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BOARD OF DIRECTORS MEETING MINUTES

January 27, 2022 - Thursday, 3:30 p.m.

Notice of this meeting was posted on January 24, 2022. 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 3:33 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: Vice Chair Stephen Avis, Scott Bauer, Chris Curran, David Grover, Alternate Director Mike Johnson, Sarah Schaefer, Frank Wilson, Mike Wilson, Chair Sheri Woo.
ABSENT: ~~None~~. Mike Losey.* STAFF AND OTHERS PRESENT: Regulatory and Legislative Policy Manager Aisha Cissna, Power Resources Director Richard Engel; Power Resources Manager Jocelyn Gwynn, The Energy Authority Client Services Manager Jaclyn Harr; Demand Side Management Director Stephen Kullmann, Executive Director Matthew Marshall; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa, Deputy Executive Director Eileen Verbeck.

BOARD APPOINTMENTS

1.1 Election of Officers and Community Advisory Committee Liaisons

Vice Chair Avis and Director Curran were nominated to serve as Board Chair and Vice Chair, respectively. Both expressed a willingness to serve in those roles. Directors Schaefer and Bauer were nominated to serve as liaison and alternate liaison to the Community Advisory Committee. Both also expressed a willingness to serve in those capacities. Director Wilson praised Chair Woo for performing the job of Board Chair well.

There was no public comment on this item. Chair Woo closed the public comment period.

M/S: Avis, Grover:

Appoint Stephen Avis as RCEA Board Chair and Chris Curran as Vice Chair to serve through January 2023 and authorize them as signers on RCEA bank accounts.

Appoint Sarah Schaefer as Board Liaison, and Scott Bauer as alternate liaison, to the Community Advisory Committee to serve through January 2023.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Chair Avis thanked Director Woo for her guidance and legal counsel and staff for clearly explaining issues so the directors could make decisions.

1.2 Board Subcommittee Member Assignments

Staff reported on the standing Finance Subcommittee's work over the past year.

There was no public comment on this item. Chair Avis closed the public comment period.

M/S: Woo, Grover: Continue the standing Finance Subcommittee and appoint Vice Chair Chris Curran and Directors Scott Bauer and Frank Wilson to serve on the standing Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2023.

Appoint Directors Scott Bauer, Sarah Schaefer and Sheri Woo to review and nominate Community Advisory Committee at-large seat applicants to fill four at-large CAC seats with terms ending April 9, 2024.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

REPORTS FROM MEMBER ENTITIES

Director Grover reported that he and Alternate RCEA Director Richard Clompus are resigning from the Trinidad City Council due to changing residency. Trinidad Mayor Steve Ladwig may become RCEA's Alternate Director. Director Grover thanked the Board for the work they accomplished together.

Director Bauer reported that the Eureka City Council support pursuing a city ordinance requiring all new construction to be completely electric-powered. Director Bauer also reported that CalFire is operating an air curtain burner in Willow Creek after a tree downing event and inquired how to get downed tree waste biomass to facilities to be converted to electricity.

Director Schaefer reported that the Arcata Energy Committee's electrification ordinance will be considered by their City Council in March or April. Director Schaefer stated the Arcata Gateway Project's recently released draft plan contains climate change, sea-level rise and clean building elements and invited everyone to a project walking tour.

ORAL COMMUNICATIONS

There were no comments from the public on non-agenda items.

CONSENT CALENDAR

- 4.1 Approve Minutes of December 16, 2021, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Authorize Extension of RCEA Resolution 2021-7 Ratifying Governor Newsom's March 4, 2021, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies for the Period January 28, 2022, through February 26, 2022, Pursuant to Brown Act Revisions.
- 4.5 Approve the 2022 RCEA Board of Directors Meeting Calendar.

- 4.6** Approve Reinstatement of the Late Payment Notice Policy for the RCEA CCE Program, Aligning with PG&E's Resumption of Account Shutoffs for Customer Non-Payment, Starting in Q1 2022.
- 4.7** Approve Amendment No. 1 to Agreement Between Redwood Coast Energy Authority and Calpine Energy Solutions, LLC Providing RCEA Staff with Access to the Recurve Analytics Platform, and Authorize the Executive Director to Execute the Amendment and All Associated Documents.
- 4.8** Approve Amendment No. 7 to Agreement for Employment of Executive Director with Matthew Marshall.

Director Bauer asked that the minutes be corrected for consistency as they recorded him as being both absent and seconding a motion. General Counsel Diamond corrected the dollar amount of Executive Director Marshall's step increase in staff report 4.8. She confirmed that the employment agreement is correct as written.

No member of the public requested an item be removed from the consent calendar.

M/S: Schaefer, M. Wilson: Approve consent calendar with requested amendments to items 4.1 minutes and staff report 4.8.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Chair Avis confirmed there was a quorum for Community Choice Energy business.

OLD CCE BUSINESS

6.1 Mid-Term Reliability Solicitation Shortlist

Power Resources Director Engel and Manager Gwynn reported on the solicitation responses to fulfil the CPUC mandate for bringing new energy-producing resources online between now and 2026. Staff decided to fulfil both CPUC requirements and RCEA Board Community Choice Energy program resource adequacy goals through this solicitation. Respondents were mostly stand-alone battery storage projects, 13 from other areas of California and three from Humboldt County. The three local projects (EWPRC at Fairhaven, Renewable America between Blue Lake and McKinleyville, and Renewable America at the Arcata bottoms) were described along with the project scoring criteria. The shortlisted projects satisfy the 2023 mandated requirements but do not satisfy compliance requirements for 2024 and 2025, especially energy with characteristics to replace the retiring Diablo Canyon nuclear plant. Staff is seeking additional energy and storage capacity to meet these requirements from the Sandrini Solar Project. Staff explained that developers usually need to demonstrate that their project has an interested buyer in order to secure financing, which is why power purchase contracts are typically signed early in the development process, well before permitting.

Chair Avis invited public comment. Member of the public Jordan King requested clarification on the location of the Renewable America/Foster Clean Power Solar project which appeared to be on his property. Mr. King opposes a large-scale solar array on his property. Staff will verify the project location with the developer. Chair Avis closed the public comment period.

M/S: Grover, Johnson: Approve the proposed shortlist for the RFQ-RFO for Long-Term Reliability Resources and authorize staff to commence negotiations with the shortlisted parties.

Authorize the Executive Director to replace individual projects on the shortlist with other offers received under the RFO Track if the price or availability of the shortlisted projects materially changes prior to the February RCEA Board meeting and commence negotiations with the new offeror.

Authorize the Executive Director to shortlist a forthcoming offer from EDP Renewables for Sandrini energy storage and additional generating capacity and commence negotiations, if the offer meets RCEA's eligibility criteria stated in its RFQ-RFO and is price-competitive with the other short-listed offers.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson. Noes: None. Absent: None. Abstain: None. Non-Voting: Woo.

6.2 Energy Risk Management Quarterly Report

The Energy Authority Client Services Manager Jaclyn Harr reported on the latest Community Choice Energy Program financial forecast. Delayed PG&E electricity generation rate and exit fee increases will have a large negative impact on RCEA's net revenues until March. Price stability benefits of the Sandrini Solar project have been postponed to early 2023, due to permitting delays. RCEA's energy prices are less hedged during 2023, meaning the program is more exposed to fluctuating energy prices. RCEA will face a \$7 million transitory cash shortfall early in 2022 and the Board will be asked to take action on a loan from the Blue Lake Rancheria and an energy product sale to MCE to address this shortfall.

Chair Avis invited public comment. There were no comments from the public on non-agenda items. Chair Avis closed the public comment period.

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

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson. Noes: None. Absent: None. Abstain: None. Non-Voting: Woo.

Chair Avis stated there was no New CCE business to discuss.

OLD BUSINESS

8.1. Mitigation of 2022 Cashflow Constraints

Executive Director Marshall described the projected cash shortfall and the need to hold \$3 to 4 million in cash reserves to cover the normal lag between purchasing wholesale energy and customer bill collection. The Blue Lake Rancheria Tribal Council has approved loaning RCEA \$2 million, and MCE is willing to pay up front for \$4 to 5 million worth of renewable energy credits from RCEA in order to weather the shortfall period. Terms of the loan and sale were described.

Community Choice Aggregators are discussing the need for an aggregated financing organization such as a CCA non-profit bank or a loan fund. RCEA cannot obtain conventional lines of credit because its retail revenue is collateral in its agreement with The Energy Authority and in the USDA airport microgrid loan.

Chair Avis invited public comment. There were no comments from the public on non-agenda items. Chair Avis closed the public comment period.

M/S: Grover, Bauer: Approve \$2,000,000 unsecured loan from the Blue Lake Rancheria with 8% interest rate and 7-month term and authorize the Executive Director to execute any associated documents and agreements.

Authorize the sale of up to \$5 million of energy and/or renewable energy credits from existing RCEA long-term power purchase agreements to MCE (and/or another buyer) with a delivery term not to exceed 10 years and authorize Executive Director to execute any associated documents and agreements; and

Authorize the Executive Director and General Counsel to negotiate and execute transaction terms and/or a supplemental agreement enabling RCEA to buy back at the same price (not including any agreed-to transaction or processing fees) any undelivered energy and/or renewable energy credits prior to or during the delivery term.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

8.2. Rural Regional Energy Network (Rural REN) Business Plan

Demand-Side Management Director Kullmann explained that the CPUC developed Regional Energy Networks (RENs) to implement energy efficiency programs and described the Rural and Hard to Reach Working Group's efforts to establish a Rural REN in geographically hard-to-reach areas of California. REN programs are not bound by the same cost restrictions as other energy efficiency funding distribution methods, which helps rural residents who have a high energy cost to income ratio but less access to energy efficiency services. The Mendocino Council of Governments and the Lake Area Planning Council expressed interest in joining the Rural REN well into the program development process. The six Rural REN partners proposed subcontracting to the Mendocino and Lake County agencies to provide services to their own customers until they complete the Rural REN membership process. If approved by the CPUC, the five-year Rural REN budget would be \$96 million.

Implementation would begin in January 2023 and RCEA would receive \$13 million to provide program administrator services and \$12 million to provide energy efficiency services in the Humboldt region. Services would include technical assistance, residential energy audits, green economy workforce education and training, codes and standards assistance for jurisdictions, a contractor codes and standards hotline, rebate programs, installation of efficiency measures, and gap loans for agencies while pursuing other financing. It was noted that other Humboldt County organizations also manage regional and statewide programs.

Chair Avis invited public comment. There were no comments from the public on non-agenda items. Chair Avis closed the public comment period.

M/S: M. Wilson, Grover: Adopt Resolution 2022-01: A Resolution of the Board of Directors of the Redwood Coast Energy Authority Authorizing Submission of a Business Plan to the California Public Utility Commission for the Formation of a Rural Regional Energy Network.

Authorize Executive Director to execute, after final review and approval by RCEA Legal Counsel, the Memorandum of Understanding between Mendocino Council of Governments, Lake Area Planning Council, and Redwood Coast Energy Authority to provide Regional Energy Network programs, and all applicable documents.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Johnson, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

NEW BUSINESS

9.1. Net Energy Metering Successor Tariff Updates

Regulatory and Legislative Policy Manager Aisha Cissna reported on proposed net energy metering (NEM) tariff changes being considered by the CPUC and their effect on current NEM customers. The directors formed an ad hoc subcommittee with members Avis and M. Wilson to work with staff to study the complex proposed changes from the perspective of RCEA customers and report back to the Board.

Chair Avis invited public comment. Ross Taylor submitted written comment requesting RCEA's stance on the anticipated NEM successor tariff decision and a New York Times opinion piece by former California Governor Arnold Schwarzenegger. Mr. Taylor opposes the proposed decision if Mr. Schwarzenegger's characterization of it is accurate. Chair Avis closed the public comment period.

STAFF REPORTS

10.1. Report from Executive Director Matthew Marshall

Executive Director Marshall reported that the Bureau of Ocean Energy Management released the lease auction site assessment activities draft environmental assessment for public comment. The RCEA Annual Report was published online and in the North Coast Journal, and the airport microgrid is operational, benefitting customers by delivering power to the electrical grid and operating its battery system. The commissioning process, including testing islanding capabilities, will continue for another couple of weeks.

Chair Avis invited public comment. There were no comments from the public on non-agenda items. Chair Avis closed the public comment period.

FUTURE AGENDA ITEMS

There were no requests for future agenda items from the directors or the public.

The meeting was adjourned at 5:46 p.m.