



Redwood Coast Energy Authority  
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APPROVED AJG 22 2024

## **BOARD OF DIRECTORS MEETING MINUTES**

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

**June 27, 2024  
Thursday, 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 3:30 p.m. Notice of this meeting was posted on June 21, 2024.

PRESENT: Natalie Arroyo, Skip Jorgensen, Kris Mobley, Jason Ramos, Elise Scafani, Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: Vice Chair Scott Bauer, Frankie Myers.

STAFF AND OTHERS PRESENT: Infrastructure Projects Senior Manager Mike Avcollie, Business Planning and Finance Director Lori Biondini, Regulatory and Legislative Policy Manager Faith Carlson, Power Resources Director Richard Engel, Human Resources Manager Kristy Siino, Board Clerk Lori Taketa, Interim Executive Director Eileen Verbeck. Closed session: Tripepi Smith staff members Christine Martin, Kylie Sun.

### **REPORTS FROM MEMBER ENTITIES**

Director Arroyo visited Klamath River dam removal sites and spoke of unintentional equity consequences of past energy projects. The Director reminded the Board about making the best decisions possible for offshore wind.

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

### **CONSENT CALENDAR**

- 4.1 Approve Minutes of May 23, 2024, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Approve Resolution 2024-6 Approving the Form of and Authorizing the Execution of the Long-Term Portfolio Content Category 3 Purchase Agreement with Sol Systems, LLC.
- 4.5 Adopt Resolution 2024-7 Adopting Amended Board Operating Guidelines to Include Revised Meeting Procedures and Transparency Requirements and an Amended Conflict of Interest Code Due to Changed Board Membership. Authorize the Board Clerk to Submit the Amended Conflict of Interest Code to the Humboldt County Board of Supervisors as the Code Reviewing Body.

No Board nor community member requested consent calendar item discussion.

**M/S: Mobley, Scafani: Approve Consent Calendar items.**



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

## **COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

### **NEW CCE BUSINESS**

#### **7.1. Income Graduated Fixed Charge (IGFC) Presentation (Information only)**

Regulatory and Legislative Policy Manager Carlson and Power Resources Director Engel reported on an upcoming income-based fixed charge for residential electricity service that was introduced through the legislature and that the California Public Utilities Commission (CPUC) is preparing for implementation in 2026. The new billing method may lower electricity bills for low-income households. Despite that intention, staff analysis shows that RCEA's coastal customers will likely see higher bills, including many FERA and CARE customers who receive low-income discounts. RCEA's inland customers who use more electricity for cooling and heating will probably see bill savings. Staff will report on the fixed charge billing changes as the CPUC makes adjustments.

The directors discussed advocacy opportunities. Since many customers who will see bill relief are non-CCA, low-income residents living in the Central Valley, CalCCA with its relatively higher-income and largely coastal customer base is reluctant to advocate against the new system. RCEA is unusual as a CCA in its high percentage of low-income customers.

EPIC Climate Attorney Matt Simmons supported RCEA negotiating a low-income coastal exception with the CPUC. Increasing electricity use as homes switch from natural gas or propane to electricity may help more RCEA customers see bill savings.

#### **7.2. Community Choice Energy Program Procurement Target Adjustment**

Power Resources Director Engel reported on combined effects of the current energy market, coming regulation changes, and RCEA's procurement goals. Renewable energy prices have risen dramatically. PG&E is lowering customer energy rates in the coming year. Since RCEA charges less for electricity than PG&E, RCEA's revenues are thus reduced. The CPUC'S new slice-of-day resource adequacy (RA) procurement framework requires RCEA to buy more, very expensive, RA for which all utilities are competing. If RCEA follows its current procurement policy, the agency will deplete its cash reserves in three years. The Board can choose to spend down RCEA's cash reserves, reduce RCEA's renewable energy procurement goal to the less aggressive state-mandated goal, or raise customer rates. Determining RCEA's rates based on cost of service may protect the agency from some volatility, but RCEA risks losing some customers if rates are higher than PG&E's.

Environmental Protection Information Center Executive Director Tom Wheeler opposed the procurement goal adjustment, arguing that RCEA was not created solely to provide cheaper electricity than PG&E. Due to extremely high atmospheric CO2 levels Mr. Wheeler said RCEA should aim for a 100% non-carbon and renewable energy portfolio by 2030, at least.

EPIC Climate Attorney Matt Simmons opposed the procurement goal adjustment and supported using the agency's reserves to keep its renewable energy goals.



Colin Fiske, commenting as a member of the public and not as a member of RCEA's Community Advisory Committee, opposed adjusting procurement goals and supported setting rates independently to keep promises to customers.

The directors discussed the large cash reserve requirement, which increases as energy prices increase. Keeping less than 180 days cash on hand would make RCEA subject to additional CPUC scrutiny and oversight. Meeting the cash reserve goal will lower RCEA's energy transaction costs and help weather volatile energy market swings without having to increase rates for customers. Staff reminded the Board of RCEA's 2021 cash reserve depletion. The agency continued operations at that time with a loan and assistance from the Blue Lake Rancheria and MCE. The directors supported reconsidering the procurement target reduction at the earliest opportunity.

**M/S: Mobley, Scafani: Adopt Resolution 2024-8 Adopting the State Target for Renewable Electricity Procurement for Calendar Years 2024 and 2025.**

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

## **END COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

### **OLD BUSINESS**

#### **8.1 Fiscal Year 2024-25 Proposed Budget**

Interim Executive Director Verbeck and Business Planning and Finance Director Biondini presented the proposed 2024-2025 fiscal year budget, including these cost-saving measures: postponing departmental budget requests and office building design and engineering work, freezing unfilled staff positions, and reducing the energy efficiency rebate budget. Previously-approved CPUC Rural Regional Energy Network program funding was not included in the proposed budget while staff waits for a CPUC Rural REN implementation decision. If program implementation is approved, the Rural REN funds will offset some personnel costs and provide additional program funding. The directors requested mid-year reconsideration of funding the third-party classification and compensation review.

**M/S: Jorgensen, Arroyo: Adopt proposed Fiscal Year 2024-2025 budget.**

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

### **NEW BUSINESS**

#### **9.1 Rural Electric Vehicle Charging CEC Grant Construction Contracts Award**

Director Tuttle recused himself at 4:43 p.m., stating that recommended awardee Hooven & Reese is a work client. Director Mobley stated she is not related to the Mobley Construction owners. Director Mobley is employed by but has no ownership interest in Beacom Construction, an unsuccessful bidder. Director Mobley participated in this discussion.



Transportation Projects Senior Manager Avcollie described RCEA's California Energy Commission rural electric vehicle grant to construct 10 EV charging sites. Staff prioritized building the most remote and under-served Orleans, Redway and Garberville sites first. Construction costs have risen significantly since staff submitted the grant application. Staff's request for additional CEC funds was denied. The McLean Foundation will help fund higher-than-expected costs at the Garberville site. Staff expect the remaining, centrally-located sites to be more cost efficient and are investigating funding sources in case of additional shortfalls.

Member of the public Matt Simmons strongly supported the project, saying friends in Orleans will appreciate EV charger access.

**M/S: Mobley, Scafani: Award contracts for the installation of electric vehicle charging stations for the RCEA North Coast Plug-In Electric Vehicle Charging Network Expansion Project to:**

**Mobley Construction Inc. in the amount of \$97,153 for the Orleans site;**

**Hooven & Reese Inc. in the amount of \$96,110 for the Redway and Garberville sites; and**

**Hooven & Reese Inc. in the amount of \$166,568.36 for the Fortuna and Eureka sites;**

**and authorize the Executive Director to execute all applicable documents subject to RCEA General Counsel review.**

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

Director Tuttle rejoined the meeting at 4:58 p.m.

**STAFF REPORTS**

**10.1 Interim Executive Director's Report (Information only)**

The Yurok, Hoopa Valley, Blue Lake Rancheria and Karuk Tribes and RCEA staff will participate in Department of Energy grant interviews. Staff received annual Humboldt Sawmill Company alternate biomass use information, will ask the Biomass Technical Advisory Group and Community Advisory Committee to study the report and comment, and present the report and comments to the Board in September. There was no public comment on this item.

**CLOSED SESSION**

**12.1 Public Employment, pursuant to Government Code Section 54957: Executive Director recruitment.**

There was no public comment on the closed session agenda item. The Directors convened in closed session at 5:08 p.m. and reconvened to open session at 5:51 p.m. Chair Schaefer stated there was no closed session report and adjourned the meeting at 5:51 p.m.



Lori Taketa, Board Clerk