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* APPROVED MAR 23 2023

BOARD OF DIRECTORS MEETING MINUTES

February 23, 2023 - Thursday, 3:30 p.m.

Notice of this meeting was posted on February 17, 2023. Chair Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:34 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 Woo stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Scott Bauer, Skip Jorgensen, Kris Mobley, Elise Scafani, Vice Chair Sarah Schaefer, Jack Tuttle (left at 5 p.m.), Frank Wilson, Chair Sheri Woo. **ABSENT:** Natalie Arroyo. **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; The Energy Authority Client Services Manager Jaclyn Harr, Executive Director Matthew Marshall; Community Strategies Manager Nancy Stephenson; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES

There were no reports from the directors.

ORAL COMMUNICATIONS

There were no non-agenda item public comments.

CONSENT CALENDAR

- 3.1 Approve Minutes of January 26, 2023, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.

No member of the public or Board requested removal of items.

M/S: Schaefer, Bauer: Approve all consent calendar items.

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

OLD BUSINESS

5.1. Yurok Tribe Membership

Executive Director Marshall reported that staff were inquiring whether other area Tribes are interested in joining RCEA and informing them of RCEA services already available to them.

The directors discussed the potential number of new RCEA members and possible effects on gathering a quorum to conduct agency business.

Yurok Tribal Council Vice Chair Frankie Myers described work done on the Yurok Reservation to improve energy infrastructure and expressed a desire for the Yurok Tribe to be a good partner in building collaboration between communities. There were no public comments for this item.

M/S: Bauer, Schaefer: Adopt Resolution 2023-4, Approving the Yurok Tribe as a Member Agency of the Redwood Coast Energy Authority.

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

5.2. Energy Independence and Resilience Project Financing Solicitation

Regulatory and Legislative Policy Manager Cissna reported on a request from the Humboldt County Board of Supervisors to develop a list of potential energy and resilience projects that could be funded by revenue bonds. Staff asked the Community Advisory Committee to help develop selection criteria as well as a short list of potential projects. Recent Inflation Reduction Act provisions allow energy projects to be funded by small denomination bonds, which would allow community members to have equity in these energy projects. A list of potential projects was presented, which included Hoopa and Willow Creek substation microgrids, a Blue Lake storage project, and Southern Humboldt and Eel River Valley solar and storage projects.

The directors discussed staff's intention to attempt to secure funding for one or more energy projects, staff's desire to do a pilot project using community microbond financing, and the possibility of RCEA developing projects to benefit from new tax credits. Funding rules are still under development and should be solidified by the end of the year.

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

M/S: Schaefer, Jorgensen: Direct RCEA staff to issue a request for proposals for bond development and issuance services and federal tax law expertise to identify suitable financing mechanism(s) for one or more of the shortlisted projects.

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

NEW BUSINESS

6.1. New Director Orientation and Introductions (Information only)

Executive Director Marshall presented the agency's history since founding in 2003, to run ratepayer-funded energy efficiency programs. He described the agency's purpose as outlined in RCEA's joint powers agreement between multiple local governments, and the launch of the community choice energy program in 2017 to buy energy on behalf of Humboldt County customers and invest proceeds back into the local community through rate savings and

building renewable, reliable energy sources to afford more local control over the energy supply. The directors introduced themselves.

Skip Jorgensen, Ferndale, is a retired public school teacher and administrator who has served on the County grand jury and LAFCo Board.

Scott Bauer, Eureka, is an environmental scientist for the California Department of Fish and Wildlife who has served on many local Boards.

Frank Wilson, Rio Dell, is a retired electrician with Pacific Lumber and long-time power plant manager. He has served on various local Boards.

Kris Mobley, Fortuna, works at Beacon Construction and has volunteered with a local hospital and fire department.

Jack Tuttle, Trinidad, has worked in the solar wholesale industry for 17 years and now works for a Redway-based solar distributor.

Sarah Schaefer, Arcata, is a history teacher and site coordinator for the Northern Unified Charter School.

Elise Scafani, Blue Lake, has worked as a UPS driver and registered nurse.

Sheri Woo, Humboldt Bay Municipal Water District, is an engineer with a local engineering firm. She began serving on the RCEA Board in 2012.

6.2. RePower Humboldt Strategic Plan Overview of Agency Goals, Current and Upcoming Projects (Information only).

Due to lack of time, this agenda item was moved to the March meeting agenda.

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

NEW CCE BUSINESS

8.1. Quarterly Energy Risk Management Report

Power Resource Director Engel described how RCEA's Community Choice Energy program works and introduced the types of risk that must be managed in procuring electricity for Humboldt County customers. He described the important energy sources in RCEA's power portfolio and State and Board chosen goals for the kinds of energy procured. The directors were encouraged to familiarize themselves with RCEA's Energy Risk Management Policy, as the policy addresses measures the agency uses to preserve solvency while navigating a very volatile energy market.

The Energy Authority Client Services Manager Jaclyn Harr introduced herself and described financial drivers impacting the community choice energy program and how building agency reserves helped RCEA weather unprecedented cost overages during the summer of 2020, when electricity supply could not keep up with load demands during regional heat waves across the American west.

Manager Harr highlighted how delays to the Sandrini Sol 1 solar energy project's completion by four months will affect the agency's protection from large energy price fluctuations, as well as RCEA's ability to meet California renewable resource product purchasing requirements. During summer months, the Sandrini Project is expected to generate 50% of RCEA's electricity load. Rebuilding RCEA's cash reserves and meeting reserve targets will also provide a buffer against fluctuating energy prices while waiting for the Sandrini Project to come online. Following current projections, RCEA will meet its cash reserve goals at the end of 2024.

The directors discussed rate setting strategies and compared the benefits and drawbacks of cost-based rate setting to maintaining a set discount compared to PG&E's rates. Trade policy reasons for the Sandrini Project's delay were described. The difficulty of procuring state-mandated renewable energy products such as particular types of resource adequacy was discussed.

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

M/S: Bauer, Schaefer: Accept Energy Risk Management Quarterly Report.

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

NEW BUSINESS (Continued)

9.1. Budget Briefing and Mid-Year Budget Adjustment

Business Planning and Finance Director Biondini described proposed adjustments to the Board approved 2022-2023 budget, which was based on an earlier financial model. Budget adjustments reflect The Energy Authority's revised forecasts, but do not reflect Sandrini Project delay impacts, which will be calculated in the next months.

The three budget changes are: 1) updates to electricity revenue and wholesale costs, 2) retaining unspent new building lease and moving costs in the budget in case a new office opportunity presents itself, and 3) increased heat pump rebates.

Staff proposes increasing heat pump rebate funding to take advantage of increased customer interest. The increased incentive and rebates, totaling just under \$600,000, represents energy sales proceeds going directly back to the community as opposed to paying shareholders, which investor-owned utilities are obliged to do.

Proposed budget changes represent a small part of the total budget, the bulk of which is from wholesale power purchase and sales.

M/S: Bauer, Wilson: Approve the proposed changes to the RCEA Fiscal Year 2022-23 Budget.

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

9.2. In-Person/Virtual (Hybrid) Meeting Procedure Review for March Meetings

Deputy Executive Director Verbeck explained different options for director participation in Board meetings under the revised Brown Act open meeting law.

M/S: Jorgensen, Schaefer: Approve Resolution No. 2023-5 Adopting the Redwood Coast Energy Authority Brown Act Meeting Teleconferencing Policy.

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

9.3. New RCEA Office Space Lease

Executive Director Marshall reported that this item's action was no longer feasible because the office space was leased to another party despite RCEA's prompt responsiveness.

STAFF REPORTS

10.1. Executive Director's Report (Information only)

Executive Director Marshall stated that the RePower Strategic Plan update, part of the new Board director orientation, will be on the March agenda.

FUTURE AGENDA ITEMS

The directors requested that the Board Office Building Subcommittee be empowered to act on lease options at a future meeting.

Chair Woo adjourned the meeting at 6:05 p.m.



Lori Taketa
Clerk of the Board