLC and the First Amendment to the Power Purchase Agreement with Foster Clean Power B LLC.
4.7 Accept Regulatory and Legislative Reports.
4.8 Approve Payment of California Community Power JPA Annual General and Administrative Dues up to \$136,463.60 for Fiscal Year 2024-25.
Approve Payment of California Community Choice Association Annual Dues up to \$112,375 for Fiscal Year 2024-25.

5. REMOVED FROM CONSENT CALENDAR ITEMS

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS – None.

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.

6. OLD BUSINESS

6.1 Adjustment of Procurement Limits in Risk Policy

Approve Addendum A to the RCEA Energy Risk Management Policy, including increases to procurement dollar value limits as specified in Proposal A, and authorize the Executive Director to delegate staff-level approval of capacity transactions in writing with a specified end date.

7. NEW BUSINESS

7.1 Fiscal Year 2024-25 Preliminary Draft Budget

Provide guidance and input to staff on draft Fiscal Year 2024-2025 budget.

7.2 Executive Director Recruitment Firm Selection

1. Authorize the Executive Director to execute all applicable documents for recruitment serves associated with the Executive Director recruitment with Tripepi Smith for \$20,500, subject to RCEA General Counsel review.
2. Authorize a contingency of up to \$9,500 for additional or unanticipated costs associated with the executive recruitment.
3. Provide Board direction regarding key knowledge, skills, and abilities for the new Executive Director.
4. Authorize the Executive Director Recruitment Ad hoc Sub Committee to meet and communicate on behalf of the Board with the recruitment firm.

8. STAFF REPORTS

8.1 Interim Executive Director's Report

9. FUTURE AGENDA ITEMS

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

10. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, June 27, 2024, 3:30 p.m.

Wharfinger Building downstairs Bay Room, 1 Marina Way, Eureka, CA 95501

Online and phone participation will also be possible via Zoom.

This page
intentionally
left blank.



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS DRAFT SPECIAL MEETING MINUTES

**Wharfinger Building, downstairs Bay Room
1 Marina Way, Eureka, CA 95501**

**April 22, 2024
Monday, 3:30 p.m.**

Chair Sarah Schaefer called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:33 p.m. Notice of this meeting was posted on April 19, 2024.

PRESENT: Natalie Arroyo, Vice Chair Scott Bauer (arrived 4:07 p.m.), Skip Jorgensen, Kris Mobley (left 5:34 p.m.), Jason Ramos, Elise Scafani, Chair Sarah Schaefer, Jack Tuttle (arrived 3:35 p.m.), Frank Wilson, Sheri Woo. ABSENT: Frankie Myers.

STAFF AND OTHERS PRESENT: Finance Specialist Ronnie Chaussé; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; The Energy Authority California Account Director Jaclyn Harr; Demand-Side Management Director Stephen Kullmann; Human Resources Manager Kristy Siino; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES

Director Scafani reported that the City of Blue Lake took possession of the former biomass plant site. Director Arroyo reported that the California State Association of Counties Legislative Conference Coastal Counties Policy Committee discussed local government roles in the offshore wind development process. The latest CAISO transmission recommendations indicate that offshore wind power will connect to the onshore grid at the Humboldt Bay substation before branching off to Solano County and toward Red Bluff. This would lead to regional grid resilience investment. Chair Schaefer reported on travel with Dir. Arroyo, some RCEA staff and others from Humboldt County to Massachusetts to see offshore wind implementation on the East Coast. Director Bauer reported that the City of Eureka will likely vote to subscribe to RCEA's REpower+ 100% renewable portfolio electricity service at its next meeting.

ORAL AND WRITTEN COMMUNICATIONS

There were no public comments on non-agenda topics at this meeting.

CONSENT CALENDAR

- 4.1** Approve Minutes of March 28, 2024, Board Meeting.
- 4.2** Approve Disbursements Report.
- 4.3** Accept Financial Reports.

Neither the Board nor member of the public requested any consent calendar item discussion.

M/S: Arroyo, Mobley: Approve Consent Calendar items.

The motion passed with a unanimous vote. Ayes: Arroyo, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Bauer, Myers, Abstain: None.

Chair Schaefer confirmed that a quorum was present to conduct CCE Business.

OLD CCE BUSINESS

6.1 Energy Risk Management Quarterly Report

TEA California Account Director Jaclyn Harr reported on the CCE program's latest financial forecast. PG&E's rates, and RCEA's rates because of its current ½% discount from PG&E's rates, will decrease in 2025-26 and Power Charge Indifference Adjustment or exit fee rates will increase. Renewable energy credits, carbon-free product and resource adequacy (RA) prices have all been increasing dramatically. Together, these factors will result in a significant drop in RCEA's net revenue during that time. PG&E's transmission and distribution costs could also rise, which could affect customers' bills. What will impact RCEA's portfolio most is the shift to slice of day resource adequacy requirements. As more and more of California's energy comes from intermittent renewable sources such as solar and wind energy, it is much more challenging for the state to plan for an adequate energy supply at all times of the day, especially in the middle of the night. The new slice of day RA requirements are meant to ensure an adequate energy supply for each hour of each day of the year but will make procurement extremely complicated. The coming procurement requirement has already increased demand for very limited baseload RA supply, driving prices higher than ever. Current State plans call for slice of day RA to be fully implemented in 2025, and RCEA's cash balance is expected to drop dramatically by early 2026 due to the financial impacts of slice of day. Because the Sandrini solar energy project will by then comprise a large part of RCEA's portfolio, RCEA will need to procure more baseload RA to meet the new compliance requirements.

The directors discussed how to explain rate increases to the community, proposed changes to RCEA's Energy Risk Management Policy to help TEA and staff procure needed resources more quickly, the possibility of not meeting state procurement requirements, the possibility of needing less desirable energy to survive new grid conditions, the uncertainty of how slice of day RA procurement will be implemented, difficulties of procuring resources in advance of the rule change, the extreme ups and downs of energy forecasts in general, and the need to take this upcoming change into consideration when creating next year's budget.

The directors discussed policy makers' roles in creating the current energy market predicament, harsher difficulties faced by CCAs that have focused heavily on renewable energy procurement, the need for RA price controls, and CalCCA's advocacy for delaying slice of day until 2026 to allow enough procurement time. There was no public comment on this agenda item.

OLD BUSINESS

8.1 Executive Director Salary and Job Description

Human Resources Manager Siino reviewed the need to set the Executive Director's salary range prior to recruitment. In lieu of a formal classification and compensation study, which could take months to a year to complete, staff prepared proposals for the ad hoc Board

Executive Recruitment Subcommittee's consideration. The subcommittee recommended establishing the Executive Director's salary schedule separately from the staff salary schedule.

The directors discussed internal equity concerns and the need for clear job descriptions with compensation aligned to job duties. There were no comments from the public on this agenda item.

M/S: Woo, Scafani:

1. **Adopt RCEA staff salary schedule with the removal of the Executive Director classification.**
2. **Adopt an Executive Director Salary schedule and approve the initial Executive Director salary range.**
3. **Approve updated Executive Director job description.**

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Myers, Abstain: None.

NEW BUSINESS

9.1 Foster Clean Power B Power Purchase Agreement
Power Resource Director Engel described the second phase of a solar and battery storage project off Foster Avenue near Arcata. The Board already approved a power purchase agreement with developer Renewable America for Foster A, the solar project's first phase. The projects gained County approval for development without real public opposition and will incorporate pollinator habitat to benefit surrounding agricultural lands. The project's potential resource adequacy requirement benefits were described. There was no public comment on this agenda item.

M/S: Arroyo, Woo: Approve Resolution 2024-4 Approving the Form and Authorizing the Execution of the Power Purchase Agreement with Foster Clean Power B LLC.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Myers, Abstain: None.

9.2 Energy Resilient Fire Services in High-Threat Communities Grant
Interim Executive Director Verbeck described the California Energy Commission grant RCEA was awarded to install solar panels and battery storage at 16 rural Humboldt County fire stations. The systems will reduce normal operating costs and help the critical facilities maintain emergency functions during crises. The projects must be completed within the next 2.5 years despite delays to the grant award.

M/S: Wilson, Bauer:

Authorize RCEA Interim Executive Director to execute the California Office of Planning and Research Regional Resilience Grant Program Grant Agreement once finalized and reviewed by General Counsel.

Authorize RCEA Interim Executive Director to execute Partnership Agreement(s) with the RRGP fire station project partners.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Mobley, Myers, Abstain: None.

STAFF REPORTS

10.1 Interim Executive Director's Report (Information only)

Interim Executive Director Verbeck reported that RCEA's electric bike voucher program launched at the beginning of April. All but six of the 67 vouchers already issued have gone to income qualified customers. The program targets people who may use ebikes as a primary transportation source. RCEA, the Schatz Energy Research Center and the Blue Lake Rancheria, Yurok and Hoopa Valley Tribes successfully submitted a grant application in just two weeks to build Tribe-owned and operated microgrids. The California Energy Commission issued a notice of intent to award \$6 million in match funding for this resiliency and energy sovereignty project. There was no public comment on this item.

FUTURE AGENDA ITEMS

Directors requested information about Senate Bill 1999, which would cap PG&E's fixed rate. Staff will use Ava Community Energy's income graduated fixed charge model to report how the proposed fixed rate would affect RCEA's inland and coastal customers. Directors asked to see how different discounted rates can be incorporated into RCEA's budget, and to learn at what reserve level larger rate discounts can be considered. Directors discussed developing small municipally-owned utilities so Humboldt County ratepayers can buy and own energy resources as well as the distribution system. A classification and compensation study was requested, as well as discussion of a biomass energy plan of action when results of Humboldt Sawmill Company's health impact study are shared.

Chair Schaefer adjourned the meeting at 5:54 p.m.

Lori Taketa
Board Clerk

Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2024

Type	Date	Num	Name	Memo	Amount
Liability Check	03/01/2024	ACH	Ascensus	Paydate 03/01/24	-13,843.53
Liability Check	03/01/2024	ACH	EDD	Paydate 03/01/24	-8,788.85
Liability Check	03/01/2024	ACH	Internal Revenue Service	Paydate 03/01/24	-37,398.68
Check	03/01/2024	17020	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240214-1912	-50.00
Check	03/01/2024	17021	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240214-1910	-50.00
Check	03/01/2024	17022	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240208-1891	-100.00
Check	03/01/2024	17023	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240214-1906	-100.00
Check	03/01/2024	17024	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240217-1922	-100.00
Check	03/01/2024	17025	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240220-1925	-100.00
Check	03/01/2024	17026	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240125-1858	-150.00
Check	03/01/2024	17027	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240117-1829	-150.00
Check	03/01/2024	17028	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240126-1859	-400.00
Check	03/01/2024	17029	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240212-1902	-950.00
Check	03/01/2024	17030	CCE Customer	Heat Pump Rebate #CCE-R-240223-1929	-612.50
Check	03/01/2024	17031	CCE Customer	Heat Pump Rebate #CCE-R-231203-1756	-650.00
Check	03/01/2024	17032	CCE Customer	Heat Pump Rebate #CCE-R-240112-1822	-875.00
Check	03/01/2024	17033	CCE Customer	Heat Pump Rebate #CCE-R-240119-1840	-912.50
Check	03/01/2024	17034	CCE Customer	Heat Pump Rebate #CCE-R-230824-1541	-1,050.00
Check	03/01/2024	17035	CCE Customer	Heat Pump Rebate #CCE-R-240220-1923	-1,050.00
Check	03/01/2024	17036	CCE Customer	Heat Pump Rebate #CCE-R-230703-1456	-1,200.00
Check	03/01/2024	17037	CCE Customer	Heat Pump Rebate #CCE-R-231229-1789	-1,550.00
Check	03/01/2024	17038	CCE Customer	Heat Pump Rebate #CCE-R-231201-1751	-1,850.00
Bill Pmt -Check	03/01/2024	17039	Aiqueous, LLC	Powerpath Licenses 01/01/2024-05/04/2024	-8,900.63
Bill Pmt -Check	03/01/2024	17040	Caselle, Inc.	Contract Support and Maint: March 2024	-1,636.00
Bill Pmt -Check	03/01/2024	17041	Frontier Energy, Inc.	PA Program Consulting - November 2023	-10,416.00
Bill Pmt -Check	03/01/2024	17042	Hooven & Reese, Inc.	H Street Charging Station: Labor and Materials	-13,110.00
Bill Pmt -Check	03/01/2024	17043	Liebert Cassidy Whitmore	Jan 2024 Legal Cases: 006-00012, 006-00004	-5,656.50
Bill Pmt -Check	03/01/2024	17044	Mission Uniform & Linen	Feb 2024 mat cleaning and supplies	-75.55
Bill Pmt -Check	03/01/2024	17045	PG&E EV Account	EV stations 01/16-02/13/2024	-1,266.46
Bill Pmt -Check	03/01/2024	17046	PG&E Office Utility	633 3rd Street 01/16-02/13/2024	-1,452.54
Bill Pmt -Check	03/01/2024	17047	Rodriguez, Louis	Mileage reimbursement - February 2024	-69.68
Bill Pmt -Check	03/01/2024	17048	Verbeck, E.	CalCCA Lobby Day Travel Reimbursement	-1,139.96
Check	03/01/2024	17049	CCE Customer	Heat Pump Rebate #CCE-R-231227-1786	-1,600.00
Check	03/01/2024	17050	CCE Customer	Heat Pump Rebate #DS-NR-230503-1289	-1,000.00
Bill Pmt -Check	03/01/2024	17051	Frontier Energy, Inc.	PA Program Consulting - December 2023	-1,934.75
Bill Pmt -Check	03/01/2024	17052	BitHELL, M.	Feb 2024 Mileage Reimb #2	-85.76
Paycheck	03/01/2024	ACH	Employees	Payroll	-92,740.75
Bill Pmt -Check	03/04/2024	ACH	The Energy Authority	CAISO Invoice #CISO041724-APR	-59,374.56
Check	03/05/2024	ACH	VISA	February 2024 Statement 01/20/2024-02/21/2024	-8,183.89
Bill Pmt -Check	03/08/2024	ACH	Baker Tilly US, LLP	Professional services - period ending 2/29/24	-1,560.76
Bill Pmt -Check	03/08/2024	WIRE	PG&E Voluntary Allocation	Aug & Sept 2023 Forecast Price	-204,070.50
Bill Pmt -Check	03/08/2024	17053	Amazon.com	Monthly billing - February 2024	-1,933.06
Bill Pmt -Check	03/08/2024	17054	AT&T	RCAM Router charges - ACV: 01/19-02/18/24	-163.00
Bill Pmt -Check	03/08/2024	17055	City of Eureka-Water	633 3rd St & 917 3rd St, service to 2/23/24	-351.89
Bill Pmt -Check	03/08/2024	17056	Donald Dame	CCE Consulting services- Feb 2024	-262.50
Bill Pmt -Check	03/08/2024	17057	Enterprise	E.Verbeck & P. Terryt car rentals Feb 2024	-325.43
Bill Pmt -Check	03/08/2024	17058	Kerekes, C.	Mileage reimbursement - February 2024	-3.35
Bill Pmt -Check	03/08/2024	17059	Liebert Cassidy Whitmore	Dec 2023 Legal Opinion/Personnel Rule Review	-8,955.00

Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/08/2024	17060	Nicklas, Alida M	Mileage reimbursement - February 2024	-5.76
Bill Pmt -Check	03/08/2024	17061	North Coast Cleaning	Feb 2024 cleaning services	-1,090.00
Bill Pmt -Check	03/08/2024	17062	Recology	633 3rd St. Feb 2024 garbage service	-105.52
Bill Pmt -Check	03/08/2024	17063	Recology	917 3rd St. Feb 2024 garbage service	-71.48
Bill Pmt -Check	03/08/2024	17064	Scraper's Edge	Self-stick easel pads	-85.19
Bill Pmt -Check	03/08/2024	17065	Shafer's Ace	Decal identifiers for new RCEA cellphones	-64.38
Bill Pmt -Check	03/08/2024	17066	Shred Aware	Shredding services - Feb 2024	-68.95
Bill Pmt -Check	03/08/2024	17067	Terry, P.	Employee Travel: 2024 Tribal Clean Energy Summit	-557.65
Bill Pmt -Check	03/08/2024	17068	Times Printing Company	March 2024 Move-In and Late Notice mailings	-2,186.61
Bill Pmt -Check	03/11/2024	ACH	The Energy Authority	CAISO Invoice #CISO030624-FEB	-9,644.15
Liability Check	03/15/2024	ACH	Ascensus	Paydate 03/15/24	-13,047.33
Liability Check	03/15/2024	ACH	Newport Group	Paydate 03/15/24	-11,503.09
Liability Check	03/15/2024	ACH	EDD	Paydate 03/15/24	-8,105.61
Liability Check	03/15/2024	ACH	Internal Revenue Service	Paydate 03/15/24	-35,840.11
Bill Pmt -Check	03/15/2024	ACH	The Energy Authority	TEA Invoice #TEA 22024 February 2024	-4,147,909.55
Check	03/15/2024	17069	NEM Customer	NEM Annual Payout 2022	-733.80
Check	03/15/2024	17070	CCE Customer	Res EVSE rebate #REVSE41	-216.46
Check	03/15/2024	17071	CCE Customer	Heat Pump Rebate #CCE-R-240226-1931	-900.00
Check	03/15/2024	17072	CCE Customer	Heat Pump Rebate #CCE-R-231114-1724	-1,775.00
Check	03/15/2024	17073	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240222-1928	-50.00
Check	03/15/2024	17074	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240214-1911	-50.00
Check	03/15/2024	17075	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240227-1936	-50.00
Check	03/15/2024	17076	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240216-1920	-50.00
Check	03/15/2024	17077	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240227-1937	-100.00
Check	03/15/2024	17078	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240213-1903	-150.00
Check	03/15/2024	17079	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240227-1935	-150.00
Check	03/15/2024	17080	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240201-1875	-400.00
Check	03/15/2024	17081	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240227-1934	-400.00
Check	03/15/2024	17082	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240306-1956	-450.00
Bill Pmt -Check	03/15/2024	17083	Aiqueous, LLC	Feb 2024 Next 90 and Support Hours	-2,250.00
Bill Pmt -Check	03/15/2024	17084	AT&T	RCAM data charges: 02/29-03/28/24	-889.58
Bill Pmt -Check	03/15/2024	17085	AT&T Long Distance	Long distance charges 02/25 - 03/24/2024	-136.04
Bill Pmt -Check	03/15/2024	17086	Balance Point Home Performance, Inc	Onsite Heat Pump Workshop by Dan Perunko	-4,315.00
Bill Pmt -Check	03/15/2024	17087	City of Arcata	February 2024 Utility User Tax	-14,311.18
Bill Pmt -Check	03/15/2024	17088	City of Arcata	February 2024 Excessive Energy Use Tax	-2,781.48
Bill Pmt -Check	03/15/2024	17089	Diamond, Nancy	Feb 2024 Legal Services	-16,423.80
Bill Pmt -Check	03/15/2024	17090	Frontier Energy, Inc.	Jan and Feb 2024 consulting services	-2,601.50
Bill Pmt -Check	03/15/2024	17091	Humboldt Bay Coffee Co.	Office Coffee-917 3rd St	-25.95
Bill Pmt -Check	03/15/2024	17092	Local Worm Guy	Feb 2024 Compost service both locations	-60.00
Bill Pmt -Check	03/15/2024	17093	Los Bagels Co., Inc.	Heat Pump Workshop Food	-138.75
Bill Pmt -Check	03/15/2024	17094	Mission Uniform & Linen	March 2024 mat cleaning and supplies	-174.86
Bill Pmt -Check	03/15/2024	17095	Optimum Business-633	633 3rd St: Phone & Internet - 02/28-03/27/2024	-1,103.18
Bill Pmt -Check	03/15/2024	17096	Pacific Paper Company	CAC meeting supplies	-66.41
Bill Pmt -Check	03/15/2024	17097	Pierson Building Center	633 3rd St: Facility maintenance supplies	-16.38
Bill Pmt -Check	03/15/2024	17098	Quest	VEEAM O365 Backup 1 yr for 5 users	-358.00
Bill Pmt -Check	03/15/2024	17099	Roto-Rooter Mad River Plumbing	917 3rd St Plumbing Service: Mainline Cleanout	-638.00
Bill Pmt -Check	03/15/2024	17100	Security Lock & Alarm	633 3rd St: Service Call for Keypad low battery	-70.00
Bill Pmt -Check	03/15/2024	17101	Times Printing Company	Rebate Postcards Qty 500	-213.18

Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/15/2024	17102	Ubeo Business Services	633 3rd St Printer Charges: 02/06-03/05/24	-211.19
Paycheck	03/15/2024	ACH	Employees	Payroll	-86,538.00
Bill Pmt -Check	03/18/2024	ACH	The Energy Authority	CAISO031324-FEB	-37,667.04
Check	03/20/2024	Debit	Umpqua Bank	Service Charge	-212.08
Bill Pmt -Check	03/22/2024	ACH	CalPine Corporation	Calpine February 2024 Costs	-63,821.39
Bill Pmt -Check	03/22/2024	ACH	Leapfrog Power, Inc	February 2024 RA Invoice	-36,740.00
Bill Pmt -Check	03/22/2024	ACH	Snow Mountain Hydro, LLC	Feb 2024 Electricity	-144,653.68
Bill Pmt -Check	03/25/2024	ACH	The Energy Authority	CAISO032024MAR	-40,338.25
Liability Check	03/29/2024	ACH	EDD	Paydate 03/29/2024	-34,495.43
Liability Check	03/29/2024	ACH	Internal Revenue Service	Paydate 03/29/2024	-116,988.64
Liability Check	03/29/2024	ACH	Ascensus	Paydate 03/29/2024	-25,808.16
Liability Check	03/29/2024	ACH	Newport Group	Paydate 03/29/2024	-18,408.27
Liability Check	03/29/2024	ACH	CICCS Coalition for Controlling Insurance	March 2024, Inv 2024-3	-64.94
Liability Check	03/29/2024	ACH	Keenan	April 2024 Premiums	-30,632.97
Liability Check	03/29/2024	ACH	Principal Life Insurance Company	April 2024 Premiums	-111.94
Liability Check	03/29/2024	ACH	Colonial Life	March 2024 Premiums	-4,010.67
Bill Pmt -Check	03/29/2024	ACH	USDA	Loan Payment Q1-2024	-97,841.72
Liability Check	03/29/2024	17103	Ameritas - Dental	April 2024 Premiums	-2,637.36
Liability Check	03/29/2024	17104	Ameritas - Vision	April 2024 Premiums	-503.96
Check	03/29/2024	17105	NEM Customer	NEM Account Closeout	-153.61
Check	03/29/2024	17106	NEM Customer	NEM Account Closeout	-146.18
Check	03/29/2024	17107	NEM Customer	NEM Account Closeout	-68.05
Check	03/29/2024	17108	NEM Customer	NEM Account Closeout	-151.58
Check	03/29/2024	17109	NEM Customer	NEM Account Closeout	-211.05
Check	03/29/2024	17110	NEM Customer	NEM Account Closeout	-46.56
Check	03/29/2024	17111	NEM Customer	NEM Account Closeout	-150.84
Check	03/29/2024	17112	NEM Customer	NEM Account Closeout	-264.87
Check	03/29/2024	17113	NEM Customer	NEM Account Closeout	-199.45
Check	03/29/2024	17114	NEM Customer	NEM Account Closeout	-72.09
Check	03/29/2024	17115	NEM Customer	NEM Account Closeout	-158.67
Check	03/29/2024	17116	NEM Customer	NEM Account Closeout	-394.44
Check	03/29/2024	17117	NEM Customer	NEM Account Closeout	-309.17
Check	03/29/2024	17118	NEM Customer	NEM Account Closeout	-453.61
Check	03/29/2024	17119	Willdan Energy Solutions	City of Eureka-Municipal Auditorium	-700.00
Check	03/29/2024	17120	CCE Customer	CCE Heat Pump Rebate - Res #CCE-R-240109-1809	-750.00
Check	03/29/2024	17121	CCE Customer	CCE Heat Pump Rebate - Res #CCE-R-231222-1783	-1,050.00
Check	03/29/2024	17122	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240301-1942	-50.00
Check	03/29/2024	17123	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240303-1945	-100.00
Check	03/29/2024	17124	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240228-1939	-100.00
Check	03/29/2024	17125	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240301-1941	-100.00
Check	03/29/2024	17126	CCE Customer	CCE Equipment Rebate - Res #CCE-R-240314-1970	-150.00
Bill Pmt -Check	03/29/2024	17127	Advanced Display & Signs	Outdoor sign for 633 office building	-489.43
Bill Pmt -Check	03/29/2024	17128	Alber's Tractor and Ag Work	Mowing services for ACV solar site	-1,200.00
Bill Pmt -Check	03/29/2024	17129	Campton Electric Supply	Chargepoint EV Charging station project	-80,840.95
Bill Pmt -Check	03/29/2024	17130	Carter Properties, LLC	917 3rd Street Office Lease -April 2024 rent	-2,300.00
Bill Pmt -Check	03/29/2024	17131	City of Eureka - Wharfinger	Wharfinger Rental 10/26/23-2/22/24	-630.00
Bill Pmt -Check	03/29/2024	17132	Developed Employment Services, LLC.	633 3rd St. Yard work	-116.34
Bill Pmt -Check	03/29/2024	17133	Eureka Humboldt Fire Extinguisher Co.	Annual fire extinguisher service for 917 3rd	-43.00

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2024

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/29/2024	17134	Hilson, D.	Mileage reimbursement - Feb 2024	-27.00
Bill Pmt -Check	03/29/2024	17135	Humboldt Bay Coffee Co.	March 2024 Coffee	-77.85
Bill Pmt -Check	03/29/2024	17136	Humboldt Builders' Exchange	Specialty Listing - Energy Consultants, 1/4 page ad	-210.00
Bill Pmt -Check	03/29/2024	17137	Liebert Cassidy Whitmore	Feb 2024 Legal Opinion/Personnel Rule Review	-1,638.50
Bill Pmt -Check	03/29/2024	17138	Northern CA Safety Consortium	Staff CPR & First Aid Training	-850.00
Bill Pmt -Check	03/29/2024	17139	NYLEX.net, Inc.	Onsite network support services - April 2024	-3,690.00
Bill Pmt -Check	03/29/2024	17140	Perez, A.	CPUC Expo, Per Diem Meals	-183.00
Bill Pmt -Check	03/29/2024	17141	Petty Cash	Replenish petty cash for Nov 2023- Mar 2024	-5.45
Bill Pmt -Check	03/29/2024	17142	PG&E - ACV	ACV site utilities 01/27-02/27/2024	-39.05
Bill Pmt -Check	03/29/2024	17143	PG&E CCA	Feb 2024 CCE Charges	-21,660.10
Bill Pmt -Check	03/29/2024	17144	PG&E EV Account	EV stations 02/14-03/14/2024	-1,254.34
Bill Pmt -Check	03/29/2024	17145	PG&E Office Utility	02/06-03/06/2024 utilities for 917 3rd Street	-659.51
Bill Pmt -Check	03/29/2024	17146	PG&E Office Utility	02/14-03/14/2024 utilities for 633 3rd Street	-1,492.03
Bill Pmt -Check	03/29/2024	17147	Pierson Building Center	633 3rd St: Facility supplies	-10.91
Bill Pmt -Check	03/29/2024	17148	Rennie, J	Mileage reimbursement - March 2024	-45.56
Bill Pmt -Check	03/29/2024	17149	Scrapper's Edge	March 2024 outside printing service	-150.32
Bill Pmt -Check	03/29/2024	17150	Stitch Witch	Logo gear order - 100% Balance	-34.72
Bill Pmt -Check	03/29/2024	17151	Winzler, John	Office Lease - 633 3rd St. April 2024	-7,752.50
Paycheck	03/29/2024	ACH	Employees	Payroll	-162,275.35
TOTAL					-5,815,675.28

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2023 through March 2024

	<u>Jul '23 - Mar 24</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	4,450.00	0.00	100.0%
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	323,160.32	586,099.00	55.14%
Total 5100 · Revenue - program related	188,038.94	155,000.00	121.32%
Total 5400 · Revenue-nongovernment agencies	468,390.50	582,802.00	80.37%
Total 5500 · Revenue - Electricity Sales	57,773,482.86	85,206,156.00	67.8%
Total 5 REVENUE EARNED	58,753,072.62	86,530,057.00	67.9%
Total Income	58,757,522.62	86,530,057.00	67.9%
Gross Profit	58,757,522.62	86,530,057.00	67.9%
Expense			
Total 6 WHOLESALE POWER SUPPLY	45,358,960.32	65,436,704.00	69.32%
Total 7 PERSONNEL EXPENSES	3,702,338.96	5,148,499.00	71.91%
Total 8.1 FACILITIES AND OPERATIONS	500,029.45	1,537,574.00	32.52%
Total 8.2 COMMUNICATIONS AND OUTREACH	79,982.67	160,485.00	49.84%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	109,780.56	205,000.00	53.55%
8410 · Contracts - Program Related Ser	257,757.36	640,900.00	40.22%
8420 · Accounting	61,073.84	191,000.00	31.98%
8430 · Legal	258,649.70	230,000.00	112.46%
8450 · Wholesale Services - TEA	612,843.21	766,853.00	79.92%
8460 · Procurement Credit - TEA	152,266.32	414,075.00	36.77%
8470 · Data Management - Calpine	592,914.55	887,187.00	66.83%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,045,285.54	3,335,015.00	61.33%
Total 8.5 PROGRAM EXPENSES	217,477.16	290,014.00	74.99%
Total 8.6 INCENTIVES & REBATES	266,802.35	402,575.00	66.27%
Total 9 NON OPERATING COSTS	99,293.29	129,500.00	76.67%
Total Expense	52,270,169.74	76,440,366.00	68.38%
Net Ordinary Income	6,487,352.88	10,089,691.00	64.3%
Net Income	<u>6,487,352.88</u>	<u>10,089,691.00</u>	<u>64.3%</u>

Redwood Coast Energy Authority
Balance Sheet
As of March 31, 2024

	<u>Mar 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	-33,804.18
1071 · Umpqua Deposit Cntrol Acct 8215	18,951,512.41
1075 · Umpqua Reserve Account 2300	1,700,000.00
1076 · First Republic Bank - 4999	399,967.48
Total Checking/Savings	21,017,975.71
Total Accounts Receivable	134,844.93
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-6,285,403.47
1103 · Accounts Receivable-Other	18,928,245.64
1120 · Inventory Asset	22,283.18
1205 · Prepaid Insurance	-3,342.96
1210 · Retentions Receivable	661.50
Total Other Current Assets	12,662,443.89
Total Current Assets	33,815,264.53
Total Fixed Assets	9,534,479.27
Other Assets	
1700 · Security Deposits	4,198,600.00
Total Other Assets	4,198,600.00
TOTAL ASSETS	<u><u>47,548,343.80</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,369,529.17
Total Credit Cards	13,502.10
Other Current Liabilities	
2002 · Deposits Refundable	2,271,795.01
2011 · NEM Escrow Liability	41,710.06
Total 2100 · Payroll Liabilities	166,018.98
2200 · Accrued Expenses	0.00
Total Other Current Liabilities	2,479,524.05
Total Current Liabilities	6,862,555.32
Total Long Term Liabilities	6,011,214.32
Total Liabilities	12,873,769.64
Equity	
2320 · Investment in Capital Assets	49,064.43
3900 · Fund Balance	28,138,156.49
Net Income	6,487,353.24
Total Equity	34,674,574.16
TOTAL LIABILITIES & EQUITY	<u><u>47,548,343.80</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.4

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Lexie Perez, Contracts and Grants Manager
SUBJECT:	Amendment to TEA Task Order Clarifying Credit Solutions Pricing

BACKGROUND

RCEA has received power portfolio management services and other services in support of our community choice energy program from The Energy Authority, Inc, (TEA) since 2016. In May 2021, the Board approved an updated Resource Management Agreement and 2021 Task Order 1 for Operational Services with TEA. The 2021 Task Order 1 was amended once in September 2021 reflecting changes in state-level enforcement of regulations related to congestion revenue rights.

The 2021 Task Order 1 had an original term of three years, ending on March 31, 2024. The Task Order included an “evergreen” provision that allows the Task Order to auto-renew each year thereafter unless and until either party chooses to terminate the agreement with 180 days’ notice.

The 2021 Task Order’s pricing terms for service include a pricing component for the credit solution that TEA provides for RCEA. This enables RCEA in its short-term power procurement to make use of TEA’s creditworthiness which allows us to obtain more favorable terms, such as not having to post buyer financial security deposits with sellers. Pricing for the credit solution was set to vary over time, and according to RCEA’s financial and credit standing.

Although the 2021 Task Order auto-renews annually as described above, the Task Order’s language only states pricing for the credit solutions component through March 31, 2024. An amendment is needed to clarify pricing for credit solutions going forward.

SUMMARY

TEA and RCEA staff have agreed, subject to Board approval, going forward to preserve the credit solution pricing that the 2021 Task Order 1 provided for the period April 1, 2023, to March 31, 2024, as shown in the attached draft Amendment 2.

ALIGNMENT WITH [RCEA’S STRATEGIC PLAN](#)

Not applicable.

EQUITY IMPACTS

Not applicable.

RECOMMENDED ACTION

Authorize Amendment 2 to 2021 Task Order 1 for Operational Services with The Energy Authority, Inc. and Authorize the Interim Executive Director to Execute the Amendment and All Associated Documents.

ATTACHMENT

Amendment 2 to 2021 Task Order 1 for Operational Services with The Energy Authority, Inc.

Note: This amendment was not included in the originally published agenda packet and was added on 5/23/24.

Amendment No. 2 to 2021 Task Order 1

This Amendment No. 2 to 2021 Task Order 1 for Operational Services ("Amendment No. 2") is entered into effective as of the 1st day of April, 2024 (the "Amendment No. 2 Effective Date"), subject to the terms and conditions of the 2021 Task Order 1 for Operations Services dated the 1st day of April, 2021, as amended September 24, 2021 ("Task Order 1") between **The Energy Authority, Inc.** ("TEA"), and **Redwood Coast Energy Authority** ("RCEA"). TEA and RCEA are sometimes referred to herein individually as a "Party", or collectively as the "Parties".

Recitals

WHEREAS, the 2021 Task Order 1 had an original term of three years, ending on March 31, 2024 and includes a provision that allows automatic renewal each year thereafter; and

WHEREAS, The Task Order 1 provides for pricing terms for the credit solution component under Section 4.1.3 ("Credit Solution") only through March 31, 2024; and

WHEREAS, the Parties wish to amend Task Order 1, as hereinafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the Parties agree to the following terms and conditions.

Terms and Conditions

1. **Amendment No. 2 to Task Order 1.** The Parties hereby agree to amend Task Order 1 as follows:

The following Section 4.1.3, "Credit Solution," is hereby replaced with the following:

"For the Credit Solution defined in Section 2 of this 2021 Task Order 1, RCEA shall pay TEA on a monthly basis the Credit Solution Fee shown in the table below multiplied by RCEA's total monthly wholesale energy requirements (the "Credit Solution Fees"), in addition to any amounts owed under Section 4.1.1 and 4.1.2 contained herein. Collectively, the Operational Fees and Credit Solution Fees shall be referred to as "Monthly Service Fees."

Average Cash Balance or Credit Rating**	Monthly Credit Solution Fee (\$ per megawatt-hour of wholesale load)				
	Less than \$6M	\$6M, inclusive, to \$11M	\$11M, inclusive, to \$22M	Equal to, or greater than, \$22M, or RCEA is rated BBB	RCEA is rated A, or higher
April 1, 2021 to March 31, 2022	\$1.00	\$0.85	\$0.55	\$0.25	\$0.00
April 1, 2022 to March 31, 2023	\$1.00	\$0.75	\$0.50	\$0.25	\$0.00
April 1, 2023 to March 31, 2024	\$1.00	\$0.40	\$0.30	\$0.25	\$0.00
April 1, 2024 and continuing under any future Renewal Terms as provided for in Section 3.1	\$1.00	\$0.40	\$0.30	\$0.25	\$0.00

** Average amount based upon the combined daily balance in Reserve and Operating Accounts during preceding 90 days, calculated at the beginning of each month. ”

2. General.

- A. **Headings.** Headings or captions contained in this Amendment No. 2 are solely for the convenience of the Parties and shall not affect the construction or interpretation of any of the provisions of this Amendment No. 2.
- B. **Amendment.** Except as otherwise provided for in this Amendment No. 2, the Task Order 1 remains in full force and effect. This Amendment No. 2 may be amended by an instrument in writing signed by an authorized representative of each Party.
- C. **Counterparts and Electronic Signatures.** This Amendment No. 2 may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one agreement. Electronic signatures of authorized representatives of the Parties to this Amendment, in PDF or other mutually acceptable digital formats (e.g., DocuSign or Adobe Sign), shall be deemed originals for all purposes and shall have the same force and effect as manually executed original signatures.

Signatures appear on following page

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 2 to be executed by their respective authorized representatives to be effective as of the Amendment No. 2 Effective Date.

**REDWOOD COAST ENERGY
AUTHORITY**

By: _____
Name: Eileen Verbeck
Its: Interim Executive Director

ATTEST:

Name: Lori Taketa
Board Clerk

THE ENERGY AUTHORITY, INC.

By: _____
Name: Joanie C. Teofilo
Its: President and CEO

This page
intentionally
left blank.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.5

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Fiscal Year 2023-2024 Q3 Budget versus Actuals Update

SUMMARY

The March 2024 Profit and Loss Budget versus Actual report presented this month reflects RCEA's actual income and expense through the third quarter (Q3) of the 2023-2024 fiscal year. Actuals are generally expected to be at 75% of their respective budgeted amounts. Net income is at 64% of the amount budgeted; the largest drivers are electricity sales revenue and wholesale power expense, which are at 68% and 69%. Staff anticipates that the net of electricity sales revenue and power expenses may narrow in Q4 due to a large penalty payment to the California Public Utility Commission for non-compliance with resource adequacy procurement requirements. This will contribute to net income falling short of the amount budgeted for the year.

Revenue Updates

State Contracts and Grants - \$323,160

This category income is at 55% of the budgeted amount and includes grant funds from the California Energy Commission (CEC) to install new electric vehicle charging stations in Humboldt County. This year's budget assumed reimbursable funds for construction costs. However staff anticipate construction delays resulting in less revenue and less corresponding expense (Facilities and Operations) this fiscal year.

Programs - \$188,039

This category typically includes revenues collected through RCEA's electric vehicle charging network, REVNet, as well as fees for other programs and is at 121% of the budgeted amount. RCEA received large construction delay damage payments from developer counterparties that failed to meet agreed-upon project milestones in Q1 that presented as revenue in the Q1 and Q2 financial reports. Later in the year staff negotiated a contract amendment that allowed some of the damage payments to be refunded if certain new milestones were met, so the deposit was moved to credit the development security liability that RCEA owed back to the counterparty, resulting in a large decrease of revenue in this category.

Non-Government Contracts - \$468,390

This category is at 80% of the budgeted amount and includes the revenue for implementing the Local Government Partnership program with PG&E. The budget total for the fiscal year also includes remaining CEC sub-award funds for the Airport Microgrid which were invoiced and paid in Q2.

Electricity Sales - \$57,773,483

Revenue from electricity sales is at 68% of the fiscal year budgeted amount, which is less than expected at the end of Q3.

Expense Updates

Wholesale Power Supply - \$45,358,960

RCEA's largest expense is at 69% of the budgeted amount which is also less than expected at the end of Q3. Actual power costs would ideally track at the same or a lower percentage of budget than electricity sales.

Facilities and Operations - \$500,029

This category is at 33% of the budgeted amount. This year's budget included design and preliminary development costs of RCEA's new office space and CEC-funded electric vehicle charging station installation expense, which are both expected to be delayed into a future fiscal year.

Professional and Program Services - \$2,045,286

This category is at 61% of the budgeted amount. Actual legal expense is at 112% of its budget due to unexpected, required services that the Board approved throughout the year.

There are no significant changes to report for the Personnel, Programs Expenses, Incentives and Rebates, and Non-Operating categories and are all tracking at or near 75% of their respective budgets.

RECOMMENDED ACTIONS

Accept Quarterly Budget Report for Fiscal Year 2023-2024 Q3.

ATTACHMENTS

1. March 2024 Profit and Loss Budget versus Actual*
 2. March 2024 Balance Sheet*
- Included in this Board packet as agenda items 4.3 – 1 and 4.3 – 2.



STAFF REPORT
Agenda Item # 4.6

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Jocelyn Gwynn, Senior Power Resources Manager Richard Engel, Director of Power Resources
SUBJECT:	Foster Clean Power A & B Power Purchase Agreement Amendments

BACKGROUND

At its September 2023 meeting, the Board approved the first amendment to the 20-year power purchase agreement (PPA) for Foster Clean Power A, a local project comprised of 3 MW solar plus 1.25 MW/5 MWh battery storage that is being developed by Renewable America (RNA) on County-jurisdictional land adjacent to Foster Avenue in the Arcata area. Then in April 2024 the Board approved another 20-year PPA for the second phase of the project, Foster Clean Power B, which is adjacent to Foster A and comprised of 4 MW solar plus 1.25 MW/5 MWh battery storage. The projects were procured as part of RCEA's 2021 and 2022 Requests for Offers (RFOs) for Mid-Term Reliability (MTR) Resources in response to the California Public Utilities Commission's Decision 21-06-035 to address reliability needs of the state's grid in the 2023-2026 term.

Since execution of the agreements, the developer has been working with PG&E and RNA's capital financing partner to align the project schedules now that RCEA is contracting both facilities. Staff are bringing two proposed amendments to the Board to align the milestone schedules and associated terms in the two PPAs.

SUMMARY

The proposed Second Amendment to the Foster Clean Power A PPA extends the expected commercial operation date and guaranteed commercial operation date by six months to align with the interconnection schedule for Foster Clean Power B. In exchange, the developer has agreed to a contract price reduction to mitigate the financial impacts of the milestone extension. Both projects are now expected to commence commercial operation by the end of this year.

Additionally, both proposed amendments would replace Renewable America's previous capital partner, Excelsior Energy Capital, which is no longer pursuing projects of this scale, with RNA's current capital partner, Radial Power, as a permitted entity that can take ownership of the project companies. It is anticipated that RNA will initiate a change in control of both PPAs to Radial Power soon after execution of the amendments.

Staff acknowledge the importance of the Foster Clean Power projects as new, local renewable energy and energy storage facilities in RCEA's power portfolio. Once operational, the projects will more than quadruple the local utility-scale solar capacity, and will be the largest contiguous solar arrays on the North Coast. The projects will also incorporate pollinator habitat around the solar structures, exemplifying the first agrivoltaic project in the county, pairing solar electric generation and agricultural land use functions on the same parcel.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

By continuing to build RCEA's portfolio of long-term, local renewable and storage resources, this project contributes to many Strategic Plan goals:

- *4.1.1 Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent.*
- *4.1.2 Minimize Greenhouse Gas Emissions Associated with RCEA's CCE Program.*
- *4.1.4 Maximize Renewable Energy Content of RCEA's CCE Program.*
- *4.1.5 Ensure Diversity in Local Sources*
- *4.1.8.1 Support Utility Scale Solar Energy Development.*
- *4.1.8.2 Procure Local Solar Energy.*

EQUITY IMPACTS

Renewable America is not listed in the CPUC's Supplier Diversity Clearinghouse as a diverse business enterprise. They are working with GRID Alternatives on workforce development opportunities through these and their other projects, including potential community benefit or project labor agreements.

FINANCIAL IMPACT

The contract price decrease in the Foster A generation rate would result in a 3% savings relative to the original price. However, this is equivalent to the foregone damages that would have been collected on account of the delay if the milestone schedule were not extended. Thus, the net financial impact of the recommended action is neutral.

STAFF RECOMMENDATION

Approve Resolution 2024-5 Approving the Form of and Authorizing the Execution of the Second Amendment to the Power Purchase Agreement with Foster Clean Power A LLC and the First Amendment to the Power Purchase Agreement with Foster Clean Power B LLC.

ATTACHMENTS

Resolution 2024-5

Second Amendment to Power Purchase Agreement with Foster Clean Power A LLC

First Amendment to Power Purchase Agreement with Foster Clean Power B LLC

RESOLUTION NO. 2024-5

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION
OF THE SECOND AMENDMENT TO THE POWER PURCHASE AGREEMENT
WITH FOSTER CLEAN POWER A LLC AND THE
FIRST AMENDMENT TO THE POWER PURCHASE AGREEMENT
WITH FOSTER CLEAN POWER B LLC**

WHEREAS, Redwood Coast Energy Authority (“RCEA”) entered into a Power Purchase Agreement with Foster Clean Power A LLC (“Foster A”) on October 7, 2022, and amended such agreement effective September 29, 2023, (“Foster A Agreement”), and entered into a separate Power Purchase Agreement with Foster Clean Power B LLC (“Foster B”) on April 24, 2024, (“Foster B Agreement”), collectively the “Agreements”; and

WHEREAS, the Foster Clean Power A and B projects are local to RCEA’s service area and thus help achieve the RCEA Board’s directive to procure as much energy from local projects as possible; and

WHEREAS, RCEA and Foster A desire to amend the Foster A Agreement as set forth in Appendix A to align the milestone schedule with that in the Foster B Agreement and replace the permitted transferee named in the agreement; and

WHEREAS, RCEA and Foster B desire to amend the Foster B Agreement as set forth in Appendix B to align the permitted transferee terms with those in the Foster A Agreement.

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

1. The Second Amendment to the Power Purchase Agreement between RCEA and Foster Clean Power A LLC is hereby approved.
2. The First Amendment to the Power Purchase Agreement between RCEA and Foster Clean Power B LLC is hereby approved.
3. The RCEA Executive Director is authorized to execute the Amendments substantially in the form attached hereto as Appendix A and Appendix B on behalf of RCEA, and, in consultation with legal counsel, is authorized to approve any needed future amendments to the Agreements so long as the term, volume, and price are not changed and the amendment does not fundamentally change the business terms of the Agreements or measurably increase risk exposure for RCEA.

Adopted this ____ day of _____, 2024.

ATTEST:

Sarah Schaefer, RCEA Board Chair

Lori Taketa, Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2024-5 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

Appendix A: Second Amendment to the Power Purchase Agreement
between RCEA and Foster Clean Power A LLC

**SECOND AMENDMENT TO
RENEWABLE PLUS STORAGE POWER PURCHASE AGREEMENT**

This is an amendment (“Amendment”) to that certain Power Purchase Agreement made by and between the Redwood Coast Energy Authority, a California joint powers authority (“Buyer”) and Foster Clean Power A LLC, a Delaware limited liability company (“Seller”), each individually a “Party” and collectively, the “Parties”, effective on October 7, 2022, and amended on September 29, 2023 (“PPA”). This Amendment is effective on _____, 2024.

RECITALS

WHEREAS, the Parties seek to amend the Milestone dates and Generation Rate in the PPA.

WHEREAS, the Parties seek to amend the Development and Performance Security amounts in the PPA.

WHEREAS, the Parties seek to amend the Permitted Transferee and other provisions in the PPA.

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. **Development Milestones.** The Expected Commercial Operation Date is hereby amended to September 30, 2024, and the Guaranteed Commercial Operation Date is hereby amended to December 31, 2024.

2. **Contract Price.** The Generation Rate is hereby amended to:

Contract Year	Generation Rate
1- 20	\$ [REDACTED] per MWh

3. **Performance Security.** The Development Security is hereby amended to \$ [REDACTED] and the Performance Security is hereby amended to \$ [REDACTED].

4. **Permitted Transferee.**

a. **Contract Definitions.** Section 1.1, Contract Definitions, is hereby revised to delete the definition for “Permitted Transferee” and replace it with the following:

“Permitted Transferee” means:

- (i) any Affiliate of Seller or Radial Power LLC, or
- (ii) any entity that has, or is controlled by another Person that satisfies the following requirements:

(A) A tangible net worth of not less than one hundred fifty million dollars (\$150,000,000) or a Credit Rating of at least BBB+ from S&P, BBB+ from Fitch, or Baa1 from Moody’s; and

(B) At least two (2) years of experience in the ownership and operations of power generation facilities similar to the Facility, or has retained a third-party with such experience to operate the Facility.

- b. **Permitted Assignment by Seller.** Section 14.3 is hereby replaced in its entirety with the following:

14.3 Permitted Assignment by Seller. Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to: (a) an Affiliate of Seller or Radial Power LLC, or (b) any Person succeeding to all or substantially all of the assets of Seller (whether voluntary or by operation of law); if and only if:

- (i) the assignee is a Permitted Transferee;
- (ii) Seller has given Buyer Notice at least thirty (30) Business Days before the date of such proposed assignment; and
- (iii) Seller has provided Buyer a written agreement signed by the Person to which Seller wishes to assign its interests that (x) provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment and (y) certifies that such Person meets the definition of a Permitted Transferee.

Except as provided in the preceding sentence, any assignment by Seller, its successors or assigns under this Section 14.3 shall be of no force and effect unless and until such Notice and agreement by the assignee have been received.

5. Change in Law.

- a. **Contract Definitions.** Section 1.1, Contract Definitions, is hereby revised to delete the definition for "CAISO RA Enhancement" and replace it with the following:

"UCAP Valuation" means any regulatory change, adopted by the CPUC or CAISO, that (a) changes the basis for submission and assessment of supply plans from a value reflecting installed capacity (currently, Net Qualifying Capacity) to a value that takes into account historical performance of a facility (such as "Unforced Capacity" or "UCAP.")

- b. **Change in Law.** Section 3.11(f) is hereby replaced in its entirety with the following:

(f) Subject to the following sentence, to the extent that a change in Laws (including a UCAP Valuation) occurring after the Effective Date results in a reduction of the Facility's Net Qualifying Capacity and either (i) Seller has completed the actions required to comply with its obligations under this Agreement, up to the Compliance Expenditure Cap or any Accepted Compliance Costs or (ii) Buyer has waived Seller's obligations to take any actions required to comply with such change in Laws in accordance with this Section 3.11, then the Net Qualifying Capacity of the Facility shall be automatically deemed to refer to the Net Qualifying Capacity of the Facility immediately before the occurrence of the change in Laws. The Parties agree that if (A) a UCAP Valuation is adopted and (B) the otherwise available Capacity Attributes are reduced solely due to Seller's failure to operate the Facility in accordance with the requirements of this Agreement, then, notwithstanding this Section 3.11, Seller's obligation to deliver the applicable Contracted Storage Capacity will not be reduced on the basis of such reduction and the automatic adjustments described in the foregoing sentence shall not be implemented.

- 5. Resource Adequacy Failure.** Section 3.8(b) is hereby replaced in its entirety with the following:

(b) **RA Deficiency Amount Calculation.** Except as specified in Section 3.8(c), for each RA Shortfall Month, Seller shall pay to Buyer an amount (the "**RA Deficiency Amount**") equal to the difference, expressed in kW, of (i) the Qualifying Capacity of the

Facility, minus (ii) the Net Qualifying Capacity of the Facility that may be included in Supply Plans by Buyer (the “RA Shortfall Amount”), multiplied by the applicable RA Deficiency Multiplier, as designated on the Cover Sheet; provided that Seller may, as an alternative to paying RA Deficiency Amounts, provide Replacement RA in the amount of the RA Shortfall Amount with respect to such Showing Month, provided that any Replacement RA capacity is communicated by Seller to Buyer with Replacement RA product information in a written Notice substantially in the form of Exhibit M at least seventy-five (75) calendar days before the RA Shortfall Month. For avoidance of doubt, if the Net Qualifying Capacity has not been published by or otherwise established with the CAISO by the Notification Deadline for such RA Shortfall Month, then the Net Qualifying Capacity shall be deemed to be zero (0) MW.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the Effective Date.

Seller:

FOSTER CLEAN POWER A LLC, a Delaware
limited liability company

By: _____

Name: Ardeshir Arian

Title: President & CEO

Buyer:

REDWOOD COAST ENERGY AUTHORITY,
a California joint powers authority

By: _____

Name: Eileen Verbeck

Title: Interim Executive Director

APPROVAL DRAFT

Appendix B: First Amendment to the Power Purchase Agreement
between RCEA and Foster Clean Power B LLC

**FIRST AMENDMENT TO
RENEWABLE PLUS STORAGE POWER PURCHASE AGREEMENT**

This is an amendment (“Amendment”) to that certain Power Purchase Agreement made by and between the Redwood Coast Energy Authority, a California joint powers authority (“Buyer”) and Foster Clean Power B LLC, a Delaware limited liability company (“Seller”), each individually a “Party” and collectively, the “Parties”, effective on April 24, 2024 (“PPA”). This Amendment is effective on _____, 2024.

RECITALS

WHEREAS, the Parties seek to amend the Development and Performance Security amounts in the PPA.

WHEREAS, the Parties seek to amend the Permitted Transferee provisions in the PPA.

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. **Performance Security.** The Development Security is hereby amended to \$ [REDACTED] and the Performance Security is hereby amended to \$ [REDACTED].
2. **Permitted Transferee.**
 - a. **Contract Definitions.** Section 1.1, Contract Definitions, is hereby revised to delete the definition for “Permitted Transferee” and replace it with the following:

“Permitted Transferee” means:

 - (i) any Affiliate of Seller or Radial Power LLC, or
 - (ii) any entity that has, or is controlled by another Person that satisfies the following requirements:
 - (A) A tangible net worth of not less than one hundred fifty million dollars (\$150,000,000) or a Credit Rating of at least BBB+ from S&P, BBB+ from Fitch, or Baa1 from Moody’s; and
 - (B) At least two (2) years of experience in the ownership and operations of power generation facilities similar to the Facility, or has retained a third-party with such experience to operate the Facility.
 - b. **Permitted Assignment by Seller.** Section 14.3 is hereby replaced in its entirety with the following:

14.3 Permitted Assignment by Seller. Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to: (a) an Affiliate of Seller or Radial Power LLC, or (b) any Person succeeding to all or substantially all of the assets of Seller (whether voluntary or by operation of law); if and only if:

 - (i) the assignee is a Permitted Transferee;
 - (ii) Seller has given Buyer Notice at least thirty (30) Business Days before the date of such proposed assignment; and

(iii) Seller has provided Buyer a written agreement signed by the Person to which Seller wishes to assign its interests that (x) provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment and (y) certifies that such Person meets the definition of a Permitted Transferee.

Except as provided in the preceding sentence, any assignment by Seller, its successors or assigns under this Section 14.3 shall be of no force and effect unless and until such Notice and agreement by the assignee have been received.

[Signature page follows]

APPROVAL DRAFT

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the Effective Date.

Seller:

FOSTER CLEAN POWER B LLC, a Delaware
limited liability company

By: _____

Name: Ardeshir Arian

Title: President & CEO

Buyer:

REDWOOD COAST ENERGY AUTHORITY,
a California joint powers authority

By: _____

Name: Eileen Verbeck

Title: Interim Executive Director

APPROVAL DRAFT

This page
intentionally
left blank.



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 4.7**

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Faith Carlson, Regulatory and Legislative Policy Manager
SUBJECT:	RCEA Regulatory and Legislative Report

BACKGROUND

The RCEA Board of Directors adopted the RCEA 2024 Policy Platform in March 2024 to serve as a guide for RCEA's regulatory and legislative engagement based on the principles set forth in RCEA's RePower Humboldt strategic plan.

In accordance with the procedures as described in the Platform, staff keeps the Board apprised of legislative stances taken by RCEA through a quarterly report summarizing RCEA's legislative engagement. Staff have authorization to conduct regulatory engagement internally.

The current legislative session started in January 2024 and will continue through August 2024, which is the last day for each house to pass legislation.

SUMMARY

RCEA is governed by several Governing Institutions within the state of California, including the California Energy Commission (CEC), California Public Utilities Commission (CPUC), California Independent System Operator (CAISO), California Air Resources Board (CARB), and others.

RCEA engages with governing bodies through a few advocacy groups, both for regulatory and legislative issues. The key advocacy groups we participate in are California Community Choice Association (CalCCA) and Joint CCAs. These groups track, submit comment on, and engage in stakeholder groups on issues brought to their attention by their membership.

CalCCA also adopts positions on behalf of its members. A summary of CalCCA positions on various bills from this session is attached, as well as a list of key regulatory topics in which CalCCA or Joint CCAs engage.

RCEA has adopted an individual agency position for the topics listed below.

- **Regulatory:**
 - **CEC Draft AB 525 Strategic Plan: Offshore Renewable Energy**
 - The AB 525 Draft Strategic Plan for Offshore Renewable Energy was released in January of 2024. The plan outlines the creation of a California

offshore wind industry, potential economic and workforce benefits, potential impacts, sea space for development, port infrastructure needs, workforce development, transmission technology and planning, offshore wind permitting, and recommendations.

- In March of 2024, RCEA submitted formal comments requesting an extension of the comment deadline for the Draft AB 525 Strategic plan.
- In April of 2024, RCEA submitted a comment generally supporting the development of offshore wind in the North Coast with these key recommendations:
 - The Strategic Plan should incorporate clear timelines and respective lead agencies.
 - Workforce development and capacity building for local government requires greater emphasis.
 - Offshore wind and related infrastructure provide an opportunity to correct energy infrastructure constraints and inequities on the North Coast.
 - The Strategic Plan should better coordinate the planning and development of offshore wind transmission infrastructure with other large energy projects.
 - The potential impacts of procurement and transmission costs of offshore wind are not adequately addressed while Californian's struggle with energy affordability.
- **CAISO Transmission Planning Process**
 - Annually, CAISO conducts a Transmission Planning Process (TPP) based on California Load Serving Entities Integrated Resource Plans. The 2023-2024 TPP identified key transmission upgrades in Humboldt County related to offshore wind.
 - In April of 2024, RCEA submitted formal comments generally in support of upgrades to Humboldt's transmission system with these key recommendations:
 - The CAISO should consider design options that maximize flexibility for interconnection, including reconductoring.
 - The CAISO should reconsider transmission planning to reflect geothermal projects in the Geysers.
 - The CAISO should reassess transmission developer criteria to include a proven history of community development, engagement, and Tribal relations.

RCEA has adopted a joint agency position for the topics below.

- **Regulatory:**
 - **CEC 23-DECARB-01 Inflation Reduction Act Residential Energy Rebate Programs**
 - RCEA, alongside Ava Community Energy, OCPA, PCE, SJCE, SVCE, submitted a comment supporting the interworking of the Inflation

Reduction Act's (IRA) Home Efficiency Rebates Program (HOMES) and California's Equitable Building Decarbonization Direct Install Program (EBD).

- Additional feedback includes:
 - The CEC should allow HOMES to be available to all eligible households regardless of their geographic location. Deed-restricted multifamily properties should also have access.
 - HOMES' energy-efficiency retrofits should be delivered in coordination with electrification retrofits to avoid additional stress on the grid and to mitigate costs for customers.
 - The CEC should meaningfully engage low- and moderate-income customers through existing trusted organizations to quickly establish community trust in the program and to ensure its success.
- **Legislative:**
 - **Letter to US Senate and Congress: Continuing Clean Energy Investments Are Necessary to Affordably Reduce Greenhouse Gas Emissions**
 - RCEA, alongside Ava Community Energy, CPA, MCE, OCPA, PCE, SDCP, SJCE, and SVCE sent a letter related to future federal packages.
 - Feedback included:
 - Transmission is critical to power the West with Clean Energy, and it is important that legal and regulatory processes support development of transmission with affordable and clean energy.
 - IRA and IIJA funding must be fully deployed to ensure affordable emissions reductions.
 - Robust federal investments in electric vehicle and building decarbonization are needed to ensure a green transition for all.
 - **Letter to US Senate Subcommittee on Labor, Health and Human Health Services, Education, and Related Agencies, Appropriations**
 - RCEA, alongside 30 other energy, environmental, and social justice organizations sent a FY 2025 funding request for the Low Income Home Energy Assistance Program (LIHEAP) urging the committee to appropriate funds to meet the \$5.1 billion maximum authorized amount for LIHEAP to help protect communities of color and low-income constituents from rising energy costs and extreme weather emergencies.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

RCEA's Policy Platform is guided by RCEA's Strategic Plan. Whenever making advocacy decisions for a given proceeding or issue, RCEA Staff references the Policy Platform, and if the topic is not well defined within the platform, consults the Board.

EQUITY IMPACTS

This report reflects legislation that is intended to improve CCAs' abilities to meet the needs of their local communities which are often unique in their constituent marginalized populations and thus better able to tailor services to meet those needs.

FINANCIAL IMPACT

N/A

STAFF RECOMMENDATION

Accept Regulatory and Legislative Report.

ATTACHMENTS

1. CalCCA Bill Positions
2. CalCCA and Joint CCA Regulatory Engagement

CalCCA and Joint CCA Regulatory Engagement

CalCCA Managed Cases		
Key Agency	Topic	Summary
CA Appellate Court	CCA Autonomy	Whether or not the CPUC has the right to limit CCA territory expansion if a CCA is not compliant with the CPUC Resource Adequacy (RA) Program.
CPUC	Provider of Last Resort (POLR)	If a Load Serving Entity (LSE), such as a CCA, ceases business operations, their customers will be returned to the Provider of Last Resort (POLR). This proceeding relates to the Financial Security Rating (FSR) and monitoring needed to mitigate that risk.
CPUC	Integrated Resource Planning (IRP)	Focuses on the implementation and reform of California's Integrated Resource Planning (IRP) program to ensure sufficient resource procurement and development and compliance with California's GHG (Green House Gas) reduction and reliability goals. This process feeds into the state's Transmission Planning Process at CAISO. Current activity on this proceeding is related to a need determination for a Central Procurement Entity (CPE) for Long Lead Time (LLT) resources, including Offshore Wind (OSW).
CPUC and CAISO	Resource Adequacy (RA)	Focuses on the implementation and reform of California's Resource Adequacy (RA) program, which was designed in response to California's energy crisis to ensure safe and reliable operation of the grid. Current activity on this proceeding is related to coordination of Resource Adequacy (RA) and Integrated Resource Planning (IRP) processes at the CPUC and Resource Adequacy (RA) modeling at CAISO.
CPUC and CEC	Renewable Portfolio Standard (RPS)	Program that required load serving entities to reach continuously escalating renewable energy procurement goals.
CEC, CPUC, and CARB	Renewable Energy Credit (REC) Delays	Due to a technical issue in Western Renewable Energy Generation Information

CalCCA Managed Cases		
<i>Key Agency</i>	<i>Topic</i>	<i>Summary</i>
		System (WREGIS) software, Load Serving Entities (LSEs) are facing delays with Renewable Energy Credit (REC) allocation. CalCCA is advocating for compliance extensions to the affected agency reports.
CPUC	Distribution: Energization, High Distribute Energy Resource (DER) Future, and DER	These proceedings relate to the distributed energy grid and resources. Current activity is related to energization of loads and resources and the optimization of that process, distribution planning reform, and regular rulemaking related to these programs.
CAISO	Interconnection Process Enhancements (IPE), Maximum Import Capability (MIC), and Transmission Planning Process.	CAISO is responsible for bulk power systems, transmission operation, and California's electricity market participation. Current reforms are related to the acceleration of the interconnection study process for new resources, import capability for out of state resources, and transmission planning.
CPUC	Demand Flexibility	Focuses on leveraging demand response as a critical resource in integrated resource planning, which includes ratemaking. Current issues include the implementation of the Income Graduated Fixed Charge (IGFC).

Joint CCA Managed Cases		
Key Agency	Topic	Summary
CEC, CPUC	Building Decarbonization	A suite of programs that aim to reduce Green House Gas (GHG) emissions from buildings.
CEC, CPUC, and CARB	Transportation Electrification	New CPUC proceeding of Transportation Electrification Policy and Infrastructure (TEPI), and updates to CARB Low Carbon Fuel Standard (LCFS) implementation, targets, and compliance.
CEC, CPUC	Demand Response and Energy Efficiency	This issue is tracked by CCAs who administer some demand response programming. Key issues include Self Generation Incentive Program and the exploration of a group Distributed Electricity Backup Asset (DEBA) grant application.
CPUC	Community Renewable Programs, namely: Disadvantaged Community Green Tariff (DAC-GT), Community Solar Green Tariff (CS-GT), and Green Tariff Shared Renewables (GTSR)	This issue is tracked by CCAs who administer specific CPUC approved community solar programs. Recent activity has been related to the reporting, scoring, and modification of these programs.
CPUC	De-Energization	Rulemaking related to utility power shutoff.
CPUC	Net Billing Tariff (NBT)	Rulemaking related to the development and implementation of Net Billing Tariff (NBT) and related rates.
CPUC	PG&E Safety Culture	This issue focuses on wildfire management related issues, including PG&E compliance, and proactive measures such as undergrounding.
CPUC and CEC	Renewable Financing	Issues tracked related to On-Bill Financing, Tariff-On-Bill, Go Green Financing, and other funding efforts.
CPUC	BioMAT	This issue is largely in the implementation phase at this time, though there is ongoing regulatory effort to extend the sunset date of this program.

This page
intentionally
left blank.



CalCCA Bill Positions

Affordability Legislation

Bill	Author	Position	Summary
AB 1834	Garcia	Support	The bill appears to clarify that the identified reliability needs for the Publicly Owned Utility (POU) is determined by the Publicly Owned Utility (POU) and not the Department of Water Resources (DWR) or CPUC.
AB 2672	Petrie-Norris	Support	This bill would expand CARE eligibility to public housing authority owned or administered Homekey housing facilities that are master-metered. The discount would apply at the facility meter. The Investor-Owned Utilities (IOUs) must establish a process to ensure that the discount is used for the direct benefit of the residents of the facilities
SB 1130	Bradford	Support	Would remove the requirement for 3 people or more for FERA eligibility.
AB 1912	Pacheco	Watch	This bill would require a 3rd party review (specifically UC Berkeley) of legislation that would propose new Investor-Owned Utility (IOU) mandated programs or requirements to be completed prior to a policy committee hearing the bill.
AB 2109	Carrillo, Juan	Watch	Exempts industrial heat process technology from certain surcharges and mandates that the CPUC protect nonparticipating customers, particularly residential or small commercial ones, from bearing the costs associated with these technologies.
AB 2666	Boerner	Watch	Requires the Investor-Owned Utilities (IOUs) to refund revenues collected in excess of their rate of return, to refund those revenues to its ratepayers.
AB 2683	Boerner	Watch	Requires the Public Advocates Office (PAO) to advocate for lower rates in every general rate case.
AB 2847	Addis	Watch	Would require an electrical or gas corporation's application for cost recovery to the CPUC to include its best estimate on the application's impact to the annual revenue requirement for each year.
AB 3247	Irwin	Watch	Requires the director of the Public Advocate's Office (PAO) to be alternately appointed for 4-year terms by the Speaker of the Assembly and the President pro Tempore of the Senate.

AB 3256	Irwin	Watch	Would require the California Public Utilities Commission determine whether Investor-Owned Utility (IOU) balancing accounts have achieved their intended purpose, and whether future cost increases are justified if the intended purpose has not been achieved.
AB 3263	Calderon	Watch	Would authorize the use of a financing order to recover the cost of wildfire mitigation efforts related to an electric corporation's wildfire mitigation plan.
SB 1142	Menjivar	Watch	Requires Investor-Owned Utilities (IOUs) to offer to customer before disconnection a payment plan of a minimum of 24 months; limits initial Investor-Owned Utility (IOU) ask to 20% of past due bill
SB 1292	Bradford	Watch	Would require a report on Income Graduated Fixed Charge performance after 2 years of implementation.
Building Decarbonization and Distributed Energy Resources Legislation			
Bill	Author	Position	Summary
AB 2329	Muratsuchi	Support	Establishes a California Affordable Decarbonization Authority as a nonprofit public benefit organization to act as a mechanism to help fund various electric utility related programs and activities.
AB 2256	Friedman	Watch	Would require the CPUC to conduct a cost-of-service analysis on the standard contract or tariff.
AB 2513	Pellerin	Watch	Would require gas stoves to have a prominent warning label related to air pollutants.
AB 2891	Friedman	Watch	Requires the CEC to develop requirements and standards for load modifying programs. Currently, there are no standards and requirements leaving individual applications for such efforts in the hands of one staff person's opinion at the CEC.
AB 3111	Calderon	Watch	Requires applicants for large new customer-sited solar and storage projects to notify the public and the CEC of the installation and scope of these facilities.
SB 1054	Rubio	Watch	Would establish a CPUC supervised Climate Pollution Reduction in Homes Initiative, requiring gas corporations to award grants under the initiative and use 15% of its revenues to the initiative.
SB 1221	Min	Watch	Would require each gas corporation to file a map containing the location of all potential gas distribution line replacement projects, then would require the CPUC to establish a voluntary program of 30 or less pilot projects across the state to decarbonize gas customers. Gas corporations would be authorized to cease providing service in these pilot areas,
SB 1374	Becker	Watch	Would require the CPUC to authorize an NEM rate for multiple customers with meters on a single property, or multiple meters of a single customer on a property or contiguous properties.

SB 382	Becker	Watch	Would require a seller of a single-family residential property to deliver a disclosure related to the property's electrical systems.
AB 2462	Calderon	Watch	Would require the CPUC to include in their existing reporting to the Governor and Legislature reporting on how adoption of electrification may impact total energy costs to customers and goals to encourage beneficial electrification.
SB 1210	Skinner	Watch	Would require utilities to post online a schedule of fees for service connection for housing development of various types.

CCA Autonomy Legislation

Bill	Author	Position	Summary
SB 1165	Padilla	Support	Would designate transmission projects as environmental leadership development projects.
AB 2368	Petrie-Norris	Watch	Requires CAISO to review any outage that affects at least 10% of customers of an entity and report if the outage is due to insufficient procurement of generation resources.
SB 1062	Dahle	Watch	Requires Investor-Owned Utilities (IOUs) and Publicly Owned Utilities (POUs) to procure 125 mw of biomass from facilities that have converted to advanced bioenergy technology facilities.
SB 1177	Bradford	Watch	Would expand Supplier Diversity Reports to include a detailed and verifiable diversity, equity, and inclusion employment plan.
SB 1508	Stern	Watch	Directs the CPUC to adopt targets for Load Serving Entities (LSEs) to procure cost-effective energy storage systems, including Long Duration Storage (LDS), multiday energy storage systems, and emerging energy storage technologies.

Infrastructure

Bill	Author	Position	Summary
AB 2292	Petrie-Norris	Watch	Stop CPUC from having to consider cost effective alternatives while considering an application for a certificate of public convenience and necessity for an electric transmission facility
AB 2661	Soria	Watch	Cost assessment for deploying solar in central valley and incorporate in next CAISO portfolio. Water districts can own and operate solar/storage.
AB 2779	Petrie-Norris	Support	Requires CAISO transmission plans to include the new use of grid enhancing technologies deemed reasonable by CAISO in that plan and the cost of efficiency savings of the deployment of those technologies.

AB 3016	Petrie-Norris	Watch	Go Biz must create and oversee a process for interagency coordination for all state and local agencies with known or likely environmental review or permitting jurisdiction relating to proposed renewable electrical generation facilities
AB 3238	Garcia	Watch	Streamlines endangered species under California Endangered Species Act (CESA) + streamlined California Environmental Quality Act (CEQA) for electrical infrastructure projects
AB 3246	Garcia	Watch	Would allow an electric corporation to seek CPUC approval of advanced reconductoring of its existing transmission facilities through the informal Advice Letter Process instead of through the permit to construct process.
SB 1003	Dodd	Watch	Direct the Office of Electrical Infrastructure Safety to consider the timeliness of investor-owned utility electrical infrastructure upgrades when reviewing the utilities' wildfire mitigation plans to ensure that the maximum amount of risk from utility sparked wildfires is reduced in the shortest amount of time.

Zero-Emission Vehicles Legislation

Bill	Author	Position	Summary
AB 2037	Papan	Watch	Allows a county sealer to test and certify Electric Vehicle charging stations. If the sealer determines that Electric Vehicle Supply Equipment (EVSE) is inaccurate, they must notify the owner/operator of the station and may choose to close the station. During the closure, people can park at the station for free.
AB 2266	Petrie-Norris	Watch	Codifies the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).
AB 2401	Ting	Watch	Requires the implementing regulations for the Clean Cars 4 All Program (CC4A) to additionally ensure that, among other things, incentives provided under the program are available in all areas of the state and that, in those areas where a local air district has not elected to manage the distribution of incentives, the CARB manages the distribution of incentives to eligible residents of those areas
AB 2427	McCarty	Watch	Would require the Governor's Office of Business and Economic Development to develop a model permitting checklist, model zoning ordinances, and best practices for local governments to permit curbside charging stations. The bill would also require the CEC to assess curbside charging needs.
AB 2453	Villapudua	Watch	Would authorize a measuring instrument used to measure the amount of electricity transferred from an electric vehicle charger to be used in connection with the sale of electricity as a motor vehicle fuel without first being tested if it is a type approved by the department, is calibrated, and sealed by the manufacturer, and is unalterable
AB 2559	Petrie-Norris	Watch	Require Go-Biz to create and maintain a website to collect info for delays/denials in permitting of Electric Vehicle Supply Equipment (EVSE). Establish working group.

AB 2815	Petrie-Norris	Watch	Would provide grants under the Clean Transportation Program for repairs to Electric Vehicle (EV) charging infrastructure.
AB 627	Jackson	Watch	Implements a sliding scale voucher program; requires CARB to issue vouchers for new clean vehicles and for retrofits of existing vehicles and would focus the vouchers on smaller fleets.
AB 637	Jackson	Watch	Requires CARB to authorize a fleet owner's rental of a Zero- Emission Vehicles (ZEV) for a cumulative total of 260 days per year to be considered ownership.
SB 1418	Archuleta	Watch	Extends the requirement for local governments to administratively approve hydrogen fueling stations from 2030 to 2035. Also requires all local governments to adopt an ordinance to create streamlined permitting for hydrogen-fueling stations.
SB 983	Wahab	Watch	Would form a new Alternative Fuels Infrastructure Taskforce to examine how to encourage more alternative fueling installations on current gas station sites.
Other Legislation of Interest			
Bill	Author	Position	Summary
AB 817	Pacheco	Support	Allows a subsidiary body of a local agency to teleconference without meeting all of the teleconferencing requirements of the Brown Act until January 1, 2026,
SB 1014	Dodd	Support	Would require the Office of the State Fire Marshal in the Department of Forestry to prepare, every 3 years, a Wildfire Risk Mitigation Planning Framework and Wildfire Risk Baseline and Forecast, as well as an annual Wildfire Mitigation Scenarios report.
AB 1852	Pacheco	Watch	Extends a sunset for another five years to allow non-elected alternate board members to participate in closed session Clean Power Alliance board meetings when the primary board member is unable to attend. The provisions in law are specific to Clean Power Alliance and do not apply to other local agencies.
AB 2054	Bauer-Kahan	Watch	Would prohibit a Commissioner of the CEC or CPUC, or Director of Public Advocates office, from employment at an entity under the jurisdiction of their former office for one year after leaving their position.
AB 3107	Connelly	Watch	The bill would require the CEC to conduct a study on the benefits of microgrids on local governments and communities.
AB 3136	Reyes	Watch	Would require the Department of Justice's Bureau of Environmental Justice to ensure fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.

SB 1018	Becker	Watch	Would revise definition of "electrical corporation" to exclude a corporation or person using solar or wind if the energy is transferred to private lines to another corporation or person that produces hydrogen or industrial heat.
SB 1420	Caballero	Watch	Requires that hydrogen fueling stations funded by the state have 33.3% of renewable hydrogen which increases to 100% from renewable and clean hydrogen by 2045. Defines renewable hydrogen and allows linear generations using renewable fuels as a Renewables Portfolio Standard (RPS)-eligible resource. Incorporates renewable hydrogen into Renewables Portfolio Standard (RPS) and SB 100. Gives renewable hydrogen projects AB 205 California Environmental Quality Act streamlining provisions. Deletes prohibition against biomass facilities.
SB 284	Wiener	Watch	At the core of this bill is the provision to prohibit an Investor-Owned Utility (IOU) from requiring a contractor to enter into a collective bargaining agreement with ANY labor organization as a condition for bidding on contracting work. Essentially, his bill trying to prevent the Investor-Owned Utility (IOU) from forcing a contractor and their workers to change their union representation to be eligible for the bid.



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 4.8

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Annual Dues Payments to California Community Power Joint Powers Agency and California Community Choice Association

BACKGROUND

RCEA participates as a member in two organizations that serve the community choice aggregator (CCA) sector in California: California Community Power (CC Power) and California Community Choice Association (CalCCA). CC Power “allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals.” CalCCA acts as an industry association for CCAs, providing support on regulatory and legislative policy matters. RCEA joined CalCCA in 2017 and joined the CC Power Joint Powers Agency in 2020.

Per the CC Power JPA agreement, General and Administrative costs (G&A) must be shared evenly by the members. Project-specific costs are based on each member’s project percentage share and are brought to the RCEA Board of Directors on a per project basis for approval. The proposed fiscal year 2024-2025 CC Power budget includes \$136,463.60 per member cost for G&A. This represents a 62% increase over the 2023-2024 G&A cost of \$84,338. This is attributable largely to CC Power’s plans to add needed staffing and engage consultant services as it ramps up implementation of its Strategic Plan adopted in 2022. Strategic Plan activities in the coming year include early phase work on several new initiatives consistent with CC Power’s mission. Per CC Power’s “a la carte” approach to project funding, members can elect to participate or not in individual projects once they advance beyond an initial exploration phase, with separate charges assessed to each member by CC Power to cover costs of these projects.

CalCCA scales its membership dues in proportion to each CCA’s revenues. For the 2024-2025 fiscal year, RCEA’s dues will be \$112,375, a 13.1% increase over the current year’s \$97,704 dues. The increase is due to inflation coupled with some

expansion of CalCCA's activities and accompanying increased staffing; for example, CalCCA has recently hired an analyst to focus on power distribution policy, as this has been found to have an important impact on CCAs' ability to bring new clean generation projects online in a timely manner.

SUMMARY

Participation in CC Power has greatly benefited RCEA by allowing us to participate in joint solicitations that would otherwise not have been available to RCEA due to our relatively small size among CCAs. RCEA has entered into four power purchase agreements and energy storage service agreements through CC Power to meet our Mid-Term Reliability Order from the California Public Utilities Commission.

Without CC Power, RCEA would have to incur significantly higher costs to issue solicitations and would likely not get as many responses. In addition to continuing to administer the four agreements to which RCEA is a party, CC Power has begun adding staff and taken early steps to explore new project opportunities during fiscal year 2023-2024, including entering into a memorandum of understanding with an offshore wind developer and working on a process for members to leverage the Inflation Reduction Act to develop new energy projects that would ultimately be jointly owned by the CCAs through CC Power.

RCEA's membership in CalCCA also continues to provide important benefits. With CalCCA's leadership and coordination, CCAs have scored numerous wins in the past year that advance and defend our community-serving business model. CalCCA coordinates numerous committees and working groups in which RCEA staff participate, focusing on billing operations and customer care, regulatory and legislative matters, power procurement, coordination on compliance filings, community equity, and customer programs. CalCCA's recent conference in San José allowed RCEA's CCA staff to meet and exchange ideas with their counterparts from across the state.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

CC Power's vision is to leverage buying power of the Members to deliver more cost-effective clean and reliable energy solutions for our customers, which aligns with RCEA's RePower Humboldt strategic plan goals, particularly strategy 4.1.1: "Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent."

As the industry association representing community choice aggregators across the state, CalCCA helps the CCAs to achieve their collective policy objectives, including

RCEA's Board-adopted [2024 Policy Platform](#). This Policy Platform in turn supports RCEA's RePower Humboldt strategic plan goals, particularly those in section 4, Energy Generation & Utility Services, which pertains to RCEA's role as a CCA.

EQUITY IMPACTS

N/A

FINANCIAL IMPACT

The General and Administrative dues for CC Power and for CalCCA are included in the draft 2024-2025 fiscal year budget being presented to the Board this month.

STAFF RECOMMENDATION

Approve Payment of California Community Power JPA Annual General and Administrative Dues up to \$136,463.60 for Fiscal Year 2024-25

Approve Payment of California Community Choice Association Annual Dues up to \$112,375 for Fiscal Year 2024-25.

ATTACHMENTS

None.

This page
intentionally
left blank.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 6.1

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Adjustment of Procurement Limits in Risk Policy

BACKGROUND

The Capacity Transaction Value Limits established in RCEA's Energy Risk Management Policy (<https://redwoodenergy.org/wp-content/uploads/2022/12/RCEA-ERMP-Approved-Dec-2022.pdf>) are currently as shown in Table 1. These dollar limits for State-mandated procurement of resource adequacy (RA, also called capacity) were originally set to be approximately commensurate with typical dollar values associated with the megawatt-hour Energy Transaction Volume Limits also shown in Table 1.

Table 1. Execution Authority Limits in RCEA's Energy Risk Management Policy.

Position	Maturity Limit	Term Limit	Energy Transaction Volume Limit (MWh)	Capacity Transaction Value Limit
RCEA Board of Directors	Any transaction that exceeds the Risk Management Team limits			
Risk Management Team	42 Months	36 Months	500,000	\$5,000,000
Executive Director	36 Months	30 Months	375,000	\$3,000,000
TEA	30 months	24 Months	250,000	\$1,500,000

Staff have requested and received Board approval several times since the CCE program was established to increase the Capacity Transaction Value Limits, as shown in Table 2 below, to maintain this parity as the cost of RA has increased.

The intent behind the limits is to provide Board oversight of major transactions, while allowing TEA and RCEA staff to nimbly make needed transactions when products become available on the market. Seeking Board authorization via monthly meetings takes time that can cause RCEA to miss out on key transactions that other buyers can respond to more quickly.

Table 2. Historic and Proposed Capacity Transaction Value Limits

↓ Position Date Adopted⇒	12/2016	1/2020	12/2022	Proposal A (staff recommendation)	Proposal B
RCEA Board of Directors	Any amount that exceeds the Risk Management Team limits				
Risk Management Team	\$2,000,000	\$3,000,000	\$5,000,000	\$18,000,000	\$15,000,000
Executive Director (<i>proposed: or designee</i>)	\$1,000,000	\$2,000,000	\$3,000,000	\$12,000,000	\$10,000,000
TEA	\$500,000	\$1,000,000	\$1,500,000	\$6,000,000	\$5,000,000

SUMMARY

Staff are asking the Board to authorize substantial adjustments to the delegation of procurement authority provided in RCEA's Energy Risk Management Policy. The requested increases in limits are substantial compared with past adjustments. However, this is necessary given the very large and rapid increases in RA prices that have occurred since the last limit adjustments were made in December 2022. In that time, TEA's tracking of the RA market shows a three-fold increase in the annual average unit price of RA. In the near term, projections are for prices to continue increasing into 2025.

Table 2 includes two proposals for increasing the Capacity Transaction Value Limits. Proposal A, recommended by staff, increases the limits enough to accommodate RA price increases to date while also allowing for some further price increase in the future without having to seek Board approval. Proposal B calls for smaller adjustment of the limits but only takes into account RA price increases that have occurred to date. Under this proposal, staff would likely need to ask the Board for a further adjustment of limits in the near future.

Assuming the slice of day RA framework is fully implemented as planned in 2025, the proposed limits for Risk Team approval (\$15M or \$18M in the two scenarios) represent approximately 65% and 75% of RCEA's currently projected incremental RA expenditure for 2025, respectively. Incremental RA is RA that is procured by TEA in the short term on RCEA's behalf, as opposed to the RA that is included in RCEA's long-term RA contracts and power purchase agreements.

Staff also propose that the Board allow the Executive Director to delegate another RCEA staff member to make procurement decisions up to the "Executive Director or designee" limits shown in Table 2 to facilitate daily operations of the CCA and ensure the timely processing of transactions covered by the policy. Typically this authority would be delegated to the Director of Power Resources but could be delegated to another RCEA director as needed. Staff recommend that if the Executive Director delegates another RCEA staff member to make procurement decisions, the delegation is stated in writing with a well-defined end date. The delegation would be sent to TEA and maintained in RCEA files.

If approved, these changes will be implemented immediately as stated in Addendum A of the Energy Risk Management Policy and will be included in a revised version of the Energy Risk Management Policy to be brought to the Board for review on the usual update schedule late in this calendar year. If the Board does not authorize an increase to the Capacity Transaction Value Limits, staff will likely need to bring multiple RA transactions to the Board for approval in the coming months and run the risk of missing out on the most attractive offers while waiting for approval.

Some recent reports portray current market conditions as a “bubble” with the expectation that these prices will come back down as new supply comes online. However, the ongoing transition in California to a “slice of day” RA regulatory structure where load-serving entities must demonstrate sufficient capacity in each hour of the day rather than just in the peak hour adds significant uncertainty to the future of the RA market. Staff will continue to monitor market conditions and may propose future downward or upward adjustments to transaction limits as appropriate.

ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)

Not applicable. RA procurement is State mandated and does not further RCEA's strategic goals.

EQUITY IMPACTS

Not applicable.

RECOMMENDED ACTION

Approve Addendum A to the RCEA Energy Risk Management Policy, including increases to procurement dollar value limits as specified in Proposal A, and authorize the Executive Director to delegate staff-level approval of capacity transactions in writing with a specified end date.

ATTACHMENTS

Addendum A to the RCEA Energy Risk Management Policy.

This page
intentionally
left blank.



Addendum A to Redwood Coast Energy Authority's Energy Risk Management Policy Adopted May 23, 2024

This Addendum is hereby attached to RCEA's Energy Risk Management Policy ("Policy") that was adopted by RCEA's Board of Directors on December 12, 2016, and last revised on December 15, 2022.

Section 5 of the Policy is hereby replaced in its entirety with the following.

Section 5: DELEGATION OF AUTHORITY

By adopting this Policy, the RCEA Board is explicitly delegating operational control and oversight to the Risk Management Team and Power Manager, as outlined through this Policy. Specifically, to facilitate daily operations of the CCA, the Board is delegating transaction execution authorities shown in the table below.

Position	Maturity Limit	Term Limit	Energy Transaction Volume Limit (MWh)	Capacity Transaction Value Limit
RCEA Board of Directors	Any transaction that exceeds the Risk Management Team limits			
Risk Management Team	42 Months	36 Months	500,000	\$18,000,000
Executive Director, or Designee	36 Months	30 Months	375,000	\$12,000,000
TEA	30 months	24 Months	250,000	\$6,000,000

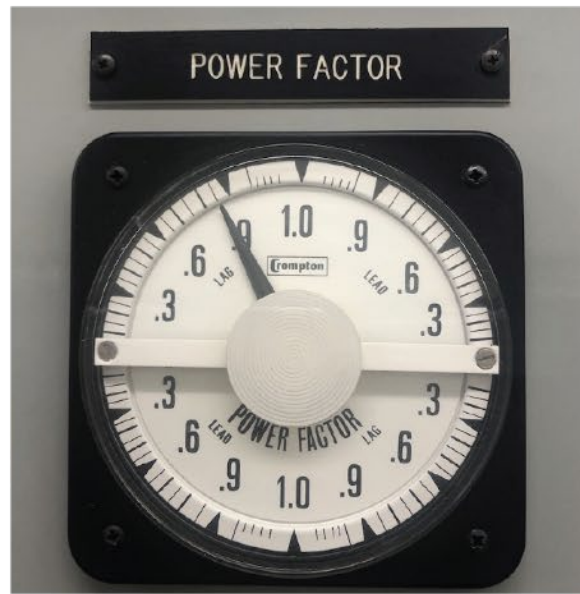
These authorities will be applied to wholesale power activity executed outside of the California Independent System Operator ("CAISO") markets. These limits provide both RCEA and TEA needed authority to manage risks as they arise. Transactions falling outside the delegations above require Board approval prior to execution. Activity with CAISO, though it may cumulatively exceed the limits shown, is excluded from this table due to the nature of the market, where prices fluctuate hourly, transactions occur continually, and costs may not be known until after transactions are committed. These characteristics make advance RMT or Board approval of CAISO transactions infeasible.

The Executive Director may delegate its transaction execution authority to a specifically designated RCEA Director to facilitate daily operations of the CCA and ensure the timely processing of transactions covered by this Policy. Any such RCEA Director designation must be made in writing, state the delegation end date, and shall state any limitations on the delegated authority of the Director. The designation notice must be sent to the Power Manager and a copy of the designation will be kept in RCEA files.

All procurement executed under the delegation above, must align with RCEA's underlying risk exposure (load requirements, locational and temporal) that is being hedged consistent with the approved Guidelines for the Redwood Coast Energy Authority Community Energy Program Launch-Period Strategy and Targets, any subsequent procurement strategies or financial management policies authorized by the Board, and the Energy Risk Hedging Strategy (Appendix D to this policy).

5.1 Monitoring, Reporting and Instances of Exceeding Risk Limits

The TEA Middle Office is responsible for monitoring, and reporting compliance with, all limits within this Policy. If a limit or control is violated, the TEA Middle Office will send notification to the trader responsible for the violation and the RMT. The RMT will discuss the cause and potential remediation of the exceedance to determine next steps for curing the exceedance. RCEA Power Resources staff are also responsible for monitoring transactions reported by TEA and bringing to the RMT's attention any violations of limits within this Policy that have not been noted by TEA.



Adjustment of Procurement Limits in Energy Risk Management Policy

Presentation to RCEA Board of Directors
May 23, 2024



Execution Authority Limits in RCEA's Energy Risk Management Policy

Position	Maturity Limit	Term Limit	Energy Transaction Volume Limit (MWh)	Capacity Transaction Value Limit
RCEA Board of Directors	Any transaction that exceeds the Risk Management Team limits			
Risk Management Team	42 Months	36 Months	500,000	\$5,000,000
Executive Director	36 Months	30 Months	375,000	\$3,000,000
TEA	30 months	24 Months	250,000	\$1,500,000

Historic and Proposed Capacity Transaction Value Limits

↓ Position Date Adopted⇒	12/2016	1/2020	12/2022	Proposal A (<u>staff</u> recommendation)	Proposal B
RCEA Board of Directors	Any amount that exceeds the Risk Management Team limits				
Risk Management Team	\$2,000,000	\$3,000,000	\$5,000,000	\$18,000,000	\$15,000,000
Executive Director (<i>proposed: or designee</i>)	\$1,000,000	\$2,000,000	\$3,000,000	\$12,000,000	\$10,000,000
TEA	\$500,000	\$1,000,000	\$1,500,000	\$6,000,000	\$5,000,000

Justification for Recommended Action

- Limits were originally set based on resource adequacy (RA) prices at time of CCE program launch (2017)
- Periodic adjustments have been made as prices have risen
- Since last adjustment in late 2022 we have seen major (3X) RA price increases
- RA market transacts quickly; seeking Board approval risks missing out on the most attractive deals offered
- Risk Management Team can confer on short notice to review and approve transactions
- Staff's recommended Proposal A increases limits enough to account for further expected price increases in the coming year; Proposal B accounts only for price increases seen to date



STAFF REPORT
Agenda Item # 7.1

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Interim Executive Director Lori Biondini, Director of Business Planning and Finance
SUBJECT:	Fiscal Year 2024-25 Preliminary Draft Budget

SUMMARY

Attached is a preliminary draft of the fiscal year 2024-2025 (FY24-25) annual budget for review. This current fiscal year was marked by an overall reduction in customer loads, which resulted in a mid-year reduction in revenue and expenses. This fiscal year also included Rural REN implementation delays reducing revenue in State contracts by \$9.9M. Additionally, this fiscal year saw continued delays of the commercial operation date of the Sandrini Solar project which reduced PPA revenues by \$7.6M.

BUDGET ASSUMPTIONS

Forecasted electricity sales and wholesale power costs are based on modeling provided by The Energy Authority dated May 7, 2024. The model assumes the Sandrini Solar project will not be operational and delivering energy until October 2024. The model also includes decreased retail generation rates to maintain a 0.5% discount from Pacific Gas & Electric Company (PG&E) retail generation rates, expected increase of the Power Charge Indifference Adjustment (PCIA), and expected increase of the cost of renewable energy credits, carbon-free and resource adequacy products. Together these factors result in a significant drop in RCEA's net revenue from the current year.

Additionally, RCEA's portfolio must shift to accommodate slice of day resource adequacy requirements, which will make procurement increasingly complicated and increase demand on a very limited product supply.

Based on the expected decrease in revenue staff are recommending:

- Freezing vacant positions including Finance Coordinator, Administrative Specialist, Rural REN Manager and Rural REN Specialist (\$467,235)
- Postpone the architectural design and engineering of a new office building (\$1.2M)
- A decreased customer incentive and rebate budget as compared to the current fiscal year (\$230,000 versus \$400,000)
- A commensurate reduction in the Communication and Outreach budget as compared to the current fiscal year (\$114,900 versus \$160,485).
- Postponing the Board-requested third-party compensation and classification review. It is estimated that this review would cost between \$50,000 and \$75,000.

After incorporating the above-mentioned recommendations, the resulting net-revenue is -\$5.8M, requiring the use of existing cash reserves to balance the budget. Facing a potential significant reduction in current cash on hand and further delayed progress on building reserves, Staff has contemplated how changes to RCEA's energy portfolio goals may help alleviate next year's forecasted budget deficit. Staff are presenting three proposals for the Board to consider. The proposals are as follows:

- A. **Proposal A:** Continuing to procure renewable energy based on goals adopted by the Board of Directors in 2019 which includes having a 100% renewable and carbon-free energy portfolio by 2025. This option results in net income of **-\$5.8M** for FY24-25.
- B. **Proposal B:** Procuring renewable energy to meet only the State-mandated goals. This option results in net income of **-\$1.5M** for FY24-25.
- C. **Proposal C:** Procuring renewable energy to meet only the State-mandated goals, and selling renewable energy already procured by RCEA in excess of what is required to meet the State-mandated goals for a limited period of time (January 1, 2025, to June 30, 2025). This option results in net income of **\$3.4M** for FY24-25.

On May 14, 2024, Staff presented a draft budget to the Finance Subcommittee with the above listed options for energy procurement. The Finance Subcommittee recommended proceeding with Proposal B, with a review in six months to determine if additional measures should be taken to further reduce costs if forecasts have worsened.

REVENUES

- **State Contracts \$1,435,000:** Revenue in this category includes funding from the California Energy Commission for constructing electric vehicle resilience hubs around the County, as well as funds from the Governor's Office of Planning and Research, Regional Resilience Grant Program for Energy-Resilient Fire Services in High-Threat Communities. This project will design and install solar + storage at rural fire stations. Grant funds will be used to cover staff time for project management and pass-through funds for engineering, design, and construction services.
- **Non-Government Agencies \$413,000:** Revenue in this category includes funding from PG&E's Local Government Partnership Program for implementing the public agency energy efficiency program.
- **Electricity Sales \$68,501,255:** This line item includes forecasted electricity sales revenue. This total assumes \$2,118,595 (3% of projected electricity sales) to be uncollectable due to customer non-payment. This line item has a degree of uncertainty and, it is hoped, represents a conservative forecast.

EXPENSES

- **Wholesale Power Supply \$65,064,461:** Power supply costs continue to be RCEA's largest expense. Energy costs for the fiscal year represent what has already been procured through RCEA's previously approved hedging strategy, existing power purchase agreement cost estimates, day-ahead energy costs, renewable and carbon-free procurement, and all other required energy products such as resource adequacy and grid management/congestion charges.

- **Professional and Program Services \$4,119,730:** This budget line item includes contracted services for energy scheduling coordination, energy procurement credit fees, data management, legal services, accounting services, regulatory services, as well as grant-specific professional services, including electric vehicle charging station design engineering and installation. Additionally, funds have been budgeted for participation in California Community Power build-to-transfer project planning, which is a pathway to potential joint-CCA ownership of new renewable energy projects.
- **Personnel \$5,253,342:** The proposed budget includes freezing several vacant positions including Finance Coordinator, Administrative Specialist, Rural REN Manager, and Rural REN Specialist. Staff is requesting to maintain the Analyst position under Rural REN to assist in complex data analysis that will be used in seeking out external funding opportunities for energy efficiency programs. If the CPUC approves Rural REN during the fiscal year, Staff will bring back a budget adjustment and request to unfreeze the Rural REN Manager and Specialist position.

The budget includes an expected 7% increase of health insurance benefits costs. All positions listed in the Board-adopted organization chart are full-time, fully-benefited positions. Non-benefited, part-time, limited-term and intern positions can be created and dissolved at the discretion of the Executive Director if they fit within the Board-adopted total personnel budget. The proposed personnel budget includes \$358,582 in funds for part-time, limited term and intern positions.

- **Facilities and Operations \$915,276:** This budget line item is for operation costs associated with the RCEA offices, information technology, and dues and memberships, as well as costs associated with RCEA-owned or managed assets. Staff received several quotes for architectural design and engineering of the planned new construction office building and determined that the cost of these services would be \$1.2M. Due to the expected FY24-25 revenue, this expense was not included in the budget, and staff will explore external funding sources for this work.
- **Incentives and Rebates \$230,000:** This line item is for direct incentives and rebates paid out to CCE customers. The following customer programs are included in the proposed budget: heat pump rebates, battery storage incentives for Net Billing Tariff customers, residential energy efficiency measures, electric vehicle rebates, electric vehicle charging station rebates, and e-bike rebates. The Finance Subcommittee recommended staff evaluate which interventions result in the greatest reduction of greenhouse gas emissions and prioritize incentivizing those actions through RCEA's customer programs. Staff will begin evaluating customer programs based on that recommendation and report findings.

Historically, RCEA has received external funding for rate-payer incentives, rebates, and associated staff time to administer these programs. It was anticipated that Rural REN funds would be available to cover most of these expenses. Considering the delays in the implementation of Rural REN, staff has

begun applying for other grant funds to unburden electricity sales revenues which currently are the sole funding for these programs.

SUMMARY OF RESERVES

During the fiscal year ending in 2022 RCEA experienced significant cashflow challenges, having exhausted all cash-on-hand because of:

- Extremely high energy prices in 2021,
- Maintaining customer rates below PG&E's, which did not provide for full cost-recovery,
- An inflated 2021 PCIA exit fee that did not reflect rising market prices,
- Over \$3.2M in pandemic-era delinquent customer bill payments,
- \$4M cash buyer's security deposit for the Sandrini Solar project; and
- Around \$3-4M cash tied up at any given time due to the timing of energy procurement and the customer billing cycle.

The Board adopted guidelines for RCEA's CCE program in September 2016 and revised them in May 2018. In those guidelines, RCEA's cash reserve target was set at \$35M by the end of year five under projected market conditions and a minimum of at least \$10M under adverse market conditions. These amounts were meant to reflect cumulative net revenue, considering the other launch goals, including providing customer rate savings and customer-serving energy efficiency programs, and procuring local and renewable energy. The 2021 and 2022 market conditions greatly affected RCEA's ability to meet these goals.

As of May 2024, RCEA has a cash balance of around \$20M. However, based on current projections, RCEA is estimated to need \$5.8M, \$7M, and \$7.7M over the next three years, respectively, to cover operations. If the financial modeling proves accurate this would result in exhausting RCEA's cash-on-hand by July 2027.

Staff recognizes the volatile nature of energy markets and that forecasted retail rates can change drastically during the fiscal year. Staff recommends taking a conservative approach to budgeting for the next fiscal year to minimize the reduction of cash reserves and recommends re-evaluating the projections in six months to determine if additional actions should be taken. Selecting Proposal B or C (basing procurement on State renewable portfolio standards versus the Board-adopted goals) will allow time to monitor the energy markets and know more about anticipated rate changes with minimal reduction of cash reserves.

The preliminary draft budget presented at the meeting has been shared with the Board's Finance Subcommittee. A tentative second meeting with the Finance Subcommittee will facilitate any further input in advance of the final draft presentation to the Board at the June meeting.

GRANT PURSUITS

RCEA staff continue to seek out grant opportunities to fund customer programs. Currently staff are pursuing the following grants:

- Department of Energy (DOE) Renew Americas Schools – Potential of \$8 - \$15M over three phases to implement energy improvement projects at local schools. RCEA currently has a list of 22 local schools interested in participating.
- DOE Tribal Energy Resilience and Sovereignty (TERAS) – Potential \$90M over 5 years to administer and fund microgrids for Blue Lake Rancheria, Hoopa Valley Tribe, Yurok Tribe, and Karuk Tribe. In addition to the DOE funds, RCEA has received a commitment of \$6M from the California Energy Commission to use as cost-share for this project.
- PG&E Resilience Hub – Grant of \$100,000 toward the design and creation of a climate resilience hub in Humboldt County.
- Department of Energy Home Electrification and Appliance Rebate program for Tribes (HEAR) – Each Tribal Nation has an allocation of at least \$150,000 with an allocated 20% for administering the program. RCEA is reaching out to Tribal Nations to see if they would like to partner in program administration with RCEA. Programs under this grant would include energy assessments for low- and moderate-income homes and rebates.
- USDA Rural Local Governments – RCEA will apply for approximately \$100,000 in grant funds to conduct energy audits for efficiency and provide technical assistance for renewable energy projects to RCEA agricultural customers.
- CPUC Elect to Administer – RCEA has previously been a Program Administrator of Energy Efficiency programs using CPUC ratepayer funds. In anticipation of Rural REN funds, staff did not extend our previous contract. In response to delays in Rural REN, staff will explore re-applying for this program, which could provide an estimated \$380,000 per year for energy efficiency programs.

STAFF RECOMMENDATION

Provide guidance and input to staff on draft Fiscal Year 2024-2025 budget.

ATTACHMENTS

1. Preliminary Draft Fiscal Year 2024-25 RCEA Budget
2. RCEA Organization Chart with Frozen Positions Highlighted

This page
intentionally
left blank.

Redwood Coast Energy Authority Fiscal Year 2024-2025 Budget

		POWER RESOURCES	INFRASTRUCTURE and TRANSPORTATION (I&T)				
		Community Choice Energy	REVNet	Transportation Grants - NCRCN	Infrastructure Grants - RRPG & CEG	Airport Microgrid Operations	CCE Customer I&T Programs and Services
Income							
State Contracts			60,000	375,000	1,000,000		
EVSE Network Sales & LCFS Credits							
Non-government Contracts						3,000	
Electricity Sales	70,619,850						
Uncollectable Accounts	(2,118,595)						
Total	68,501,255	60,000	375,000	1,000,000	3,000	-	
Expense							
WHOLESALE POWER SUPPLY							
Sub-total	65,064,461	-	-	-	-	-	
PERSONNEL EXPENSES							
Recruitment Expenses							
Screening/Testing Services							
Safety					500		
Staff Training, Development & Meetings	15,000					7,500	
Full-time Salaries and Benefits	1,133,596		80,000	200,000	29,443	417,999	
Part-Time Term Salaries and Benefits	81,150					44,241	
Sub-total	1,229,746	-	80,000	200,000	29,943	469,740	
FACILITIES AND OPERATIONS							
Office Supplies and Expenses							
Furniture & Equipment	5,000				2,000		
Information Technology	-	-	-	-	12,756	1,400	
Office Lease							
Utilities		16,000					
Alarm Service							
Janitorial							
Facility Repairs & Maintenance					75,000		
EV Station Repairs & Maintenance		20,090					
Insurance P&L							
Dues & Memberships	250,463					200	
Mileage reimb for empl & volunt			1,000		400	1,000	
EV Station Equipment & Services		60,000					
New Building Development							
Sub-total	255,463	96,090	1,000	-	90,156	2,600	
COMMUNICATIONS AND OUTREACH							
Sub-total	65,500	-	-	-	-	10,000	
PROFESSIONAL & PROGRAM SRVS							
Regulatory	124,300						
Contracts - Program Related Ser	6,228		400,000	800,000		16,000	
CC Power pre-procurement	196,372						
Accounting							
Legal	45,000						
Wholesale Services - TEA	817,124						
Procurement Credit - TEA	639,430						
Data Management - Calpine	855,276						
Sub-total	2,683,730	-	400,000	800,000	-	16,000	
PROGRAM EXPENSES							
PG&E CCA Billing Franchise Fees	272,714						
EV Site Host Pmts		30,000					
Sub-total	272,714	30,000	-	-	-	-	
INCENTIVES & REBATES							
Efficiency Measures							
EV & EVSE						30,000	
E-Bike						30,000	
Sub-total	-	-	-	-	-	60,000	
NON OPERATING COSTS							
Sub-total	6,000	-	-	-	120,000	-	
Total Expense	69,577,614	126,090	481,000	1,000,000	240,099	558,340	
Net Income - Reserve Fund Contribution	(1,076,359)	(66,090)	(106,000)	-	(237,099)	(558,340)	

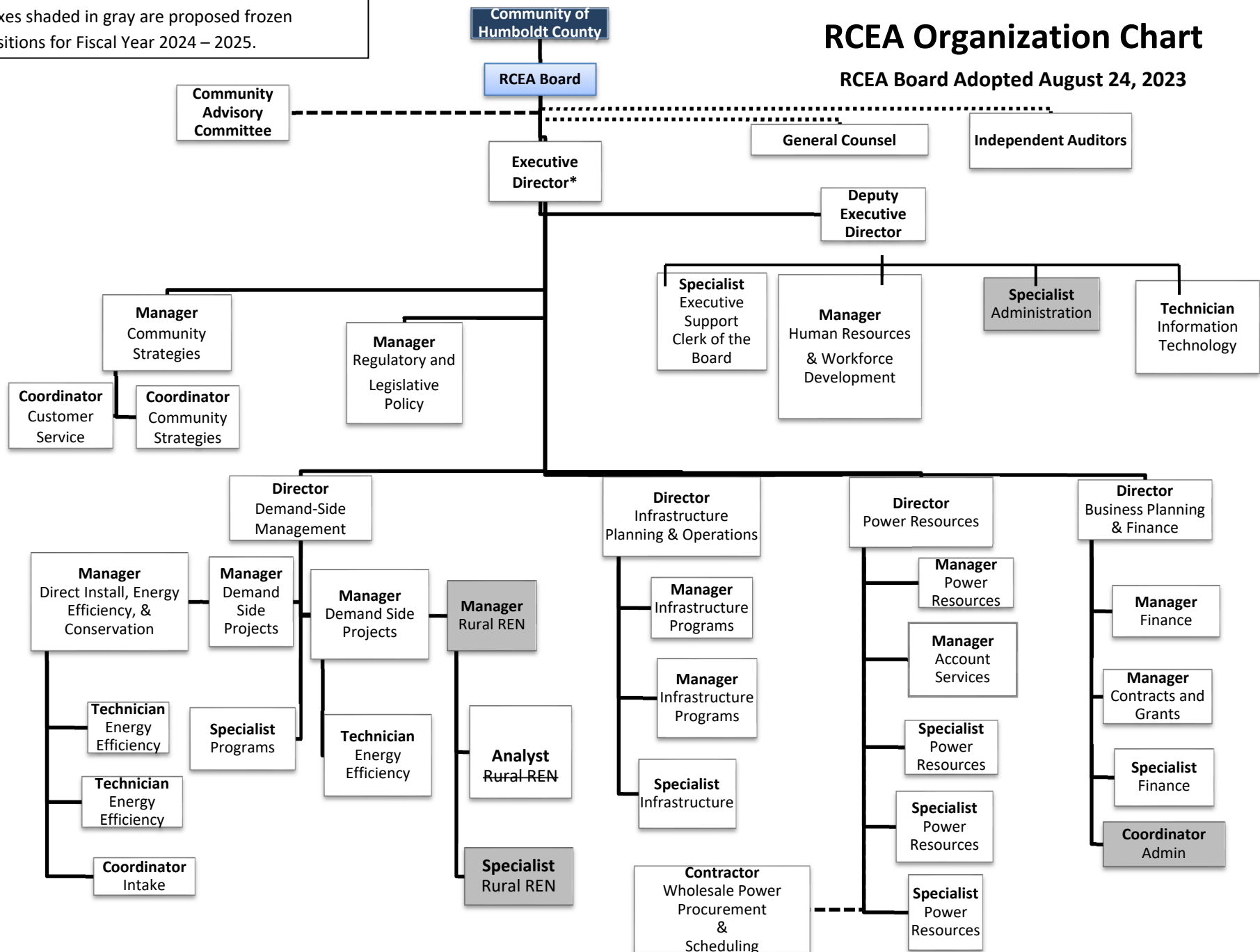
Redwood Coast Energy Authority Fiscal Year 2024-2025 Budget

	DEMAND-SIDE MANAGEMENT (DSM)		STRATEGIC PLANNING	GENERAL & ADMIN	PROPOSED FISCAL YEAR 2024-2025 BUDGET
	PG&E Local Government Partnership Program	CCE Customer DSM Programs and Services			
Income					
State Contracts					1,435,000
EVSE Network Sales & LCFS Credits					-
Non-government Contracts	400,000	10,000			413,000
Electricity Sales					70,619,850
Uncollectable Accounts					(2,118,595)
Total	400,000	10,000	-	-	70,349,255
Expense					
WHOLESALE POWER SUPPLY					
Sub-total	-	-	-	-	65,064,461
PERSONNEL EXPENSES					
Recruitment Expenses				35,000	35,000
Screening/Testing Services				1,000	1,000
Safety				4,500	5,000
Staff Training, Development & Meeting		15,000	6,800	15,000	59,300
Full-time Salaries and Benefits	400,000	1,142,729	163,592	1,227,101	4,794,460
Part-Time Term Salaries and Benefits		141,727	32,459	59,005	358,582
Sub-total	400,000	1,299,456	202,851	1,341,606	5,253,342
FACILITIES AND OPERATIONS					
Office Supplies and Expenses		500		10,000	10,500
Furniture & Equipment				6,000	13,000
Information Technology	-	40,000	-	115,000	169,156
Office Lease				128,000	128,000
Utilities				32,000	48,000
Alarm Service				2,400	2,400
Janitorial				16,000	16,000
Facility Repairs & Maintenance				12,000	87,000
EV Station Repairs & Maintenance					20,090
Insurance P&L				102,117	102,117
Dues & Memberships		350	3,000		254,013
Mileage reimb for empl & volunt		2,500	100		5,000
EV Station Equipment & Services					60,000
New Building Development					-
Sub-total	-	43,350	3,100	423,517	915,276
COMMUNICATIONS AND OUTREACH					
Sub-total	-	12,650	7,500	19,250	114,900
PROFESSIONAL & PROGRAM SRVS					
Regulatory			20,000		144,300
Contracts - Program Related Ser					1,222,228
CC Power pre-procurement					196,372
Accounting				60,000	60,000
Legal		50,000		90,000	185,000
Wholesale Services - TEA					817,124
Procurement Credit - TEA					639,430
Data Management - Calpine					855,276
Sub-total	-	50,000	20,000	150,000	4,119,730
PROGRAM EXPENSES					
PG&E CCA Billing Franchise Fees					272,714
EV Site Host Pmts					30,000
Sub-total	-	-	-	-	302,714
INCENTIVES & REBATES					
Efficiency Measures		170,000			170,000
EV & EVSE					30,000
E-Bike					30,000
Sub-total	-	170,000	-	-	230,000
NON OPERATING COSTS					
Sub-total	-	-	-	3,000	129,000
Total Expense	400,000	1,575,456	233,451	1,937,373	76,129,423
Net Income - Reserve Fund Contribution	-	(1,565,456)	(233,451)	(1,937,373)	(5,780,168)

Boxes shaded in gray are proposed frozen positions for Fiscal Year 2024 – 2025.

RCEA Organization Chart

RCEA Board Adopted August 24, 2023



*Executive Director may approve the hiring of part-time, intern and limited-term positions if they fit within the Board adopted total personnel budget.

This page
intentionally left
blank.

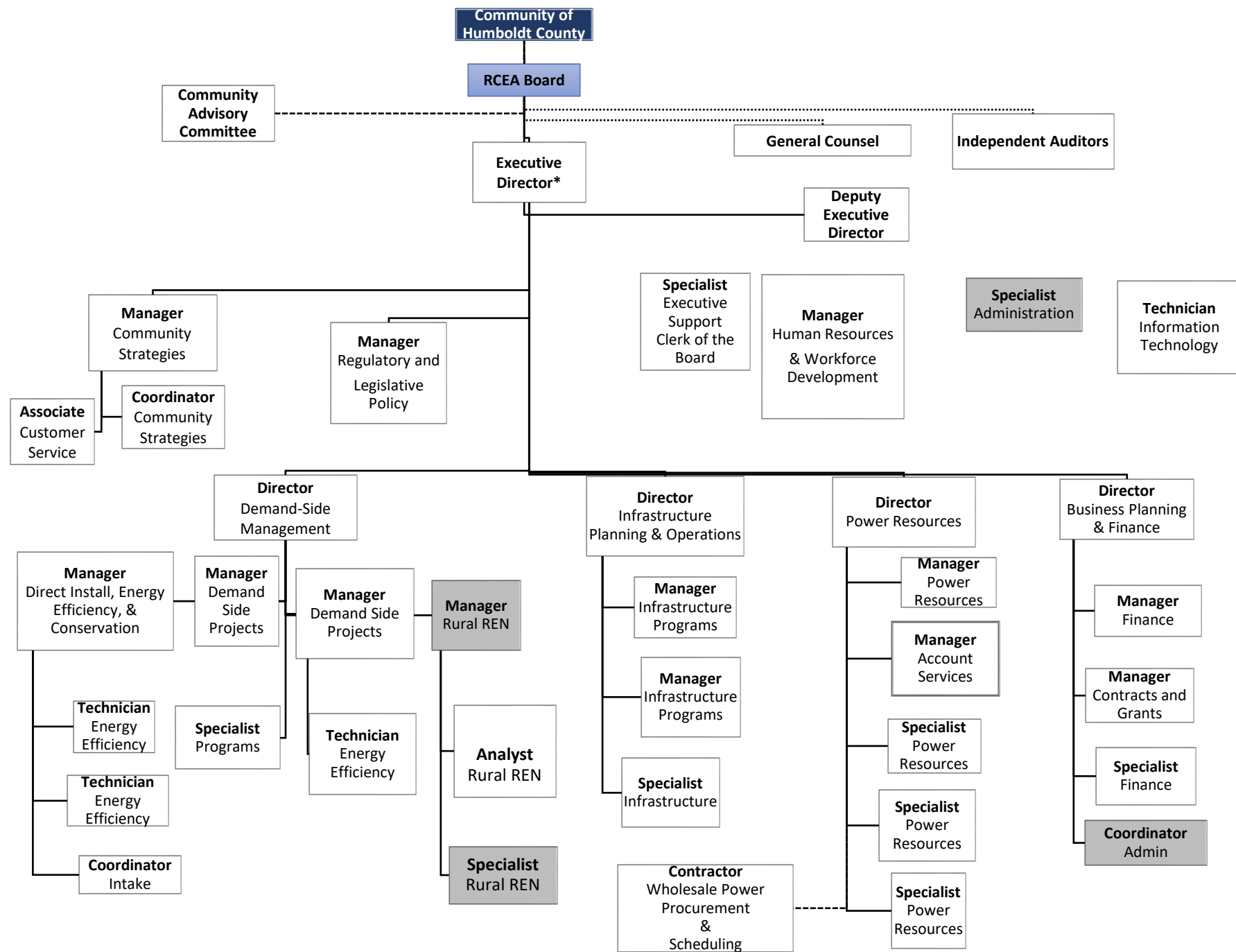
Fiscal Year 2024-25 Preliminary Draft Budget Overview

Background

- As of January 2024, RCEA has provided \$7.6M in cumulative rate payer savings. Proposed budget reflects 0.5% retail rate discount from PG&E rates.
- Calculated energy revenue and expense based on financial model from May 7, 2024.
- Expected decreases in PG&E generation rates, increase of the Power Charge Indifference Adjustment (PCIA), and expected increase of the cost of renewable energy credits, carbon-free and resource adequacy products.
- As of January 2025, RCEA's procurement must accommodate slice of day resource adequacy requirements.
- Expected Net Negative Revenue for FY 24-25

Personnel

- Maintains all existing staff.
- Accounts for estimated increases of insurance and benefit costs.
- Includes freezing Finance Coordinator, Admin Specialist, Rural REN Manager and Rural REN Specialist vacancies.
- Accounts for 3-month vacancy in ED position.
- Includes maintaining the Analyst position in DSM. This position will seek out external program funding.



Other

Reduced overall Department requests by \$2.3M including:

- Postpone the architectural design and engineering of a new office building (\$1.2M based on quotes).
- Decreased customer incentive and rebate budget compared to the current fiscal year (\$230,000 versus \$400,000)
- Reduction in Communication and Outreach budget compared to current fiscal year (\$114,900 versus \$160,485)
- Postpone third-party compensation and classification review (estimated \$50,000 - \$75,000).

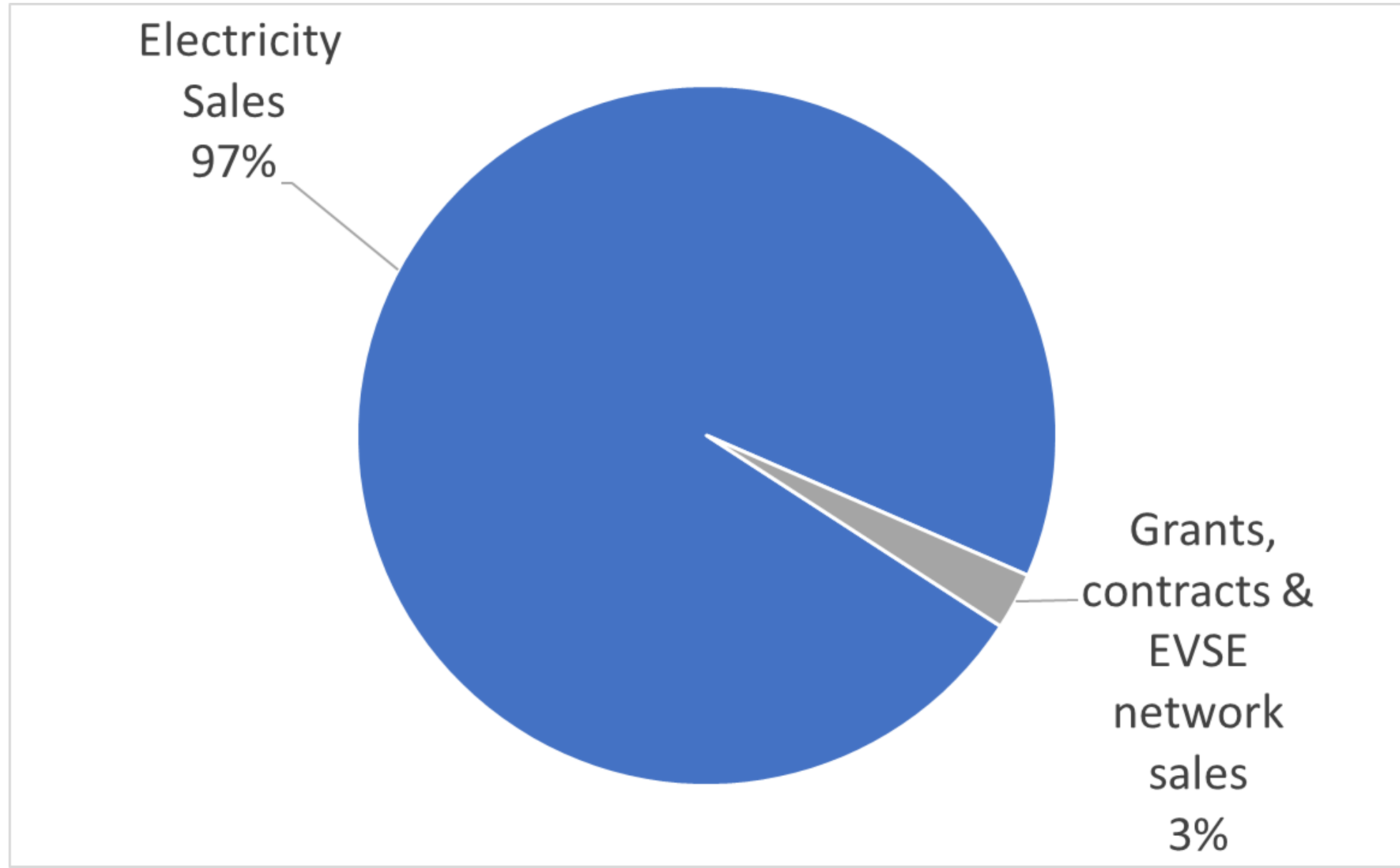
Revenue

	Current Budget	FY 24-25 Draft
Electricity Sales	\$85.3M	\$68.5M
Grants and Contracts	\$1M	\$1.78M
Program Related Service Fees (EV charging use, FIT application fees)	\$121,900	\$60,000

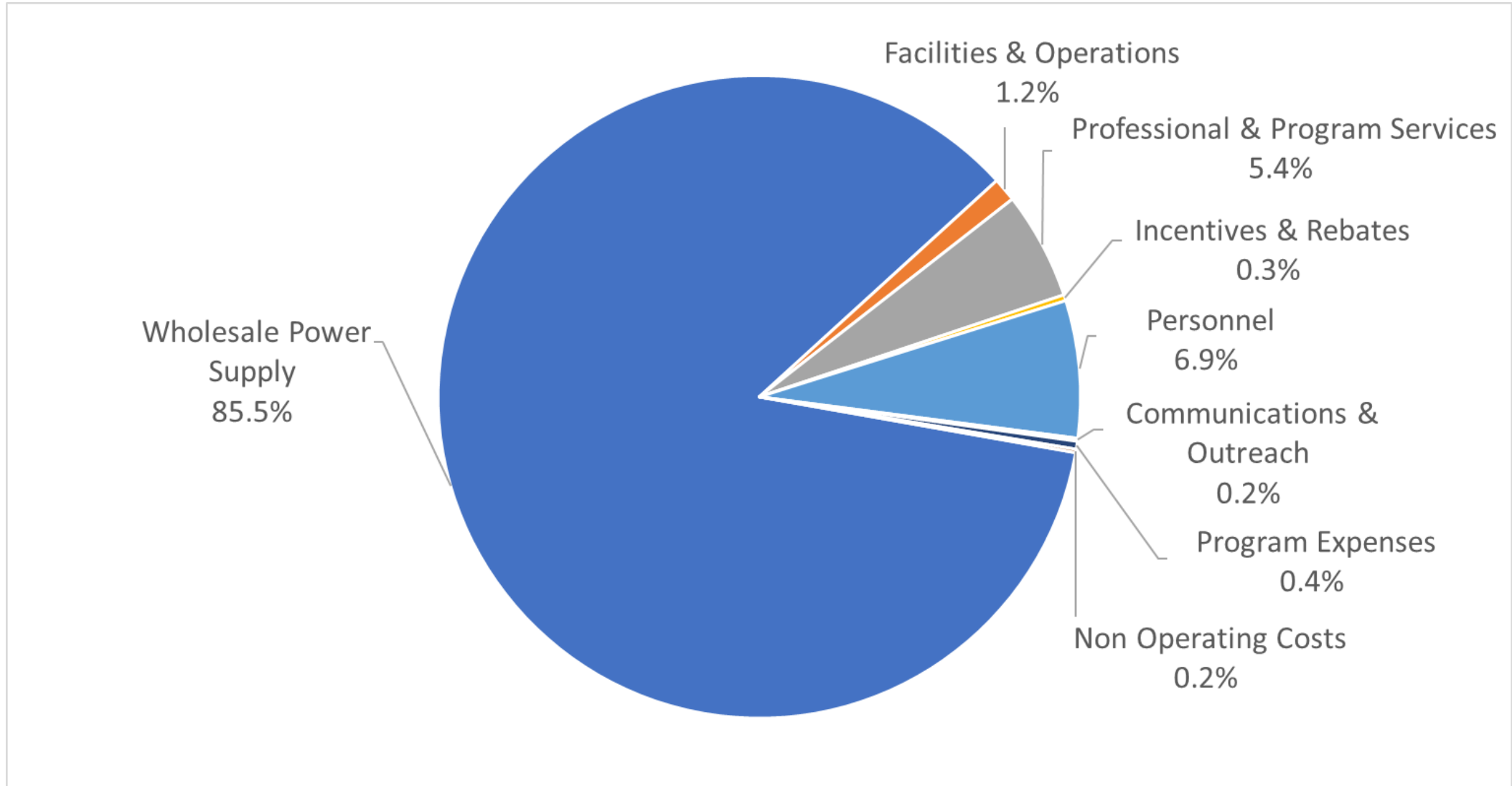
Expenses

	Current Budget	FY 24-25 Draft
Wholesale Power Supply	\$65.4M	\$65M
Personnel	\$5.1M	\$5.2M
Facilities and Operations	\$1.5M	\$915,276
Communication and Outreach	\$160,485	\$114,900
Professional and Program Services	\$3.3M	\$4.1M
Program Expenses	\$290,014	\$302,714
Incentives and Rebates	\$402,575	\$230,000
Non-Operating Costs	\$129,500	\$129,000

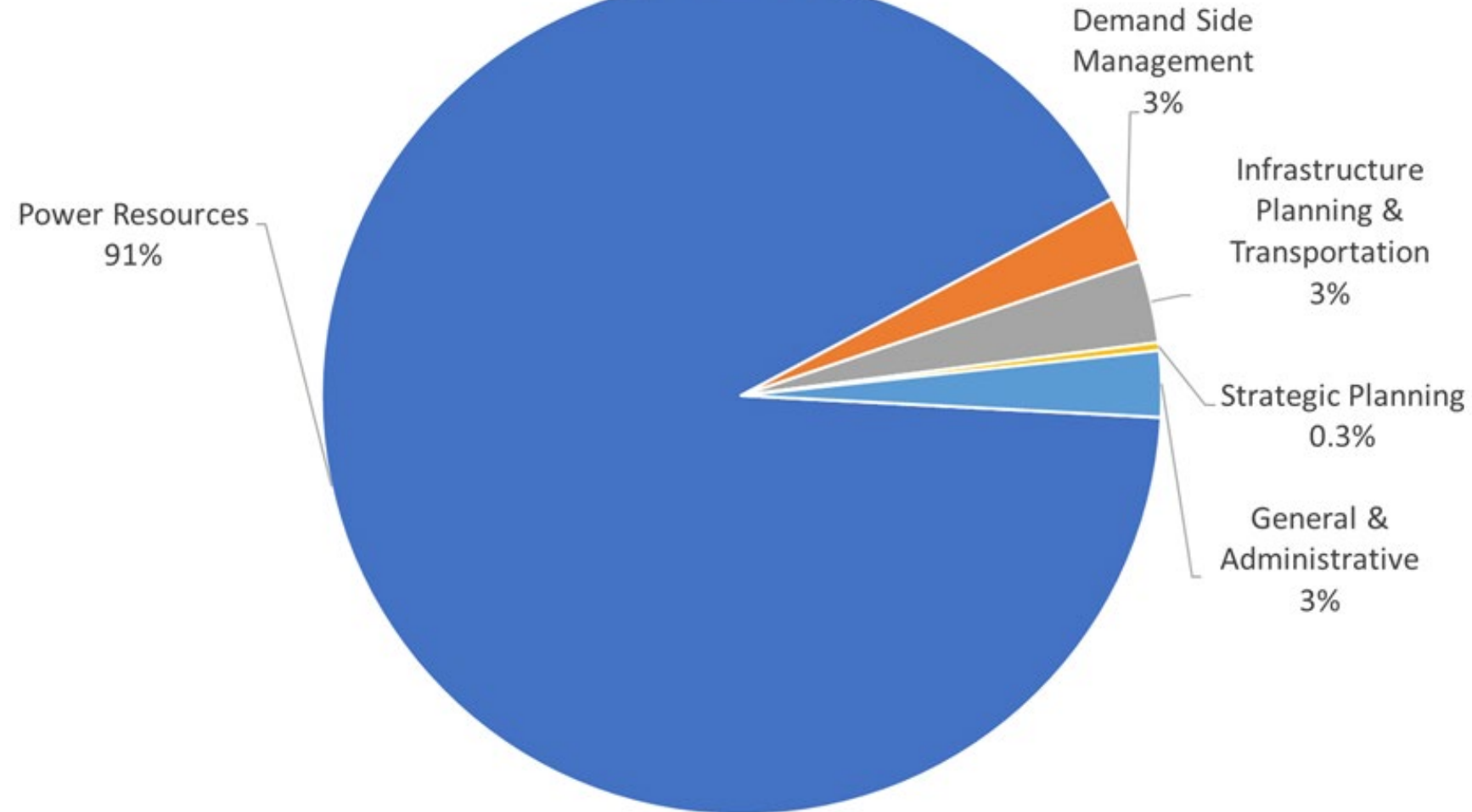
Revenue



Expenses – by Budget Category



Expenses – by Department



Preliminary Bottom-line

	Current Budget	FY 24-25 Draft
Revenue	\$86.5M	\$70.3M
Expenses	\$76.4M	\$76.1M
Net Revenue	\$10.1M*	-\$5.8M

*Current budget net revenue does not reflect actuals.

Projected Net Revenue

	FY 24-25	FY 25-26	FY 26-27	Total
Board Adopted renewable & carbon-free targets	-\$5.8M	-\$7M	-\$7.7M	-\$20.5M

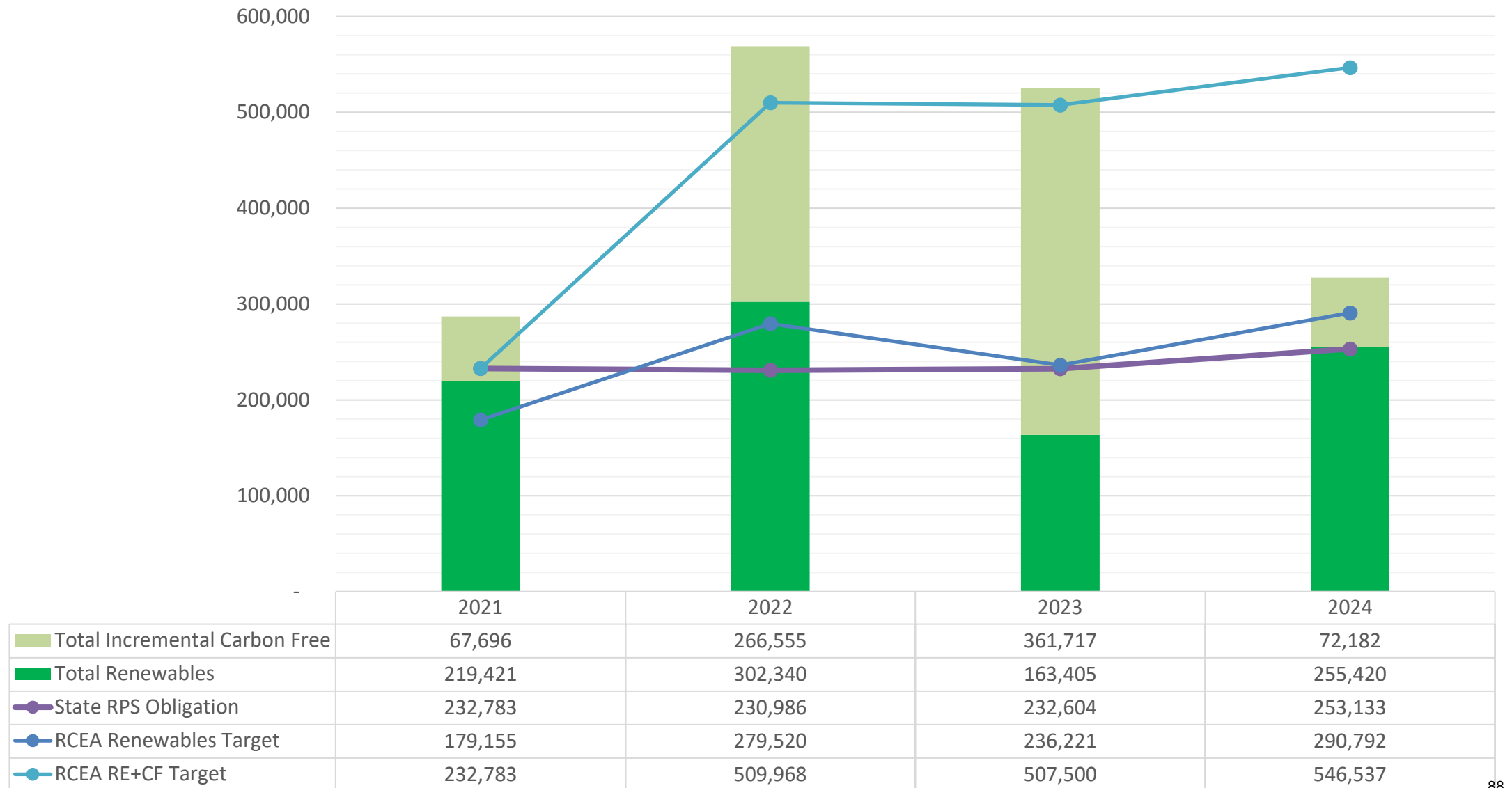
- These estimates don't account for any changes to procurement standards.
- FY 2026 and '27 do not incorporate all operating expenses.
- Board adopted guidelines set a cash reserve target at \$35M by May 2022 with a minimum of \$10M under adverse market conditions.
- Current cash on hand is about \$21M.

Provider of Last Resort (POLR)

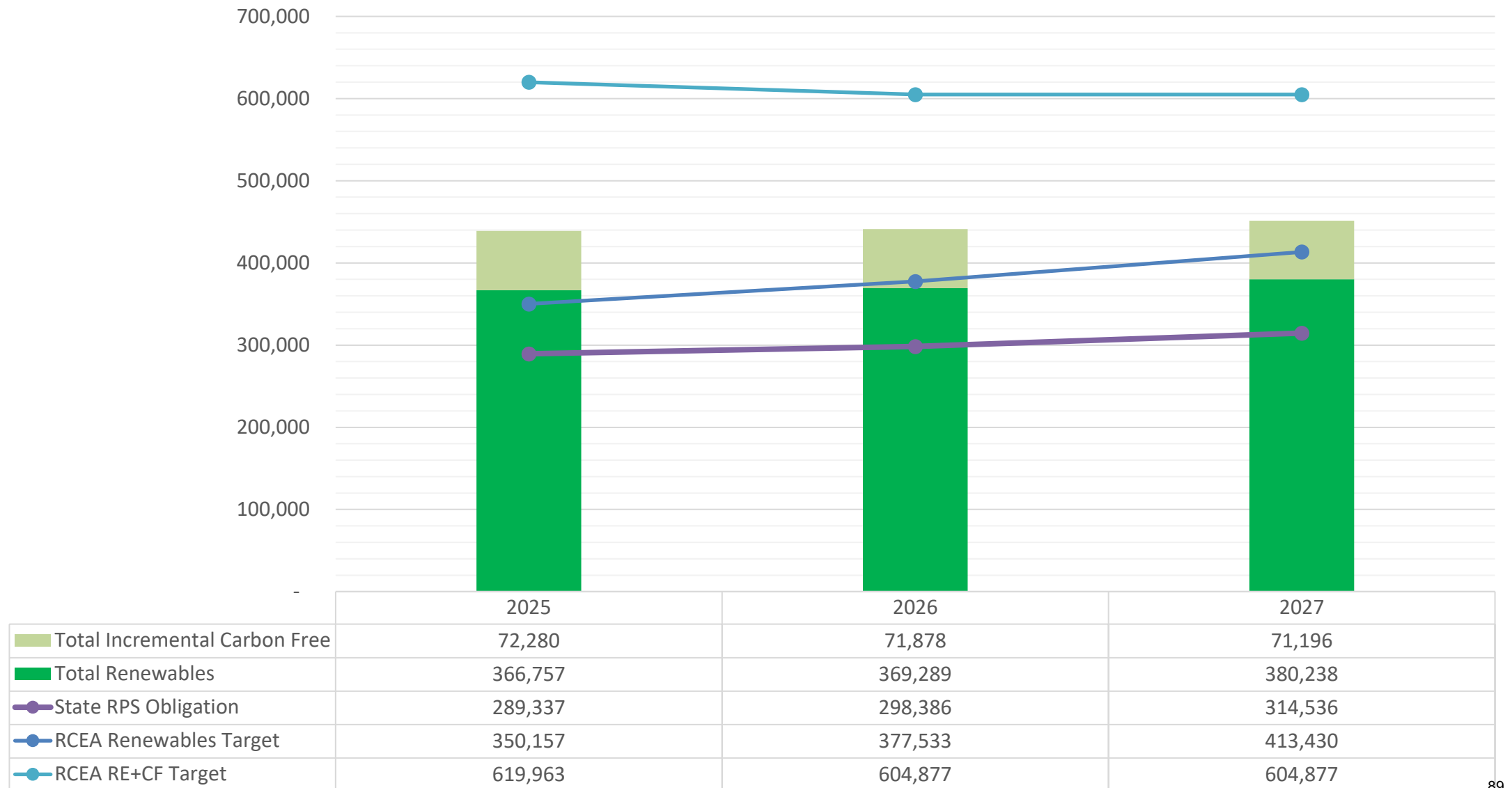
CPUC decision as of 4/22/2024 Tier 2 Reporting Conditions:

- CCA is downgraded from an investment grade credit rating to below BBB-/Baa3 from S&P & Moody's;
- Days Liquidity on Hand (DLOH) is less than 45 days and Debt Service Coverage Ratio falls below 1.0 (\$10-12M for RCEA);
- Cash reserves falls below five percent of annual expenses (\$4M for RCEA);
- Default on one or more procurement contracts required to meet RA requirements or to the CAISO scheduling coordinator due to non-payment;
- The CCA becomes insolvent or files for bankruptcy.

RCEA Position Outlook: Compliance Period 4



RCEA Position Outlook: Compliance Period 5

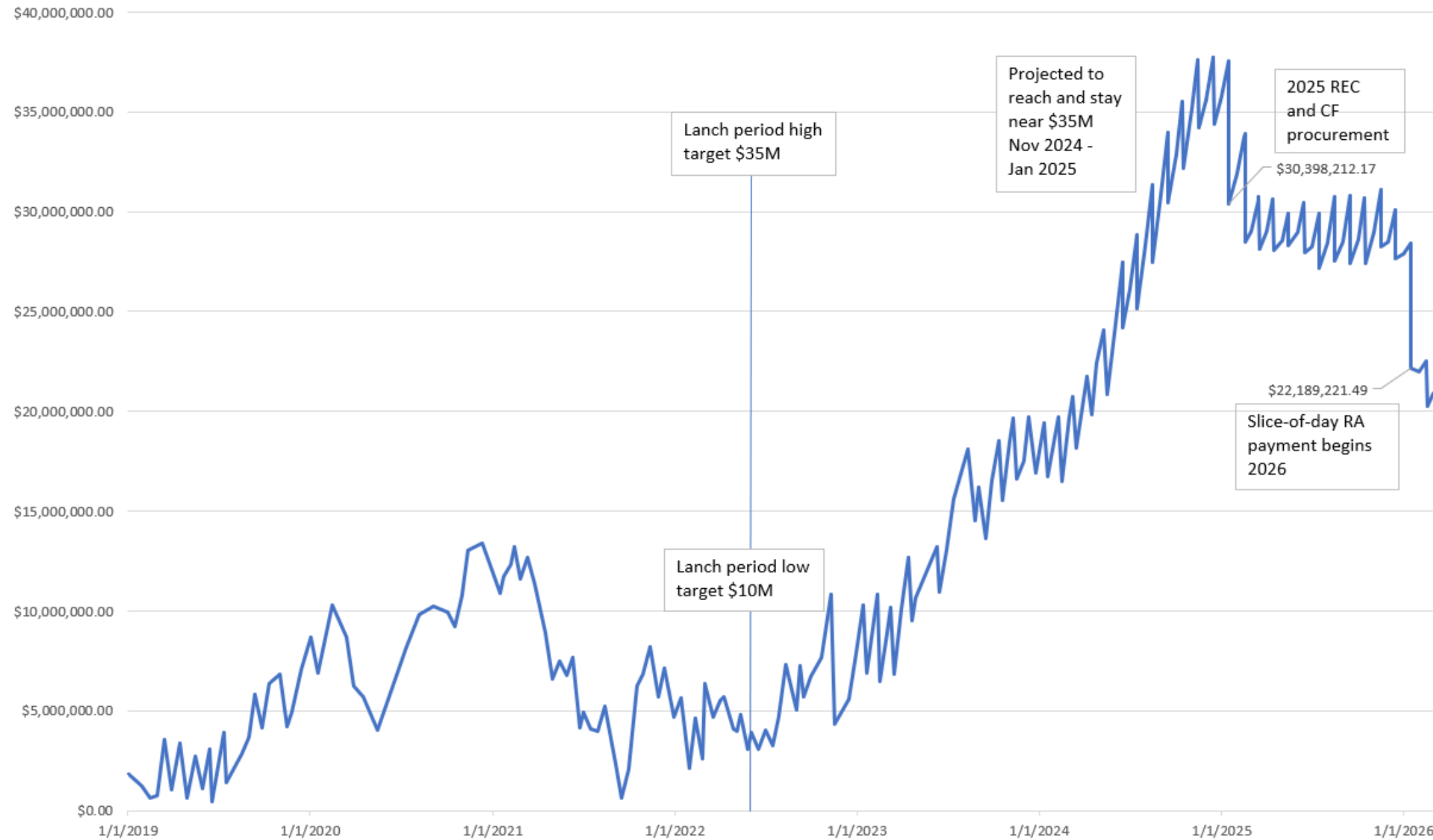


Net Position with Change in Procurement Goals

	Current Budget	FY 24-25 May 2024 Draft	FY 24-25 State RPS Goals
Net Revenue	\$10.1M*	-\$5.8M	\$3.4M

*Current budget net revenue does not reflect actuals.

Progress on Building Cash on Hand/ Reserves



Summary of Grant Funding Pursuits

- DOE Renew America Schools – Potential \$300,000 in the next year to fund staff time to develop a strategic plan. Phase 2 and 3 would be \$8M - \$15M to fund energy improvement projects at local schools.
- DOE TERAS Grant – Microgrid development with Tribal Partners. A total of \$6M to RCEA to fund staff and consultants over 5 years.
- PG&E Resilience Hubs - \$100,000 toward design of resilience hub (Food for People).
- Funding to offset overages for CEC EV network project.

Rural REN Implications

- CPUC Administrative Law Judge made a ruling on Rural REN 5/21.
- Ruling splits Rural REN into two separate RENS (North and Central).
- A portion of the revenue will offset current personnel and programmatic costs being funded by electricity sales revenue.
- RCEA is expecting to receive Rural REN funds starting as early as September to December 2024.

Rural REN-North Proposed Budget

Calendar Year	Total *
2024	\$2.3M
2025	\$10M
2026	\$10.3M
2027	\$10.3M
Total	\$33.1M

*The proposed Rural REN-North budget includes implementation funds for RCEA and all Rural REN–North partners as well as administrative funds.

Staff will propose an RCEA budget adjustment once the CPUC finalizes the decision.

Budget Timeline

- Draft budget presented to Board May 23
- Determine date of next Finance Subcommittee prior to June 27 Board meeting if there is need for additional review/input
- Final proposed budget presented to Board June 27

Board Direction for Staff

Staff recommends the following in preparing the FY 24-25 budget:

- Prepare a budget based on procuring energy to meet State Renewable Portfolio Standards.
- Bring back an agenda item at the June meeting to pause RCEA's Renewable and Carbon Free procurement goals for the remainder of calendar year 2024 and all of 2025.
- Receive input from Board on any revenue or expense changes to the proposed budget.



STAFF REPORT
Agenda Item # 7.2

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
PREPARED BY:	Kristy Siino, Human Resources & Workforce Development Manager
SUBJECT:	Executive Director Recruitment Firm Selection

SUMMARY

The Executive Director resigned his position effective March 31, 2024. The Board approved staff to solicit quotes for an executive recruitment firm at their March 28, 2024, Regular Meeting. Staff solicited quotes for full recruitment services and received quotes from six (6) recruitment agencies.

- 1) Bob Murray and Associates
- 2) Koff & Associates
- 3) Peckman and Mckenney
- 4) Tripepi Smith
- 5) WBCP
- 6) Pivotal Talent Services

Staff reviewed the quotes, scored and ranked them based on the following criteria: general recruitment experience, knowledge of related industries, knowledge of Humboldt County or rural recruitment, cost, timeline, and services provided.

Based on these criteria, the top three (3) recruitment firms were identified as:

- 1) Tripepi Smith - \$20,500 est. cost, 16-week est. timeline
- 2) WBCP - \$31,000 est. cost, 12-week est. timeline
- 3) Koff & Associates - \$25,000 est. cost, 14-week est. timeline

The HR Manager contacted provided references for the top three firms and responses received were overwhelmingly positive.

Staff sent the top three quotes, as well as recommendations to the Board of Directors Executive Recruitment Ad Hoc Subcommittee for review and approval. Based on their knowledge of public agencies and CCA programs, staff and the subcommittee are recommending that the Board approve entering into contract with Tripepi Smith for recruitment services. Tripepi Smith's quoted services include working with the Board and staff to create a recruitment profile and marketing materials, outreach, applicant evaluation and screening, and initial candidate interviews. Additionally, Tripepi Smith manages candidate communications and initial background screenings.

In order to streamline the process and ensure timeliness of the recruitment, staff recommends that the Board approve the Ad Hoc Subcommittee to meet with the assigned agents from Tripepi Smith to communicate the Board's preferred knowledge, skills, and

abilities for beginning the recruitment. Additional input will be received from RCEA Directors and staff.

FINANCIAL IMPACT

Tripepi Smith quoted \$20,500, which includes a base recruitment rate of \$17,000 in fixed costs and \$3,500 in estimated expenses.

Staff is seeking an additional \$9,500.00 approved spending limit to cover potential additional or unanticipated costs throughout the recruitment: for a total of \$30,000.

STAFF RECOMMENDATION

1. Authorize the Executive Director to execute all applicable documents for recruitment serves associated with the Executive Director recruitment with Tripepi Smith for \$20,500, subject to RCEA General Counsel review
2. Authorize a contingency of up to \$9,500 for additional or unanticipated costs associated with the executive recruitment.
3. Provide Board direction regarding key knowledge, skills, and abilities for the new Executive Director.
4. Authorize the Executive Director Recruitment Ad hoc Sub Committee to meet and communicate on behalf of the Board with the recruitment firm.

ATTACHMENTS

1. Tripepi Smith Quote for Recruitment Services

Proposal submitted for:

Redwood Coast Energy Authority

Executive Director Recruitment

Submitted: May 3, 2024

By:

Ryder Todd Smith, President

Christine Martin, Director

Kylie Sun, Business Analyst





TABLE OF CONTENTS

COVER LETTER.....3

BACKGROUND AND QUALIFICATIONS4

EXPERIENCE.....6

PROJECT TEAM.....9

METHODOLOGY AND APPROACH12

COST PROPOSAL.....16

REFERENCES18



COVER LETTER

Thank you for the opportunity to propose executive recruitment services for the Redwood Coast Energy Authority (RCEA). This proposal outlines our approach to the recruitment process and describes how we can best serve RCEA.

Tripepi Smith is a force multiplier for communication operations for nearly 200 public agencies across California, including joint powers authorities (JPAs) and community choice aggregators (CCAs). We leverage our team's network, knowledge, and talents to make our firm a valuable provider of executive recruitment services via TS Talent Solutions (TSTS). Director Christine Martin leads our executive searches, bringing over 20 years of local government experience to the table given her experience as Assistant City Manager in Livermore. Additionally, Tripepi Smith has a team of 60+ members to tap for additional knowledge.

TS Talent Solutions is unique, mixing technical prowess, industry competency and recruitment wisdom. We leverage the experience of our parent firm, Tripepi Smith, to yield many advantages. Our diverse background uniquely positions us for success in a variety of municipal markets.

1. Tripepi Smith supports nine different CCAs in California—more than any other firm—including the Clean Energy Alliance, Lancaster Energy and Santa Barbara Clean Energy. We are a trusted partner of the California Community Choice Association, sponsoring and providing in-kind marketing, social media and videography services for CalCCA's Annual Conference. Our deep engagement with, passion for and understanding of the space, mixed with our recruitment expertise, uniquely positions us to be an informed, strategic partner for this recruitment.
2. Tripepi Smith has extensive roots in California local government, from the North Coast to Imperial County. Through our partnerships with the largest local government associations in California (including the Municipal Management Associations of Northern and Southern California, League of California Cities, California Special Districts Association and California State Association of Counties, etc.), over 200 local government agencies and nine CCAs, we can connect directly with a vast network of professionals. Not only can we access caring, dedicated and energetic external candidates, but we're also well-equipped to provide objective perspective on internal candidates.
3. Tripepi Smith's municipal experience brings knowledge of the complex relationships between staff, elected officials, regulatory agencies, policymakers and legislators—and the role of all of these stakeholders in serving the public. We have a values-based perspective that you may not obtain from other recruitment firms.

Thank you for considering us in this endeavor. We eagerly anticipate the opportunity to discuss our proposal in more detail.

Authorization

As co-founder and president of Tripepi Smith and TS Talent Solutions, I am qualified to enter into agreements with Redwood Coast Energy Authority. This proposal is valid for 60 days from the date of submission.

Ryder Todd Smith

Co-Founder & President, Tripepi Smith Talent Solutions

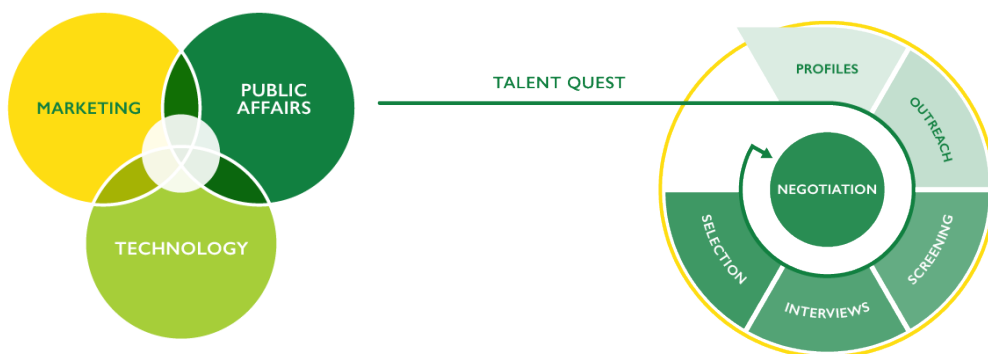
Ryder@TripepiSmith.com • (626) 536-2173 • P.O. Box 52152, Irvine, CA 92619



BACKGROUND AND QUALIFICATIONS

A Public Affairs Firm That Understands Talent

Tripepi Smith Talent Solutions is a staffing firm under the umbrella of Tripepi Smith and Associates, Inc., a marketing and public affairs firm. The firm has dedicated itself to solving communication challenges within the local government world since its inception in 2002. It was a natural progression to move into recruitment and talent solutions. Tripepi Smith has worked with more than 200 agencies—including nine CCAs—over the past year alone, including hundreds of city managers, department leaders and other executive staff. We know what, and who, makes an effective government leader, and we use that experience to attract, evaluate and retain high-quality talent for TSTS clients. With a skilled team of writers, graphic artists and project managers, we are able to provide whatever level of support our clients need — from an attractive brochure design to full-blown culture curation and recruitment support from beginning to end. We leverage our communications skill set to not only capture the attention of top talent but also to inspire them to take action.



Launching TS Talent Solutions

Through our work at Tripepi Smith, our team has developed a savvy understanding of the major operations of each department within local government, JPAs, CCAs and special districts, while simultaneously expanding a network of relationships and platforms that inextricably connect us to the local government community. Thus, TS Talent Solutions was born.

Our Network

Tripepi Smith is a household name among California's local government agencies. We attend conferences held by the some of the largest local associations in California, including California Community Choice Association, California Special Districts Association, Municipal Management Association of Northern (and Southern) California, and League of California Cities. We've been supporting these organizations for more than 20 years and have boots-on-the-ground experience networking at these events, which often are a hub for job-seekers.



Creative

Tripepi Smith's creative professionals have worked with public and private clients on imagery, colors and graphic design in an array of projects. Our firm offers creative services that address not only traditional media such as print, websites, logo design and advertising but also non-traditional marketing services, including email campaigns, social media, blogging, SEO (Search Engine Optimization), video production and more. This integrated approach to content development makes the process more efficient and effective for clients. Moreover, they help capture the compelling stories and personalities behind client agencies on their quests to recruit new talent. High quality materials that present an authentic picture of the job opportunity are powerful tools for attracting the right candidates for the position.

Tripepi Smith Testimonial

“TS Talent Solutions helped me find my career here at the City of Bell, so I trusted them to be a partner in helping us find our new Deputy Director of Community Services.

Their excellent client service, connections in local government, and comprehensive search process were key to helping us find the right person.”

Janine Andrade
Director of Community Services, City of Bell



Content x Distribution = IMPACT

Tripepi Smith was born in the digital era and brings significant technical skills to the table. Members of our team carry technical certifications in Hootsuite Social Media Marketing, Facebook Blueprint, Google Advertising, Google Analytics and Twitter Flight School, among others. We take digital communications seriously and recognize how critical it is to not only develop great visuals and messaging, but to ensure the audiences we want to reach actually see that content. Without content distribution, there is no impact. We apply this framework to the work we do at TSTS to broadcast local government positions across the industry landscape. For example, we leverage Public CEO, a local government news publication owned by Tripepi Smith, to reach over 17,000 local government executives.





EXPERIENCE

Executive Recruitments

TS Talent Solutions has a strong track record of delivering effective recruitment solutions for public agencies. Our team has successfully filled nearly 20 executive-level positions across California. Below is a list of all placements, including one active recruitment:

POSITION	CITY	PLACEMENT DATE
IT Director	City of Pasco, WA	Current
City Manager	City of Lomita	April 2024
Deputy Director of Community Services	City of Bell	November 2023
Chief Financial Officer	City of Menifee	October 2023
Community & Economic Development Director	City of Pasco, WA	July 2023
City Manager	City of La Cañada Flintridge	May 2023
Community Services Director	City of Bell	March 2023
Harbor Director	City of Morro Bay	February 2023
Parks & Recreation Superintendent	City of Fairfield	January 2023
Finance Director	City of American Canyon	January 2023
Finance Director	City of Fairfield	July 2022
DEI Manager	City of San Luis Obispo	February 2022
Public Works Director	City of Manteca	February 2022
Budget Officer	City of Tracy	January 2022
Parks & Recreation Director	City of American Canyon	January 2022
City Manager	City of Tracy	December 2021
Fire Chief	City of Morro Bay	July 2021
Public Works Director	City of Morro Bay	May 2021
City Attorney	City of Manteca	February 2021
Development Services Director	City of Manteca	September 2020



Tripepi Smith Client Roster

Outside of our recruitment services, Tripepi Smith has been selected to work with over 200 local government agencies to help with their communications and resident outreach. We can provide you with contacts at any of these clients if desired and are confident you will find them to be quite happy with our services.

California City Management Foundation	City of Manhattan Beach	Fresno County
City of Aliso Viejo	City of Martinez	Merced County
City of American Canyon	City of Millbrae	Orange County
City of Azusa	City of Morgan Hill	Santa Barbara County
City of Bellflower	City of Morro Bay	Town of Windsor
City of Claremont	City of Murrieta	California Choice Energy Authority
City of Coronado	City of Napa	Clean Energy Alliance
(City of) Culver City	City of Norwalk	California Joint Powers Insurance Authority
City of Cupertino	City of Orange	Citrus Heights Water District
(City of) Daly City	City of Palm Desert	Costa Mesa Sanitary District
City of Danville	City of Palmdale	Del Paso Manor Water District
City of Duarte	City of Paramount	El Toro Water District
City of El Cerrito	City of Pismo Beach	Independent Cities Finance Authority JPA
City of Fountain Valley	City of Placentia	Inland Empire Utilities Agency
City of Fullerton	City of Pomona	League of California Cities
City of Grover Beach	City of Rancho Palos Verdes	Municipal Management Association of Northern California
City of Hawaiian Gardens	City of Rancho Mirage	Municipal Management Association of Southern California
City of Huntington Beach	City of Riverbank	Orange County City Manager Association
City of Indian Wells	City of Rolling Hills Estates	Palmdale Energy for Palmdale's Independent Choice (EPIC)
City of Industry	City of San Luis Obispo	Pico Rivera Innovative Municipal Energy
City of Irvine	City of Santa Ana	Pomona Choice Energy
City of La Cañada Flintridge	City of Santa Clarita	Rancho Mirage Energy Authority
City of La Palma	City of Santa Cruz	San Gabriel Valley City Managers' Association
City of La Puente	City of Santa Paula	South Orange County Wastewater Authority
City of La Verne	City of Saratoga	
City of Lake Forest	City of Stanton	
City of Laguna Hills	City of South Gate	
City of Laguna Niguel	City of Sunnyvale	
City of Lancaster	City of Tracy	
City of Livermore	City of Vallejo	
City of Lomita	City of Vista	
City of Lynwood	City of Walnut	
	(City of) Yuba City	

Work Samples

Our designers collaborate with staff to steward their brand while developing content that delivers on calls to action. We encourage you to see all the work we have done for clients at

[TSTalentSolutions.com](https://www.ts-talent.com).

[TSTalentSolutions.com/
Recruitment-Brochure-Samples](https://www.ts-talent.com/Recruitment-Brochure-Samples)

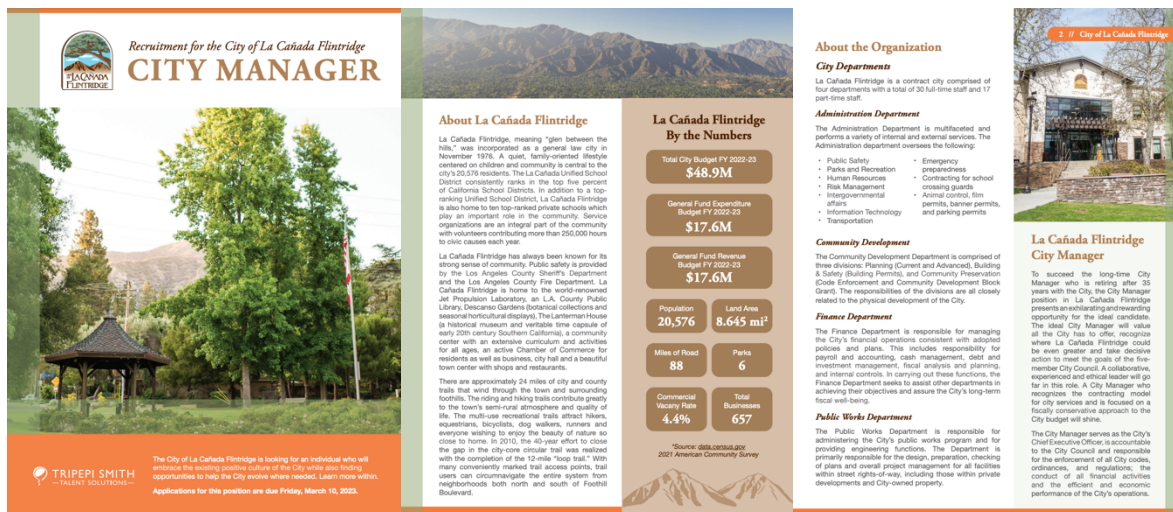
[TSTalentSolutions.com/Placements](https://www.ts-talent.com/Placements)

[TSTalentSolutions.com/Recruitment-Videos](https://www.ts-talent.com/Recruitment-Videos)

[TSTalentSolutions.com/News](https://www.ts-talent.com/News)

Sample Recruitment Brochure

TS Talent Solutions developed a five-page digital recruitment brochure for the La Cañada Flintridge City Manager search in 2023. Below is a sample of the first three pages.



Sample Social Media Graphics

Below are sample social media graphics we've created for different recruitments.



Dedicated Availability for the Redwood Coast Energy Authority

Ryder Todd Smith, Principal

Role: Strategic Advisor



626-536-2173

Ryder@TripepiSmith.com

Ryder has a mixed background in the worlds of government relations, technology and marketing. He served as the SVP of Operations and Chief Information Officer for a software-as-a-service startup in the financial services sector. Prior to that, he was the technology manager for a regional staffing firm. Ryder leads Tripepi Smith and is the ultimate project owner on all work handled by the firm. He is the creator of the City Internet Strategies Study, publisher of the Civic Business Journal, publisher of PublicCEO and a frequent speaker on the local government circuit. His insights have been published in Western City and PM magazines. He volunteers his time as vice chair of the Rose Institute of State and Local Government Board of Governors and previously served as a Planning Commission for the City of Tustin. Ryder graduated from Claremont McKenna College with a Bachelor of Arts in Philosophy, Politics, Economics and a dual degree in Economics.

Ryder has supported all TSTS recruitments.



Christine Martin, Director

Role: Lead Recruiter



925-989-2476

Christine@TripepiSmith.com

Christine brings over 20 years of public sector experience, providing exceptional service to local government. Prior to joining Tripepi Smith, Christine was the Assistant City Manager at the City of Livermore. She worked for Livermore for 21 years, serving in the City Manager's Office for seven years and as a planner in the Community Development Department for 14 years. Christine is a courageous, solutions-oriented servant leader. She has strong political acumen and a positive, can-do work ethic. In her role as Assistant City Manager, she established and oversaw the city's communications and emergency management programs, created and implemented the city's first-ever five-year strategic plan and served as liaison on council subcommittees, including a complex, controversial equity and inclusion subcommittee with elected officials and community members. She was also responsible for the city's legislative platform and represented the city as a member of the Tri-Valley City Council legislative coalition.

Christine built successful relationships in the region and served as chair of the Alameda County City Managers Association. Christine is also a graduate of the ICMA High Performance Leadership Academy where she honed her leadership skills in organizational development and change management, negotiation and collaboration, and effective communication.

Christine has supported the following recruitments:

- County of Kings, County Health Officer (Current)
- County of Kings, District Attorney's Office (Current)

**Kylie Sun,
Business Analyst**

Role: Project Manager



661-770-8563



Kylie@TripepiSmith.com

Kylie brings a diverse skillset to the team from her experience in several industries, such as litigation services, academic administration and music marketing. She graduated from Biola University with a Bachelor of Science in Business Administration with a concentration in Business Management. She has a strong background in social media strategy, website development, writing and scheduling and high-volume operations due to her experiences as Administrative Assistant at Biola University, Marketing Intern at Transparent Productions, Social Media Marketing Manager at TSE Worldwide Press and Operations Associate at TSG Reporting.

Kylie has supported the following recruitments:

- County of Kings, County Health Officer (Current)
- County of Kings, District Attorney's Office (Current)
- City of Pasco, IT Director (Current)
- City of Lomita, City Manager (04/2024)
- City of Bell, Deputy Director of Community Services (02/2024)
- City of Menifee, Chief Financial Officer (10/2023)
- City of Pasco, Community & Economic Development Director (07/2023)
- City of Bainbridge Island, City Attorney (07/2023)
- City of La Cañada Flintridge, City Manager (05/2023)
- City of Bell, Community Services Director (03/2023)
- City of Morro Bay, Harbor Director (02/2023)
- City of Fairfield, Parks & Recreation Superintendent (01/2023)
- City of American Canyon, Finance Director (01/2023)



	<ul style="list-style-type: none"> • West City Wastewater District, Records Program Coordinator (06/2022) • City of Fairfield, Finance Director (02/2022) • City of San Luis Obispo, Deputy Building Official (11/2021) • City of San Luis Obispo, Diversity, Equity and Inclusion Manager (10/2021) • City of American Canyon, Parks & Recreation Director (10/2021)
<p>Sara Madsen, Senior Graphic Artist <i>Role: Lead Designer</i></p>  <p>619-836-5441 Sara@TripepiSmith.com</p>	<p>Sara is a talented graphic artist with a background in marketing and environmental sustainability, in which she earned her degree from San Diego State University. Her formal education in Visual Communications and passion for the environment led her to complete a Creative Design internship with ECOLIFE Conservation. During her time with the non-profit, she advanced her strategic approach to graphic design. As a continuation of her interest in non-profits, NGOs, and the public sector, Sara tackles graphic design, digital marketing and web development projects for clients and Tripepi Smith.</p> <p>Sara has designed the following recruitment brochures:</p> <ul style="list-style-type: none"> • County of Kings, County Health Officer (Current) • County of Kings, District Attorney's Office (Current) • City of Pasco, IT Director (Current) • City of Lomita, City Manager (04/2024) • City of Menifee, Chief Financial Officer (10/2023) • City of Bainbridge Island, City Attorney (07/2023) • City of La Cañada Flintridge, City Manager (05/2023) • City of Bell, Community Services Director (03/2023) • City of Morro Bay, Harbor Director (02/2023) • City of Fairfield, Parks & Recreation Superintendent (01/2023) • City of American Canyon, Finance Director (01/2023) • West City Wastewater District, Records Program Coordinator (06/2022) • City of Fairfield, Finance Director (02/2022)
<p>Hannah Wedepohl, Junior Business Analyst <i>Role: Client Support</i></p>  <p>213-543-8252 Hannah@TripepiSmith.com</p>	<p>A strategic communicator with a passion for community engagement, Hannah has experience in social media management, digital media design, and client-relations. Hannah brings an interdisciplinary perspective with a degree in Educational Studies and minors in Communications and Political Science from Denison University. During her time at Denison, Hannah co-led a nonpartisan civic engagement initiative that registered students to vote and conducted civic education events. She also has broad experience managing social media accounts and designing content for higher education, non-profits, and philanthropy.</p> <p>Hannah has supported the following recruitments:</p> <ul style="list-style-type: none"> • County of Kings, County Health Officer (Current) • County of Kings, District Attorney's Office (Current) • City of Pasco, IT Director (Current)



METHODOLOGY AND APPROACH

The Redwood Coast Energy Authority's Needs

The Redwood Coast Energy Authority (RCEA) is seeking the assistance of a professional search firm to conduct a recruitment process to fill the Executive Director position. The below outlines TS Talent Solutions' approach to fulfilling the requested scope of work.

TS Talent Solutions remains adaptable to managing the recruitment through RCEA's preferred method, should it differ from the process we propose below. Throughout the recruiting process, TS Talent Solutions will provide a bi-weekly update to key RCEA staff noting the status of the work, number of candidates and expectations for the next two weeks. TSTS respects RCEA's culture and wants to find a candidate that is an authentic fit to steward the organization into the future.




Scope of Work – Talent Quest

Each Talent Quest is a dedicated journey to fill a specific executive-level position. Leveraging best practices in conducting recruitments and selection, we will spearhead the entire process, with RCEA's staff and board of directors being as involved or hands-off as it would like.

TS Talent Solutions will execute the following steps for the recruitment process:

STEP 1: INITIAL MEETINGS + DEVELOP A CANDIDATE PROFILE

To kick-off the recruitment process, TS Talent Solutions will:

-  Meet with the ad hoc recruitment subcommittee to identify key knowledge skills and abilities desired in potential candidates.
-  Meet with RCEA Directors (5 total) regarding expectations and specific issues and opportunities facing RCEA.
-  Develop and distribute an online survey to RCEA staff (and staff of member agencies, if desired) to collect input on the right fit for the organization.

We will use this information to determine the desired education, experience and background of the sought-after candidate, and to identify the management skills and style desired in each candidate. TS Talent Solutions will then develop a position profile and advertising plan based on this information.



STEP 2: DEVELOP MARKETING MATERIALS

TS Talent Solutions will develop the following marketing materials to support outreach and recruiting efforts:

- 🌱 A four to five page digital recruitment brochure that provides key RCEA metrics, highlights the benefits of working for RCEA, provides information about the position, highlights exciting current and upcoming projects and programs and provides instructions on how to apply for the position.
- 🌱 Five social media posts (including copies and graphics) for publishing to RCEA's (and Tripepi Smith's) social media channels.
- 🌱 Compelling job board language to supplement the digital recruitment brochure.

STEP 3: OUTREACH AND RECRUITING

Next, TS Talent Solutions will conduct outreach to encourage individuals with superior qualifications to join our pool of candidates. We typically source high-caliber candidates by:

- 🌱 Advertising the position to appropriate and diverse professional organizations, membership agencies and publications.
- 🌱 Tapping into our uniquely broad, expansive network and toolset:
 - We will both proactively reach out to candidates in the marketplace who may not be actively seeking the position, as well as pursue creative advertising solutions.
 - Our search may include national, regional, in-state and local elements, which will be determined at the start of the engagement.
- 🌱 Speaking with internal candidates who are interested in applying for the position.

STEP 4: EVALUATE AND SCREEN

As resumes come in, we will acknowledge, review and evaluate each one. We will filter each applicant resume for conformance to required and desired qualifications, as well as conduct preliminary videoconference interviews with the most qualified candidates. TS Talent Solutions will also provide objective perspective on internal candidates.

TS Talent Solutions will present viable candidates to RCEA and provide a candidate materials packet, inclusive of:

- 🌱 A list of all applicants
- 🌱 A list of viable candidates we recommend move forward to the interview phase
- 🌱 Resumes and cover letters of all viable candidates
- 🌱 Summary sheets for all viable candidates



STEP 5: CONDUCT INTERVIEWS

For the next step, we will complete personal interviews with top candidates, focusing on assessing their skills, background, experience and interpersonal skills. Based on RCEA's preference, we will either develop recommended questions and rating criteria or use RCEA's existing/past resources. Our team manages all logistics involved in this step, including:

- 🌱 Coordinating the selection process and related materials needed for each interview.
- 🌱 Arranging candidate interviews and travel logistics.
- 🌱 Maintaining communications with each stakeholder; updating applicants of developments.
- 🌱 Conducting reference and background checks on select candidate(s) prior to consideration of extending an offer of employment.

STEP 6: NOTIFICATION

As we turn the corner on the recruitment, TS Talent Solutions will notify all candidates who are not selected that they are no longer in the running, while RCEA will make the job offer to its preferred candidate.

STEP 7: NEGOTIATION

Lastly, we will collaborate with RCEA staff in negotiating an employment contract with the preferred candidate. The final candidate will be subject to education verifications, DMV, civil and criminal background checks and credit checks.

TRIPEPI SMITH TALENT SOLUTIONS GUARANTEE

The Tripepi Smith Talent Solutions team guarantees industry-standard services. If within one year following the appointment, the selected candidate resigns or is terminated for cause, our team will conduct another search free of professional services charges. However, Redwood Coast Energy Authority will cover expenses related to the recruitment, including advertising fees, background check fees and travel costs.



Project Schedule

Below is a sample of a typical 16-week schedule, and sequenced deliverables, for a recruitment. We have the flexibility to “ramp up” or “ramp down” should RCEA prefer a different process. Finalizing a schedule that best suits RCEA’s needs will require deeper discussions with leadership and/or the board of directors.

WEEKS 1-3	STEP 1: DEVELOP A CANDIDATE PROFILE <ul style="list-style-type: none"> Initial meetings with ad hoc committee and RCEA Board Survey of RCEA staff
WEEKS 4-5	STEP 2: DEVELOP MARKETING MATERIALS <ul style="list-style-type: none"> Digital recruitment brochure Social media content Compelling job ad language
WEEKS 6-9	STEP 3: OUTREACH AND RECRUITING <ul style="list-style-type: none"> Digital job board positioning Aggressive outreach
WEEKS 10-12	STEP 4: EVALUATE, SCREEN AND PRESENTATION OF CANDIDATES <ul style="list-style-type: none"> Candidate evaluation Preliminary interviews Internet searches / review of public profiles Development of candidate materials packet Presentation of candidates to RCEA staff Determine which candidates will be interviewed
WEEKS 13-16	STEPS 5-7: INTERVIEWS / NOTIFICATION / NEGOTIATIONS <ul style="list-style-type: none"> Interview scheduling and facilitation Development of interview packets for each panelist Candidate notification Negotiation support



COST PROPOSAL

The Talent Quest level of engagement provides RCEA with comprehensive search services to connect with the most capable, talented candidates available in the market. **The fixed cost for the Executive Director recruitment will be \$17,000, plus expenses, for an estimated total of \$20,500.**

Fees for each recruitment will be collected in three installments as follows:

1. Upon Execution of the Agreement - \$5,500
2. Following Presentation of Candidates - \$5,500 plus expenses
3. Upon Acceptance of Offer - \$6,000 plus any remaining expenses

TALENT QUEST	COST	NOTES
Executive Recruitment	\$17,000	Fixed Cost
Estimated Expenses	\$3,500	Estimated
TOTAL	\$20,500	

Estimated Expenses

We estimate \$3,000 in expenses, with these fees primarily being attributed to paid placements on various digital job boards and hotspots popular with community choice aggregators in and around Humboldt County. Tripepi Smith is a partner of the California Community Choice Association (CalCCA) and will leverage its website and newsletter resources to promote the position. Examples of other job boards include California Special Districts Association (CSDA), Municipal Management Association of Northern California (MMANC), Municipal Management Association of Southern California (MMASC), Western City Magazine, Local Post Outpost, Public CEO and more.

Tripepi Smith owns PublicCEO, a local government news publication dedicated to providing a statewide perspective on California's cities, counties and special districts. PublicCEO reaches over 17,000 local government executives — city managers, county administrators and public executives included — through a daily newsletter, website and job board. The publication actively seeks stories promoting cross-sector partnerships to provide decision-makers with best practices, perspectives on trends, innovations and access to opportunities.

Additional expenses include travel reimbursement for Christine Martin to travel to RCEA for one (potential) on-site visit and third-party services for background checks, etc. If expenses appear to exceed the budget outlined above, TS Talent Solutions will discuss that budget risk with RCEA staff and seek authorization before exceeding that expense budget.



Time & Materials (As-Needed) Services

If RCEA encounters the need for additional communications support that wasn't planned, it will be handled on a fixed fee basis or a T&M basis. In these cases, Tripepi Smith will use the following information and our standard rates to price these additional services.

Resource	Hourly - Standard	Hourly - Retainer
Principal	\$370	\$295
Director	\$255	\$215
Art/Creative Director	\$255	\$215
Senior Business Analyst	\$195	\$165
Business Analyst	\$140	\$115
Junior Business Analyst	\$115	\$95
Senior Videographer/Animator	\$195	\$165
Senior Photographer	\$170	\$145
Videographer/Photographer	\$130	\$110
Junior Videographer/Photographer	\$115	\$95
Senior Graphic Designer	\$185	\$155
Graphic Designer	\$130	\$110
Junior Graphic Designer	\$115	\$95
Web Developer	\$195	\$175
Junior Web Developer	\$115	\$95
Drone Operator	\$195	\$170
Council Chamber A/V Operator	\$110	\$95

For ad hoc work, time at Tripepi Smith is billed in 15-minute increments – i.e. we invoice our time in the following examples: 1.25, 0.75, 4.0, or 6.5 hours. Ad hoc work will be invoiced at the end of the month in which the work was done. Fixed-price project work will be invoiced based on pre-determined payment schedules. All payment terms are net 30 days.



REFERENCES

Contacts	Details
<p>City of La Cañada Flintridge</p> <p>Dan Jordan City Manager 818-790-8880 DJordan@LCF.CA.gov One Civic Center Dr, LCF, CA 91011</p> <p>Period: 12/2022 – 05/2023</p>	<p>TS Talent Solutions filled a City Manager position in the City of La Cañada Flintridge. Our scope of work included:</p> <ul style="list-style-type: none"> • Meeting with Staff and City Council one-on-one • Development of candidate profile • Community engagement survey • Recruitment brochure & marketing materials • Job board posting and management • Direct networking and outreach campaign • Screening of applicants and presentation of candidates • Interview coordination and facilitation • Assistance with selection process and negotiations
<p>City of Menifee</p> <p>Armando Villa City Manager 951-672-6777 AVilla@CityofMenifee.us 29844 Haun Rd, Menifee, CA 92586</p> <p>Period: 05/2023 – 10/2023</p>	<p>TS Talent Solutions filled a Chief Financial Officer position in the City of Menifee. Our scope of work included:</p> <ul style="list-style-type: none"> • Meeting with City staff and key personnel • Development of candidate profile • Recruitment brochure & marketing materials • Job board posting and management • Direct networking and outreach campaign • Screening of applicants and presentation of candidates • Interview coordination and facilitation • Assistance with selection process and negotiations
<p>City of Bell</p> <p>Michael L. Antwine II City Manager 323-588-6211 MAntwine@CityofBell.org 6330 Pine Ave, Bell, CA 90201</p> <p>Periods: 11/2022 – 03/2023; 08/2023 – 01/2024</p>	<p>TS Talent Solutions filled two key positions in the City of Bell: Director of Community Services and Deputy Director of Community Services. Our scope of work for both recruitments included:</p> <ul style="list-style-type: none"> • Meeting with City staff and key personnel • Development of candidate profile • Recruitment brochure & marketing materials • Job board posting and management • Direct networking and outreach campaign • Screening of applicants and presentation of candidates • Interview coordination and facilitation • Assistance with selection process and negotiations



STAFF REPORT
Agenda Item # 8.1

AGENDA DATE:	May 23, 2024
TO:	Board of Directors
FROM:	Eileen Verbeck, Interim Executive Director
SUBJECT:	Interim Executive Director's Report

SUMMARY

Interim Executive Director Eileen Verbeck will provide updates on topics as needed.

RECOMMENDED ACTION

None. (Information only.)

This page
intentionally
left blank.