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APPROVED FEB 23 2023

BOARD OF DIRECTORS MEETING MINUTES

January 26, 2023 - Thursday, 3:30 p.m.

Notice of this meeting was posted on January 21, 2023. Chair Pro Tem Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:36 p.m., stating that the teleconference meeting was being conducted pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 16, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020. Chair Pro Tem Woo stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Natalie Arroyo, Scott Bauer, Skip Jorgensen, Kris Mobley, Elise Scafani, Sarah Schaefer, Jack Tuttle (left at 5:02 p.m.), Frank Wilson, Chair Pro Tem Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini; Regulatory and Legislative Policy Manager Aisha Cissna; General Counsel Nancy Diamond; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; Executive Director Matthew Marshall; Power Resources Specialist Colin Mateer; Community Strategies Manager Nancy Stephenson; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

BOARD APPOINTMENTS

1.1. Election of Officers and Community Advisory Committee Liaisons

There was no public comment on this item.

M/S: Schaefer, Wilson: Appoint Sheri Woo as RCEA Board Chair and Sarah Schaefer as Vice Chair to serve through January 2024 and authorize them as signers on RCEA bank accounts.

M/S: Mobley, Tuttle: Appoint Kris Mobley as Board Liaison to the Community Advisory Committee to serve through January 2024.

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

1.2. Board Subcommittee Member Assignment

The directors expressed support for maintaining a standing Finance Subcommittee. Directors Arroyo, Bauer, Mobley and Scafani volunteered to serve on the ad hoc Building Subcommittee, which will be dissolved after a new office location is secured.

M/S: Schaefer, Arroyo: Appoint Directors Bauer, Jorgensen, Schaefer and Wilson to serve on the standing Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2024.

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

REPORTS FROM MEMBER ENTITIES

Director Schaefer attended a CORE Hub partners meeting with Crowley Wind Services and the Harbor District on the community benefits agreements for the Humboldt Bay Harbor Terminal project. Many local government and Tribe representatives were in attendance. Director Arroyo reported on another meeting with Crowley Wind Services and the Peninsula Community Collaborative to hear Samoa Peninsula residents' questions about offshore wind development's impacts on their community. Director Tuttle reported on Trinidad's five-day intermittent power outages during recent storms which prompted community member interest in solar and energy storage for increased resilience.

ORAL COMMUNICATIONS

Written public comment was received from Steve Luttig requesting more funding for RCEA's electric vehicle rebate program. RCEA's program and the California Air Resources Board's Clean Vehicle Rebate Project in combination make owning an EV possible for lower income residents. Staff anticipates they will ask the Board to consider increasing RCEA-funded rebates among other mid-year budget amendments at the Board's next meeting. EV rebate information is listed on RCEA's website. Chair Woo closed the oral communications portion of the meeting.

CONSENT CALENDAR

- 4.1 Approve Minutes of December 15, 2022, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Approve the 2023 RCEA Board of Directors Meeting Calendar.
- 4.5 Extend Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the Period January 26, 2023, through February 25, 2023, Pursuant to Brown Act revisions of AB 361.
- 4.6 Approve Updated and Unchanged Community Choice Energy Weighted Board Vote Distribution.
- 4.7 Approve Amendment No. 8 to Agreement for Employment of Executive Director with Matthew Marshall.

Chair Woo requested item 4.7 be removed from the consent calendar. No member of the public requested removal of items.

M/S: Arroyo, Bauer: Approve all consent calendar items except 4.7.

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

Chair Woo and others praised Executive Director Marshall for his work, noting that RCEA has grown in stature statewide, nationally and internationally with his leadership. There was no public comment on this item.

M/S: Schaefer, Jorgensen: Approve Amendment No. 8 to Agreement for Employment of Executive Director with Matthew Marshall.

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

Chair Woo confirmed there was a quorum to conduct Community Choice Energy business.

OLD CCE BUSINESS

6.1. Feed-In Tariff (FIT) Projects Update

Senior Power Resources Manager Gwynn reported on the FIT Program, which aims to stimulate local renewable energy development by paying fixed prices through standard long-term contracts. Of the six solar energy projects of less than 1 MW in size that were accepted to the program, the four Hatchery Road solar projects near Blue Lake have terminated contracts due to rising grid interconnection and contractor prices. Staff tried to remarket these development-stage projects but could not find willing buyers as the projects are not projected to generate sufficient revenue to offset anticipated costs. Operational dates for the two North Coast Highway Solar projects near Hydesville have been delayed from fall 2021 to summer 2024. Per terms of the contract, the developer is paying liquidated damages for the delays. Staff will reopen the call for FIT program applications for the remaining 4 MW of the program's first phase freed up by termination of the Hatchery Road projects, and delay implementation of the FIT program's previously Board-approved second phase until phase one projects show real progress. The FIT projects do not supply any mandated capacity, as they are interconnected as energy-only projects.

6.2. Net Energy Metering Successor Tariff Update

Regulatory and Legislative Policy Manager Cissna described Net Billing Tariff changes which aim to more accurately value rooftop solar's energy exports based on location and time of day, ensure net energy metering (NEM) customers pay their fair share for grid services, eliminate non-participant subsidies, and incentivize storage. The last day to qualify for interconnecting new projects under the previous NEM 2.0 rates for excess energy produced on home solar panels and exported to the grid is April 14, 2023. NEM 1.0 and 2.0 customers will still retain their export compensation rates for 20 years from connection date. New projects interconnected after April 14 will temporarily be compensated at NEM 2.0 rates until the utilities have updated their billing systems to accommodate the Net Billing Tariff. Investor-owned utilities will be conducting education campaigns for the public and solar system installers. Staff will propose updated RCEA NEM customer rates to the Board prior to the April deadline.

The directors discussed how the changes disincentivize residents from installing rooftop solar systems and how the state's Self-Generation Incentive Program can be helpful for low-income customers to install solar and storage systems. Customers should submit solar system installation applications before the April deadline to benefit from more advantageous export rates.

There were no responses from the public to Chair Woo's invitation for comment and the public comment period was closed.

6.3. Energy Independence and Resilience Project Financing Solicitation
Due to a lack of time, this item will be discussed at a future meeting.

NEW CCE BUSINESS

7.1 2023 Zero-Emission Resource Mid-Term Reliability Request for Offers

Senior Power Resources Manager Gwynn reported on a second attempt to secure 8 MW of CPUC-mandated zero-emission resource capacity to assure grid reliability as gas- and nuclear-powered energy sources are retired. The resource must generate reliably during the peak hours of 5-10 p.m. Acceptable resources would likely include renewable generation plus storage, hydropower, or geothermal power in order to meet CPUC requirements and RCEA's goal of a 100% clean and renewable portfolio by 2025. Staff expects non-local solicitation respondents.

Directors Arroyo, Bauer and Schaefer volunteered to serve on an ad hoc offer review subcommittee which will allow Board insight into solicitation decision-making and prices while protecting RCEA's negotiating ability on behalf of its customers. As all California load-serving entities are required to procure this product on the same schedule, staff also requests authorization to engage with shortlisted respondents to secure offers quickly in this competitive market. There were no public comments on this agenda item.

M/S: Bauer, Schaefer:

- 1. Authorize staff to issue the 2023 Request for Offers for Zero-Emission Resources, in accordance with the terms and conditions of the August 26, 2022, Request for Offers for Zero-Emission Resources.**
- 2. Establish an ad hoc Board offer review subcommittee to review and approve the following actions provided they are consistent with the RFO: (i) the offer shortlist, (ii) replacement of offers on the shortlist if negotiations with a shortlisted respondent are discontinued, and (iii) continued negotiations with a shortlisted respondent whose offer changes during the negotiation process.**
- 3. Authorize staff to engage with the shortlisted respondents, including execution of exclusivity agreements, collection of shortlist deposits, and negotiation of contract terms, prior to full Board review and approval of resulting contracts.**

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

OLD BUSINESS

8.1 Revisions to California Community Power Project Participation Share Agreements & Tumbleweed Long-Duration Energy Storage Agreement Amendment

Power Resource Director Engel described proposed changes to agreements for long-duration storage and geothermal power that RCEA is procuring via the California Community Power joint powers authority. RCEA and the other project participants are being asked to ratify an amendment to the Energy Storage Services Agreement for the Tumbleweed Energy Storage

project. This project's capacity can be increased and the partnering CCAs are being offered this additional capacity. RCEA and the other participating CCAs are also being asked to amend their four Project Participation Share Agreements for long-duration storage and geothermal power to shift decision-making authority from the project oversight committees established for each project, each a Brown Act body made up of staff from participating CCAs, to CC Power's General Manager. Proprietary information in procurement contracts hindered project oversight committee deliberation in open meetings. There was no public comment on this item and Chair Woo closed the public comment period.

M/S: Arroyo, Schaefer: Approve Resolution 2023-1 Approving the Tumbleweed Energy Storage Services Agreement Amendment and Resolution 2023-2 Approving the Four CC Power Project Participation Share Agreement Amendments.

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

NEW BUSINESS

9.1. Yurok Tribe's Interest in Joining RCEA

Executive Director Marshall reported that the Yurok Tribe expressed interested in joining RCEA. State joint powers authority laws were recently changed to simplify the process for Tribes to join JPAs. CCAs, however, per their enabling state legislation only allow city and county membership. If the Yurok Tribe joined RCEA, they would participate as the Humboldt Bay Municipal Water District does and vote on general agency, but not CCA, business items. The Yurok Tribal Council voted in favor of joining RCEA. Their membership does not require JPA renegotiation. Discussion among staff and Board members regarding Tribal RCEA membership began when the Board initiated work on the agency's Racial Justice Plan. Yurok Tribe membership would bring an important perspective to energy decisions.

The directors supported Yurok Tribe membership in RCEA and requested that staff add this item to February's Board agenda, engage with other area Tribes to determine their interest in joining, and inform the different Tribes that RCEA services to agencies are available to Tribes regardless of JPA membership. There was no public comment on this item.

9.2. City of Blue Lake Memorandum of Understanding (MOU) for Biomass Plant Site Energy Storage

Executive Director Marshall reported on the proposed MOU with the City of Blue Lake to explore possible use of a portion of the current Blue Lake biomass plant site for a battery energy storage facility that would utilize the plant's existing grid interconnection. The MOU leaves open the possibility for RCEA to own and operate the facility, an arrangement which may be more financially favorable for CCEs under provisions of the 2022 Inflation Reduction Act. Plans for a mutually agreeable project would move forward in 2025 when the current lessees vacate the property. There was no public comment on this item.

M/S: Mobley, Schaefer: Approve Memorandum of Understanding Between Redwood Coast Energy Authority and City of Blue Lake to Collaborate on Development of Energy Storage and authorize the Executive Director to execute said Memorandum of Understanding.

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

9.3. Resource Adequacy Swap Agreements with Valley Clean Energy for Mid-Term Reliability Compliance

Senior Power Resources Manager Gwynn reported that after unsuccessful attempts to procure 2023 Mid-Term Reliability compliance products through solicitations staff asked other CCAs if they had excess capacity to resell to RCEA. Valley Clean Energy generously agreed to an exchange whereby RCEA can claim system resource adequacy and VCE can continue to claim other resource adequacy components. With this exchange, which provides no benefit to VCE, RCEA completes the first two CPUC mid-term reliability tranche requirements. Staff will report to the Board when these agreements have been executed. There was no public comment on this item.

M/S: Jorgensen, Bauer: Approve Resolution 2023-3 authorizing the Executive Director to execute the VCE-RCEA Mid-Term Reliability Resource Adequacy Agreement and the RCEA-VCE System Resource Adequacy Agreement.

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

9.4. Financial Auditor Update

Executive Director Marshall reported on the agency's auditor's resignation and recommended engaging the auditing firm that assisted RCEA with past audit issues. Baker Tilly's proposal aligns with previous price quotes gathered. The firm can begin work in May and staff is confident Baker Tilly can assist the agency with past years' audits efficiently. There was no public comment on this item.

M/S: Mobley, Arroyo:

- 1. Approve engagement with Baker Tilly US, LLP for independent accounting services and authorize the Executive Director to execute all applicable documents.**
- 2. Approve replacing the annual audit with audits covering two-year periods for the years ended June 30, 2018, June 30, 2019, June 30, 2020, and June 30, 2021.**

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

STAFF REPORTS

Executive Director's Report on Airport Microgrid Disaster Performance, Offshore Wind Development and Other Subjects as Needed

Executive Director Marshall reported that the airport microgrid deployed and exceeded design expectations after the recent earthquake, powering the airport and Coast Guard facilities in terrible weather and on the second shortest day of the year. The microgrid operated reliably on island mode during and after the atmospheric river winter storms, during which the Coast Guard performed a rescue mission and successfully used the airport's telemetry system.

The solar, battery storage and generator systems RCEA helped the City of Rio Dell, Kneeland Fire Department, Trinidad Town Hall and other facilities plan, finance and install operated as designed after the recent earthquake. In addition to back-up power during

emergencies, these systems provide renewable power and cost savings to local agencies. Director Wilson and other Board members thanked RCEA for working with Westhaven Volunteer Fire Department to bring needed supplies to residents of damaged, red-tagged Rio Dell homes. The supplies were purchased with donations from Calpine Energy Solutions (\$5,000), Sonoma Clean Power (\$2,500), and RCEA (\$7,500). There were no public comments for this item.

FUTURE AGENDA ITEMS

The directors requested regular CORE Hub meeting reports and formation of an ad hoc subcommittee to engage in CORE Hub activities to avoid quorum issues.

CLOSED SESSION

There was no public comment regarding closed session item:

- 12.1 Conference with real property negotiators pursuant to Government Code § 54956.8 in re: APNs 001-141-005 and 001-141-006; RCEA negotiator: Executive Director; Owner's negotiating party: Wells Commercial; Under negotiation: price and terms.

At 6:38 p.m. Executive Director ^{Marshall}~~Matthews~~ stated there was nothing to report from closed session and adjourned the meeting.



Lori Taketa
Clerk of the Board