



## **BOARD OF DIRECTORS MEETING MINUTES**

**May 26, 2022 - Thursday, 3:30 p.m.**

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Notice of this meeting was posted on May 20, 2022. Chair Stephen Avis 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 Avis stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Stephen Avis, Scott Bauer (arrived 3:48 p.m.), Rex Bohn (left 5:45 p.m.), Vice Chair Chris Curran, Mike Losey (arrived 3:34 p.m.), Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Business Development and Finance Director Lori Biondini, Regulatory and Legislative Policy Manager Aisha Cissna, Power Resources Director Richard Engel, Senior Power Resources Manager Jocelyn Gwynn, Demand Side Management Director Stephen Kullmann, Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa, Deputy Executive Director Eileen Verbeck, The Energy Authority Senior Portfolio Analyst Chris Weber.

New Trinidad Director Jack Tuttle introduced himself to the Board. He was hired by a South Humboldt solar company in 2006 and has worked in the solar industry for the last 16 years.

### **ORAL COMMUNICATIONS**

There were no public comments on items not on the agenda. Chair Avis closed the oral communications portion of the meeting.

### **CONSENT CALENDAR**

- 3.1 Approve Minutes of April 28, 2022, Board Meeting.**
- 3.2 Approve Disbursements Report.**
- 3.3 Accept Financial Reports.**

No member of the Board or public requested items to be removed from the consent calendar.

**M/S: Losey, Woo: Approve the consent calendar items.**

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

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

## **OLD CCE BUSINESS**

### **5.1 Power Procurement Update – Information only**

Power Resources Director Richard Engel described current supply chain disruptions, inflation, rising oil and shipping costs and the U.S. Department of Commerce's tariff circumvention investigation's effects on RCEA's state-mandated and Board-directed power procurement. The Sandrini solar project's completion is delayed, and its developers have requested a price increase. Anticipated tariff increases resulting from the federal investigation could threaten the viability of this and other solar development projects nationwide. Should the Sandrini solar project fail, RCEA would need to replace a substantial portion of its Long-Term Renewable Portfolio Standard procurement with other resources, possibly PG&E's Voluntary Allocation Market Offer product or less-desirable unbundled renewable energy certificates. Other solar projects short-listed to help RCEA meet mid-term reliability procurement mandates as well as local feed-in tariff projects could also be affected by supply shortages and pandemic-related delays. Staff is renegotiating the Sandrini project contract and recommends doing a short-term procurement solicitation this year to make up for the potential mandated procurement shortfall. The Energy Authority's Senior Portfolio Analyst Chris Weber explained how RCEA's financial modeling reflected the Sandrini project's delayed completion and that RCEA's financial outlook remains positive despite the project's delay and potential price increase.

The directors discussed the possibility of finding resources to replace the Sandrini project, how RCEA may be able to negotiate the amount and timing of cash deposits for the Sandrini project, and how green energy projects are being built because of Humboldt County customer investment.

There were no responses from the public to Chair Avis' invitation for comment. Chair Avis closed the public comment period.

## **NEW CCE BUSINESS**

### **6.1. North Coast Renewables**

Senior Power Resources Manager Jocelyn Gwynn reported on a proposed agreement between RCEA and Sonoma Clean Power to collaborate on shared renewable energy development interests such as state regulatory advocacy, funding pursuit and sharing of non-confidential public-private partnership agreement language and best practices. Both agencies are developing significant renewable power sources. SCP's geothermal project could provide 500 MW or more to the electrical grid. While RCEA's initial offshore wind project would produce 100-150 MW, full wind energy development off Humboldt County's coast would produce more energy than the current infrastructure can transmit. One proposed improved transmission corridor runs from Humboldt County through Mendocino and Lake Counties and could service both RCEA's and SCP's renewable energy projects.

The directors discussed the potential transmission corridors and the importance of avoiding duplication of efforts between the agencies.

Chair Avis invited public comment. There were no comments from the public. Chair Avis closed the public comment period.

**M/S: Bauer, Schaefer: Authorize the Executive Director to enter into the Memorandum of Understanding Between Redwood Coast Energy Authority and Sonoma Clean Power Authority to Collaborate on Enabling Transformative Renewable Energy Development Along the Northern California Coast.**

**The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Bohn, Curran, Losey, Schaefer, Tuttle, Wilson. Noes: None. Absent: None. Abstain: None. Non-Voting: Woo.**

**OLD BUSINESS**

**7.1. Board and Community Advisory Committee Meeting Method Options**

Deputy Executive Director Verbeck described the current Humboldt County COVID transmission levels, Humboldt Bay Municipal Water District Board Room attendance limitations due to social distancing requirements, and staff's research of 18 meeting spaces between McKinleyville and Fortuna.

The directors expressed support for hybrid in-person and virtual meetings in centrally-located Eureka to address fluid COVID conditions and encourage public engagement. Relative merits of the Eureka Veterans Memorial Hall and Jefferson Community Center auditorium were discussed.

There were no responses from the public to Chair Avis' invitation for comment. Chair Avis closed the public comment period.

**M/S: Losey, Schaefer: Extend Resolution No. 2022-4 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period May 28, 2022, through June 26, 2022, pursuant to Brown Act revisions of AB 361, and direct staff to make arrangements for hybrid, socially-distanced, in-person public meetings beginning July 2022.**

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

**7.2. Net Energy Metering Successor Tariff Proceeding Update**

Regulatory and Legislative Manager Cissna reviewed the history of CPUC net energy metering (NEM) tariffs and current proposed changes. CCA advocacy efforts and comment deadlines were outlined. The Board previously formed an ad hoc NEM Successor Tariff Subcommittee to study proposed NEM tariff changes from the perspective of RCEA customers and report back to the Board. The Board discussed the necessity of this subcommittee in light of the technical nature of the proposed changes and the Board's adoption of a policy platform, which delegates regulatory advocacy to staff. The directors agreed to disband the ad hoc subcommittee. Staff will develop a comment letter for submission by the June 10 deadline and report back to the Board at the June meeting.

Paul Woodworth of Rise Energy submitted written comment asking RCEA to submit comments to the CPUC in defense of a viable NEM incentive program. Chair Avis closed the public comment period.

## **NEW BUSINESS**

### **8.1. Proposed Agency Position Additions and Revisions**

Deputy Executive Director Verbeck described three proposed, additional full-time RCEA staff positions necessitated by expanding agency work. The Community Choice Energy program is responding to an increasingly volatile energy market, negotiating agreements to fulfil rapidly developing energy procurement mandates and beginning to implement debt collection on unpaid customer bills. Staff are also needed to pursue substantial federal and state grant funds that have been set aside for transportation emissions reduction and resilience programs for building microgrids. Staff also requests creating a full-time, permanent position to match community members to a growing array of program offerings. This work is currently performed by temporary staff, and frequent turnover results in knowledge loss and recurring training costs. The cost for adding these positions would be \$260,000 with a portion of the cost being funded by grants. Staff propose that these positions be funded as long-term positions and they have been included in the proposed budget. The directors discussed the importance of planning for future needs.

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

**M/S: Losey, Woo: Conditionally approve positions upon passage of budget next month with these positions included:**

- 1) **Creation of an Infrastructure Programs Manager position,**
- 2) **Addition of a DSM Intake Coordinator position,**
- 3) **Addition of a Power Resources Specialist position,**
- 4) **Update to the RCEA Organization Chart, and**
- 5) **Revising the Assistant/Coordinator/Associate position to clarify the distinction between limited-term and permanent positions.**

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

### **8.2. FY 2022-2023 Preliminary Draft Budget**

Deputy Executive Director Verbeck introduced the draft fiscal year 2022-2023 budget, based on conservative modeling by The Energy Authority. Both revenues and power procurement costs are forecast to be much higher than this year, and delinquent utility bills are expected to decrease. The budget includes the Blue Lake Rancheria loan repayment and payment for power supply to MCE. Cash from these entities made it possible for RCEA to weather a large cash shortfall this fiscal year from extreme energy cost increases and pandemic-era bill non-payments. Three additional full-time positions and higher insurance costs increased the personnel budget. The draft budget does not include revenue sources that have not yet been confirmed, such as an electric vehicle charging stations grant and CPUC funding for the proposed Rural Regional Energy Network. If awarded, these funds will help offset personnel costs. Staff conservatively estimate \$8 million in net revenue next year and strongly recommend replenishing the agency's cash reserves to survive periods of reserve depletion such as the one that was averted this fiscal year.

There was support for replenishing agency reserves and staff was thanked for developing a budget despite the volatile energy market. The directors discussed the agency's goal of

returning revenues to the community through providing cheaper power and funding customer programs.

## **STAFF REPORTS**

### **9.1. Deputy Executive Director's Report**

Deputy Executive Director Verbeck reported that the Humboldt wind lease area sale notice was published in the Federal Register on May 31, opening a 60-day public comment period. The Redwood Coast Airport Microgrid opening ceremony will be on June 22 at 10:30 a.m.

The meeting was adjourned at 6:16 p.m.

Lori Taketa  
Clerk of the Board