



Redwood Coast Energy Authority

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BOARD OF DIRECTORS MEETING MINUTES

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

**March 28, 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 3:32 p.m. Notice of this meeting was posted on March 22, 2024.

PRESENT: Natalie Arroyo, Vice Chair Scott Bauer, Skip Jorgensen, Alternate Director Mike Losey, Alt. Dir. Heidi Moore-Guynup, Elise Scafani, Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo (remote participation with just cause). ABSENT: Kris Mobley, Frankie Myers, Jason Ramos.

STAFF AND OTHERS PRESENT: EDP Renewables North America Director of Origination Chris Baxter; Schatz Energy Research Center Principal Engineer Dave Carter; Finance Specialist Ronnie Chaussé; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; Demand-Side Management Director Stephen Kullmann; Executive Director Matthew Marshall; Community Advisory Committee Nominee Michael Shackelford; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES

Director Arroyo and Chair Schaefer reported on their attendance at the CivicWell conference where they learned about electrification and transportation. CivicWell, formerly the Local Government Commission, obtained funding to launch regional energy agencies including RCEA.

ORAL AND WRITTEN COMMUNICATIONS

In honor of Women's History Month, member of the public Dan Chandler recognized Eunice Newton Foote for predicting that increasing CO2 levels would cause atmospheric warming.

Arcata resident Diane Ryerson requested two Board action items: 1) vote to amend strategic plan section 4.1.11.2 Procure Local Biomass Energy, and 2) vote to end the Humboldt Sawmill Company biomass contract.

CONSENT CALENDAR

4.1 Approve Minutes of:

4.1.1 February 12, 2024, Board Special Meeting, and

4.1.2 February 22, 2024, Board meeting.

4.2 Approve Disbursements Report.

4.3 Accept Financial Reports.

4.4 Approve 2024 RCEA Policy Platform.

4.5 Appoint Colin Fiske and Pliny McCovey to Fill the Two At-Large Community Advisory Committee Seats for Two-Year Terms Expiring March 31, 2026, and

Appoint Michael Shackelford to the Community Advisory Committee Blue Lake Rancheria Seat for a Term Ending March 31, 2026.

4.6 Approve Updated Account Services Manager Job Description.

4.7 Authorize the Executive Director to Withdraw from Attorney-Client Representation Agreement Between Redwood Coast Energy Authority and Law Office of David Pepper, "PefferLegal."

Neither the Board nor public requested items be removed from the consent calendar. CAC nominee Michael Shackelford introduced himself to the Board.

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

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

NEW BUSINESS

6.1 Sandrini Battery Energy Storage Service Agreement

Power Resources Manager Gwynn reported on the battery storage agreement that will help RCEA meet state-mandated mid-term reliability and resource adequacy targets. For scale, the batteries will have enough capacity to meet Humboldt County's power needs for four hours per day. EDPR committed \$250,000 for workforce development to be used at RCEA and EDPR's discretion in Humboldt or Kern Counties. EDP Renewables' Chris Baxter described his company's experience in renewable energy project development. EDPR ranks fifth in renewable energy capacity in the U.S. There was no public comment on this agenda item.

M/S: Losey, Bauer: Approve Resolution 2024-3 Approving the Form of and Authorizing the Execution of the Energy Storage Service Agreement with Sandrini BESS Storage LLC and the Third Amendment to the Power Purchase Agreement with EDPR CA Solar Park II LLC.

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

6.2 Grid Resilience Innovation Partnership Program Funding Opportunity

Deputy Executive Director Verbeck and Schatz Energy Research Center Principal Engineer Dave Carter described a grid modernization project that would draw on SERC's and the Blue Lake Rancheria's microgrid development experience to address intractable reliability problems faced in the Hoopa Valley, Yurok, and Karuk Tribal land areas. The project would build three Tribe-owned microgrids with battery storage, upgrade the Blue Lake Rancheria microgrid, provide pathways to journeyman-level job training programs for tribal members, and create a replicable model. The Department of Energy grant would fund half of the total project cost and requires match funding which project partners would secure. RCEA's project role would be as grant manager. The directors requested an estimate of costs to develop grant applications of this scale.

Outgoing CAC member Larry Goldberg, speaking as a member of the public, expressed support for this project and asked that this project be leveraged to develop similar publicly-funded projects in other grid-constrained Humboldt County areas like Southern Humboldt.

Director Moore-Guynup abstained from voting because her employer, Blue Lake Rancheria, is a partner in this funding application and project.

M/S: Arroyo, Scafani: Approve Memorandum of Agreement Between Redwood Coast Energy Authority, Blue Lake Rancheria Tribe, Hoopa Valley Tribe, Karuk Tribe, Yurok Tribe and the Cal Poly Humboldt Sponsored Programs Foundation on behalf of Schatz Energy Research Center (Schatz) to Engage in Activities Regarding the Funding and Coordination of the GRIP 2 Funding Application and Authorize the Executive Director to execute said Memorandum of Agreement.

Authorize Executive Director to Submit the GRIP 2 Funding Application for Approximately \$80,000,000 in Federal Department of Energy Funding on Behalf of the Parties Listed in the MOA with RCEA Listed as the Lead Applicant.

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

6.3 Executive Director Recruitment

Executive Director Marshall reported that he would be leaving RCEA at the end of the month, Deputy Executive Director Verbeck would serve as the Interim Executive Director until a replacement is hired. The directors discussed the merits of working with a recruitment firm.

Directors Arroyo and Scafani and Chair Schaefer volunteered to serve on an ad hoc Executive Recruitment Subcommittee. Director Mobley was volunteered in absentia. Vice Chair Bauer volunteered to serve if Director Mobley could not join the working group.

Chair Schaefer and other directors expressed appreciation to Executive Director Marshall for his knowledgeable leadership in developing RCEA over his 15 years at the agency.

Speaking as a member of the public, Dave Carter thanked Executive Director Marshall for his long service to further renewable energy and fight climate change.

M/S: Bauer, Losey: Approve Appointment of Deputy Executive Director Eileen Verbeck to Interim Executive Director, at Compensation Determined at the February 22, 2024 Board Meeting, Beginning April 1, 2024.

Authorize staff to solicit quotes from qualified executive search firms to perform the Executive Director recruitment.

Authorize the ad hoc Executive Director recruitment subcommittee to act as a review committee and authorize it to take the following actions: (i) approve scope of work, (ii) approve evaluation criteria, (iii) approve selected proposal based on the selection criteria to bring to the full Board for review and approval of resulting contract, (iv)

review Executive Director salary schedule and make recommendations to the Board for any proposed changes.

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

OLD BUSINESS

7.1 Humboldt Sawmill Company Biomass Emissions Biomass Technical Advisory Group and Community Advisory Committee Report (Information only)

Power Resources Director Engel reviewed RCEA's local biomass power procurement. The HSC contract meets the Board's direction to procure local renewable energy which is very difficult to find or develop at needed scale and meets state mandates for baseload power under long-term contracts. In response to community concerns about procuring local biomass combustion-derived power, RCEA formed a Biomass Technical Advisory Group with diverse stakeholder membership, created a biomass-free customer option (RePower+), deployed ambient air quality sensors in the community around HSC's biomass plant, hired a consultant to study biomass power and engaged CalPoly Humboldt senior year engineering students to investigate alternative biomass uses. The last BTAG meeting focused on HSC's plant violations and resulted in no definitive recommendations. HSC confirmed they would sell excess power to PG&E if the RCEA contract was terminated, and the BTAG requested more clarity on whether cleaner power should be procured elsewhere if not available locally. The lengthy March Community Advisory Committee meeting also focused on the HSC biomass plant's operating violations and health and climate impacts but ended in split votes on recommended Board actions. The Energy Authority's financial analysis for terminating the HSC contract indicated significant financial harm to the agency from extremely high replacement resource adequacy costs and non-compliance penalties.

Local plumber Jeffrey Robinson refuted statements that the HSC biomass plant helps prevent forest fires and asked staff to investigate whether the state would waive penalties for ending the HSC contract.

Nancy Ihara opposed the HSC biomass contract due to the accelerating climate crisis and referred to public comments from the March RCEA Community Advisory Committee meeting.

Pat Kenzler opposed the HSC contract due to negative impacts on Rio Dell and Scotia residents' health. She asked that RCEA not put profit over public health.

Walt Paniak opposed the HSC contract due to concerns over cost and lack of timely carbon sequestration.

Joann McGarry supported increased energy conservation efforts to lower the amount of energy needed from HSC. She opposed the HSC contract.

Arcata resident Diane Ryerson opposed the HSC contract due to climate warming impacts. Ms. Ryerson refuted arguments that plant operation prevented wildfires and that the contract increased RCEA and local community leverage with HSC.

CAC member and Trinidad resident Larry Goldberg, speaking as a member of the public, suggested customers opt up to RCEA's RePower+ if they oppose HSC biomass power. HSC provides local baseload power which is otherwise provided by fracked natural gas. Onshore wind would have contributed to baseload power but was opposed by Humboldt County residents and ultimately rejected by the County Board of Supervisors.

Arcata resident Carolyn Goldammer opposed RCEA's contract with HSC and called for stronger emissions regulations.

Dr. Wendy Ring opposed the HSC biomass contract due to the plant's air violation history and negative health impacts. Dr. Ring also opposed Purple Air monitor deployment due to their inability to monitor fine particulate exposure.

Eureka resident Joanna Welch opposed the HSC biomass plant contract and asked that RCEA exit the contract when the Sandrini project comes online.

Daniel Chandler opposed RCEA's extension of the HSC biomass contract in 2021 and requested RCEA exit the contract as soon as a carbon-renewable replacement can be found.

Chip Sharpe opposed the HSC biomass contract and supported distributed solar with battery backup on every rooftop.

Martha Walden of 350 Humboldt opposed the HSC biomass contract and expressed concern that Biomass Technical Advisory Group and Community Advisory Committee discussions were weighted against climate activists.

Written comment opposing RCEA's biomass contract with HSC due to greenhouse gas and other emission concerns was received from:

Daniel Chandler	Lynda McDevitt
Elizabeth Connors-Keith	Caephren McKenna
Suzanne Cook	Siddharth Mehrortra
Tina Garsen	Sue Y. Lee Mossman
Patty Harvey	Walter Paniak
Mary Hurley	Dr. Wendy Ring
Paula Levine	Garth Rogers
Ben Martin	Emily Siegel

Andrew Wanzenberg supported forest fire fuel removal, briquetting and drying the fuel to combust for power.

Larry Goldberg submitted written comment supporting opting up to RePower+, which he read at the meeting. Chair Schaefer closed the public comment period.

The directors discussed the lack of a viable financial or legal pathway to contract termination, and how the need for biomass power would be reduced if many more customers opted up to RCEA's RePower+ service. North Coast Unified Air Quality Management District Executive Director and Air Pollution Control Officer Brian Wilson provided context for evaluating HSC's violations, explained different levels of air quality monitoring regulations and the difficulty of comparing biomass plants due to different feedstocks, equipment vintages and upgrades.

The directors requested to see Humboldt Sawmill Company's Title V permit renewal results and thanked staff for doing their due diligence.

STAFF REPORTS

8.1 Executive Director's Report (Information only)

Executive Director Marshall reported that RCEA's e-bike rebate program is launching. RCEA's rebates can be used in addition to state rebates. Mr. Marshall praised and thanked RCEA's staff. The directors thanked Executive Director Marshall for leaving RCEA a better agency after his long tenure. There was no public comment on this item.

FUTURE AGENDA ITEMS

The Directors requested discussion of strategies to incentivize customers to opt up to RePower+ service, information on proposed Senate Bill 1999 (Irwin) which would increase electricity customers' fixed flat rate, and a description of RCEA's contribution to the current electricity rate increases.

Chair Schaefer adjourned the meeting at 6:15 p.m.



Lori Taketa
Board Clerk