



BOARD OF DIRECTORS MEETING AGENDA

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

COVID-19 NOTICE

RCEA AND HUMBOLDT BAY MUNICIPAL WATER DISTRICT OFFICES WILL NOT BE OPEN TO THE PUBLIC FOR THIS MEETING

Pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 17, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020, this meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

To listen to the meeting by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 819 7236 8051. **To watch the meeting online**, join the Zoom webinar at <https://us02web.zoom.us/j/81972368051>.

You may submit written public comment by email to PublicComment@redwoodenergy.org. Please identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

To make a comment during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. You will continue to hear the meeting while you wait. When it is your turn to speak, a staff member will unmute your phone or computer. You will have 3 minutes to speak.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

In compliance with the Americans with Disabilities Act, any member of the public needing special accommodation to participate in this meeting should call (707) 269-1700 or email Ltaketa@redwoodenergy.org at least 3 business days before the meeting. Advance notice enables RCEA staff to make their best effort to reasonably accommodate access to this meeting while maintaining public safety.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public at www.redwoodenergy.org.

OPEN SESSION Call to Order

1. BOARD APPOINTMENTS

1.1. Election of Officers and Community Advisory Committee

Select the RCEA Board Chair and Vice Chair to serve through January 2023 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2023.

1.2. Board Subcommittee Member Assignment

Determine whether the standing Finance Subcommittee should continue its work.

Appoint up to four Directors to serve on the standing Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2023.

Recruit up to three Director-volunteers to review and nominate Community Advisory Committee at-large seat applicants to fill four at-large CAC seats with terms ending April 9, 2024.

2. REPORTS FROM MEMBER ENTITIES

3. ORAL COMMUNICATIONS

This time is provided for people to address the Board on matters not on the agenda. At the conclusion of all oral communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

4. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

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.

5. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

6. OLD CCE BUSINESS

6.1. Mid-Term Reliability Solicitation Shortlist

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.

6.2. Energy Risk Management Quarterly Report

Accept Energy Risk Management Quarterly Report.

7. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

8. OLD BUSINESS

8.1. Mitigation of 2022 Cashflow Constraints

For the proposed Blue Lake Rancheria loan:

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.

For the proposed transaction with MCE:

1) 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

2) 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.

8.2. Rural Regional Energy Network Business Plan

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.

NOTE: The memorandum of understanding between Lake Area Planning Council, Mendocino Council of Governments and Redwood Coast Energy Authority was not available at the time of agenda and packet publication. This document will be made available by 5 p.m. on Wednesday, January 26, 2022, at www.redwoodenergy.org.

9. NEW BUSINESS

9.1. Net Energy Metering Successor Tariff Updates

Discuss, and potentially direct, RCEA action on next steps regarding advocacy in forthcoming NEM successor tariff policy development.

10. STAFF REPORTS

10.1. Report from Executive Director Matthew Marshall

a. [2021-2022 Community REport](#)

11. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

12. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, February 24, 2022, 3:30 p.m.

This meeting will be an online teleconference following AB 361 Brown Act open public meeting law revisions of September 17, 2021, and RCEA Board Resolution 2021-7.



STAFF REPORT
Agenda Item # 1.1

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Election of Officers and Community Advisory Committee Liaison Appointments

BACKGROUND

Election of Officers

In keeping with its Operating Guidelines, the RCEA Board selects a Chair and Vice Chair every year at its January meeting by simple majority vote. The responsibilities of the Chair include:

- Conducting the monthly and special meetings
- Attending the monthly agenda review meeting
- Check signing and disbursement authority, including electronic funds disbursement.

The Vice Chair assumes these responsibilities when the Chair is unable to perform them.

The Chair and Vice Chair will be asked to complete the appropriate signature forms to be filed with RCEA's banking institution soon after the January meeting and be available to sign checks periodically when authorized staff are not available.

Community Advisory Committee Liaison Appointment

RCEA's Community Advisory Committee (CAC) was established by the Board to support RCEA public engagement efforts and provide the Board with decision-making support and input.

The Board's Operating Guidelines state that the Board will appoint at least one RCEA Board member as a CAC liaison that will attend CAC meetings but will not vote. The role of the Board liaison as outlined in the CAC Charter is to:

- Contribute content knowledge and Board perspective at CAC meetings;
- Encourage participation and help create a civil, collaborative environment;
- Communicate committee recommendations and perspectives to the Board; and
- Participate as a non-voting member.

The 2021 Board liaison was Director Chris Curran. Vice Chair Stephen Avis was the alternate CAC Board liaison.

STAFF RECOMMENDATION

Select the RCEA Board Chair and Vice Chair to serve through January 2023 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2023.

ATTACHMENTS

None.



STAFF REPORT
Agenda Item # 1.2

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Board Subcommittee Member Assignment

SUMMARY

The first Board meeting of the year presents an opportunity to review the Board's standing subcommittee and appoint members as needed. As part of any subcommittee discussion and review, the Board may choose to disband the body if it is no longer needed.

Finance Subcommittee (standing)

In January 2019, the Board created a standing Finance Subcommittee to meet as needed to work with staff and advise the Board on matters relating to audit, finance and the budget. In 2021, this body met once in May to review the fiscal year 2021-2022 draft budget in detail.

The Board Finance Subcommittee is comprised of up to four (4) Board Directors. Current Finance Subcommittee members are Scott Bauer, Subcommittee Chair Chris Curran and Frank Wilson. Member terms are one year long ending on the first regular Board meeting of each year.

Proposed CAC At-Large Candidate Subcommittee (ad hoc)

Terms for the four at-large Community Advisory Committee seats expire on April 12, 2022.

REPRESENTING JURISDICTION	MEMBER NAME	TERM EXPIRATION DATE
ARCATA	Norman Bell	4/11/2023
AT-LARGE	Jerome Carman	4/12/2022
AT-LARGE	Colin Fiske	4/12/2022
AT-LARGE	Larry Goldberg, Chair	4/12/2022
AT-LARGE	Pam Halstead	4/12/2022
BLUE LAKE	Kit Mann	4/11/2023
COUNTY 1: ORLEANS - E. HUMBOLDT	Luna Latimer	4/11/2023
COUNTY 2: SOUTHERN HUMBOLDT	Vacancy	4/11/2023
COUNTY 3: MCKINLEYVILLE	Christopher Honar	4/12/2022
EUREKA	Catherine Gurin	4/11/2023
FERNDAL	Dennis Leonardi, Vice Chair	4/12/2022
FORTUNA	Elizabeth Burks	4/12/2022
HBMWD	Ethan Lawton	4/12/2022
RIO DELL	Roger Hess	4/12/2022
TRINIDAD	Richard Johnson	4/11/2023

Following Board Operating Guidelines, there may be up to four at-large members seated through an open application process and voted on by the full Board. Three of the four current at-large members have expressed a desire to continue service. In addition, two applications have been received and

some community members who previously submitted applications are interested in reapplying for these at-large vacancies.

To streamline the selection process, staff recommends creating an ad-hoc subcommittee to review applications and recommend appointees prior to the February Board meeting. Suggested selection criteria could include:

- Diverse geographic residency/representation within Humboldt County.
- Demonstrated ability to communicate with others and an interest in participating in future public engagement.
- Participation in any energy-related groups, or an interest in acquiring a deeper understanding of local energy programs.
- Interest, activity, or experience in other community groups or experience holding leadership positions.

RECOMMENDED ACTIONS

(Note: Decisions regarding ad hoc subcommittees do not require formal Board action or votes.)

Determine whether the standing Finance Subcommittee should continue its work.

Appoint up to four Directors to serve on the standing Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2023.

Recruit up to three Director-volunteers to review and nominate Community Advisory Committee at-large seat applicants to fill up to four at-large CAC seats with terms ending April 9, 2024.

ATTACHMENTS

None.



BOARD OF DIRECTORS MEETING DRAFT MINUTES

December 16, 2021 - Thursday, 3:30 p.m.

Notice of this meeting was posted on December 12, 2021. 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 3:32 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, Chris Curran, David Grover, Mike Losey, Sarah Schaefer, Frank Wilson, Chair Sheri Woo. ABSENT: Scott Bauer, Mike Wilson. STAFF AND OTHERS PRESENT: Power Resources Director Richard Engel; Blue Lake Rancheria Sustainability and Government Affairs Director Jana Ganion; Humboldt Area Foundation Health and Nonprofit Resources Program Manager Amy Jester; Executive Director Matthew Marshall; Customer Service Coordinator Summer Sanderson; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa, Deputy Executive Director Eileen Verbeck.

There were no reports from member entities nor comments from the public on non-agenda items. Executive Director Marshall introduced Deputy Executive Director Eileen Verbeck to the Board members, who welcomed her to RCEA. Chair Woo closed the non-agenda item public comment period.

CONSENT CALENDAR

- 3.1 Approve Minutes of November 18, 2021, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 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 December 29, 2021, through January 27, 2022, Pursuant to Brown Act Revisions.
- 3.5 RCEA Public Agency Coalition Enterprise (PACE) Board of Directors Representative Amendment
 - 3.5.1 Repeal Resolution 2020-7 Designating the Official Representative and Alternate Representative to the PACE JPA Board of Directors
 - 3.5.2 Adopt Resolution 2021-8 - Designation of the Official Representative and Alternate Representative to the PACE JPA Board of Directors, and
 - 3.5.3 Authorize the Deputy Executive Director to Sign All Applicable Documents.

- 3.6 Approve Resolution 2021-9 Authorizing the RCEA Deputy Executive Director Access to Criminal History Information for Personnel Administration Purposes.**
- 3.7 Adopt Resolution 2021-10 Updating Financial Management Policy to Reflect Staff Position and Duty Changes.**

Director Woo requested that item 3.1, the November 2021 minutes, be removed from the consent calendar.

M/S: Grover, Losey: Approve consent calendar items 3.2 through 3.7.

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

ITEMS REMOVED FROM CONSENT CALENDAR

Chair Woo requested that the spelling of Morro Bay be corrected in the Executive Director's update section of the November 2021 minutes.

There was no public comment on this item and no member of the public requested removal of items from the consent calendar. Chair Woo closed the public comment period.

M/S: Avis, Grover: Approve consent calendar item 3.1 Minutes of November 18, 2021, Board Meeting with the requested correction.

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

NEW BUSINESS

- 5.1 Humboldt Area Foundation CORE Hub presentation by Amy Jester, Humboldt Area Foundation Health and Nonprofit Resources Program Manager, and Jana Ganion, Blue Lake Rancheria Sustainability and Government Affairs Director**

Ms. Ganion and Ms. Jester introduced the Humboldt Area Foundation and Wild Rivers Community Foundation's Redwood Region Climate and Community Resilience (CORE) Hub project. The CORE Hub's goal is for Humboldt County to be the first proven carbon sequestering rural and tribal area in the United States.

Ms. Ganion described RCEA as being a positive catalyst for affordable clean energy in the region, and listed RCEA-led projects in which the Blue Lake Rancheria has participated, including distributed generation development, installing electric vehicle charging infrastructure, developing low-carbon microgrids, and the demand-response incentive pilot program.

Ms. Ganion presented CORE Hub's community education materials. She outlined current global and regional climate change impacts; Humboldt County's dependence on imported natural gas—supplied to the region through one 10" pipeline—for the actual electrons used locally; Humboldt County's tenuous connection to the greater electrical grid—through a transmission and redundant line running through wildfire-prone areas—which cannot import all the power needed regionally; and sea-level rise's projected impacts on Humboldt County's

natural gas power plant, nuclear waste storage area and wastewater treatment plants. Ms. Gannon emphasized the regional need for equitable, decarbonized resilience by 2030, the timeframe current science identifies for humans to mitigate the climate disaster. Ms. Gannon pointed out that being at the forefront of this work improves the region's chances of accessing resources to reduce greenhouse gas emissions and become more resilient at the same time. Federal and state funding programs are seeking to support regions that are organized and collaborating across governments, agencies and community groups. The CORE Hub is a way to coordinate regional collaboration and provide information to support knowledgeable decision making, without competing with or duplicating existing efforts.

The directors discussed ways the CORE Hub could support regional offshore wind energy development, how the program is being received by the community so far, and outreach to access state resources.

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

5.2 Community Advisory Committee Proposed 2022 Work Goals

Executive Director Marshall presented the Community Advisory Committee's proposed 2022 work goals. Board members supported all proposed goals but expressed concern about commenting on environmental impact reports (EIR) for major projects due to staff workload concerns and because the task could require large amounts of CAC volunteer time. It was suggested that EIR comments be submitted through different jurisdiction governing bodies. The directors asked that the goal be removed from the list or reworked. Possible adjustments to the goal included alerting the Board to projects on which to comment and suggesting comments on major projects for 2022 only with clear guidelines based on staff time, staff's identification of projects appropriate for RCEA comment and Board approval. Chair Woo offered to communicate the Board's wishes to the CAC. Vice Chair Avis offered to review initial study questions to identify those pertaining to RCEA's scope.

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

Chair Woo stated there was no CCE business, nor old business to discuss.

STAFF REPORTS

10.1. Update from Executive Director (Information only)

Executive Director Marshall stated that offshore wind development activity will increase in 2022 but there was nothing to report this month. Staff is working with The Energy Authority (TEA) to formulate a bridge solution to a projected cash shortfall in February and March 2022 resulting from delayed power charge indifference adjustment and PG&E rate changes. A potential agreement with MCE to guarantee the Sandrini Solar Project's \$4 million security deposit for six months combined with a cash loan from TEA may adequately address the problem.

Director Grover thanked Executive Director Marshall for keeping RCEA initiatives moving forward despite pandemic challenges. Community Strategies Manager Stephenson described

RCEA's end-of-year promotion where \$100 will be donated to Food for People for each business signing up for an energy saving assessment. No member of the public responded to Chair Woo's invitation for comment.

FUTURE AGENDA ITEMS

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

CLOSED SESSION

Chair Woo invited public comment on agenda item 12.1 – Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

There was no public comment on this item. The Board adjourned to closed session at 5:05 p.m. and reconvened in open session at 6:13 p.m.

RCEA General Counsel Nancy Diamond stated that the Board had successfully concluded its annual evaluation of Executive Director Marshall and will consider providing a merit salary increase at its meeting in January.

The meeting was adjourned at 6:13 p.m.

Lori Taketa
Clerk of the Board

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2021

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/10/2021	ACH	CalCCA	Operational Member dues Q2 21/22	-28,510.00
Bill Pmt -Check	11/10/2021	ACH	CalCCA	Annual Meeting Registration Sales	-660.00
Bill Pmt -Check	11/10/2021	ACH	Leapfrog Energy	October 2021 RA	-36,740.00
Bill Pmt -Check	11/10/2021	ACH	Colonial Life	Colonial Life Premiums October 2021	-769.54
Bill Pmt -Check	11/10/2021	ACH	Colonial Life	Colonial Life Premiums September 2021	-769.54
Liability Check	11/10/2021	E-pay	EDD	Taxes	-5,754.19
Liability Check	11/10/2021	E-pay	Internal Revenue Service	Taxes	-25,973.88
Liability Check	11/10/2021	ACH	Newport Group	Deferred compensation contributions	-14,234.41
Check	11/10/2021	12695-705	NEM Customers	NEM Account Close Outs	-1,176.38
Check	11/10/2021	12706	CCA Customer	EV Rebate #: EV16	-1,000.00
Check	11/10/2021	12707	CCA Customer	Residential EVSE #: REVSE6	-500.00
Check	11/10/2021	12708	CCA Customer	Residential EVSE #: REVSE5	-299.50
Check	11/10/2021	12709	CCA Customer	EV Rebate #: EV17	-500.00
Check	11/10/2021	12710	CCA Customer	Heat Pump & PA Rebate #: 5641	-950.00
Check	11/10/2021	12711	CCA Customer	Heat Pump & PA Rebate #: 5638	-800.00
Check	11/10/2021	12712	CCA Customer	Heat Pump & PA Rebate #: 5640	-800.00
Check	11/10/2021	12713	CCA Customer	Heat Pump & PA Rebate #: 5639	-1,830.00
Check	11/10/2021	12714	CCA Customer	Heat Pump & PA Rebate #: 5636	-1,980.00
Check	11/10/2021	12715	CCA Customer	PA Rebate #: 6257	-350.00
Check	11/10/2021	12716	CCA Customer	PA Rebate #: 6258	-350.00
Bill Pmt -Check	11/10/2021	12717	Advanced Security	Security monitoring: Nov-Jan 2022	-127.50
Bill Pmt -Check	11/10/2021	12718	Aiqueous, LLC	PowerPath Configuration October Hours	-10,612.50
Bill Pmt -Check	11/10/2021	12719	AT&T	4321 Router (RCAM)	-163.00
Bill Pmt -Check	11/10/2021	12720	Bithell, M.	Purchase reimbursement - postage	-5.31
Bill Pmt -Check	11/10/2021	12721	Braun Blaising Smith Wynne	Legal Services - Regulatory - September	-3,787.76
Bill Pmt -Check	11/10/2021	12722	City of Arcata	October Excessive Energy Use Tax	-2,303.55
Bill Pmt -Check	11/10/2021	12723	City of Eureka-Water	Water service, 9/26-10/25/21	-113.75
Bill Pmt -Check	11/10/2021	12724	CSDA	2021 Membership Dues ID 26262	-1,556.00
Bill Pmt -Check	11/10/2021	12725	Developed Employment Services, LLC.	Exterior Maintenance	-75.23
Bill Pmt -Check	11/10/2021	12726	Diamond, Nancy	Legal Service	-6,425.00
Bill Pmt -Check	11/10/2021	12727	Donald Dame	Professional Services October 2021	-262.50
Bill Pmt -Check	11/10/2021	12728	HireRight	Background Check: new hires	-100.56
Bill Pmt -Check	11/10/2021	12729	Jackson & Eklund	Accounting consulting	-425.00
Bill Pmt -Check	11/10/2021	12730	Mission Uniform & Linen	Janitorial services	-169.26
Bill Pmt -Check	11/10/2021	12731	Morgan Brown	Translation services for Certify & Amplify workshop	-200.00
Bill Pmt -Check	11/10/2021	12732	Newport Group	Participant Fees for Retirement Plan	-827.50
Bill Pmt -Check	11/10/2021	12733	North Coast Cleaning	October monthly cleaning service	-456.00
Bill Pmt -Check	11/10/2021	12734	PG&E CCA	August & September CCA Charges	-44,128.49
Bill Pmt -Check	11/10/2021	12735	PG&E EV Account	EV stations September	-1,110.18
Bill Pmt -Check	11/10/2021	12736	PG&E Utility Account	9/24-10/21/21 utilities	-600.49
Bill Pmt -Check	11/10/2021	12737	Pierson's Home Ctr	Facility repairs	-25.12
Bill Pmt -Check	11/10/2021	12738	Premier Financial Group	Advisory Fee	-3,367.58
Bill Pmt -Check	11/10/2021	12739	Ray Morgan Company	Printer Charges: 10/06-11/05/21	-22.28
Bill Pmt -Check	11/10/2021	12740	Recology	October garbage service	-93.21
Bill Pmt -Check	11/10/2021	12741	Suddenlink Communications	Phone & Internet access - October	-1,097.97
Bill Pmt -Check	11/10/2021	12742	Terry, P.	October mileage	-67.68
Bill Pmt -Check	11/10/2021	12743	Verizon Wireless	October Tablet/cell service	-1,664.41
Bill Pmt -Check	11/10/2021	12744	AT&T	RCAM Service	-228.55
Bill Pmt -Check	11/10/2021	12745	City of Arcata	October Utility User Tax	-6,978.05
Check	11/10/2021	12746	VISA	Visa statement 09/22-10/20/21	-9,702.35
Liability Check	11/10/2021	12747	Umpqua Bank	Health Savings Account contributions	-217.22
Paycheck	11/10/2021	ACH	Employees	Payroll	-62,621.04
Check	11/20/2021	ACH	Umpqua Bank	Service Charge - Reserve Acct	-19.50
Liability Check	11/22/2021	E-pay	EDD	Taxes	-30.42

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2021

Type	Date	Num	Name	Memo	Amount
Liability Check	11/22/2021	E-pay	Internal Revenue Service	Taxes	-106.60
Liability Check	11/22/2021	E-pay	EDD	Taxes	-29.63
Liability Check	11/22/2021	E-pay	Internal Revenue Service	Taxes	-278.74
Liability Check	11/22/2021	E-pay	EDD	Taxes	-6,264.57
Liability Check	11/22/2021	E-pay	Internal Revenue Service	Taxes	-27,203.99
Liability Check	11/22/2021	E-pay	EDD	Taxes	-150.35
Bill Pmt -Check	11/23/2021	ACH	CalPine Corporation	Calpine October 2021 Costs	-61,522.56
Bill Pmt -Check	11/23/2021	ACH	Humboldt Sawmill Company	HSC October 2021	-696,131.28
Bill Pmt -Check	11/23/2021	ACH	Keenan	Anthem Medical Insurance December 2021	-21,938.43
Bill Pmt -Check	11/23/2021	ACH	Snow Mountain Hydro, LLC	Cove plant hydro - OCT 2020	-11,462.92
Liability Check	11/23/2021	ACH	Newport Group	Deferred compensation contributions	-15,771.69
Check	11/24/2021	12748	CCA Customer	EV Rebate #EV19	-2,250.00
Check	11/24/2021	12749	CCA Customer	PA Res and Heat Pump Rebate	-1,450.00
Check	11/24/2021	12750	CCA Customer	PA Res and Heat Pump Rebate Audit #: 5578	-1,100.00
Check	11/24/2021	12751	CCA Customer	PA Res and Heat Pump Rebate Audit #: 5565	-950.00
Check	11/24/2021	12752	CCA Customer	PA Res and Heat Pump Rebate Audit #: 5637	-650.00
Check	11/24/2021	12753	CCA Customer	PA Res and Heat Pump Rebate Audit #: 5589	-1,700.00
Bill Pmt -Check	11/24/2021	12754	Ameritas - Dental	Dental insurance premiums	-3,125.68
Bill Pmt -Check	11/24/2021	12755	Ameritas - Vision	Vision insurance premiums	-674.24
Bill Pmt -Check	11/24/2021	12756	Bidwell Consulting Services, Inc.	Annual reconciliation for 2020	-1,750.00
Bill Pmt -Check	11/24/2021	12757	Brennan, K.	Final mileage reimbursement	-66.24
Bill Pmt -Check	11/24/2021	12758	Colonial Life	Colonial Life Premiums November 2021	-769.54
Bill Pmt -Check	11/24/2021	12759	Frontier Energy, Inc.	Professional Services - Program Support	-804.00
Bill Pmt -Check	11/24/2021	12760	HCOE	Business Card Printing - E. Verbeck	-10.50
Bill Pmt -Check	11/24/2021	12761	Humboldt Bay Coffee Co.	Office Coffee	-34.60
Bill Pmt -Check	11/24/2021	12762	Keyes & Fox, LLP	Legal services	-106.40
Bill Pmt -Check	11/24/2021	12763	Mission Uniform & Linen	Janitorial supplies	-15.82
Bill Pmt -Check	11/24/2021	12764	Morse Media	VOID: Website Development Services	0.00
Bill Pmt -Check	11/24/2021	12765	PG&E CCA	October CCE Charges	-22,252.02
Bill Pmt -Check	11/24/2021	12766	Platt/Rexel	LED Stock	-2,008.10
Bill Pmt -Check	11/24/2021	12767	SDRMA P&L	Additional Insured Certificate	-47.50
Bill Pmt -Check	11/24/2021	12768	Times Printing Company	Joint rate mailer	-14,476.91
Bill Pmt -Check	11/24/2021	12769	Winzler, John	Office Lease -	-7,132.00
Paycheck	11/24/2021	ACH	Employees	Payroll	-65,432.13
TOTAL					<u>-1,251,198.84</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July through November 2021

	Jul - Nov 21	Budget	% of Budget
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	124,240.50	911,000.00	13.64%
Total 5100 · Revenue - program related sales	10,989.55	31,000.00	35.45%
Total 5400 · Revenue-nongovernment agencies	1,019,065.73	1,377,873.00	73.96%
Total 5500 · Revenue - Electricity Sales	17,174,792.17	44,645,168.00	38.47%
Total 5 REVENUE EARNED	18,329,087.95	46,965,041.00	39.03%
Total Income	18,329,087.95	46,965,041.00	39.03%
Gross Profit	18,329,087.95	46,965,041.00	39.03%
Expense			
Total 6 WHOLESALE POWER SUPPLY	17,176,622.75	41,084,582.00	41.81%
Total 7 PERSONNEL EXPENSES	1,163,591.85	3,517,800.00	33.08%
Total 8.1 FACILITIES AND OPERATIONS	283,758.89	3,313,389.00	8.56%
Total 8.2 COMMUNICATIONS AND OUTREACH	57,363.06	118,570.00	48.38%
Total 8.3 TRAVEL AND MEETINGS	178.77	44,300.00	0.4%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	35,273.88	180,000.00	19.6%
8410 · Contracts - Program Related Ser	219,776.50	393,000.00	55.92%
8420 · Accounting	765.00	55,000.00	1.39%
8430 · Legal	66,720.65	153,000.00	43.61%
8450 · Wholesale Services - TEA	272,910.00	639,088.00	42.7%
8460 · Procurement Credit - TEA	274,059.55	340,032.00	80.6%
8470 · Data Management - Calpine	307,702.08	738,144.00	41.69%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,177,207.66	2,498,264.00	47.12%
Total 8.5 PROGRAM EXPENSES	211,330.50	631,393.00	33.47%
Total 8.6 INCENTIVES & REBATES	53,280.46	601,000.00	8.87%
Total 9 NON OPERATING COSTS	3,371.77	414,320.00	0.81%
Total Expense	20,126,705.71	52,223,618.00	38.54%
Net Ordinary Income	-1,797,617.76	-5,258,577.00	34.18%
Other Income/Expense			
Total Other Income	0.00	6,600,000.00	0.0%
Net Other Income	0.00	6,600,000.00	0.0%
Net Income	-1,797,617.76	1,341,423.00	-134.01%

Redwood Coast Energy Authority
Balance Sheet
As of November 30, 2021

	<u>Nov 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1050 · GRANTS & DONATIONS 3840	15,995.51
1060 · Umpqua Checking Acct 0560	22,153.99
1071 · Umpqua Deposit Cntrol Acct 8215	5,787,710.04
1075 · Umpqua Reserve Account 2300	9,962.75
1076 · First Republic Bank - 4999	115,217.80
8413 · COUNTY TREASURY 3839	5,329.01
Total Checking/Savings	<u>5,956,669.10</u>
Total Accounts Receivable	293,204.21
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-1,733,592.47
1103 · Accounts Receivable-Other	7,594,844.00
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-6,375.49
1205 · Prepaid Insurance	11,998.61
1499 · Undeposited Funds	1,377.00
Total Other Current Assets	<u>5,889,966.65</u>
Total Current Assets	12,139,839.96
Total Fixed Assets	8,402,029.71
Other Assets	
1700 · Retained Deposits	4,293,600.00
Total Other Assets	<u>4,293,600.00</u>
TOTAL ASSETS	<u><u>24,835,469.67</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,180,513.74
Total Credit Cards	4,969.37
Other Current Liabilities	
2002 · Deposits Refundable	244,845.00
2013 · Unearned Revenue - PA 2020-2023	1,464,718.45
Total 2100 · Payroll Liabilities	154,575.09
Total Other Current Liabilities	<u>1,864,138.54</u>
Total Current Liabilities	6,049,621.65
Long Term Liabilities	
Total 2700 · Long-Term Debt	6,287,592.00
Total Long Term Liabilities	<u>6,287,592.00</u>
Total Liabilities	12,337,213.65
Equity	
2320 · Investment in Capital Assets	215,489.00
3900 · Fund Balance	14,080,384.78
Net Income	-1,797,617.76
Total Equity	<u>12,498,256.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>24,835,469.67</u></u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.4

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	Virtual Board Meeting Authorization Extension

SUMMARY

On September 16, 2021, Governor Newsom signed AB 361 allowing legislative bodies to meet virtually provided there is a state of emergency, and either 1) state or local officials have imposed or recommended measures to promote social distancing, or 2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees.

To continue to qualify for AB 361's waiver of in-person meeting requirements, the Board must, within 30 days of its first meeting under AB 361, and every 30 days thereafter, make findings affirming the continuing conditions outlined above. This item would extend Resolution 2021-7 by making the necessary findings to permit remote meetings.

The Governor's March 2020, State of Emergency remains in effect and the Centers for Disease Control and Prevention continues to recommend social distancing of six feet and avoiding crowds. Humboldt County remains an area of high transmission, according to the CDC. Local hospitals are both overwhelmed with large numbers of patients and short-staffed due to the current surge of omicron variant cases.

STAFF RECOMMENDATION

Authorize extension of Resolution No. 2021-7 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the extension period December 29, 2021, through February 26, 2022, pursuant to Brown Act revisions of AB 361.

ATTACHMENTS

Resolution No. 2021-7 - A Resolution of the Board of Directors of the Redwood Coast Energy Authority Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom on March 4, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of Redwood Coast Energy Authority for the Period October 28, 2021, through November 27, 2021, Pursuant to Brown Act Provisions. (Previously extended from November 28 through December 28, 2021, and from December 29, 2021, through January 27, 2022.)

RESOLUTION NO. 2021-7

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY
BY GOVERNOR GAVIN NEWSOM ON MARCH 4, 2020,
AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS
OF THE LEGISLATIVE BODIES OF REDWOOD COAST ENERGY AUTHORITY
FOR THE PERIOD OCTOBER 28, 2021, THROUGH NOVEMBER 27, 2021,
PURSUANT TO BROWN ACT PROVISIONS**

WHEREAS, the Redwood Coast Energy Authority (RCEA) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of RCEA's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch RCEA's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within RCEA's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body has determined that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in Humboldt County, specifically, Governor Newsom's Proclamation of a State of Emergency of March 4, 2020, remains in effect; and

WHEREAS, the Centers for Disease Control and Prevention continue to list Humboldt County as an area of high transmission of COVID-19 and Humboldt County Health Officer Dr. Ian Hoffman issued a recommendation on September 29, 2021, to continue to practice physical distancing at meetings of legislative bodies and stated that virtual meetings do the most to reduce COVID-19 risk; and

WHEREAS, the Board of Directors does hereby find that the COVID-19 public health emergency and increased risk of infection has caused, and will continue to cause, conditions of peril to the safety of persons within Humboldt County that are likely to be beyond the control of services, personnel, equipment, and facilities of RCEA, and desires to ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the emergency, the Board of Directors does hereby find that the legislative bodies of RCEA shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, public access and participation in meetings of RCEA's legislative bodies shall be provided via online video conferencing software which shall also allow for public participation and real-time public comment opportunity by telephone.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF REDWOOD COAST ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Imminent Risk of In-Person Meetings. The Board hereby proclaims that as Humboldt County remains an area of high transmission of COVID-19 as determined by the Centers for Disease Control and Prevention, that meeting in-person presents imminent risks to the health or safety of attendees.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

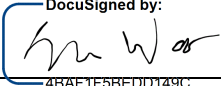
Section 4. Remote Teleconference Meetings. The staff and legislative bodies of Redwood Coast Energy Authority, including but not limited to the Board of Directors and its subcommittees, and the Community Advisory Committee and its subcommittees, are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

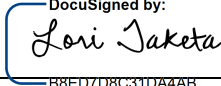
Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 6 of this Resolution.

Section 6. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

Adopted this 28th day of October, 2021

ATTEST:

DocuSigned by:

 4BAF1F5BEE0D149C
 Sheri Woo, RCEA Board Chair

DocuSigned by:

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 Lori Taketa, Clerk of the Board

Date: 11/2/2021

Date: 11/4/2021

CLERK'S CERTIFICATE

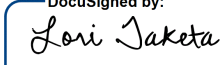
I hereby certify that the foregoing is a true and correct copy of Resolution 2021-7 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 28th day of October, 2021, by the following vote:

AYES: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo.

NOES: None.

ABSENT: None.

ABSTENTIONS: None.

DocuSigned by:

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Clerk of the Board, Redwood Coast Energy Authority



REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 4.5

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Lori Taketa, Clerk of the Board
SUBJECT:	2022 Board Meeting Calendar

SUMMARY

In November 2018, the RCEA Board agreed to meet on the fourth Thursday of each month at 3:30 p.m. The attached proposed 2022 meeting calendar follows this meeting schedule. The proposed November and December 2022 meetings are on the third Thursdays to adjust for holidays.

STAFF RECOMMENDATION

Approve the 2022 RCEA Board of Directors meeting calendar.

ATTACHMENT:

- Proposed 2022 RCEA Board of Directors meeting calendar

Redwood Coast Energy Authority

Board of Directors

PROPOSED 2022 REGULAR MEETING SCHEDULE

Meetings begin at 3:30 p.m.

February 24	(4 th Thursday)
March 24	(4 th Thursday)
April 28	(4 th Thursday)
May 26	(4 th Thursday)
June 23	(4 th Thursday)
July 28	(4 th Thursday)
August 25	(4 th Thursday)
September 22	(4 th Thursday)
October 27	(4 th Thursday)
November 17	(<u>3rd</u> Thursday)
December 15	(<u>3rd</u> Thursday)
January 26, 2023	(4 th Thursday)



STAFF REPORT
Agenda Item # 4.6

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Sally Regli, Account Services Manager
SUBJECT:	RCEA Re-instatement of Late Payment Notices

SUMMARY

The COVID-19 pandemic resulted in numerous customer billing protections including special payment plans, a disconnection moratorium, and payment relief programs. Although RCEA Terms and Conditions state that Late Payment Notices will be sent to customer accounts that are 90 days overdue, this RCEA policy was suspended, along with PG&E's late payment policy, in March 2020 due to COVID-19 pandemic impacts.

The state-mandated COVID-19 protections regarding disconnections ended September 2021 and PG&E is resuming phased collection policies. Staff propose RCEA also resume our Late Payment Notice Policy in a phased approach and return accounts of non-responsive customers to PG&E bundled service as needed. Staff also plans to contract with a collections agency to pursue persistent outstanding debt based on a defined delinquent account status. Staff are also working with PG&E to establish payment plans for customers who wish to clear their debt over time.

The first phase in Q1 will include non-residential customers that are more than 90 days late and are not on a payment plan. The second Phase in Q2 will include residential customers that are more than 90 days late and are not on any payment plan/customer care program and not responding or adhering to attempts to set up a payment plan. Phase 2 accounts will also have had any appropriate California Arrearage Payment Program (CAPP) credits applied to their outstanding balance.

FINANCIAL IMPACT

Direct financial cost to RCEA is minimal and may take 55 hours of staff time and \$600.00 in printing and postage annually. Sending Late Notices to customers will have limited direct fiscal impact as it is difficult to forecast whether payments will be received. Resuming the Late Payment Notice process will also decrease additional future debt by stopping the accrual of debt from active accounts that continue an extended non-payment status. The collection agency selection process has not begun, and the fees are unknown at this time; however, collection agency fees are typically deducted from the amounts collected from the customer and thus not a direct out-of-pocket expense for RCEA.

RECOMMENDED ACTION

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.

ATTACHMENTS

1. Letter - Residential First Notice
2. Letter - Residential Final Notice
3. Letter – Non-Residential First Notice
4. Letter – Non-Residential Final Notice
5. RCEA Terms and Conditions section titled "Failure to Pay."

Attachment 1. Letter – Residential First Notice

{Name},

We are proud to serve you and appreciate your business. Please take a moment to address the status of your account. At this time, our records show that charges due to Redwood Coast Energy Authority (RCEA) for electric generation, collected as part of your Pacific Gas & Electric (PG&E) bill, are overdue by more than 90 days. Please send your RCEA payment for electric generation charges to PG&E immediately. If you are unable to make full payment, please contact PG&E at 1-800-743-5000 to arrange a payment plan.

Without payment of the outstanding RCEA account balance or fulfilling payment terms of an agreed-to payment plan, no later than 60 days from the date of this notice, RCEA may return your account to PG&E's bundled service. This will mean losing access to RCEA's reduced electricity rates and to RCEA's community programs. If your account continues to maintain an overdue balance of \$50 or more, we may refer your outstanding balance to a collection agency.

If you are having trouble paying your bill you may qualify for services. Please visit the RCEA Financial Assistance page www.redwoodenergy.org/financial-assistance which includes these programs and others:

- California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) 1-866-743-2273
- CA Low Income Home Energy Assistance Program (LIHEAP) 1(866) 675-6623
- Redwood Community Action Agency at Relief for Energy Assistance through Community Help (REACH) 1-800-933-9677

If you recently paid this account in full or entered an acceptable payment plan and are current in payments under its terms, please accept our thanks. For questions, please call RCEA at (707) 269-1700 or email us at info@RedwoodEnergy.org.

Sincerely,

Attachment 2. Letter – Residential Final Notice

{Name},

Please contact us as this is our second and final notice regarding your overdue account. Our records show that electric generation charges due to Redwood Coast Energy Authority (RCEA) as part of your Pacific Gas & Electric (PG&E) bill are overdue by more than 90 days, and that you have not paid this account in full or entered an acceptable payment plan within the time specified in our prior notice to you.

Without payment in full of the outstanding RCEA account balance, or fulfillment of the terms of an agreed-to payment plan, no later than 30 days from the date of this notice, RCEA may return your account to PG&E's bundled service. This will mean losing access to RCEA's reduced electricity rates and to RCEA's community programs. RCEA has the right to retain any deposit held on this account, and you will be obligated to pay RCEA services provided through the date of the transfer, including any applicable transfer or termination fees. If your account continues to maintain an overdue balance of \$50 or more, we may refer your outstanding balance to a collection agency.

If you are having trouble paying your bill you may qualify for services. Please visit the RCEA Financial Assistance page www.redwoodenergy.org/financial-assistance which includes these programs and others:

- California Alternative Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) 1-866-743-2273
- CA Low Income Home Energy Assistance Program (LIHEAP) 1(866) 675-6623
- Redwood Community Action Agency at Relief for Energy Assistance through Community Help (REACH) 1-800-933-9677

If you recently paid this account in full or entered an acceptable payment plan and are current in payments under its terms, please accept our thanks. For questions, please call RCEA at (707) 269-1700 or email us at info@RedwoodEnergy.org.

Sincerely,

Attachment 3. Letter – Non-Residential First Notice

RE: Late Payment, First Notice

{Name},

We are proud to serve you and appreciate your business. Please take a moment to address the status of your account. At this time our records show that charges due to Redwood Coast Energy Authority (RCEA) for electric generation, collected as part of your Pacific Gas & Electric (PG&E) bill, are overdue by more than 90 days. Please send your RCEA payment for electric generation charges to PG&E immediately. If you are unable to make full payment, please contact PG&E at 1-800-743-5000 to arrange a payment plan.

Without payment of the outstanding RCEA account balance or fulfilling payment terms of an agreed-to payment plan, no later than 60 days from the date of this notice, RCEA may return your account to PG&E's bundled service. This will mean losing access to RCEA's reduced electricity rates and to RCEA's community programs. If your account continues to maintain an overdue balance of \$50 or more, we may refer your outstanding balance to a collection agency.

If you recently paid this account in full or [entered into](#) an acceptable payment plan and are current in payments under its terms, please accept our thanks. For questions, please call RCEA at (707) 269-1700 or email us at info@RedwoodEnergy.org.

Sincerely,

Attachment 4. Letter- Non-Residential Final Notice

RE: Late Payment, Final Notice

{Name},

Please contact us as this is our second and final notice regarding your overdue account. Our records show that electric generation charges due to Redwood Coast Energy Authority (RCEA) as part of your Pacific Gas & Electric (PG&E) bill are overdue by more than 90 days, and that you have not paid this account in full or entered an acceptable payment plan within the time specified in our prior notice to you.

Without payment in full of your outstanding RCEA balance, or fulfillment of the terms of an agreed-to payment plan, no later than 30 days from the date of this notice, may result in RCEA returning your account to PG&E's bundled service. This will mean losing access to RCEA's reduced electricity rates and to RCEA's community programs. RCEA has the right to retain any deposit held on this account, and you will be obligated to pay RCEA services provided through the date of the transfer, including any applicable transfer or termination fees. If your account continues to maintain an overdue balance of \$50 or more, we may refer your outstanding balance to a collection agency.

If you recently paid this account in full or entered an acceptable payment plan and are current in payments under its terms, please accept our thanks. For questions, please call RCEA at (707) 269-1700 or email us at info@RedwoodEnergy.org.

Sincerely,

Attachment 5 – RCEA Terms and Conditions section titled “Failure to Pay.”

(source: <https://redwoodenergy.org/cce-terms-and-conditions/>)

Redwood Coast Energy Authority customer accounts overdue for more than 90 days will be sent a late payment notification. If payment is not received by the date specified in the notice, the customer will receive a second notification. If payment in full is not received by the date specified in the second notification, or the terms of an agreed-to payment plan are not fulfilled, the customer account may be returned to Pacific Gas & Electric Company (PG&E) generation service on the next account meter read date. RCEA may retain any customer deposit. Customers will be obligated to pay RCEA for services provided through the date of transfer, including any transfer or termination fee.

RCEA accounts with overdue amounts in excess of \$50 may be referred to a collection agency. Collection agencies retained by RCEA shall be vetted to ensure all consumer protection laws are strictly followed. RCEA shall periodically review the practices and results of any retained collection agency or agencies, taking immediate action to address any concerns that may arise



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.7

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Amendment to Professional Services Agreement with Calpine Energy Solutions

BACKGROUND

In June 2021, Calpine Energy Solutions, who provide customer data management services for RCEA's community choice energy program, announced a new partnership with Recurve Analytics. The Recurve partnership allows Calpine's clients including RCEA to have access to a Recurve Analytics Platform integrated with Calpine's CCA customer database that allows staff to perform targeted customer data analysis and identify groups of customers whose energy use patterns would make them top candidates for specific customer programs. An amendment to RCEA's existing master professional services agreement with Calpine is needed in order for RCEA to make use of this platform.

Staff and RCEA general counsel are continuing to work with Calpine to ensure that customer data is managed securely in a manner consistent with our customer data privacy requirements as a load-serving entity per California Public Utilities Commission policy, where third parties such as Recurve are allowed access to it.

FINANCIAL IMPACT

Access to the Recurve Analytics Platform is included in the monthly cost for services that RCEA already pays Calpine under its master professional services agreement. Use of the platform could potentially allow RCEA to implement programs that could reduce the cost of serving customer load, for example by shifting load to hours when wholesale energy costs are lower. These programs could also lead to bill savings for customers. The costs of implementing such programs and their impacts on procurement costs and customer bills are not yet known.

RECOMMENDED ACTION

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.

ATTACHMENTS

Amendment No. 1 to Agreement Between Redwood Coast Energy Authority and Calpine Energy Solutions, LLC.

AMENDMENT NO. 1 TO AGREEMENT BETWEEN REDWOOD COAST ENERGY AUTHORITY AND CALPINE ENERGY SOLUTIONS, LLC

This is an amendment ("Amendment") to that certain Professional Services agreement entered into on April 1, 2021, by and between REDWOOD COAST ENERGY AUTHORITY, hereinafter called "RCEA," and Calpine Energy Solutions, LLC, hereinafter called "Calpine" ("Agreement"). This Amendment is effective on _____.

RECITALS

WHEREAS, pursuant to the Agreement, Calpine provides specified data management services; and

WHEREAS, the parties wish to amend the existing Agreement to incorporate usage of Recurve Analytics Platform with revisions to Exhibit A and B..

NOW, THEREFORE, for and in consideration of the mutual benefits, obligations and covenants recited herein and made a part hereof, the Parties agree as follows:

1. Exhibit A, "Scope of Services", shall be amended to include additional sub section 10, in Section II, entitled **Value-Added Services**, as follows:

"10. Value-Added Services

- a) Recurve Analytics Platform

Contractor shall provide access to a resource planning tool ("Resource Planner") available through Contractor's partner, Recurve Analytics, and their software-as-a-service (SaaS) platform called the Recurve Analytics Platform, or Platform, more particularly described as a tool used to conduct Targeting Analysis to identify key consumption load shapes and target individual customers based on specific technologies with the goal of offering RCEA the most value. Access shall be provided on a mutually agreed upon timeline and subject to the fees listed in Section 5 of Exhibit B, "Fees". Contractor may terminate access to the Platform for its own convenience, for any reason or no reason, upon notice no less than two (2) business days. RCEA will pay Fees through the effective date of such termination."

2. Exhibit B, "Fees", shall be amended to include additional Section 5, entitled **Service Fees for Recurve Analytics Platform**, as follows:

“5. Service Fees for Recurve Analytics Platform (“Platform”):

- a. Fees for access to the Resource Analytics Platform are included in the monthly meter Cost for Services fee listed above in this Exhibit B.”

3. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.
4. This Amendment may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. The Parties agree that, if a copy of this Amendment is executed by a Party and transmitted to the other Party by facsimile, the copy received shall be deemed for all legal purposes to be an original executed by the transmitting Party.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this First Amendment as of the Amendment effective date set out above.

For CONTRACTOR:
CALPINE ENERGY SOLUTIONS, LLC

For RCEA:
**REDWOOD COAST ENERGY
AUTHORITY**

By: _____

By: _____

Title: _____

Title: _____



STAFF REPORT
Agenda Item # 4.8

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Nancy Diamond, General Counsel
SUBJECT:	Employment Contract, Executive Director

BACKGROUND

The Board has completed its annual review of the Executive Director, Matthew Marshall. The Board determined that Mr. Marshall had exemplary work performance during the 2021 calendar year, and is entitled to a meritorious step increase proposed to be from Step 4 to Step 6 as defined by the Board approved Job Classifications and Pay Scales. The advance to Step 6 would bring his annual salary to \$153,983.70. The Board additionally proposes to increase Mr. Marshall's annual vacation accrual rate from four weeks to five weeks, Amendment No. 7 to the Executive Director Employment Agreement proposes to implement these adjustments, effective on February 1, 2022.

STAFF RECOMMENDATION

Approve Amendment No. 7 to Agreement for Employment of Executive Director with Matthew Marshall.

ATTACHMENTS:

Amendment No. 7 to Agreement for Employment with Executive Director.

**AMENDMENT No. 7 TO
AGREEMENT FOR EMPLOYMENT
OF EXECUTIVE DIRECTOR**

This is an amendment (“Amendment”) to that certain agreement by and between the Redwood Coast Energy Authority (“RCEA”) and Matthew Marshall (“Employee”), entitled *Agreement for Employment of Executive Director*, effective November 15, 2010, and amended by Addendum on November 15, 2012, and further amendment on November 15, 2015, February 1, 2017, and February 1, 2018, February 28, 2019, April 23, 2020, and December 17, 2020. The initial 2010 Agreement, 2012 Addendum, and 2015-2020 Amendments are collectively referred to herein as the “Agreement.” This Amendment No. 7 is effective January 27, 2022.

RECITALS

WHEREAS, Employee has acted in the capacity of Executive Director for RCEA since November 15, 2010 pursuant to an employment agreement which was extended to March 1, 2024; and

WHEREAS, the Board has completed an annual performance evaluation of Employee and desires to provide a merit salary increase as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. Salary. Section 1. A, *Salary*, is hereby amended by adjusting Employee’s annual base salary from Executive Director Step 4 to Step 6, effective February 1, 2022.

2. Vacation Benefits. Section 4. B, *Benefits, Vacation, Holiday, Sick Leave, and Compensatory Time*, is hereby amended by adjusting Employee’s vacation annual accrual rate to five weeks (40 hours per week) per year, effective February 1, 2022.

3. Ratification of Agreement. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

IN WITNESS WHEREOF, Employer has caused this Amendment to be signed and executed on its behalf by its Chair, and the Employee has executed this Agreement as of the day and year first above written.

AUTHORITY

EXECUTIVE DIRECTOR

Sheri Woo, Chair of RCEA Board

Matthew Marshall

Dated: _____

Dated: _____

Approved As to Form:

Nancy Diamond, RCEA General Counsel

Dated: _____



STAFF REPORT
Agenda Item # 6.1

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Jocelyn Gwynn, Power Resources Manager
SUBJECT:	Mid-Term Reliability Solicitation Shortlist

BACKGROUND

At the September meeting, the Board authorized staff to release a combined Request for Qualifications and Request for Offers for Long-term Reliability Resources (RFQ-RFO) in response to the California Public Utilities Commission's (CPUC) June 2021 Decision 21-06-035 to address the mid-term reliability needs of the state's grid in the 2023-2026 term. The Decision requires each load-serving entity in California, including RCEA, to procure its allocated share of incremental resource adequacy (RA) capacity. This means procuring contracts with new resources, or resources otherwise not considered by the CPUC to be part of the existing resources baseline corresponding to the above decision. RCEA is required to procure incremental RA from resources that will be online in the amounts shown and by the dates shown in Table 1.

Table 1. RCEA D.21-06-035 Procurement Requirements (in Net Qualifying Capacity MW)

Procurement Category	Aug 2023	Jun 2024	Jun 2025	Total
RCEA total procurement consisting of:	7	20	5	39
<i>Diablo Canyon Replacement Capacity</i>		8		
<i>Other Capacity</i>		24		

In an effort to procure this capacity, RCEA's RFQ-RFO was released September 29 and responses were due November 1. The solicitation protocol and other materials can be found on RCEA's contracting opportunities webpage under closed solicitations for power procurement¹. After receiving and evaluating twenty-three unique eligible offers under the RFO Track and one statement of qualifications under the RFQ Track, staff are bringing a proposed shortlist to the Board for approval.

¹ <https://redwoodenergy.org/contracting/#1636409074123-27be9393-14fa>

SUMMARY

Staff met with the Board's ad hoc procurement oversight committee for this solicitation to review the evaluation and selection process and present various shortlist portfolio options. After reviewing four potential shortlist portfolio options, the Board committee approved staff's proposed shortlist that includes the maximum local resource capacity for recommending to the full Board. This shortlist consists of the following projects:

1. Fairhaven Energy Storage – 17 MW of battery energy storage developed jointly by Broad Reach Power and EWPRC in Samoa (EWPRC is the former owner of the DG Fairhaven biomass facility and now holds a lease on a portion of the property as well as access to the facility's grid interconnection)
2. Foster Clean Power Solar – 3 MW of solar paired with battery energy storage developed by Renewable America in Arcata
3. North Bank Clean Power Solar – 1 MW of solar paired with battery energy storage developed by Renewable America in McKinleyville

These three projects alone will not meet RCEA's cumulative compliance requirements under the CPUC Decision, but another avenue is being explored for the remaining capacity. In addition to this proposed shortlist, staff is seeking Board approval for a sole source procurement that would meet a subset of the compliance requirements for which RCEA received no compliant offers under its RFQ-RFO. This requirement is designated as replacement for the Diablo Canyon nuclear plant that is scheduled to retire in 2024 and 2025. The capacity must be from a generating resource that can operate continuously at its claimed incremental capacity from 5-10 p.m. each day. Staff have been exploring with EDP Renewables (EDPR) adding the needed solar and storage capacity to the previously contracted Sandrini Sol 1 solar facility in Kern County, which is currently undergoing its permitting process. Staff are expecting a forthcoming set of offers from EDPR for this incremental capacity and will evaluate them according to the solicitation criteria once received. RCEA's general counsel has reviewed this proposed sole-source procurement approach and considers it to be appropriate given the need to meet this regulatory requirement in a timely manner and the lack of qualifying offers under the RFQ-RFO.

Following approval of the proposed shortlist, staff will conduct an interview with each of the respondents and then will kick off the contract negotiation process, which is expected to last 2-3 months. The Board will be asked to approve all final long-term purchase agreements.

FINANCIAL IMPACT

In addition to meeting the CPUC compliance requirement described above, the proposed shortlist of projects will contribute to RCEA's normal energy, capacity, and environmental attribute procurement obligations and goals. In comparing the forecasted value of the products expected from the projects against their cost over the lifetime of the three contracts, the positive marginal value of the portfolio is \$1.87 million dollars.

STAFF RECOMMENDATION

1. Approve the proposed shortlist for the RFQ-RFO for Long-Term Reliability Resources and authorize staff to commence negotiations with the shortlisted parties.

2. 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.
3. 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.



RFQ-RFO for Long-Term Reliability Resources

Proposed Shortlist


Presentation to RCEA Board of Directors
January 27, 2022




Background & Objective

CPUC's July 2021 Decision Requiring Procurement to Address Mid-Term Reliability for 2023-2026

Requires incremental capacity procurement

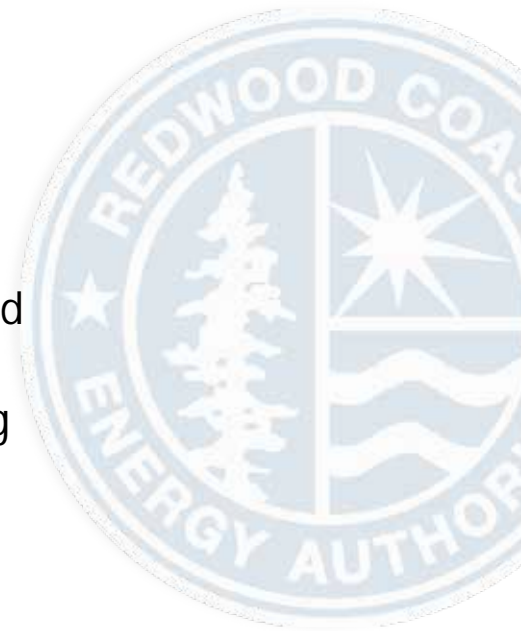


RCEA Procurement Obligation	Aug 2023	Jun 2024	Jun 2025
September Net Qualifying Capacity MW	7	20	5
 <i>Diablo Canyon Replacement Capacity</i>	8		
<i>Other Capacity</i>	24		

No Diablo Canyon Replacement eligible offers submitted

Offer Criteria

- Products: Resource Adequacy with optional energy and renewable attributes
- Offer type: RA-only, bundled energy/RA/RPS, or tolling
- Eligible Technology Types:
 - Standalone energy storage
 - Renewable generation
 - Carbon-free generation
 - Renewable generation plus energy storage
- Contract Term: 10-20 years (10 years for RA-only offers)
- Commercial Operation Date: prior to June 1, 2025, aligned with compliance deadlines



Summary of Responses

Response Type

- RFQ Track: 1 response
- RFO Track:
 - 10 developers
 - 16 projects
 - 23 eligible unique offers

Technology Type

- 13 standalone battery storage
- 2 solar plus battery storage
- 1 wind plus battery storage

Location

- 3 in Humboldt County
 - 2 solar + storage
 - 1 battery storage
- 13 elsewhere in CA

Offer Type

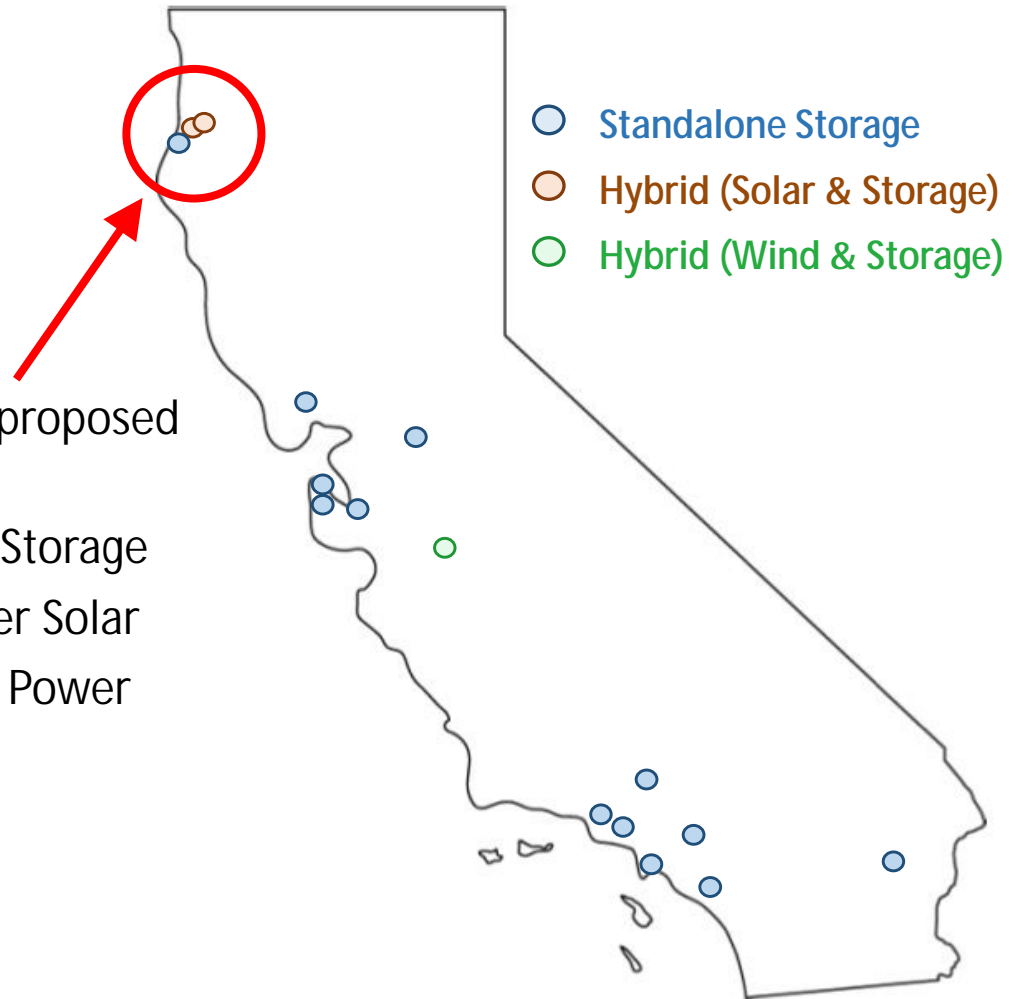
- 18 capacity-only (RA)
- 3 energy, capacity, RPS
- 2 full toll energy storage



Map of Offered Projects

Three local projects proposed
for shortlisting:

- Fairhaven Energy Storage
- Foster Clean Power Solar
- North Bank Clean Power Solar



Fairhaven Energy Storage

Developer: Broad Reach Power & EWPRC (former DG Fairhaven plant owner)

Location: Samoa, Humboldt County

Compliance Year: 2023

Storage Capacity: 17 MW

Offer Type: RA-only



North Bank Clean Power Solar

Developer: Renewable America

Location: Arcata, Humboldt County

Compliance Year: 2024

Generator Capacity: 1 MW

Storage Capacity: 1 MW

Offer Type: Bundled energy, RA, RPS



Foster Clean Power Solar

Developer: Renewable America

Location: Arcata, Humboldt County

Compliance Year: 2024

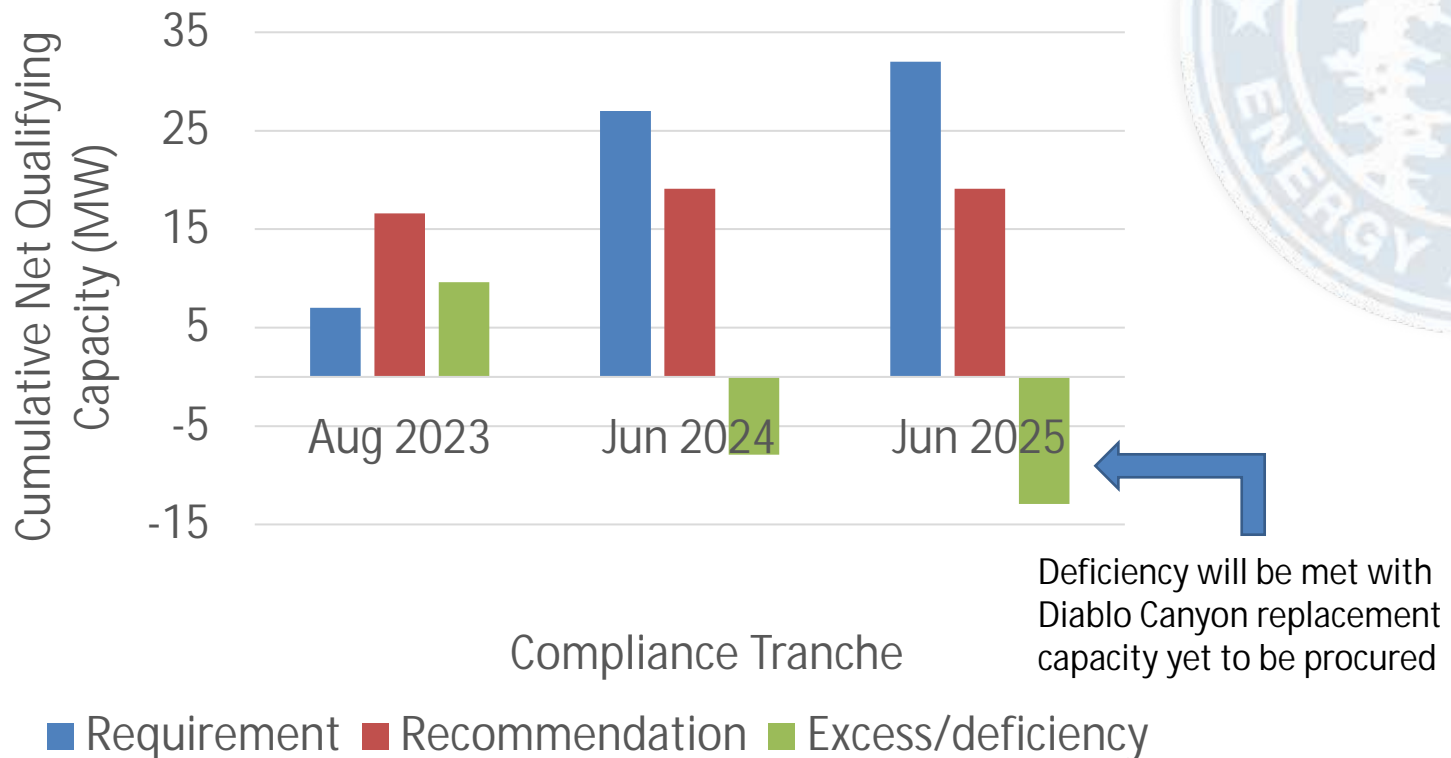
Generator Capacity: 3 MW

Storage Capacity: 1 MW

Offer Type: Bundled energy, RA, RPS



Shortlist Recommendation



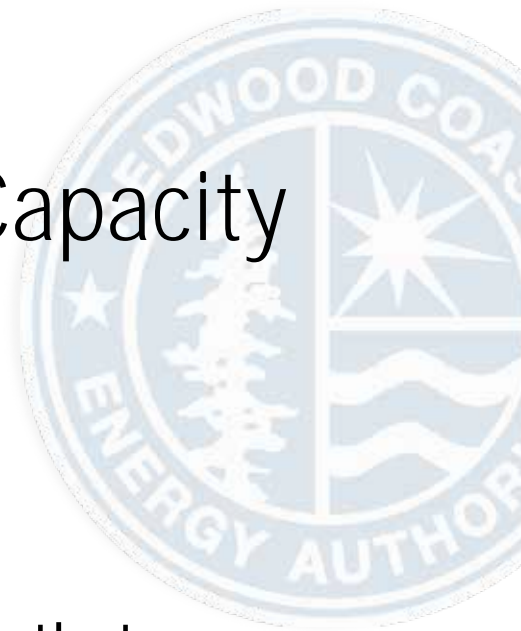
Diablo Canyon Replacement Capacity

No eligible offers submitted for this specific requirement

Subset of compliance capacity that must:

- Be available from 5-10pm every day
- Operate at full, continuous capacity during that period
- Be from zero-emitting generation, generation + storage, or demand response

In addition to shortlist, staff seeking approval to sole source from EDP Renewables for additional capacity from Sandrini solar and storage





REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 6.2

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Jaclyn Harr, TEA Client Services Specialist Richard Engel, Director of Power Resources
SUBJECT:	Energy Risk Management Quarterly Report

BACKGROUND

The RCEA Board of Directors adopted an Energy Risk Management Policy in December 2016 to establish functions and procedures to manage the risks associated with the Community Choice Energy program's power procurement activities. In accordance with this policy, a quarterly update on activities and projected financial performance is presented to the Board during regularly scheduled meetings.

SUMMARY

TEA Client Services Specialist Jaclyn Harr and RCEA staff will provide an energy risk management quarterly update.

RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

ATTACHMENTS

Energy Risk Management Quarterly Report slides will be presented at the meeting.

Energy Risk Management Quarterly Report

January 27th, 2022



Overview

Rates & Regulatory Process:

- PG&E Rates implementation delayed until March

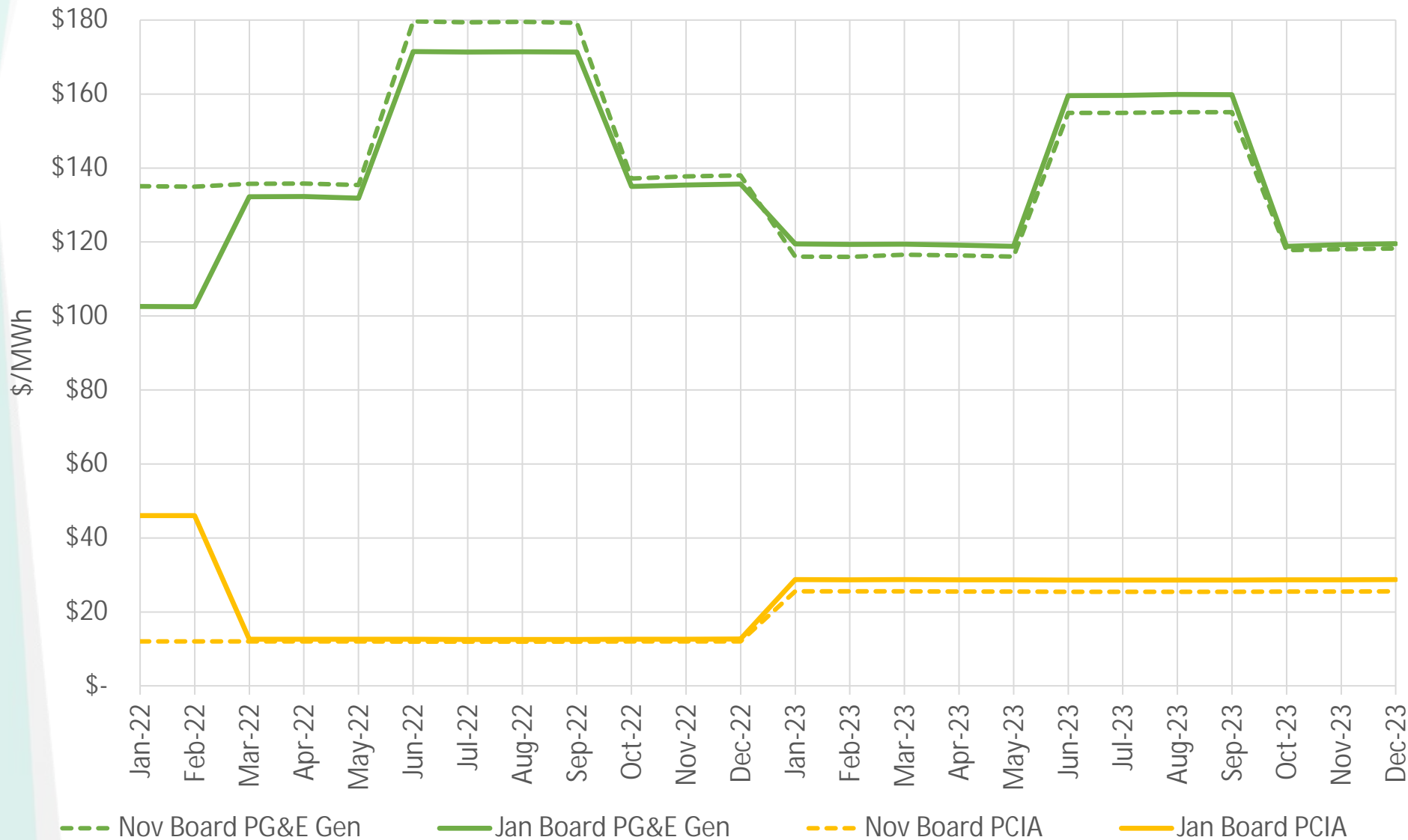
Energy Costs:

- Energy prices settled lower to end 2021
 - Nov-Dec '21 decreased 15.8% (average hedged: 103%)
- Forward price changes mixed
 - 2022 decreased by 12.8% (average hedged: 97%)
 - 2023 increased by 3.8% (average hedge: 64%)

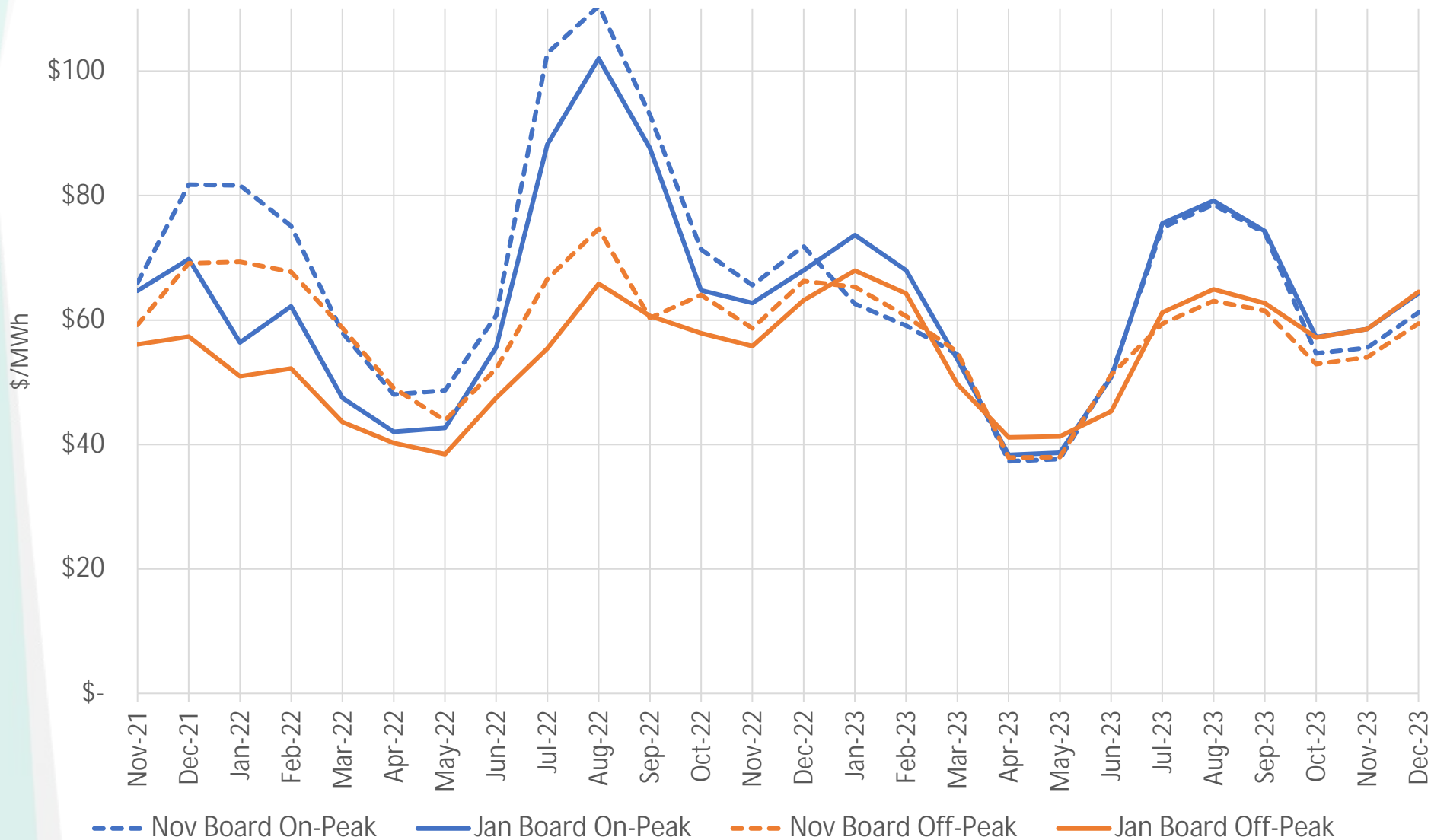
Environmental Portfolio Changes:

- Adjusted modeling of renewable & carbon-free procurement targets to match RCEA long-term goals
 - 2022 & 2023 clean energy costs increased
- Sandrini Solar commercial operation date delayed from Q4 2022 to Q1 2023

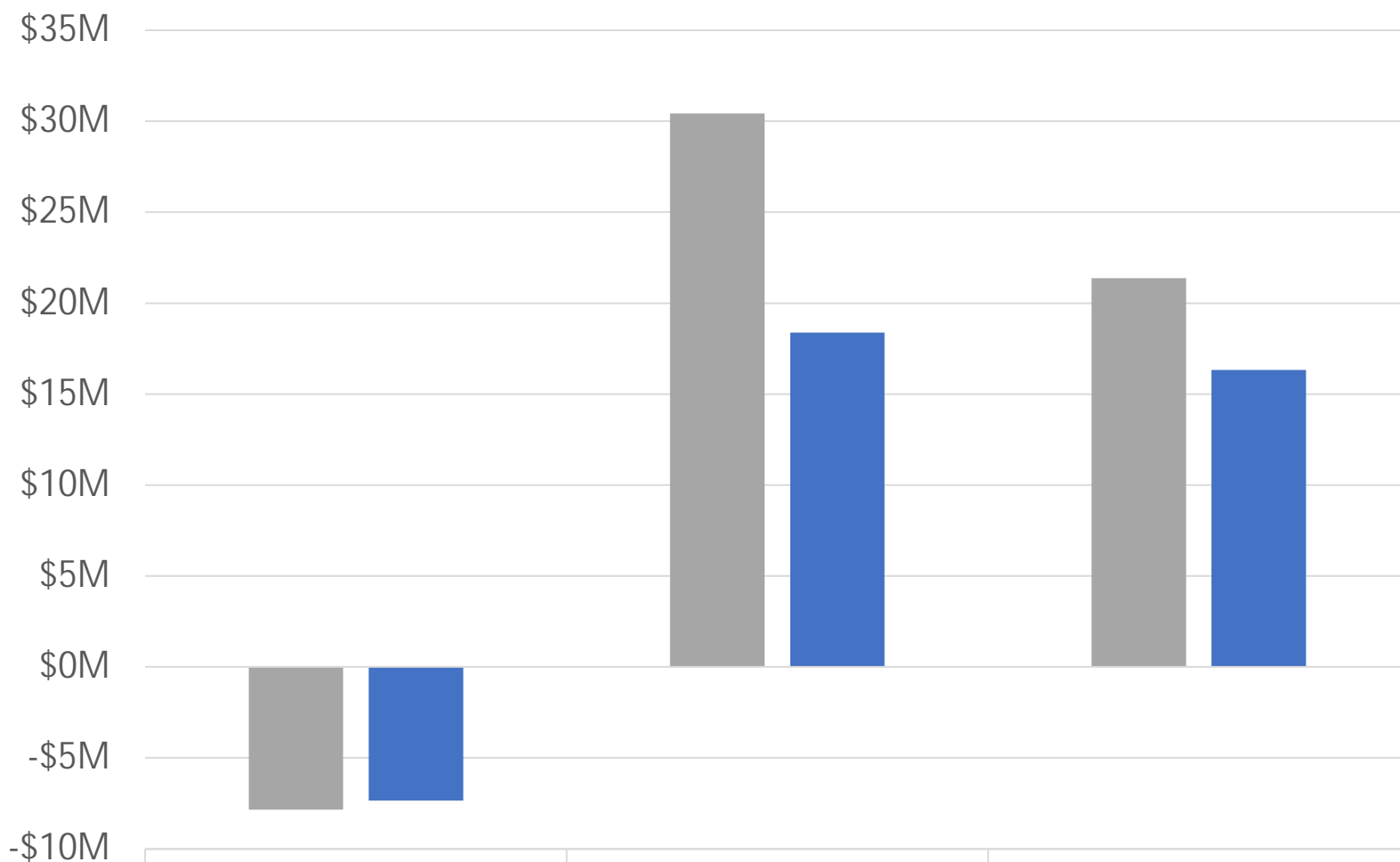
PG&E Rates & PCIA



NP15 + DLAP & LSP Energy Price



Net Revenue



■ Nov Board Projection
■ Jan Board Projection

2021

2022

2023

-\$7.8M

\$30.4M

\$21.4M

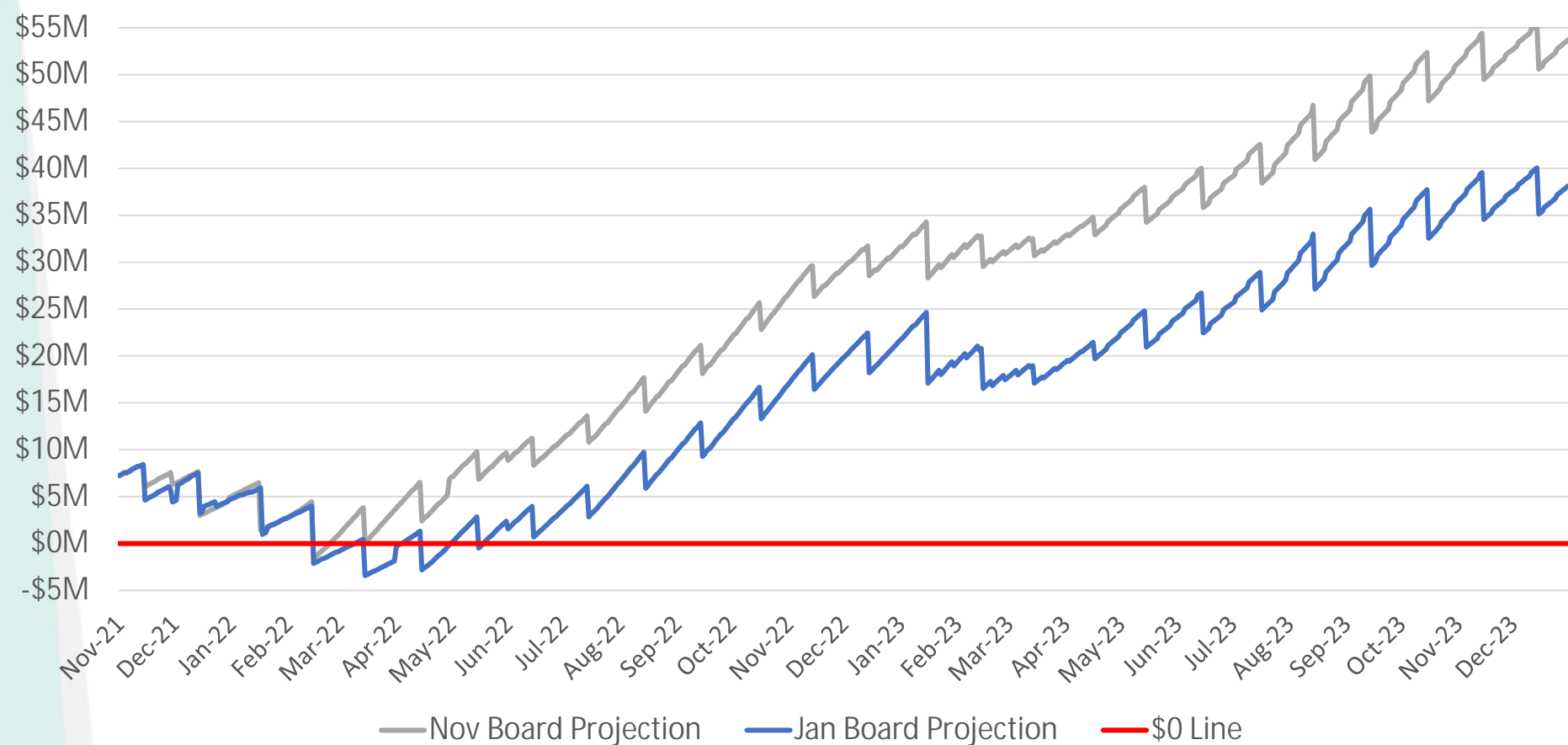
-\$7.3M

\$18.4M

\$16.3M

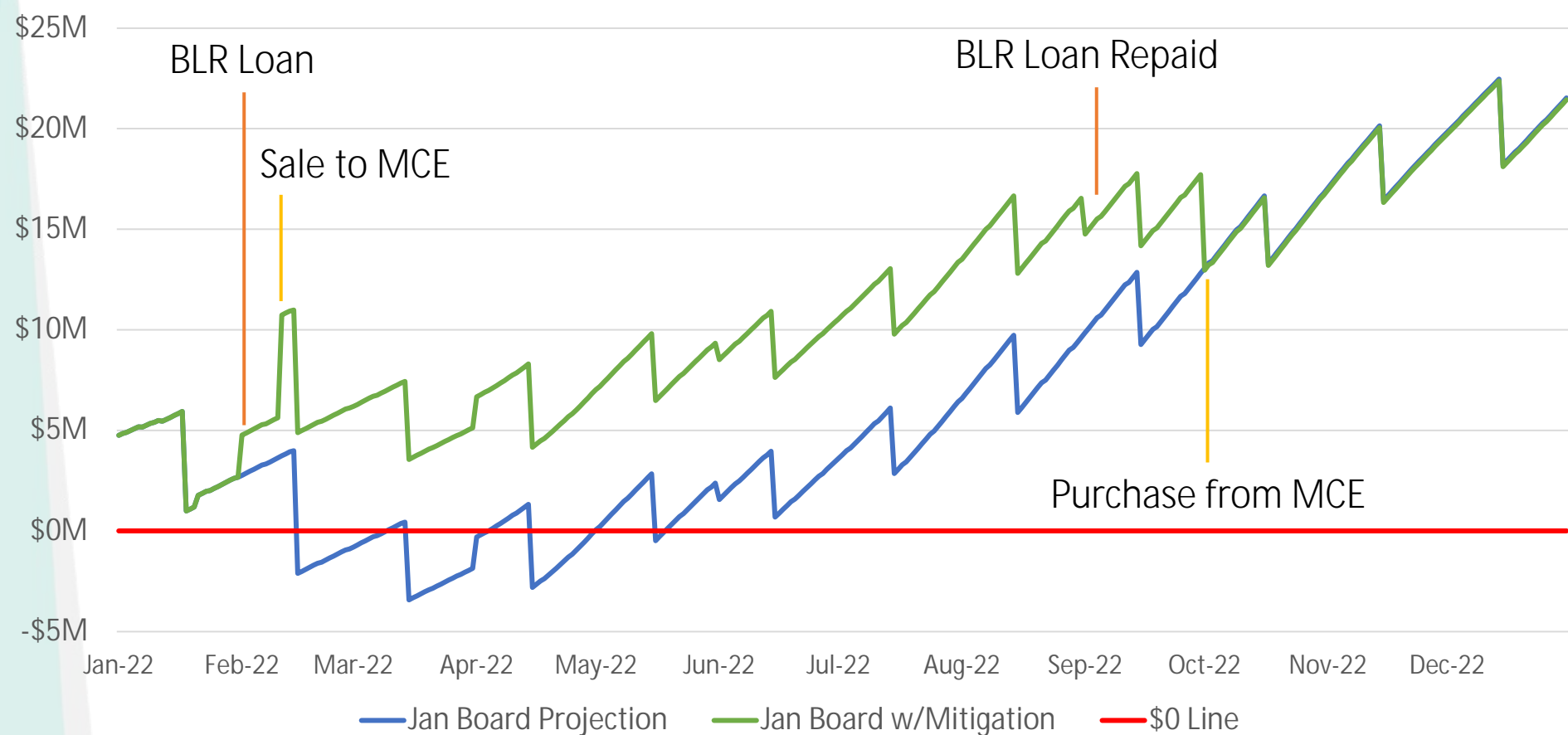
Cash Projection

	Calendar Year 2022			Calendar Year 2023		
	Minimum	Average	Ending	Minimum	Average	Ending
Nov Board	-\$1.6M	\$13.5M	\$31.5M	\$28.3M	\$40.7M	\$53.7M
Jan Board	-\$3.4M	\$7.0M	\$21.5M	\$16.5M	\$27.2M	\$38.1M



2022 Cash Scenarios

	Calendar Year 2022		
	Minimum	Average	Ending
Jan Board Projection	-\$3.4M	\$7.0M	\$21.5M
Jan Board w/Mitigation	\$1.0M	\$11.3M	\$21.4M





STAFF REPORT

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Director of Business Planning and Finance Richard Engel, Director of Power Resources Matthew Marshall, Executive Director
SUBJECT:	Mitigation of 2022 Cashflow Constraints

BACKGROUND

As presented previously to the Board RCEA, is expected to have significant cashflow challenges in the first part of 2022. Key causes of the impending cashflow constraints include:

- Extremely high energy market costs in 2021
- PG&E customer rates – and, as a result, RCEA rates – in 2021 being below the level for full cost-recovery related to energy prices, paired with an inflated 2021 power charge indifference adjustment (PCIA) exit fee
- Over \$3.2 million in pandemic-era delinquent RCEA customer bill payments
- \$4 million of RCEA's cash reserves tied up in the security deposit for the 100MW Sandrini Solar project
- In the routine course of business, roughly \$3-4 million of RCEA's reserves are tied up at any given time as a buffer to manage the lag between wholesale procurement and retail bill collection.

Changes to 2022 PG&E rates (and, in turn, RCEA rates) and a reduction in the 2022 PCIA are expected to reverse the trend of the last year and result in significantly improved RCEA net revenue in the coming year. In the early part of the year RCEA will also benefit from about \$1.45 million in customer utility-cost pandemic relief funding, offsetting about 43% of RCEA customers' non-payments since the start of the pandemic. These developments are expected to substantially restore RCEA's overall financial position by the end of 2022. However, the near-term outlook for cash on-hand remains insufficient to cover expenses in the first part of the year, necessitating approximately \$6 million in bridge funding over the coming months.

SUMMARY

Staff have continued to explore options to address the near-term cash shortage. RCEA's primary option for loan collateral is future CCA retail revenue, and a barrier to securing a standard line of credit from a traditional lender has been that RCEA's contract with TEA along with the airport microgrid project's financing would make any new lender subordinate to TEA and the USDA.

After exploring a range of possible options over the last several months, staff recommends that the Board approve two items to manage cash-flow constraints in the first part of 2022:

Approval of loan from the Blue Lake Rancheria Tribe:

The Blue Lake Rancheria Tribal Council has approved making a \$2 million unsecured loan to RCEA. Key terms of the loan are:

- 8% interest rate
- Interest to be paid monthly in arrears for seven months
- The entire principal plus any interest due payable in full in the eighth month (September 2022, assuming the loan is advanced on or before February 1)
- No pre-payment penalty
- \$1,850 of underwriting and attorney fees.

The final loan documents (attached) have been reviewed by RCEA's General Counsel and are ready to execute as soon as possible.

Approval of sale of energy products from existing RCEA contracts with up-front payment and buy-back provision:

Staff are working to secure the remaining ~\$4 million cash need for 2022, and one option is to temporarily monetize some of the energy and/or category one renewable energy credits (RECs) production that RCEA has under long-term contract through a re-sale of that future generation to another load serving entity. RCEA staff have been in discussions about such a transaction with MCE—California's first CCA, which serves more than one million customers in the Bay Area counties of Contra Costa, Marin, Napa, and Solano. MCE has expressed a willingness to potentially engage with RCEA to address our cash flow needs through an agreement or transaction backed up by RCEA's existing power supply contracts. Discussions are still in progress, but the most viable and straightforward option at this time appears to be a transaction with the following terms:

- RCEA sells energy and/or RECs that will be supplied in the future through one or more of RCEA's existing long-term power purchase agreements (PPAs).
- The delivery term of the power sale will begin in 2023 and will extend no more 10 years into the future, staying within the delivery terms of the underlying RCEA PPA(s).
- Buyer agrees to an upfront prepayment in full for the contracted power at an agreed-to current fair market price at or below RCEA's PPA price.
- Either through transaction terms or a supplemental agreement RCEA will have the option to buy-back at the sale price (and/or cancel and provide a refund for) any undelivered power prior to or during the delivery term.
- Since the proposed prepayment and buyback provisions significantly benefit and favor RCEA compared to a standard power transaction, RCEA will pay an agreed-to transaction fee to offset the increased risk and upfront capital impacts to the buyer.

This proposed approach is quite streamlined, since it can be executed with TEA's support via a standard power-product transaction structure (RCEA Board approval is still required since the expected final sale will exceed the 24-month term limit for energy transactions than can be approved by the staff-level RCEA Energy Risk Management Team). However, as noted above, the prepayment and buy-back provisions are highly untypical and are only being entertained by MCE out of their willingness to temporarily assist RCEA through a challenging time.

The intended outcome from this proposed approach is that RCEA sells and receives prepayment for the power in February and subsequently buys back at the same price (not including any agreed-to transaction or processing fees) the full volume of the transaction later in 2022, prior to the actual start of the power delivery term. Based on PG&E's proposed 2022 rates, TEA projects that RCEA cash reserves will be adequately restored to be able to repay MCE (and the Blue Lake Rancheria) in advance of 2023. If unforeseen circumstances dramatically change RCEA's financial performance and we are unable to buy back the contracted power before the start of the delivery term RCEA would be required to pay RCEA's supplier their contracted PPA price and then pass-through the power to MCE up until RCEA is able to buy back any remaining undelivered volume.

FINANCIAL IMPACTS

As previously discussed, without the approximately \$6 million additional liquidity, RCEA will likely be forced to default/delay-payment on power procurement invoices due to TEA starting in mid-February. With the liquidity, RCEA will be able to continue stable operations and the positive financial outlook for the remainder of 2022 will facilitate repayment of both proposed cashflow solutions.

The terms of the loan from the Blue Lake Rancheria include paying approximately \$13,000 in interest per month, for seven months, for a total of \$92,000, plus underwriting fees of at least \$1,850. There is no pre-payment penalty.

The proposed power sale is expected to include a negotiated upfront transaction fee to offset the associated costs and risk to MCE. Should the transaction be approved by both parties and proceed and RCEA is subsequently not able to buy back the energy products sold to MCE as scheduled, RCEA will be responsible for settling with the energy generator(s) as the contracted products are delivered to MCE. If this unlikely scenario come to pass and RCEA does need to deliver some or all of the prepaid power to MCE, that would result in a future cost in the range of \$0.5-1 million per year (depending on the length of the delivery term), offset by the prepayment cash received by RCEA in February 2022. This amounts to around 1-2% of RCEA's annual power procurement budget, which is a manageable cost to accommodate in future years if needed. Similarly, the fairly small annual volume of power would have limited impact on RCEA's overall power portfolio and compliance obligations should RCEA not be able to repurchase it for delivery to our own customers.

RECOMMENDED ACTIONS

For the proposed Blue Lake Rancheria loan:

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.

For the proposed transaction with MCE:

1) 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

2) 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.

ATTACHMENTS

1. Loan Agreement between Blue Lake Rancheria of California and Redwood Coast Energy Authority
2. Blue Lake Rancheria Loan Promissory Note

LOAN AGREEMENT

\$2,000,000.00

This Loan Agreement (the "Agreement") is made as of January __, 2022, by and between **BLUE LAKE RANCHERIA OF CALIFORNIA**, a federally recognized Indian Tribe (the "Lender"), and **REDWOOD COAST ENERGY AUTHORITY**, a joint powers agency formed under and pursuant to the Joint Exercise of Powers Act codified at California Government Code Sections 6500 et seq, (the "Borrower") with reference to the following facts:

A. Lender has agreed to make a loan (the "Loan") to Borrower in the original aggregate principal amount of **Two Million and xx/100 Dollars (\$2,000,000.00)** (the "Loan Amount"), which Loan will be evidenced by that certain Promissory Note (the "Note") in the principal amount of \$2,000,000.00 executed concurrently herewith. The Note, Loan Agreement and all other documents evidencing the Loan will be hereinafter referred to as the "Loan Documents."

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto, hereby agree as follows:

ARTICLE 1 — CONDITIONS FOR FUNDING

Lender shall have no obligation to disburse any Loan proceeds until each of the following has been fully and timely completed by Borrower to Lender's sole satisfaction:

1.1 EXECUTION OF DOCUMENTS. The closing of this Loan or disbursements made thereon are contingent on the Borrower executing and delivering to Lender all required and applicable documents, instruments, agreements, and certificates, including but not limited to:

- a. This Loan Agreement;
- b. The Note; and
- c. Any other documents necessary to authenticate this Loan.

1.2 PAYMENT OF FEES. As a **condition precedent** to the making of the Loan, Borrower shall pay to Lender all fees and costs associated with the origination, documentation and maintenance of this Loan, including but not limited to, all legal fees associated with the documentation of the Loan. Borrower shall also pay to Lender a loan origination fee of \$1,500, plus a documentation fee in the amount of \$350, upon the funding of the Note.

ARTICLE 2 — COVENANTS OF BORROWER

Throughout the term of this Loan and any subsequent advances or disbursements thereunder:

2.1 BOOKS AND RECORDS. Borrower shall maintain, or cause to be maintained, in Humboldt County, proper and accurate books, records and accounts reflecting all items of its income and

expenses, whether such income or expense be realized by Borrower or by any other person or entity whatsoever excepting persons unrelated to and unaffiliated with Borrower. Lender, or its designee, shall have the right from time to time during normal business hours to examine such books, records and accounts and to make copies or extracts therefrom. Borrower shall cooperate with Lender in enabling Lender to accomplish such inspection and permit Lender to make such copies as Lender may request. This authority is for Lender's protection only and Lender shall not be deemed to have assumed any responsibility to Borrower or any third party as a result of any such action.

2.6 SUBMISSION OF DOCUMENTS/FINANCIAL STATEMENTS. If requested by Lender, Borrower shall deliver or cause to be delivered to Lender: (i) not later than sixty (60) days after its fiscal year end, annual management-prepared year to date financial statements of Borrower, certified to by the party on whose behalf the financial statement is being submitted as being true, complete and correct as of the date thereof; and (ii) not later than sixty (60) days after the end of each quarter while any portion of the Loan remains outstanding, quarterly management-prepared year to date financial statements of Borrower, certified to by the party on whose behalf the financial statement is being submitted as being true, complete and correct as of the date thereof.

ARTICLE 3 — REIMBURSEMENTS AND MISCELLANEOUS

3.1 REIMBURSEMENT. Borrower shall pay immediately, without demand, after expenditure, all sums expended or expenses incurred by Lender in acting under any of the terms of this Agreement or any other Loan Document, including, without limitation, any fees and expenses (including attorneys' fees and costs) incurred in connection with the preparation of the Loan Documents or any portion thereof, to compel compliance with the delivery of required notices, or to compel payment of the Note or any portion of the indebtedness evidenced thereby or in connection with any default thereunder, including without limitation attorneys' fees incurred in any bankruptcy or foreclosure proceeding, with interest from date of expenditure at the Default Rate as provided for in the Note.

ARTICLE 4 — EVENTS OF DEFAULT

The occurrence of any one more of the following events beyond any applicable notice and cure periods shall constitute an "Event of Default":

4.1 PAYMENT. The failure by Borrower to pay when due any payment required under the Note and such failure continues for ten (10) days after the due date for any payment other than the principal and interest payment due at the Maturity Date of the Note for which there is no cure period (any default under this Section shall be deemed to be a monetary default); or

4.2 BREACH OF COVENANTS. The failure of Borrower to comply with any covenant contained herein or in the Note and such failure continues for thirty (30) days after written notice thereof to Borrower by Lender or, in the event such failure cannot reasonably be cured within thirty (30) days, such longer period not to exceed sixty (60) days if such cure is promptly commenced within the initial thirty (30) day period and diligently pursued to completion; or

4.3 REPRESENTATIONS AND WARRANTIES. Any representation, warranty, statement, certificate, schedule or report (collectively, "Representation") furnished by Borrower in connection with the Loan, whether given in this Agreement or any other Loan Document, shall be false or misleading in any material respect as of the time made or furnished and the Borrower fails to correct the condition in the Representation or fails to correct the Representation in a manner acceptable to Lender within thirty (30) days after notice from Lender to Borrower; or

4.4 FINANCIAL DEFAULTS. The failure by Borrower to pay when due any of its Indebtedness owing to any party whatsoever or the occurrence for any other reason of any default under the terms or agreements relating to the obligations of the Borrower and such failure remains uncured at the end of any cure period expressly provided in any Loan Documents; or

4.5 EFFECTIVENESS OF LOAN DOCUMENTS. Any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of Lender or satisfaction in full of all Obligations, ceases to be in full force and effect or is declared to be null and void by a court of competent jurisdiction; or the validity, priority or enforceability thereof is contested in a judicial proceeding by Borrower, or Borrower denies that it has any further liability or obligation under any Loan Document; or

4.6 INJUNCTIONS. If Borrower is enjoined, restrained or in any way prevented by court order from conducting all or a substantial part of its affairs, and such proceedings or injunction has not been dismissed or stayed within sixty (60) days from the date of filing of such proceeding or entry of such injunction; or

4.7 RECEIVER. The dissolution of Borrower or the appointment of a receiver, trustee, conservator, or liquidator of Borrower, and such receiver is not finally dismissed within 30 days after appointment; or

4.8 BANKRUPTCY. A filing by Borrower of (i) a voluntary petition in bankruptcy, seeking reorganization or rearrangement or taking advantage of any debtor relief laws, or (ii) an answer admitting the material allegations of a petition filed against Borrower in any bankruptcy, reorganization, insolvency, conservatorship or similar proceeding, or (iii) an admission in writing confirming the inability to pay its debts as they become due; or

4.9 INSOLVENCY. The entry of an order, judgment or decree by any court of competent jurisdiction adjudicating Borrower as bankrupt or insolvent, or approving a petition seeking reorganization of Borrower or an arrangement of the debts of any of them, or appointing a receiver, trustee, conservator, or liquidator of Borrower or any portion of the Collateral or any other property of any of them; or

4.10 ADVERSE CHANGE. At the option of Lender, a material, adverse change in the financial condition of the Borrower.

4.11 REMEDIES. Upon the occurrence of any Event of Default, Lender shall be entitled to exercise all remedies provided to Lender under any of the Loan Documents or otherwise, available under California law or set forth herein, including, without limitation, the institution of a suit in

equity or other appropriate proceedings for specific performance or an injunction against a violation of this Agreement.

ARTICLE 5 — MISCELLANEOUS

5.1 **DISCRETION OF LENDER.** Borrower understands that whenever in the provisions of this Agreement the funding of the Loan is conditioned upon any matter or thing being acceptable, satisfactory or the like, to the Lender, the Lender's decision thereon, or the decision of the Lender's attorneys shall be final, binding and conclusive for all purposes.

5.2 **SUCCESSORS IN INTEREST AND INTERPRETATION.** Subject to Section 22 of the Note, this Agreement applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Lender" shall mean the owner and holder, including pledgees, of the Note, now or hereafter and whether or not named as Lender herein. In this Agreement, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The word "person" shall include corporation, partnership or other form of association. Any reference in this Agreement to any document, instrument or agreement creating or evidencing an obligation secured hereby shall include such document, instrument or agreement both as originally executed and as it may from time to time be modified.

5.3 **SEVERABILITY.** If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Agreement.

5.4 **NOTICES.** All notices and demands expressly provided hereunder to be given by Lender to Borrower and all notices, demands and other communications of any kind or nature whatever which Borrower may be required or may desire to give to or serve on Lender shall be in writing, shall be addressed to the appropriate address set forth in this Section, or at such other place as Borrower, Lender or Trustee, as the case may be, may from time to time designate in writing by ten (10) days prior written notice and shall be (a) hand-delivered, effective upon receipt, (b) sent by United States Express Mail or by private overnight courier, effective upon receipt, or (c) served by certified mail, return receipt requested, deposited in the United States mail, with postage thereon fully prepaid and addressed to the party so to be served and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three (3) business days after the date of mailing, whichever is the earlier in time. The addresses of the parties are as follows:

To Borrower:

REDWOOD COAST ENERGY AUTHORITY
633 Third Street
Eureka CA 95501
Attn: _____

To Lender:

BLUE LAKE RANCHERIA OF CALIFORNIA
(for US Mail)
PO BOX 428
Blue Lake, CA 95525

PHYSICAL ADDRESS
(for FedEx, UPS):
Blue Lake Rancheria
1 Aee ye kwee Loop
Blue Lake, CA 95525
Attn: Jason Ramos, Tribal Administrator

5.5 PROVIDE NOTICES:

(a) Injunction Defense and Notice. If any proceedings are filed seeking to enjoin or otherwise prevent or declare invalid or unlawful the maintenance or operation of the Collateral or any portion thereof, Borrower will give prompt written notice thereof to Lender and will cause such proceedings to be vigorously contested in good faith and, in the event of any adverse ruling or decision, prosecute all allowable appeals.

5.6 ATTORNEYS' FEES. Upon election of Lender, employment of an attorney is authorized, and payment by Borrower of all attorneys' fees, costs and expenses in connection with any action or actions (including the cost of evidence or search of title) which may be brought for the enforcement of any covenant or right in any Loan Document contained as hereinafter provided, shall be the obligation of Borrower.

5.7 HEADINGS. The headings of each paragraph are for convenience only and shall be disregarded in construing this Agreement.

5.8 NO PARTNERSHIP. Lender shall not be deemed to be a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Borrower. Lender's activities in connection with the Loan shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code section 3434, as modified or recodified from time to time. Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower. The provisions of this Section shall survive payment of the Loan.

5.9 DISPUTE RESOLUTION.

(a) Arbitration. Except to the extent expressly provided below, any dispute relating to the duties and obligations referenced in this Agreement ("Arbitrable Dispute") shall, upon the request of either party, be determined by binding arbitration in accordance with the then-current rules for arbitration of financial services disputes of the American Arbitration Association ("AAA") and the "Special Rules" set forth below. In the event of any inconsistency, the Special Rules shall control. The filing of a court action is not intended to constitute a waiver of the right of Borrower or Lender, including the suing party, thereafter to require submittal of the Arbitrable Dispute to arbitration. Any party to this Agreement may bring an action, including a petition or expedited proceeding, to compel arbitration of any Arbitrable Dispute in any court having jurisdiction over such action.

(b) Special Rules.

(i) The arbitration shall be conducted in Humboldt County, California.

(ii) The arbitration shall be administered by AAA. If AAA is unwilling or unable to administer or legally precluded from administering the arbitration, or if AAA is unwilling or unable to enforce or legally precluded from enforcing any and all provisions of this Dispute Resolution Section, then the parties to this Agreement may mutually agree to utilize another arbitration organization that will observe and enforce any and all provisions of this Dispute Resolution Section. All Arbitrable Disputes shall be determined by one arbitrator.

(iii) All arbitration hearings will be commenced within ninety (90) calendar days of the demand for arbitration and completed within ninety (90) calendar days from the date of commencement; provided, however, that upon a showing of good cause, the arbitrator shall be permitted to extend the commencement of such hearing for up to an additional sixty (60) calendar days.

(iv) Unless otherwise mutually agreed to by the parties in writing, all arbitration hearings will be subject to limited discovery, which shall include document requests between the parties and no more than three (3) depositions by each party to the arbitration.

(v) The judgment and the award, if any, of the arbitrator shall be issued within thirty (30) calendar days of the close of the hearing. The arbitrator shall provide a concise written statement setting forth the reasons for the judgment and for the award, if any. The arbitration award, if any, may be submitted to the Superior Court of California, County of Humboldt.

(vi) The arbitrator will give effect to statutes of limitation and any waivers thereof in determining the disposition of any Arbitrable Dispute and may dismiss one or more claims in the arbitration on the basis that such claim or claims is or are barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of dispute is the equivalent of the filing of a lawsuit. This provision does not waive or excuse compliance with claim filing requirements that apply to Borrower and Lender.

(vii) Any dispute concerning this arbitration provision, including any such dispute as to the validity or enforceability of this provision, or whether a Arbitrable Dispute is arbitrable, shall be determined by the arbitrator; provided, however, that the arbitrator shall not be permitted to vary the express provisions of these Special Rules or the Reservations of Rights in subsection (c) below.

(viii) The arbitrator shall have the power to award legal fees and costs pursuant to the terms of this Agreement.

(c) Reservations of Rights. Notwithstanding anything to the contrary herein, nothing in this Agreement shall be deemed to (i) limit the applicability of any otherwise applicable statutes of limitation and any waivers contained in this Agreement, or (ii) apply to or limit the right of Lender to (A) exercise self help remedies such as (but not limited to) setoff, (B) obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief, writ of

possession, prejudgment attachment, temporary restraining order and/or preliminary injunction, or similar provisional remedy, (C) exercise any of the rights and remedies included in the Loan Documents, or (D) pursue rights against a party to this Agreement in a third-party proceeding in any action brought against Lender in a state, federal or international court, tribunal or hearing body (including actions in specialty courts, such as bankruptcy and patent courts). Lender may exercise the rights set forth in clauses (A) through (D), inclusive, before, during or after the pendency of any arbitration proceeding brought pursuant to this Agreement. No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Loan Document for arbitration of any Arbitrable Dispute.

(d) Dispute Resolution for Non-Arbitrable Disputes. In the event of a dispute between the parties hereto or their representatives concerning any matter referenced above in subsection (c) of this Section, the Parties hereby agree, with respect to the handling of such dispute or proceeding under this Agreement, to the jurisdiction of: (i) any court of general jurisdiction in the State (including all courts of the State to which decisions of such courts may be appealed) and (ii) if none of the foregoing courts shall have jurisdiction, then the Tribal Court of the Blue Lake Rancheria.

(e) Jury Trial Waiver in Arbitration. By agreeing to this Section, the parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any dispute. WITHOUT LIMITATION, BOTH PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED TO OR INCIDENTAL TO THE DEALINGS OF THE PARTIES THERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION TO BE DECIDED BY ANY ARBITRATION OR COURT TRIAL SHALL BE DECIDED WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT OR ARBITRATOR AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

5.10 ADEQUACY OF NOTE PROCEEDS. The Lender has not made, and shall not be deemed to have made, any representation or warranty that the funds to be advanced hereunder to the Borrower are or will be sufficient for the Borrower's purposes.

5.11 NON-IMPAIRMENT. Neither the Borrower nor any affiliate of Borrower will: (a) adopt, enact, promulgate or otherwise place into effect any law or legal requirement that materially impairs or interferes, or could materially impair or interfere, in any manner, with any right or remedy of the Lender under the Loan Documents (it being understood and agreed that any such law or legal requirement that is adopted, enacted, promulgated or otherwise placed into effect without the prior written consent of the Lender shall be void and of no effect); (b) demand, impose or receive any tax, charge, assessment, fee or other imposition or impose any regulatory or licensing requirement against the Lender or their successors or assigns; or (c) impose any tax, fee, assessment, or similar charge payable as an operating expense.

Upon execution of any Loan Document, the agreement shall become a valid and binding obligation of the Borrower, enforceable in accordance with their terms for purposes of tribal law and the laws of all other applicable jurisdictions.

5.12 GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. BORROWER CONSENT TO THE PERSONAL JURISDICTION OF THE APPROPRIATE STATE COURT LOCATED IN HUMBOLDT COUNTY, CALIFORNIA AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. THE PARTIES HERETO EXPRESSLY SUBMIT AND CONSENT TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS. THE PARTIES HERETO HEREBY WAIVE PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON EACH OF THE PARTIES HERETO BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE PARTIES HERETO, AT THE RESPECTIVE ADDRESSES SET FORTH IN SECTION 5.4 ABOVE AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

5.13. CONFIDENTIALITY. The Parties agrees that neither it nor any of its agents or employees will knowingly divulge or disclose any confidential financial information of the other, except to the extent that the disclosure is deemed to be necessary to perform the services required by this agreement or is required by applicable law. The Parties agree to comply with all laws regarding confidentiality and shall advise and require all subcontractors to comply with the laws of confidentiality.

5.14 MEDIA RELEASE. All press releases and informational material related to this agreement shall receive approval from RCEA prior to being released to the media (television, radio, newspapers, Internet). In addition, BLR shall inform RCEA of requests for interviews by media related to this Agreement prior to such interviews taking place. RCEA reserves the right to have a representative present at such interviews. All notices required by this provision shall be given to the Borrower pursuant to the notice provisions set forth herein.

5.15 ENTIRE AGREEMENT. This Agreement, together with the Note and all other documents pertaining to the Loan executed contemporaneously herewith (collectively the "Loan Documents") constitute the parties' entire agreement with respect to the subject matter hereof and supersede all agreements, representations, warranties, statements, promises, and understandings, whether oral or written, with respect to the subject matter herewith. None of the Loan Documents may be amended, altered, or modified except by a writing signed by a duly authorized officer of Lender, or its assigns, and then only to the extent therein specially set forth.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement as of the day and year first written above.

"BORROWER"

"LENDER"

**REDWOOD COAST ENERGY
AUTHORITY**

BLUE LAKE RANCHERIA

By: _____

Name: _____

Title: _____

By: _____

Name: Jason Ramos

Title: Tribal Administrator

UNSECURED PROMISSORY NOTE

\$2,000,000.00

as of January __, 2022

FOR VALUE RECEIVED, REDWOOD COAST ENERGY AUTHORITY, a joint powers agency ("Borrower"), hereby promises to pay to the order of **BLUE LAKE RANCHERIA** (the "Lender"), at its office located at 1 Aee ye kwee Loop, Blue Lake, CA 95525, or at any other location designated in a written notice from Lender to Borrower, the principal sum of **Two Million and no/100 dollars (\$2,000,000.00)** (the "Maximum Commitment"), with interest on the unpaid balance thereof from date of advancement until repaid at the rate hereinafter provided, both principal and interest payable as hereinafter provided.

1. Loan Fee. Borrower shall pay to Lender a total non-refundable Loan Fee of \$1,500, plus a documentation fee in the amount of \$350, upon the funding of the Loan. Borrower shall pay to Lender, upon demand, all reasonable third-party costs (including, without limitation, attorneys' fees) incurred by Lender to preparing Loan Documents.
2. Payments. Commencing on the date of initial disbursement of Loan Proceeds and continuing through the date that all indebtedness and other amounts payable under the Loan Documents are paid in full, interest shall accrue on the outstanding principal balance of the Loan at an annual interest rate of eight percent (8%) (the "Interest Rate"). The entire outstanding principal balance of the Loan together with interest accrued thereon and any other sums payable under this Note and the Loan Agreement shall be payable in full after seven (7) months, commencing on January __, 2022 and ending on September __, 2022 (the "Maturity Date"). For the initial 6 months, Borrower shall pay to the Lender interest only payments at the Interest Rate, computed on a 360-day year. Such interest shall be payable monthly in arrears on the tenth (10th) day of each month.

All payments hereunder shall be payable in immediately available funds in lawful money of the United States. Any payment of principal or interest payable hereunder which is not paid when due, whether at maturity, on demand, by acceleration, or otherwise, shall bear interest from the date due until paid in full at a rate per annum equal to three percent (3%) above the Interest Rate, but in no event in excess of the maximum rate permitted by applicable law (the "Default Rate").

3. Late Payment Fee. Borrower hereby acknowledges and agrees that Lender will incur additional costs in connection with the processing of any payment which is not paid when due which additional costs are difficult to ascertain. Borrower further agrees that a reasonable estimate of such costs and expenses is five percent (5%) of the amount of the delinquent payment which fee shall become due and payable if any payment is not made within ten (10) days after the date when due.

4. Definitions. As used herein the following terms shall have the following meanings:

“Lender” shall be deemed to include the Lender, its successors and assigns and any holder hereof.

“Business Day” means a day other than a Saturday, Sunday or other day on which Lender or other commercial banks in Lassen County, California are authorized or required by law to close.

5. Prepayment. Provided Borrower is current on its monthly interest payments, this Note may be prepaid at any time, in whole or in part, without penalty or premium, on any Business Day, upon five (5) days prior written notice to the Lender of such prepayment.

6. Cumulative Remedies. The rights, remedies, and benefits herein expressly specified are cumulative and not exclusive of any rights, remedies or benefits which the Lender may otherwise have.

7. No Waiver. No modification or waiver of any provision of this Note and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such modification or waiver shall be in writing and signed by a duly authorized officer of the Lender, and the same shall then be effective only for the period and on the conditions and for the specific instances specified in such writing. No failure or delay by the Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any rights, power or privilege.

8. Application of Payment. At the Lender’s discretion, all payments shall be applied first to the payment of any outstanding costs, and thereafter to accrued interest then due, and thereafter to the reduction of the unpaid principal balance of the Loan.

9. Attorneys’ Fees. Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or through any bankruptcy (including, without limitation, any action for relief from the automatic stay of any bankruptcy proceeding), receivership, probate or other court proceedings or by any judicial or nonjudicial foreclosure proceeding, or if this Note is placed in the hands of attorneys for collection after default, Borrower and all endorsers, guarantors and sureties of this Note jointly and severally agree to pay, in addition to the principal and interest due and payable hereon, reasonable attorneys’ fees and collection costs and expenses. Without limitation of the foregoing, and subject to California Civil Code section 1717, the Borrower agree to pay to the Lender, upon demand, reasonable costs and expenses, including reasonable attorneys’ fees and court costs, paid or incurred by the Lender in connection with the enforcement or collection of this Agreement or any of the underlying Loan Documents (whether or not any action has been commenced by the Lender to enforce or collect on the Note) or in successfully defending any counterclaim or other legal proceeding brought by the Borrower contesting the Lender’s right to collect the outstanding principal balance of the Note. The obligation of the Borrower to pay all such costs and expenses associated with the collection by the Lender of the indebtedness owing under the Note and enforcement of the Borrower’ obligations under the applicable Loan Documents shall continue

notwithstanding entry of judgment against the Borrower.

10. Illegality Or Invalidity. Subject to Sections 16 and 17 below, in the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, the same shall not affect any other provision of this Note and the remaining provisions of this Note shall remain in full force and effect.

11. Entire Agreement. This Note, together with the Loan Agreement, the Guaranty, the Security Agreement, and all other documents pertaining to the Loan executed contemporaneously herewith (collectively, the "Loan Documents") constitute the parties' entire agreement with respect to the subject matter hereof and supersede all agreements, representations, warranties, statements, promises, and understandings, whether oral or written, with respect to the subject matter herewith. None of the Loan Documents may be amended, altered, or modified except by a writing signed by a duly authorized officer of the Lender, or its assigns, and then only to the extent therein specially set forth.

12. Advice of Counsel. The Borrower has been advised to seek independent legal counsel in entering into this Note and the transactions described herein. In the event the Borrower choose not to seek independent legal counsel, that party does so freely and knowingly, and waives any such rights to counsel.

13. Maximum Charges. If a law which applies to this Note and which sets maximum loan charges is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limit, then any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit.

14. Legislation Affecting The Lender's Rights. If enactment or expiration of any applicable laws or regulations has the effect of rendering any provision of the Note unenforceable according to its terms, the Lender, or its assigns, at its option, may require immediate payment in full of all sums owing hereunder and may invoke any remedies permitted herein.

In the event that any change in applicable law or regulation, or in the interpretation thereof by any governmental authority charged with the administration thereof, shall impose on or deem applicable to the Lender any reserve requirements against this Note or impose upon the Lender any other costs or assessments, the undersigned shall pay to the Lender on demand an amount sufficient to compensate the Lender for the additional cost resulting from the maintenance or imposition of such reserves, costs or assessments.

15. Joint Participation. The Borrower has materially participated in the preparation of the Loan Documents, which are a product of the joint effort and cooperation of the parties. In the event of any ambiguity or question relating to any provision of the Loan Documents, said ambiguity shall not be construed against any party.

16. Benefit Of Agreement. Subject to Section 22 below, the parties agree that the rights and obligations arising out of the Loan Documents shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assignees of the Borrower

and the Lender.

17. Waivers. Borrower, and any and all endorsers, guarantors and sureties of this Note, and all other persons liable or to become liable on this Note, severally waive presentment for payment, demand, notice of demand and of, dishonor and nonpayment of this Note, notice of intention to accelerate the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, modifications, partial payments, or releases of security, in whole or in part, with or without notice, before or after maturity. The pleading of any statute of limitations as a defense to any demand against the Borrower, endorsers, guarantors and sureties hereof is expressly waived by each and all such parties to the extent permitted by law.

18. Governing Law. THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. BORROWER CONSENT TO THE PERSONAL JURISDICTION OF THE APPROPRIATE STATE OR TRIBAL COURT LOCATED IN HUMBOLDT COUNTY, CALIFORNIA AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. THE PARTIES HERETO EXPRESSLY SUBMIT AND CONSENT TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS. THE PARTIES HERETO HEREBY WAIVE PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON EACH OF THE PARTIES HERETO BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE PARTIES HERETO, AT THE RESPECTIVE ADDRESSES SET FORTH IN THE LOAN AGREEMENT EXECUTED CONCURRENTLY HERewith AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.

19. Waiver Of Right To Jury Trial. **TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, CLAIM, LAWSUIT OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO: (i) THIS NOTE OR ANY SUPPLEMENT OR AMENDMENT THERETO; OR (ii) ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN ANY OF THE PARTIES HERETO; (iii) ANY BREACH, CONDUCT, ACTS OR OMISSIONS OF ANY OF THE PARTIES HERETO OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSON AFFILIATED WITH OR REPRESENTING ANY OF THE PARTIES HERETO; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. DISPUTE RESOLUTION BETWEEN THE PARTIES HERETO SHALL BE THROUGH ARBITRATION IN ACCORDANCE WITH SECTION 8.12 OF THE LOAN AGREEMENT.**

THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE PARTIES HERETO WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

20. Authority/Consent.

(a) Authority to Execute. With the intent to be legally bound, the Borrower hereby covenants and acknowledges that it: (a) has read each of the terms set forth herein; and (b) that the Borrower has the authority to execute the Loan Documents, including but not limited to this Note, on behalf of the Borrower.

(b) Consent to Terms. Borrower expressly consents and agrees that the Borrower shall be bound by all terms and conditions contained herein.

21. No Assumption. This Note is non-assumable. The Borrower understands that the Lender may transfer or assign this Note.

22. No Offsets. No indebtedness evidenced by this Note shall be offset by all or part of any claim, cause of action, or cross-claim of any kind, whether liquidated or unliquidated, which Borrower now has or may hereafter acquire or allege to have acquired against the Lender. To the fullest extent permitted by law, Borrower waives the benefits of any applicable law, regulation, or procedure which provides, in substance, that where cross demands for money exist between parties at any point in time when neither demand is barred by the applicable statute of limitations, and an action is thereafter commenced by one such party, the other party may assert the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the claim would at the time of filing the response be barred by the applicable statute of limitations.

23. Time Of Essence. Time is of the essence in the performance of each provision of this Note by Borrower.

24. Headings. The headings of each paragraph are for convenience only and shall be disregarded in construing this Note.

[Signatures on following page]

"BORROWER"

REDWOOD COAST ENERGY AUTHORITY

By: _____

Name: _____

Title: _____



STAFF REPORT
Agenda Item # 8.2

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Stephen Kullmann, Director of Demand Side Management
SUBJECT:	Rural Regional Energy Network Business Plan

SUMMARY

The Demand Side Management Department has been working with the Rural Hard to Reach Working Group (RHTR) to develop a Regional Energy Network (REN) that will serve rural communities in California. At the April 22, 2021, meeting, the Board approved executing a Memorandum of Understanding (MOU) between the parties to form a RuralREN. At the May 27, 2021, meeting the Board approved executing a contract with the San Joaquin Valley Clean Energy Organization (SJVCEO) for consulting services to prepare a Business Plan. Staff proposes adoption of Resolution 2022-01 authorizing the submission of the RuralREN Business Plan to the California Public Utilities Commission (CPUC) by the deadline of February 15, 2022.

This RuralREN will give RCEA an opportunity to offer energy efficiency programs, workshops and trainings that would otherwise not be offered in rural areas such as ours, without the total resource cost requirement that constrains most CPUC-funded energy efficiency programs. Some of these programs will integrate with our existing offerings to boost savings on energy efficiency projects for our customers and offer local workshops and training. RCEA will also act as Administrator for the entire statewide program and will receive an additional 10% of the total budget for administrative functions and 6% for statewide marketing.

Details are included in the attached presentation that will be provided at the Board meeting.

Memorandum of Understanding (MOU) to include Mendocino and Lake Counties in the RuralREN Program

In November 2021, the Mendocino Council of Governments (MCOG) and Lake Area Planning Council (Lake APC) expressed interest in participating in the RuralREN to serve Lake and Mendocino Counties. Deadlines for preparing and submitting the RuralREN business plan to the CPUC did not allow adequate time for all seven signatories to execute an amended RuralREN memorandum of understanding including MCOG and Lake APC as additional signatories.

The Rural REN Leadership Team unanimously found benefit in including Lake and Mendocino Counties within the Rural REN Territory. The most expedient way to do this is to expand RCEA's area of RuralREN program implementation to include those two counties and subcontract the work to serve them to Lake APC and MCOG. Upon approval of the Rural REN business plan, RCEA and MCOG and Lake APC will enter into separate contractual agreements to provide REN services while Lake APC and MCOG go through the process of becoming full Rural REN members.

This MOU formalizes the agreement to include Lake and Mendocino Counties within RCEA service territory for the purposes of RuralREN program development until such time as the RuralREN has

been approved and RCEA enters into agreements with MCOG and Lake APC. Pass through funds have been included in RCEA's RuralREN proposed budget to provide staff capacity and program incentives within the Lake APC and MCOG regions.

FINANCIAL IMPACTS

The proposed 2023-2027 RuralREN implementation budget for RCEA will be \$12,327,365. The total requested five-year budget for all partners/regions will be \$95.9 million. As the Program Administrator for the RuralREN, in addition to RCEA's above share of the implementation budget RCEA will be allocated \$13,084,374 of funding to cover state-wide administration and marketing activities.

There is minimal financial impact to RCEA resulting from the MOU with MCOG and Lake APC, as the funding for their implementation is budgeted as a pass-through separate from funding for implementation in Humboldt County, and the administration of the resulting subcontracts will be covered by RCEA's overall RuralREN administration budget.

RECOMMENDED ACTIONS

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.

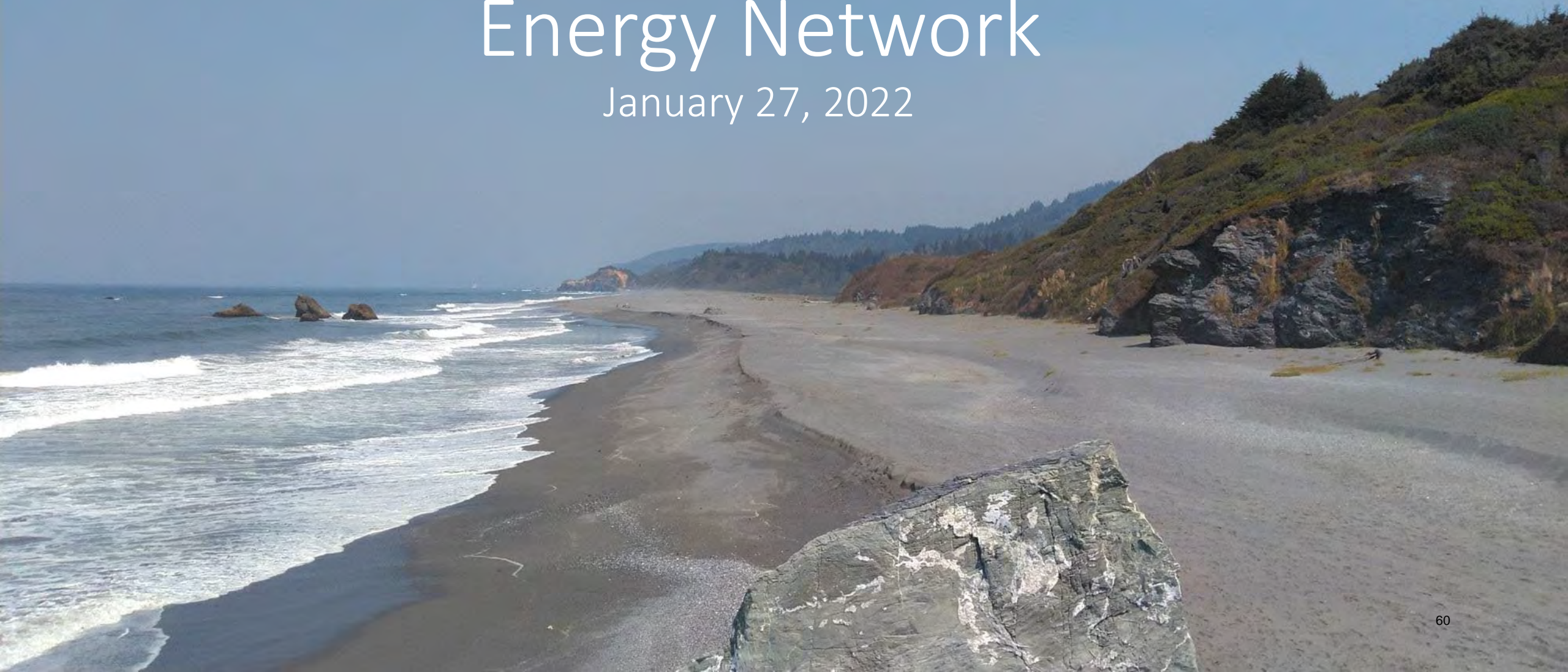
Authorize Executive Director to execute, after final review and approval by RCEA Legal Counsel, the Memorandum of Understanding between Mendocino Council of Governments, Lake Area Planning Council, and Redwood Coast Energy Authority to provide Regional Energy Network programs, and all applicable documents.

ATTACHMENTS

- Rural Regional Energy Network Presentation
- 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.
- *The memorandum of understanding between Lake Area Planning Council, Mendocino Council of Governments and Redwood Coast Energy Authority was not available at the time of agenda and packet publication. This document will be made available by 5 p.m. on Wednesday, January 26, 2022, at www.redwoodenergy.org.*

Becoming a Rural Regional Energy Network

January 27, 2022



Becoming a Rural Regional Energy Network

RuralREN Mission Statement

The RuralREN will act as a catalyst to accelerate the implementation of the state's energy efficiency and climate goals in geographically hard-to-reach California. By leveraging rural regional collaboration, our trusted local relationships, and promoting pragmatic responses to community needs the RuralREN will help deliver a just and clean energy future.

Background...What is a REN?

- Regional Energy Networks (RENs) were first envisioned as an innovative framework for local governments to design and administer energy efficiency programs.
- In 2012 the California Public Utilities Commission (CPUC) allowed two RENs to begin operations as pilot programs. The goal was for the RENs to serve customers not currently served by other energy efficiency programs.
- In 2018 and 2019 , the CPUC issued decisions opening the way for the creation of new RENs and making the two pilot RENs permanent.



Advantages of a REN...



- By launching new programs, RENs bring energy efficiency incentives and increased technical support to previously underserved communities
- RENs are allowed to design innovative programs which focus on serving communities in ways traditional energy efficiency programs do not.
- Rural regions of California have a high energy cost to income ratio and have not received the same level of service as urban areas.

Rural REN Timeline

- Rural energy efficiency implementers throughout California came together to form a Rural and Hard to Reach (RHTR) Working Group
- In 2020, in order to have a more direct impact, RHTR partners decided to start the process of developing a REN
- April 2021, RCEA Board approved MOU with the other agencies to begin development of a Rural REN
- November 2021, MCOG and Lake APC reached out to RCEA to join Rural REN effort.
- February 15, 2022: Deadline for Business Plan Submission
- January 2023, approved Rural REN to begin implementation

Rural and Hard to Reach Working Group



Rural REN Proposed Budget and Programs

- Five-year budget covering six partners and seven programs is approximately \$96 million
- Redwood Coast Energy Authority is the Program Administrator for the entire REN
- The 2023-2027 Rural REN Implementation Budget for RCEA is \$12,327,365. The 2023-2027 Administration and Marketing budget is \$13,084,374.



Programs focused on Rural Equity and Market Support (non-resource)

- Residential, targeting low to moderate income, raising energy awareness and providing energy efficiency audits
- Workforce Education and Training, creating pathways for community members to participate in the green economy
- Codes and Standards, supporting enforcement agencies and building professions to meet or exceed existing and new codes
- Finance, offering zero interest residential, commercial and public electrification and energy efficiency loans
- Public Agencies will continue to be served in Humboldt County through our Local Government Partnership with PG&E



Residential and Non-Residential Resource Programs



- Focused on filling the unmet needs from other utility and statewide programs
- Deliver direct-to customer rebates for energy efficiency and electrification upgrades as well as some direct install options
- Offered in RCEA and Sierra Business Council territories only

Helping facilitate Lake and Mendocino Counties' participation

- RCEA to execute MOU to provide Rural REN programs in Mendocino and Lake Counties through subcontracts with MCOG and Lake APC
- Initial budget supports staff capacity at Lake APC and MCOG, programmatic incentives, and loan seed fund
- Rural REN Leadership Team recognizes desire for Lake APC and MCOG to become full REN members and will pursue this shortly after Business Plan filing



Proposed Actions

- Execute Memorandum of Understanding between RCEA, MCOG, and Lake APC for RCEA to implement energy programs in Lake and Mendocino Counties through the Rural REN
- Adopt Resolution 2022-01 Authorizing Submission of Rural REN Business Plan

RESOLUTION NO. 2022-1

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
AUTHORIZING SUBMISSION OF A BUSINESS PLAN
TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION
FOR THE FORMATION OF A RURAL REGIONAL ENERGY NETWORK**

WHEREAS, the Redwood Coast Energy Authority (RCEA) has been a successful implementer of energy efficiency programs since 2003; and

WHEREAS, Regional Energy Networks (RENs) were introduced to the California market through California Public Utilities Commission (CPUC) Decision D.12-05-015, issued May 18, 2012; and

WHEREAS, the first RENS, BayREN, serving the nine Bay Area Counties, and SoCalREN, serving 11 southern California counties, were approved as “pilots” through D.12-11-015, issued November 15, 2012; and

WHEREAS, CPUC Decision D.19-12-021, issued December 12, 2019, found that RENs should no longer be considered pilot programs, that RENs demonstrate unique value toward achieving California’s energy, climate, and equity goals, and should not be subject to up front cost-effectiveness criteria; and

WHEREAS, rural populations are more spread out and business and housing in those areas is often less dense compared to urban areas, making services less cost-effective to the ratepayer and to those firms providing services; and

WHEREAS, existing investor-owned utility (IOU), Community Choice Aggregator and REN programming do not exhaustively meet rural California’s regional energy efficiency needs; and

WHEREAS, IOU cost-effectiveness metrics and constraints have led to the elimination or reduction of Local Government Partnership and resource focused activities; and

WHEREAS, seven rural California organizations including the Association of Monterey Bay Area Governments, the High Sierra Energy Foundation, Redwood Coast Energy Authority, the San Joaquin Valley Clean Energy Organization, the County of San Luis Obispo, the Sierra Business Council, and the County of Ventura agreed through a Memorandum of Understanding dated May 13, 2021, to develop a Rural Regional Energy Network (RuralREN); and

WHEREAS, RCEA will be the Administrative Lead for the RuralREN.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Redwood Coast Energy Authority:

- Approves the submission of a Business Plan to the CPUC for the formation of a Rural Regional Energy Network (RuralREN); and
- Agrees that RCEA shall be Administrative Lead for the approved RuralREN; and
- Authorizes the Executive Director, Matthew Marshall, to execute any pertinent documents.

Adopted this ____ day of _____, 2022.

ATTEST:

Sheri Woo, RCEA Board Chair

Clerk of the Board, RCEA

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2022-1 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

**MEMORANDUM OF UNDERSTANDING BETWEEN
MENDOCINO COUNCIL OF GOVERNMENTS,
LAKE AREA PLANNING COUNCIL, AND
REDWOOD COAST ENERGY AUTHORITY
TO PROVIDE REGIONAL ENERGY NETWORK PROGRAMS**

This MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this _____ day of _____, 2022 and sets forth the understanding between Mendocino Council of Governments ("MCOG"), Lake Area Planning Council ("Lake APC"), and Redwood Coast Energy Authority ("RCEA") concerning MCOG's and Lake APC's receipt of regional energy network programs. MCOG, Lake APC, and RCEA are hereinafter also referred to collectively as the "Parties" and individually as a "Party".

The Parties:

1. MCOG is a California joint powers authority with member agencies consisting of the Cities of Fort Bragg, Point Arena, Ukiah and Willits, and the County of Mendocino. Its purpose is to assist local governments in planning to address common needs, cooperating for mutual benefit, and coordinating for sound regional, community, and intercommunity development. MCOG is the Regional Transportation Planning Agency for the Mendocino County region.
2. Lake APC is a California joint powers authority with member agencies consisting of the Cities of Lakeport and Clearlake and the County of Lake. Lake APC is the Regional Transportation Planning Agency for the Lake County region.
3. RCEA is a California joint powers authority with member agencies consisting of the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, the County of Humboldt, and the Humboldt Bay Municipal Water District. A purpose of RCEA is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region for the benefit of RCEA's member agencies and their constituents.

Background:

1. RCEA entered into a Memorandum of Understanding with the Association of Monterey Bay Area Governments, the High Sierra Energy Foundation, the San Joaquin Valley Clean Energy Organization, the County of San Luis Obispo, the Sierra Business Council, and the County of Ventura, dated May 13, 2021, to collaborate in forming a REN that focuses on rural communities by providing programmatic flexibility to meet diverse needs not served by existing programs. The rural communities REN ("RuralREN") is being formed under California Public Utility Commission ("CPUC") Decision D.12-05-

015. For purposes of clarification in this MOU, the memorandum of understanding to form the RuralREN is referred to herein as the “RuralREN-MOU.”

2. Under the terms of the RuralREN-MOU, the collaboration to form the RuralREN is governed by a leadership team consisting of a representative from each of the seven RuralREN-MOU parties. The RuralREN-MOU parties will submit a business plan to the CPUC for approval of the RuralREN by February 15, 2022, the CPUC submission deadline.
4. MCOG and Lake APC represent rural California regions and are interested in participating in the RuralREN. However, the CPUC deadline for submission of the RuralREN business plan and identifying the proposed REN regions is too soon to allow for MCOG and Lake APC to become parties to the RuralREN-MOU. MCOG and Lake APC each intend to seek membership in the approved RuralREN to become direct REN program participants.
5. Until such time when MCOG and Lake APC obtain membership in the approved RuralREN, the RuralREN-MOU leadership team approved inclusion of the MCOG and Lake APC regions into RCEA’s program budget and scope in the RuralREN business plan to be submitted to the CPUC. The parties to the RuralREN-MOU anticipate that upon CPUC approval of the RuralREN, RCEA would enter into separate agreements with MCOG and Lake APC to implement REN programs in their regions.

Anticipated Areas of Cooperation:

The Parties intend to cooperate and work together in good faith for the purpose of planning RuralREN energy programs within the MCOG and Lake APC regions, to be implemented in the future under separate contracts. The anticipated areas of cooperation under this MOU are the following:

- To design programs that reflect existing service gaps and expressed needs within the respective MCOG and Lake APC regions. To coordinate and cooperate with state, local, and other relevant officials to advance RuralREN program interests within the respective MCOG and Lake APC regions;
- To inform all other Parties in a timely fashion of relevant developments that could affect or impact the RuralREN program development process within the respective MCOG and Lake APC regions ;
-
- To facilitate the MCOG and Lake APC processes of becoming members of the approved RuralREN;
- Upon CPUC approval of RuralREN, to enter into separate agreements to provide RuralREN funding to implement programs in the MCOG and Lake APC regions.

Termination or Withdrawal From MOU:

Any party may withdraw from this MOU at any time. This MOU will terminate as to either MCOG or Lake APC upon the occurrence of said Party becoming a member of the approved RuralREN. This MOU will terminate as to all Parties in the event the CPUC rejects the RuralREN-MOU business plan.

This MOU does not establish a joint venture, partnership, or business unit of any kind between the Parties, nor does it necessarily create a financial obligation on behalf of any Party.

This MOU may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument. Delivery of an executed counterpart of this MOU by e-mail will be deemed as effective as delivery of an originally executed counterpart. This MOU may be executed electronically through a verified signature third party application such as DocuSign.

IN WITNESS WHEREOF, each Party has caused this MOU to be duly signed and delivered, effective as of the date of the last Party signing.

Redwood Coast Energy Authority

Signature: _____ Date: _____
(Name, Title)

Mendocino Council of Governments

Signature: _____ Date: _____
(Name, Title)

Lake Area Planning Council

Signature: _____ Date: _____
(Name, Title)



STAFF REPORT

Agenda Item # 9.1

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
PREPARED BY:	Aisha Cissna, Regulatory and Legislative Policy Manager
SUBJECT:	NEM Successor Tariff Update

BACKGROUND

Net metering is an electricity billing mechanism that allows consumers who generate some or all of their own electricity (typically from a rooftop solar energy system) to use that electricity anytime, instead of when it is generated. In August 2020, the California Public Utilities Commission (CPUC) initiated a proceeding to develop a successor Net Energy Metering (NEM) tariff pursuant to the requirements of Assembly Bill 327 passed in 2013.

On December 13, 2021, the CPUC issued a Proposed Decision explaining the proposed, new tariff provisions. If this Proposed Decision passes as written, the current NEM 2.0 tariff will sunset in spring of 2022.

The Legislature introduced Assembly Bill 1139 in February 2021. This bill sought to expedite the CPUC proceeding. If the accelerated timeline for the CPUC to establish a new NEM tariff was not met, the bill required specific provisions for the replacement tariff including additional interconnection fees, monthly fixed charges, NEM credits based on wholesale instead of retail rates, and a series of other provisions not favored by supporters of the current NEM 2.0 framework. RCEA's Board voted to oppose the legislation at its May 2021 Board meeting; as of June 2021, this bill was not voted out of committee and is not active.

SUMMARY

In crafting the successor tariff, the CPUC is required to balance several competing statutory objectives including, but not limited to:

- Allow customer-sited renewable energy to grow sustainably;
- Ensure equity; and,
- Ensure that grid costs and benefits resulting from the successor tariff are in balance.

While complex and detailed, the high-level provisions of the successor tariff as posited in the Proposed Decision include:

- A shift from the net energy metering construct to a net billing construct;
- A shift in the design of the export and import compensation rates;
- The establishment of a Market Transition Credit;
- The establishment of a Grid Participation Charge;
- The establishment of an "Equity Fund" and "Storage Evolution Fund."

Attached is a CPUC “Customer Explanation” of the proposed rule change that provides additional detail.

RCEA was not granted full party status by the CPUC to be able to formally comment on the proposed decision, but staff did collaborate with other CCAs who ultimately submitted comments in reply to the Proposed Decision. Key points raised in the CCA comments include:

- The Grid Participation Charge is discriminatory and should not be adopted.
- As a matter of fairness and equity among all customers who consume energy from the grid, customers with customer-sited distributed generation should pay the same set of non-bypassable charges as any other customer for their net consumption.
- The export compensation rate as proposed by the CPUC goes too far, too quickly. A rate based on existing electrification rates with a gradual step-down will help ensure there is not a sharp falloff in installations, that our State meets its renewable energy and climate goals and will reduce cost shift.
- There are modest fixed charges associated with existing electrification rates. Low-income customers should be exempt from these fixed charges.

The proposed decision has been quite contentious. In regard to the Proposed Decision, on January 10 Governor Newsom stated, “I just had a chance to review it and I’ll say this about the plan: We still have some work to do.” The Commission was scheduled to vote on the Decision on January 27 but, not surprisingly considering the Governor’s comments, when the CPUC agenda was posted for the 27th this item was not included.

It is not known how long the CPUC intends to delay the final decision, but RCEA staff expects that an official “alternative decision” will be developed and presented for potential adoption along with the administrative law judge’s Proposed Decision when it is advanced to the CPUC commissioners for a vote. Staff will provide additional details on this issue and the current status of the process at the RCEA Board meeting.

RECOMMENDED ACTION

Discuss, and potentially direct, RCEA action on next steps regarding advocacy in forthcoming NEM successor tariff policy development.

ATTACHMENTS

- Explanation of Net Billing (Source: 12/13/21 CPUC Proposed Decision)

For reference, below are some links to sample articles representing the range of positions supporting and opposing the proposed decision:

California Solar and Storage Association: <https://calssa.org/blog/2022/1/4/cpucs-proposed-nem-3-decision-would-hurt-solar-adoption-among-low-income-consumers>

The Sierra Club: <https://www.sierraclub.org/articles/2021/11/updating-rooftop-solar-policy-achieve-climate-goals-and-benefit-californians-all>

UC Berkley Energy Institute at Haas: <https://energyathaas.wordpress.com/2022/01/10/californias-misguided-rooftop-solar-debate/>

Appendix A

Customer Explanation of Net Billing Tariff

How Electricity Bill Savings Work

If you go solar, the majority of your electricity bill savings will come from reducing the amount of electricity that you buy, or import, from your electricity provider. A minor additional amount of bill savings will come from your provider's Net Billing program. Net Billing provides you with financial credits on your bill when your solar system sends excess electricity to the electric grid after first powering the electricity needs at your home. The value of these credits varies by time of day and season depending on the current supply and demand for electricity on the grid. It will usually be lower than the rate that you pay for electricity, just as wholesale prices for other goods are lower than their retail prices. Finally, you will receive an additional bill credit if you interconnect your solar system while California has its Market Transition Credit in effect.

Net Billing and Your Electricity Bill

Importing and Exporting Electricity

Since the sun isn't always shining, most solar customers also rely on electricity from the electric grid. Pairing a battery with your solar system allows you to store your excess solar generation and then reduce the amount of electricity you need to import from the grid in the evening. After your solar system is interconnected to the grid, your monthly electricity bill will summarize how much electricity your home imported from and exported to the grid.

Bill Charges

PG&E, SCE, and SDG&E solar customers are required to go on a time-of-use (TOU) rate plan. On a TOU rate plan, you will pay different prices for electricity at different times of the day (also called "TOU periods"). Prices for the energy you import from the electric grid are typically highest between 4 p.m. and 9 p.m.

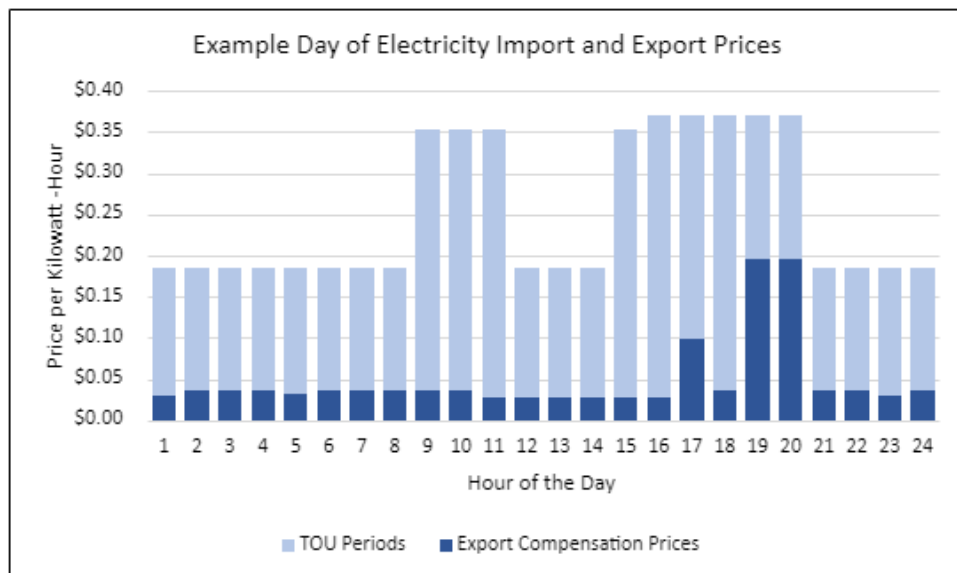
In addition, you will be responsible for paying a Grid Participation Charge in order to contribute your fair share of costs to maintain the grid and help low-income and disadvantaged Californians afford energy and access clean energy programs. The Grid Participation Charge is \$8 per kilowatt (kW) of solar installed per month. For example, if your solar system is 5 kW, your Grid Participation Charge will be \$40 per month. You cannot offset this charge using solar bill credits, but you can by using any Market Transition Credit and/or net surplus compensation you receive (see below).

You will not need to pay the Grid Participation Charge if you participate in the CARE or FERA programs, live in a disadvantaged community, or live in California Indian Country.

Bill Credits

Bill Credits for Exports

You will receive bill credits at a set price per unit of electricity (kilowatt-hour) exported, based on the value of the electricity to your provider in each hour of the day. The value generally follows TOU periods, meaning you will receive higher prices for energy exported during the most expensive TOU periods, and so on. If you want to maximize your bill credits, you can pay closer attention and use less energy (in order to export more) during the specific hours in a TOU period when prices are highest. If you have a battery, you may be able to program it to automatically store up energy produced by your solar panels during sunny hours, and then export energy during the most lucrative hours later in the day.



For the first five years after your solar system is interconnected to the grid, these prices will be based on what was predicted before you installed solar, in order to provide a measure of certainty for the purpose of predicting bill savings. After five years, the prices you receive will be set each year. They can rise or fall but are not expected to change drastically each year.

Market Transition Credit

If you interconnect your system to the grid by the end of 2027, you will receive a Market Transition Credit (MTC) on your electricity bill for ten years. The MTC is determined based on the amount of solar generation expected from your system. If you have a low bill in a given month and part of the MTC is left over after reducing your bill to the minimum amount, that part of the MTC will roll over to future months as needed and will not expire.

Monthly Payments and Net Surplus Compensation

Customers who are required to add solar (e.g. by California's building code) do not receive the MTC.

Your charges and credits will be "trued up" each month. Even though going solar can reduce your electricity costs, most customers still owe some money to their electricity provider at true-up time.

Though it's rare, if you export more electricity than you import in a month, you are typically eligible to be paid "net surplus compensation" for your excess electricity, which is around 2 to 3 cents per kilowatt-hour. Because this rate is lower than the rate you pay for electricity from the grid, it is generally not in your financial interest to install a solar system that produces much more energy than you use, unless you plan to make purchases that will increase your electricity usage, e.g., an electric vehicle.

(END OF APPENDIX A)



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 10.1

AGENDA DATE:	January 27, 2022
TO:	Board of Directors
FROM:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director's Staff Report

SUMMARY

Executive Director Matthew Marshall will provide a brief update on:

- Local and national offshore wind related activities,
- [RCEA's 2021-2022 Community REport](#), and
- Other topics as needed.

RECOMMENDED ACTION

None. (Information only)