



Redwood Coast Energy Authority

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APPROVED MAR 28 2024

BOARD OF DIRECTORS MEETING MINUTES

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

**February 22, 2024
Thursday, 3:30 p.m.**

Deputy Executive Director Eileen Verbeck called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:32 p.m. Notice of this meeting was posted on February 16, 2024.

PRESENT: Natalie Arroyo, Skip Jorgensen, Kris Mobley, Elise Scafani, Chair Sarah Schaefer (just cause remote participation, left at 6:15 p.m.), Frank Wilson, Sheri Woo. ABSENT: Scott Bauer, Frankie Myers, Jason Ramos, Jack Tuttle.

STAFF AND OTHERS PRESENT: General Counsel Nancy Diamond, 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, Community Advisory Committee Chair Dennis Leonardi, Board Clerk Lori Taketa, Deputy Executive Director Eileen Verbeck.

CHAIR PRO TEM ELECTION

Due to the Chair's remote participation and the Vice Chair's absence, the directors selected a Chair Pro Tem to facilitate the Board meeting.

M/S: Mobley, Arroyo: Appoint Sheri Woo as Chair Pro Tem for this meeting.

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

REPORTS FROM MEMBER ENTITIES

Director Mobley reported that the Community Advisory Committee gave staff useful suggestions on rate increase messaging and requested appointment of a Rio Dell representative. Fortuna's new police facility will open in March or April.

Director Arroyo requested feedback on PG&E's Local Leader Energy Roundtable.

ORAL AND WRITTEN COMMUNICATIONS

Member of the public David Daz asked RCEA to partner with the Harbor District to install beach improvements such as restrooms and dog waste receptacles near the fish farm and offshore wind development areas.

Martha Walden of Humboldt Coalition for Clean Energy asked that her previous statement about how long Humboldt Sawmill Company was operating without permit be changed from two years to six months. She asked RCEA to end its contract with HSC as soon as possible.

CONSENT CALENDAR

- 4.1** Approve Minutes of January 25, 2024, Board Meeting.
- 4.2** Approve Disbursements Report.
- 4.3** Accept Financial Reports.
- 4.4** Approve Payment of California Community Power Agency Annual General and Administrative Dues up to \$85,000.
- 4.5** Approve the RCEA Net Billing Tariff Revisions Necessary to Incorporate Minor PG&E Net Billing Tariff Revisions.
- 4.6** Approve Updated Community Strategies Manager Job Description.
- 4.7** Adopt Resolution 2024-2 of the Redwood Coast Energy Authority Authorizing Certification and Submittal of Required Data to the U.S. Department of Agriculture Rural Utilities Services Loan Program; and Authorize the Board Chair to Sign a USDA Rural Utilities Services Programs Certificate of Authority to Submit or Grant Access to Data Naming RCEA's Deputy Executive Director as Certifier and Director of Business Development and Planning as Security Administrator.

Neither the Board nor public requested items be removed from the consent calendar.

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

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

OLD CCE BUSINESS

6.1 Energy Risk Management Quarterly Report

The Energy Authority California Account Director Harr described near term increased retail electric rates and a forecasted rate drop in 2025-26. While power costs are projected to decrease, Renewable Energy Credits and other mandated product costs, including Resource Adequacy costs, are increasing significantly. TEA is procuring short-term power and mandated environmental products to adjust for the Sandrini Solar project's delayed October 1, 2024, start date. RCEA's annual net revenue forecast is slightly better than last reported in October 2023 due to increased retail rates. However, the 2025-26 forecasted revenue is less than previously projected due to anticipated power cost increases. RCEA's cash reserves continue to recover since the September 2021 depletion. There was no public comment nor director discussion for this agenda item.

NEW CCE BUSINESS

7.1 California Community Power Build-Own-Transfer Agreement Solicitation

Power Resources Director Engel described RCEA's participation in the California Community Power joint powers authority which helps Community Choice Aggregators pool their resources to meet costly CPUC mid-term reliability new project construction requirements. The Federal Inflation Reduction Act presents opportunities for public agencies like CCAs to take advantage of tax credits previously available only to private entities to develop new

projects. CC Power proposes a process where a developer builds a project then transfers long-term ownership to CC Power at or near the time the project becomes operable. Staff asked the Board to approve participation in this process' first phase. There was no public comment for this agenda item.

M/S: Mobley, Scafani: Authorize participation in the first phase of California Community Power's Build-Own-Transfer Solicitation at a not-to exceed cost of \$74,000.

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

OLD BUSINESS

8.1 Fiscal Year 2023-24 Draft Mid-Year Budget Adjustment

Business Development and Finance Director Biondini described lower than expected net income this fiscal year due to higher-than-expected energy costs to make up for Sandrini Solar project delays, and recommended removal of Rural Regional Energy Network revenue and expenses from the budget due to program uncertainties. Director Biondini also recommended postponing the consideration of any customer rate reductions until RCEA is closer to reaching its \$35 million cash reserve goal. The cash reserve goal prepares RCEA for extreme market fluctuations, unexpected events, and the ability to negotiate better contract terms resulting in lower operating costs.

The Directors discussed public misunderstanding of how RCEA charges appear on the PG&E-generated bill. Demand-Side Management Director Kullmann described how staff explain to callers every day that RCEA is not a duplicate charge and persuade a large percentage of callers not to opt-out by describing RCEA's programs. Staff asked for suggestions on community events where RCEA can participate and educate the public about RCEA's role. There was no public comment on this item.

M/S: Arroyo, Jorgensen: Approve proposed changes to the RCEA Fiscal Year 2023-24 Budget.

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

8.2 Community Advisory Committee Annual Report and Work Goals, CAC At-Large Member Recruitment

Deputy Executive Director Verbeck described the CAC's long-term work goals which are being extended through the end of 2024, and the committee's valuable insights into how RCEA is perceived in the community. CAC Chair Dennis Leonardi described the upcoming committee meeting which will focus on RCEA's biomass energy contract with Humboldt Sawmill Company.

Directors Arroyo, Jorgensen, Mobley and Schaefer volunteered to serve on an ad hoc CAC at-large nomination subcommittee. There was no public comment on this item.

M/S: Jorgensen, Arroyo: Accept Community Advisory Committee 2023 Annual Report and approve 2024-5 CAC work goals.

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

NEW BUSINESS

9.1 Annual Regulatory & Legislative Policy Platform Review

The Board postponed consideration of this item to the next meeting.

9.2 Coordinator/Associate Job Description and Pay Schedule Update

Deputy Executive Director Verbeck described suggested updates to the Associate/Intern and Coordinator job descriptions and salary schedules to address equity between classifications and increase competitiveness with California minimum wage positions. Director Arroyo noted a correction to the job descriptions. There was no public comment for this item.

M/S: Arroyo, Mobley: Approve updated job description and salary schedule to establish the Coordinator job classification, and

Approve updated Associate/Intern job description with noted correction.

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

STAFF REPORTS

10.1 Deputy Executive Director's Report

Deputy Executive Director Verbeck and Regulatory and Legislative Policy Manager Carlson attended the California Community Choice Association's Sacramento Lobby Day. RCEA is well-regarded among the CCAs as being a source of innovative solutions. All CCAs are facing similar project and grid interconnection delays and are being forced to seek short-term, high-priced procurement to meet state-mandated requirements. State representatives are hearing that this makes it difficult to keep electricity rates affordable for customers. There was no public comment on this item.

FUTURE AGENDA ITEMS

Director Wilson asked for clarification from the Air Quality Management District regarding Humboldt Sawmill Company's operating permit. Director Arroyo asked staff to identify a better estimate of the cash reserves needed, considering inflation and increased costs of doing business, before the Board can consider rate reductions when the Board discusses the 2024-25 budget.

CLOSED SESSION

12.1 Conference with Legal Counsel: Existing Litigation, CPUC 22-02-005, Petition for Modification of D. 23-06-055, pursuant to Government Code 54956.9(d)(1).

12.2 Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

Closed session item 12.1 was removed from the agenda. There was no public comment regarding closed session item 12.2. The Board adjourned to closed session at 4:49 p.m. and reconvened in open session at 6:16 p.m. Chair Pro Tem Woo reported the following closed session action:

M/S: Scafani, Arroyo: Increase the Deputy Executive Director's salary to Step 10 retroactively beginning on November 1, 2023, while the Deputy Executive Director serves as Executive Director.

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

Chair Pro Tem Woo adjourned the meeting at 6:16 p.m.



Lori Taketa
Board Clerk