



Redwood Coast Energy Authority  
633 3<sup>rd</sup> Street, Eureka, CA 95501  
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777  
E-mail: [info@redwoodenergy.org](mailto:info@redwoodenergy.org) Web: [www.redwoodenergy.org](http://www.redwoodenergy.org)

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## **BOARD OF DIRECTORS MEETING AGENDA**

**July 23, 2022 -Thursday, 3:30 p.m.**

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### **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 16, 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.

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**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](mailto: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."

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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](mailto: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.

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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](http://www.redwoodenergy.org).

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## **OPEN SESSION** Call to Order

### **1. REPORTS FROM MEMBER ENTITIES**

### **2. ORAL COMMUNICATIONS**

This time is provided for people to address the Board or submit written communications 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.

### **3. 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.

**3.1** Approve Minutes of June 23, 2022, Board Meeting.

**3.2** Approve Disbursements Report.

**3.3** Accept Financial Reports.

**3.4** Accept Legislative Quarterly Report.

**3.5** Extend Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period July 28, 2022, through August 26, 2022, pursuant to Brown Act revisions of AB 361.

**3.6** Approve Amendment No. 3 Extending the Term of the Current Professional Services Agreement with Frontier Energy Inc. for Reporting and Technical Services in Support of the RCEA-Administered CPUC Energy Programs through December 2023 and Authorize the Executive Director to Execute All Applicable Documents.

### **4. 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.

### **5. OLD CCE BUSINESS**

**5.1.** Energy Risk Management Quarterly Report

Accept Energy Risk Management Quarterly Report.

### **6. NEW CCE BUSINESS – None.**

## **END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

## 7. OLD BUSINESS

### 7.1 CC Power Firm Clean Resources Agreements

Delegate authority to Executive Director to execute necessary Project Participation Share Agreements and Buyer's Liability Pass Through Agreements with California Community Power and Participating Members for two new Geothermal Projects:

- Ormat Nevada Inc. Portfolio of Geothermal Projects
  - Expected Participation Share: 3.20% or 4.00 MW with quantity not to exceed 5.00 MW
  - Delivery term: 20 years starting on or about June 1, 2024
- Open Mountain Energy LLC., Fish Lake Geothermal
  - Expected Participation Share: 2.80% or 0.36 MW with quantity not to exceed 0.45 MW
  - Delivery term: 20 years starting on or about April 1, 2024.

### 7.2 Power Purchase Agreement for Renewable America Foster A Clean Power

Approve Power Purchase Agreement with Foster Clean Power A LLC and authorize the Executive Director to execute all applicable documents.

*NOTE: This power purchase agreement was not ready at the time of agenda publication and will be available for viewing at <https://redwoodenergy.org/board-of-directors/> by 5 p.m. on Tuesday, July 26, 2022.*

## 8. NEW BUSINESS – None.

## 9. STAFF REPORTS

### 9.1 Deputy Executive Director's Report

## 10. FUTURE AGENDA ITEMS

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

## 11. CLOSED SESSION

- 11.1 Conference with real property negotiators pursuant to Government Code § 54956.8 in re: APNs 001-141-005 and 001-141-006; RCEA negotiator: Executive Director; Owner's negotiating party: Wells Commercial; Under negotiation: price and terms.

## 12. RECONVENE TO OPEN SESSION

## 13. CLOSED SESSION REPORT

## 14. ADJOURNMENT

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### NEXT REGULAR MEETING

Thursday, August 25, 2022, 3:30 p.m.

Meeting location to be determined. Online and phone participation will be available via Zoom.



## **BOARD OF DIRECTORS DRAFT MEETING MINUTES**

**June 23, 2022 - Thursday, 3:30 p.m.**

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Notice of this meeting was posted on June 17, 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 3:33 p.m., stating that the teleconference meeting was being conducted pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 16, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020. Chair Avis stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Stephen Avis, Scott Bauer, Rex Bohn, Vice Chair Chris Curran, Mike Losey, Sarah Schaefer (left 4:38 p.m.), Jack Tuttle (arrived 3:41 p.m., left 5:08 p.m.), Frank Wilson, Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Demand-Side Management Manager Mike Avcollie; EDP Renewables Director of Origination (Central/West) Christopher Baxter; Business Development and Finance Director Lori Biondini; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; EWPRC Senior Vice President of Operations Ed Kent; Demand Side Management Director Stephen Kullmann; Broad Reach Power Director of Storage Development Jacob Morgan; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa; Deputy Executive Director Eileen Verbeck.

Chair Avis commented that all directors and members of other legislative bodies took oaths to defend the Constitution and must take that oath seriously at all levels of government.

Director Losey congratulated Executive Director Matthew Marshall and staff for completing the first front-of-the-meter microgrid in California and expressed pride that multiple agencies, including state agencies, were able to collaborate to complete the project.

### **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 May 26, 2022, Board Meeting.
- 3.2** Approve Disbursements Report.
- 3.3** Accept Financial Reports.
- 3.4** Accept Update on Net Energy Metering Successor Tariff Comment Letter Submitted by RCEA Staff to the California Public Utilities Commission.

- 3.5** Adopt Resolution 2022-5 Adopting an Amended Conflict of Interest Code and Authorize the Board Clerk to Submit the Amended Conflict of Interest Code to the Humboldt County Board of Supervisors as the Code Reviewing Body.
- 3.6** Adopt Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the Period June 27, 2022, through July 27, 2022, Pursuant to Brown Act Revisions of AB 361, and Approve Conducting RCEA Board and Community Advisory Committee Meetings in a Hybrid In-Person and Teleconference Format at the Jefferson Community Center Auditorium Beginning July 28 for the Board and September 13, 2022, for the Community Advisory Committee.

Director Wilson requested that item 3.6 be pulled from the consent calendar. No member of the public requested removal of consent calendar items.

Paul Woodworth of Rise Energy asked RCEA to oppose non-bypassable charges on behind-the-meter energy consumption in a CPUC NEM Successor Tariff reply comment letter.

**M/S: Bauer, Losey: Approve the consent calendar items 3.1 through 3.5.**

**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.**

Director Wilson expressed concern about increasing COVID case counts and possible future variants. The directors supported continuing in a teleconference-only format until it becomes clear that future COVID waves will not overwhelm local response capacity.

**M/S: Wilson, Bohn: Continue conducting RCEA Board and Community Advisory Committee meetings in a virtual format until local COVID case counts trend downward.**

**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.**

**M/S: Woo, Wilson: Adopt Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period June 27, 2022, through July 27, 2022, pursuant to Brown Act revisions of AB 361.**

**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.**

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

## **OLD CCE BUSINESS**

- 5.1** Annual Report on Humboldt Sawmill Company Memorandum of Understanding Regarding Biomass Plant Performance and Alternative Feedstock Uses (Information only)

Director Wilson recused himself at 3:47 p.m. because he is employed by Humboldt Sawmill Company.

Power Resources Director Engel reported on the first annual meeting with Humboldt Sawmill Company (HSC) to review feedstock, plant performance and air quality emissions operational data and alternative biomass uses. The Board directed staff to “periodically review” the contract with HSC when approving a ten-year power purchase agreement with HSC in 2021. Most of the biomass plant’s feedstock is local redwood waste material derived from the company’s timberlands and sawmill operations. A third of the plant’s generated electricity is used at the sawmill and the other two-thirds are sold to RCEA. Portions of the company’s biomass are also being sold as soil amendment and made into biochar for local farms and activated charcoal for water treatment plants. An HSC consultant is studying biomass liquid vehicle biofuel production. Initial indications are that biofuel facility development might be too capital intensive. HSC’s sister company, Mendocino Redwood Company, is exploring more promising offers with other biofuel companies, with potential to use some material generated by HSC. Staff would like more plant energy performance data in the next annual report.

The directors discussed HSC’s motivation to find the best possible return for its biomass products and work with PG&E to change current requirements to disconnect biomass electricity generation during islanded operation of the PG&E’s Humboldt Bay Generating Station.

There were no responses from the public to Chair Avis’ invitation for comment. Chair Avis closed the public comment period. Director Wilson rejoined the meeting at 4:04 p.m.

## **NEW CCE BUSINESS**

### **6.1. Procuring PG&E Renewable Portfolio Standard Voluntary Allocation to Meet Compliance Requirements**

Senior Power Resources Manager Jocelyn Gwynn reported on an opportunity to purchase Renewable Portfolio Standard (RPS) contract renewable certificates from PG&E. Previously, while CCE customers paid the Power Charge Indifference Adjustment (PCIA) to cover the IOU’s above-market energy purchases made on their behalf before they moved to CCEs they did not receive any of the renewable certificates associated with those energy purchases. The recent CPUC PCIA proceeding now enables CCEs to receive an allocation of renewable certificates from the IOU serving the same customer territory. The Energy Authority recommends purchasing 20% of PG&E’s long-term resource pool allocation available to RCEA and 100% of the short-term resource pool available to RCEA to mitigate the risk of not meeting RPS procurement requirements should the Sandrini solar project experience further delays. Costs for this purchase are not additional for RCEA, i.e. they would replace renewable purchases from other sources and are therefore already reflected in the fiscal year 2022-2023 budget.

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

**M/S: Losey, Schaefer: Authorize the Executive Director to sign PG&E’s RPS Voluntary Allocation Attestation and execute the final Confirmation Agreement with PG&E, with changes from the Proforma Confirmation Agreement approved by Counsel.**

**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. Proposed Amendment to Sandrini Solar Power Purchase Agreement**

Power Resources Director Richard Engel reported on proposed amendments to the 100 MW Sandrini Solar Project power purchase agreement with EDPR which will provide 45% of RCEA's customer load. The project experienced delays related to the COVID pandemic, supply chain challenges, and permitting delays in Kern County. As a result, the project is six months behind schedule. Large tariff increases on solar panels originating in China have been postponed and will not affect this project; however, inflation has driven cost increases since contract execution. Staff and EDPR renegotiated the contract, increasing price by 10% over the 10-year contract term, reducing the buyer security deposit by 20% and narrowing construction timeframe extension condition requirements. The Energy Authority advised staff that the cost increases would be more favorable than exiting the contract and seeking a new contract, as solar power purchase prices have increased considerably.

The directors discussed the increased power purchase price's effect on customer rates, and how the security deposit is held over the life of the contract unless RCEA achieves an investment grade credit rating or reaches a net worth threshold that would alleviate seller concern. Staff will prepare for a Board discussion at a future meeting on balancing CCE formation goals of increasing customer savings with renewable energy procurement goals and building financial reserves.

EDPR's Director of Origination Chris Baxter reported that the project is in late-stage development. Construction is expected to begin in July 2022, with commercial operation beginning in June 2023. This project has been permitted.

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

**M/S: Woo, Bauer: Approve First Amendment to 15-year power purchase agreement with EDPR CA Solar Park II LLC for its Sandrini solar project and authorize RCEA's Executive Director to execute all applicable documents.**

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

### **7.2. Fairhaven Energy Storage Mid-Term Reliability Procurement**

Director Woo recused herself at 4:38 p.m. because her employer, SHN Consulting Engineers & Geologists, is contracted to work with the project's developers.

Power Resources Director Engel reported on the proposed 10-year resource adequacy (RA) agreement with Broad Reach Power and EWPRC at the former DG Fairhaven mill site. This would be the first utility-scale storage project in Humboldt County. The system's batteries will store power from the grid during the day when renewable resources are producing energy

and discharge energy to the grid in the evenings when renewable power is scarce. This RA purchase fulfills the CPUC's June 2021 Mid-Term Reliability requirements to replace retiring nuclear and natural gas power plant capacity with clean energy or storage projects. The project's 17.25 MW battery storage is much larger than the Airport Microgrid's 2.2 MW battery storage capacity and uses all the former biomass plant's electricity grid interconnection capacity. The project is expected to be online by October 2023 and would help RCEA meet the 2024 portion of the mid-term reliability compliance obligation. Purchase of RA at the proposed rate hedges costs as RA prices have been increasing. This contract aligns with RCEA strategic plans to maximize local renewable energy production, minimize greenhouse gas emissions, and ensure diversity in local sources.

EWPRC Senior Vice President of Operations and former operator of the Fairhaven biomass plant Ed Kent described his company's other battery storage projects in California. The directors discussed other grid interconnection opportunities at the Blue Lake biomass plant and how Diablo Canyon's 2 GB grid interconnection is fueling offshore wind development interest on the central coast. Broad Reach Power Director of Storage Development Jacob Morgan described interest in increasing storage capacity in the future as grid capacity increases in support of offshore wind energy production.

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

**M/S: Bauer, Losey: Approve Resource Adequacy Agreement with Fairhaven Energy Storage LLC and authorize the Executive Director to execute all applicable documents.**

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

Director Woo returned to the meeting at 4:54 p.m.

### **7.3. Fiscal Year 2022-23 Proposed Budget and Addition of Staff Positions**

Deputy Executive Director Verbeck described the fiscal year 2022-23 revised proposed budget draft which was based on The Energy Authority's lower revenue April 30 forecast instead of the higher revenue June 1 modeling. Staff followed Board direction to conservatively budget in recognition of the extremely volatile energy market and regulatory environment. The budget model also included a 3.1% PG&E rate increase. Three new full-time positions are included in the budget, as are RCEA's current 0.5% generation rate discount from PG&E's generation rates. Funds not yet awarded were not included. The budget projects \$8 million in net revenue. Staff strongly advocated that those funds be used to replenish the reserve fund which was depleted during the present fiscal year. A loan and a power product sale were needed to bridge the cash shortfall. During creation of the Community Choice Energy program, the Board adopted reserve goals of at least \$10 million during adverse times and \$35 million when conditions are favorable in its launch period program guidelines. When cash reserves are below those thresholds, TEA fees are higher. When reserves approach levels originally set by the Board, the Board may wish to discuss how customers should benefit from increased revenues.



The directors discussed PG&E's anticipated rate hike, how RCEA's rates and revenue increase when PG&E increases rates, and how the program's power purchase costs are fairly well hedged for the coming fiscal year. The directors expressed support for allocating net revenue to the reserve fund.

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

**M/S: Losey, Curran: Approve:**

1. **Adoption of the proposed RCEA Fiscal Year 2022-23 budget,**
2. **Creation of an Infrastructure Programs Manager position,**
3. **Addition of a DSM Intake Coordinator position,**
4. **Addition of a Power Resources Specialist position,**
5. **Update to the RCEA Organization Chart, and**
6. **Revising the Assistant/Coordinator/Associate position to clarify the distinction between limited-term and permanent positions.**

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

**STAFF REPORTS**

- 9.1. Update on RCEA's Public Agency Solar Program and the California Schools Healthy Air and Plumbing Efficiency Program by Demand-Side Management Director Stephen Kullmann, Senior DSM Manager Patricia Terry and DSM Manager Mike Avcollie

DSM Manager Avcollie reported on the Public Agency Solar Program (PASP), which the Board approved in 2018. PASP is locally funded through Community Choice Energy program revenues. In the past four years, PASP has helped 24 cities, schools, first responder stations and tribes determine whether solar systems are appropriate, conduct electricity load analyses, increase energy efficiency, and conduct solar site assessments and project feasibility studies. RCEA staff helps the agency leverage CEC loan programs and navigate the public works contracting process to install appropriate energy saving, production and storage measures. RCEA has conducted 57 solar site assessments so far and helped 13 projects receive a total of \$4.4 million in grant funds. A total energy-producing capacity of 780 kW has been installed to date that produce 1.3 million kW hours annually.

Solar projects at the following agency facilities have been installed or are in process with help from the PASP: City of Trinidad Town Hall, Rio Dell City Hall and police station, Ferndale wastewater treatment plant and Ferndale police station, Eureka water treatment plant and Sequoia Park Zoo, Ridgewood Elementary School, Mattole Unified School District library, Honeydew Elementary School, Southern Humboldt School District, Kneeland Fire Protection District, Burnt Ranch Elementary School, Eureka City School's 14<sup>th</sup> Street corporation yard.

Project Manager Avcollie also reported on RCEA's work through the state Cal SHAPE program, which disbursed grants to schools to upgrade noncompliant plumbing fixtures and maintain and replace heating, air conditioning and ventilation systems. Upgrading inadequate ventilation became important with the spread of COVID. Staff worked with four schools in

disadvantaged communities to assess existing equipment, write and submit applications and all four schools received funding to install ventilation systems in buildings that lacked them. Later this year, staff will assist with replacing water-wasting plumbing fixtures with high efficiency fixtures and will help two additional school districts add filtration to improved ventilation systems. A total of \$186,000 in grant funding was awarded to Humboldt County schools through RCEA assistance with the Cal SHAPE program.

The directors thanked staff for their work to improve health and safety in classrooms and to give kids a better head start.

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

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

Deputy Executive Director Verbeck thanked everyone who participated in the Redwood Coast Airport Microgrid opening event and acknowledged Community Strategies Manager Stephenson's hard work to make the event successful. Staff is working on comments for the Bureau of Ocean Energy Management's proposed offshore wind lease notice. Lost Coast Wind continues its outreach to local tribal organizations. Director of Business Planning and Finance Biondini participated in a Harbor District preliminary infrastructure plan meeting. The Harbor District received funding through the California Energy Commission for harbor infrastructure improvement to support the heavy lifting needed for offshore wind industry development in Humboldt County.

## **CLOSED SESSION**

**11.1** Conference with real property negotiators pursuant to Government Code § 54956.8 in re: APNs 001-141-005 and 001-141-006; RCEA negotiator: Executive Director; Owner's negotiating party: Wells Commercial; Under negotiation: price and terms.

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

The Directors adjourned to closed session at 5:40 p.m. and reconvened in open session at 6:07 p.m.

Chair Avis stated that there was nothing to report out from closed session and adjourned the meeting at 6:07 p.m.

Lori Taketa  
Clerk of the Board

**Redwood Coast Energy Authority**  
**Disbursements Report**  
As of May 31, 2022

| Type            | Date       | Num   | Name                                      | Memo   | Amount     |
|-----------------|------------|-------|---|--|------------|
| Bill Pmt -Check | 05/01/2022 | 13086 | Blue Lake Rancheria                       | Loan repayment May 2022                                      | -13,333.33 |
| Bill Pmt -Check | 05/03/2022 | 13123 | Lost Coast Wind                           | Retainer per executed contract                               | -6,500.00  |
| Liability Check | 05/03/2022 | 13124 | Umpqua Bank                               | Health Savings Account contribution                          | -148.72    |
| Bill Pmt -Check | 05/03/2022 | 13125 | EEE, Inc.                                 | Airport Microgrid - Spare PV Modules                         | -9,519.50  |
| Bill Pmt -Check | 05/05/2022 | 13126 | FedEx                                     | ResKIT shipping fees   | -313.41    |
| Paycheck        | 05/05/2022 | ACH   | Employee                                  | Final Paycheck   | -2,011.40  |
| Liability Check | 05/10/2022 | E-pay | EDD                                       | Taxes  | -28.97     |
| Liability Check | 05/10/2022 | E-pay | Internal Revenue Service                  | Taxes - E-Pay rejected - resubmitted in July                 | 0.00       |
| Liability Check | 05/10/2022 | E-pay | EDD                                       | Taxes  | -5,600.18  |
| Liability Check | 05/10/2022 | E-pay | Internal Revenue Service                  | Taxes - E-Pay rejected - resubmitted in July                 | 0.00       |
| Liability Check | 05/10/2022 | E-pay | EDD                                       | Taxes  | -0.90      |
| Bill Pmt -Check | 05/10/2022 | 13127 | Abbott, Stringham & Lynch                 | Professional Services - IT audit for CPUC                    | -16,500.00 |
| Bill Pmt -Check | 05/10/2022 | 13128 | Advanced Security                         | Security monitoring: May-July 2022                           | -132.00    |
| Bill Pmt -Check | 05/10/2022 | 13129 | Aiqueous, LLC                             | License fees and monthly consulting                          | -35,317.50 |
| Bill Pmt -Check | 05/10/2022 | 13130 | Amazon.com                                | Office and IT supplies - April 2022                          | -135.54    |
| Bill Pmt -Check | 05/10/2022 | 13131 | American Council of Engineering Companies | Prevailing Wage Laws book                                    | -61.05     |
| Bill Pmt -Check | 05/10/2022 | 13132 | AT&T                                      | Router charges - ACV: 3/19 - 4/18                            | -163.00    |
| Bill Pmt -Check | 05/10/2022 | 13133 | AT&T Long Distance                        | Long distance charges 4/25 - 5/24/2022                       | -118.16    |
| Bill Pmt -Check | 05/10/2022 | 13134 | Bidwell Consulting Services, Inc.         | Service fees for 2021  | -1,950.00  |
| Bill Pmt -Check | 05/10/2022 | 13135 | Bithell, M.                               | mileage reimbursement  | -146.87    |
| Bill Pmt -Check | 05/10/2022 | 13136 | CA Dept. of Tax & Fee Administration      | VOID: paid online 4/1  | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13137 | City of Arcata                            | April 2022 Excessive Energy Use Tax                          | -4,604.14  |
| Bill Pmt -Check | 05/10/2022 | 13138 | City of Arcata                            | April 2022 Utility User Tax                                  | -11,141.21 |
| Bill Pmt -Check | 05/10/2022 | 13139 | City of Eureka-Water                      | Water service, 3/24-04/25/22                                 | -150.08    |
| Bill Pmt -Check | 05/10/2022 | 13140 | Colonial Life                             | Colonial Life Premiums Apr 2022                              | -1,234.58  |
| Bill Pmt -Check | 05/10/2022 | 13141 | David L. Moonie & Co., LLP                | Accounting services  | -3,323.00  |
| Bill Pmt -Check | 05/10/2022 | 13142 | Developed Employment Services, LLC.       | Facilities maintenance work                                  | -34.94     |
| Bill Pmt -Check | 05/10/2022 | 13143 | Diamond, Nancy                            | April 2022 Legal Services - CCE & OSW                        | -9,525.00  |
| Bill Pmt -Check | 05/10/2022 | 13144 | Diamond, Nancy                            | Legal Services   | -1,650.00  |
| Bill Pmt -Check | 05/10/2022 | 13145 | Donald Dame                               | Professional Services April 2022                             | -292.25    |
| Bill Pmt -Check | 05/10/2022 | 13146 | Food For People, Inc.                     | Donations Apr. 2022  | -2,100.00  |
| Bill Pmt -Check | 05/10/2022 | 13147 | Frontier Energy, Inc.                     | Professional Services - Program Support                      | -971.25    |
| Bill Pmt -Check | 05/10/2022 | 13148 | HCOE                                      | Business Card Printing - L. Fischer                          | -10.50     |
| Bill Pmt -Check | 05/10/2022 | 13149 | Hilson, D.                                | Mileage reimbursement - April 2022                           | -58.25     |
| Bill Pmt -Check | 05/10/2022 | 13150 | Humboldt Bay Coffee Co.                   | Office Coffee  | -51.90     |
| Bill Pmt -Check | 05/10/2022 | 13151 | Klein, M.                                 | Purchase reimbursement: pastries for Calpine meeting         | -44.55     |
| Bill Pmt -Check | 05/10/2022 | 13152 | Mission Uniform & Linen                   | April mat services   | -16.94     |
| Bill Pmt -Check | 05/10/2022 | 13153 | North Coast Cleaning                      | April monthly cleaning service                               | -480.00    |
| Bill Pmt -Check | 05/10/2022 | 13154 | North Coast Journal                       | job postings and earth day ad                                | -1,554.00  |
| Bill Pmt -Check | 05/10/2022 | 13155 | North Country Fair                        | Info booth fee, North Country Fair 2022                      | -195.00    |
| Bill Pmt -Check | 05/10/2022 | 13156 | PG&E EV Account                           | EV stations 3/16-4/14/2022                                   | -512.58    |
| Bill Pmt -Check | 05/10/2022 | 13157 | PG&E Utility Account                      | VOID: 3/16-4/14/22 utilities                                 | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13158 | Pierson's Home Ctr                        | VOID:  | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13159 | Pitney Bowes-Rental                       | VOID: Pitney Bowes Ink                                       | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13160 | Premier Financial Group                   | VOID: Advisory Fee   | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13161 | Ray Morgan Company                        | VOID: Printer Charges: 04/06-05/05/22                        | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13162 | Recology                                  | VOID: April 2022 garbage service                             | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13163 | Redwood Community Radio                   | VOID: Radio underwriting - Q2 2022                           | 0.00       |
| Bill Pmt -Check | 05/10/2022 | 13171 | Scraper's Edge                            | printing services  | -70.19     |
| Bill Pmt -Check | 05/10/2022 | 13172 | Stephenson, Nancy                         | Purchase reimbursement: outreach materials                   | -447.17    |
| Bill Pmt -Check | 05/10/2022 | 13173 | Suddenlink Communications                 | Phone & Internet access - 4/28 - 5/27/2022                   | -1,098.92  |
| Bill Pmt -Check | 05/10/2022 | 13174 | Times Printing Company                    | CE printing services   | -418.86    |
| Bill Pmt -Check | 05/10/2022 | 13175 | Verizon Wireless                          | Tablet/cell service for staff & equipment - 3/29 - 4/28/2022 | -1,368.99  |
| Bill Pmt -Check | 05/10/2022 | 13176 | WREGIS                                    | REC retirements  | -125.50    |
| Bill Pmt -Check | 05/10/2022 | 13177 | PG&E Utility Account                      | 3/16-4/14/22 utilities                                       | -1,032.30  |
| Bill Pmt -Check | 05/10/2022 | 13178 | Pierson's Home Ctr                        | Facilities supplies  | -29.06     |
| Bill Pmt -Check | 05/10/2022 | 13179 | Pitney Bowes-Rental                       | Metered postage ink  | -95.10     |
| Bill Pmt -Check | 05/10/2022 | 13180 | Premier Financial Group                   | Advisory Fee - deferred compensation plan                    | -3,632.47  |

**Redwood Coast Energy Authority**  
**Disbursements Report**  
As of May 31, 2022

| Type            | Date       | Num         | Name                           | Memo   | Amount                      |
|-----------------|------------|-------------|--------------------------------|--|-----------------------------|
| Bill Pmt -Check | 05/10/2022 | 13181       | Ray Morgan Company             | Printer Charges: 04/06-05/05/22                        | -85.31                      |
| Bill Pmt -Check | 05/10/2022 | 13182       | Recology                       | April 2022 garbage service                             | -93.21                      |
| Bill Pmt -Check | 05/10/2022 | 13183       | Redwood Community Radio        | Radio underwriting - Q2 2022                           | -780.00                     |
| Liability Check | 05/10/2022 | ACH         | Newport Group                  | Deferred compensation contributions                    | -1,100.24                   |
| Liability Check | 05/10/2022 | ACH         | Newport Group                  | Deferred compensation contributions                    | -15,132.49                  |
| Paycheck        | 05/10/2022 | ACH         | Employees                      | Payroll  | -60,595.15                  |
| Bill Pmt -Check | 05/18/2022 | 13285       | Junior Barns, LLC              | RCAM Safety Shed - 8'x12' Urban model Jr Barn Shed     | -5,926.25                   |
| Check           | 05/20/2022 | Debit       | Umpqua Bank                    | Service Charge   | -18.56                      |
| Check           | 05/20/2022 | 13184-441   | NEM Customers                  | NEM Annual Payouts                                     | -64,665.92                  |
| Bill Pmt -Check | 05/24/2022 | ACH         | CalPine Corporation            | Calpine April 2022 Costs                               | -61,439.04                  |
| Bill Pmt -Check | 05/24/2022 | ACH         | Snow Mountain Hydro, LLC       | April 2022 Electricity                                 | -89,798.75                  |
| Bill Pmt -Check | 05/24/2022 | ACH         | Humboldt Sawmill Co.           | April 2022 Electricity                                 | -655,496.79                 |
| Bill Pmt -Check | 05/24/2022 | ACH         | Leapfrog Energy                | April 2022 RA  | -36,740.00                  |
| Liability Check | 05/24/2022 | E-pay       | EDD                            | Taxes  | -5,857.79                   |
| Liability Check | 05/24/2022 | E-pay       | Internal Revenue Service       | Taxes - E-Pay rejected - resubmitted in July           | 0.00                        |
| Liability Check | 05/24/2022 | E-pay       | EDD                            | 499-0864-3 QB Tracking # -1151424326                   | -0.20                       |
| Bill Pmt -Check | 05/25/2022 | ACH         | CalCCA                         | Quarterly Dues   | -32,012.62                  |
| Check           | 05/31/2022 | 13442 -591  | NEM Customers                  | NEM Annual Payouts                                     | -35,384.19                  |
| Check           | 05/25/2022 | 13592       | CCE Customer                   | EV Rebate #EV27  | -1,000.00                   |
| Check           | 05/25/2022 | 13593       | CCE Customer                   | Heat Pump Rebate #5559                                 | -1,450.00                   |
| Check           | 05/25/2022 | 13594       | CCE Customer                   | PA Deemed Downstream Rebate: Audit #0172               | -120.00                     |
| Check           | 05/25/2022 | 13595       | CCE Customer                   | Heat Pump Rebate #5682                                 | -1,225.00                   |
| Check           | 05/25/2022 | 13596       | CCE Customer                   | Heat Pump Rebate #5755                                 | -800.00                     |
| Check           | 05/25/2022 | 13597       | CCE Customer                   | Heat Pump Rebate #5559                                 | -800.00                     |
| Check           | 05/25/2022 | 13598 - 604 | NEM Customers                  | NEM Account Closeouts                                  | -492.02                     |
| Check           | 05/25/2022 | 13605       | CCE Customer                   | PA Deemed Downstream Rebate: Audit #5746               | -1,174.00                   |
| Check           | 05/25/2022 | 13606       | CCE Customer                   | Heat Pump Rebate #0156                                 | -800.00                     |
| Bill Pmt -Check | 05/25/2022 | 13607       | Ameritas - Dental              | #010-055098-00001 June 2022                            | -1,651.47                   |
| Bill Pmt -Check | 05/25/2022 | 13608       | Ameritas - Vision              | 010-055098-00002 June 2022                             | -323.00                     |
| Bill Pmt -Check | 05/25/2022 | 13609       | AT&T                           | ACV charges: 5/1 - 5/30/2022                           | -857.51                     |
| Bill Pmt -Check | 05/25/2022 | 13610       | Blue Lake Rancheria            | Loan interest payment June 2022                        | -13,777.78                  |
| Bill Pmt -Check | 05/25/2022 | 13611       | Braun Blaising Smith Wynne     | Legal Services - Regulatory -Mar 2022                  | -18,444.50                  |
| Bill Pmt -Check | 05/25/2022 | 13612       | Colonial Life                  | Colonial Life Premiums May 2022                        | -1,054.18                   |
| Bill Pmt -Check | 05/25/2022 | 13613       | Eureka Oxygen                  | Annual fire extinguisher service                       | -231.00                     |
| Bill Pmt -Check | 05/25/2022 | 13614       | FedEx                          | Res Kit 5798   | -27.88                      |
| Bill Pmt -Check | 05/25/2022 | 13615       | Humboldt Bay Coffee Co.        | Office Coffee  | -51.90                      |
| Bill Pmt -Check | 05/25/2022 | 13616       | Mission Uniform & Linen        | Mat service  | -187.99                     |
| Bill Pmt -Check | 05/25/2022 | 13617       | Newport Group                  | Participant Fees for Retirement Plan - 4/1 - 6/30/2022 | -828.50                     |
| Bill Pmt -Check | 05/25/2022 | 13618       | North Coast Journal            | Advertising costs                                      | -243.00                     |
| Bill Pmt -Check | 05/25/2022 | 13619       | NYLEX.net, Inc.                | Onsite network support services - June                 | -3,200.00                   |
| Bill Pmt -Check | 05/25/2022 | 13620       | PG&E CCA                       | Billing franchise fees                                 | -44,461.90                  |
| Bill Pmt -Check | 05/25/2022 | 13621       | PG&E Utility Account           | 4/15-5/15/22 utilities                                 | -1,015.86                   |
| Bill Pmt -Check | 05/25/2022 | 13622       | Pierson's Home Ctr             | Safety - masks   | -45.70                      |
| Bill Pmt -Check | 05/25/2022 | 13623       | SEL Engineering Services, Inc. | Professional Services - Microgrid                      | -91,631.00                  |
| Bill Pmt -Check | 05/25/2022 | 13624       | Times Printing Company         | Promotional material printing services                 | -1,331.98                   |
| Bill Pmt -Check | 05/25/2022 | 13625       | Winzler, John                  | VOID: Office Lease -                                   | 0.00                        |
| Bill Pmt -Check | 05/25/2022 | 13626       | Winzler, John                  | Office Lease -   | -7,132.00                   |
| Liability Check | 05/25/2022 | ACH         | Newport Group                  | Deferred Compensation contributions                    | -15,989.18                  |
| Paycheck        | 05/25/2022 | ACH         | Employees                      | Payroll  | -61,645.72                  |
| Bill Pmt -Check | 05/26/2022 | ACH         | Keenan                         | Anthem Medical Insurance May & June 2022               | -30,412.56                  |
| Check           | 05/31/2022 | 13627-771   | NEM Customers                  | NEM Annual Payouts                                     | -33,606.33                  |
| <b>TOTAL</b>    |            |             |                                |  | <b><u>-1,539,387.73</u></b> |

**Redwood Coast Energy Authority**  
**Profit & Loss Budget vs. Actual**  
July 2021 through May 2022

|  | <u>Jul '21 - May 22</u>     | <u>Budget</u>              | <u>% of Budget</u>     |
|--|-----------------------------|----------------------------|------------------------|
| Ordinary Income/Expense                          |                             |                            |                        |
| Income   |                             |                            |                        |
| <b>5 REVENUE EARNED</b>                          |                             |                            |                        |
| Total 5000 · Revenue - government agencies       | 431,995.65                  | 911,000.00                 | 47.42%                 |
| Total 5100 · Revenue - program related sales     | 24,080.18                   | 31,000.00                  | 77.68%                 |
| Total 5400 · Revenue-nongovernment agencies      | 1,215,280.33                | 1,377,873.00               | 88.2%                  |
| Total 5500 · Revenue - Electricity Sales         | 42,500,129.79               | 44,645,168.00              | 95.2%                  |
| <b>Total 5 REVENUE EARNED</b>                    | <u>44,171,485.95</u>        | <u>46,965,041.00</u>       | <u>94.05%</u>          |
| <b>Total Income</b>                              | <u>44,171,485.95</u>        | <u>46,965,041.00</u>       | <u>94.05%</u>          |
| Gross Profit                                     | 44,171,485.95               | 46,965,041.00              | 94.05%                 |
| Expense  |                             |                            |                        |
| Total 6 WHOLESALE POWER SUPPLY                   | 44,733,161.30               | 41,084,582.00              | 108.88%                |
| Total 7 PERSONNEL EXPENSES                       | 2,740,776.95                | 3,517,800.00               | 77.91%                 |
| Total 8.1 FACILITIES AND OPERATIONS              | 551,994.44                  | 3,313,389.00               | 16.66%                 |
| Total 8.2 COMMUNICATIONS AND OUTREACH            | 78,122.35                   | 118,570.00                 | 65.89%                 |
| Total 8.3 TRAVEL AND MEETINGS                    | 4,244.03                    | 44,300.00                  | 9.58%                  |
| <b>8.4 PROFESSIONAL &amp; PROGRAM SRVS</b>       |                             |                            |                        |
| 8400 · Regulatory                                | 170,328.30                  | 180,000.00                 | 94.63%                 |
| 8410 · Contracts - Program Related Ser           | 112,292.38                  | 393,000.00                 | 28.57%                 |
| 8420 · Accounting                                | 22,071.50                   | 55,000.00                  | 40.13%                 |
| 8430 · Legal                                     | 139,249.95                  | 153,000.00                 | 91.01%                 |
| 8450 · Wholesale Services - TEA                  | 604,004.41                  | 639,088.00                 | 94.51%                 |
| 8460 · Procurement Credit - TEA                  | 622,778.72                  | 340,032.00                 | 183.15%                |
| 8470 · Data Management - Calpine                 | 676,548.48                  | 738,144.00                 | 91.66%                 |
| <b>Total 8.4 PROFESSIONAL &amp; PROGRAM SRVS</b> | <u>2,347,273.74</u>         | <u>2,498,264.00</u>        | <u>93.96%</u>          |
| <b>Total 8.5 PROGRAM EXPENSES</b>                | <u>529,358.86</u>           | <u>631,393.00</u>          | <u>83.84%</u>          |
| <b>Total 8.6 INCENTIVES &amp; REBATES</b>        | <u>102,468.13</u>           | <u>601,000.00</u>          | <u>17.05%</u>          |
| <b>Total 9 NON OPERATING COSTS</b>               | <u>105,563.51</u>           | <u>414,320.00</u>          | <u>25.48%</u>          |
| <b>Total Expense</b>                             | <u>51,192,963.31</u>        | <u>52,223,618.00</u>       | <u>98.03%</u>          |
| Net Ordinary Income                              | <u>-7,021,477.36</u>        | <u>-5,258,577.00</u>       | <u>133.52%</u>         |
| Other Income/Expense                             |                             |                            |                        |
| <b>Total Other Income</b>                        | <u>0.00</u>                 | <u>6,600,000.00</u>        | <u>0.0%</u>            |
| Net Other Income                                 | <u>0.00</u>                 | <u>6,600,000.00</u>        | <u>0.0%</u>            |
| Net Income                                       | <u><b>-7,021,477.36</b></u> | <u><b>1,341,423.00</b></u> | <u><b>-523.44%</b></u> |

**Redwood Coast Energy Authority**  
**Balance Sheet**  
As of May 31, 2022

|   | <u>May 31, 22</u>           |
|---|-----------------------------|
| <b>ASSETS</b>                           |                             |
| <b>Current Assets</b>                   |                             |
| <b>Checking/Savings</b>                 |                             |
| 1010 · Petty Cash                       | 300.00                      |
| 1050 · GRANTS & DONATIONS 3840          | 15,995.51                   |
| 1060 · Umpqua Checking Acct 0560        | -194,108.91                 |
| 1071 · Umpqua Deposit Cntrl Acct 8215   | 3,209,603.35                |
| 1075 · Umpqua Reserve Account 2300      | 99,960.11                   |
| 1076 · First Republic Bank - 4999       | 62,263.94                   |
| 8413 · COUNTY TREASURY 3839             | <u>5,329.01</u>             |
| <b>Total Checking/Savings</b>           | 3,199,343.01                |
| <b>Total Accounts Receivable</b>        | 106,523.60                  |
| <b>Other Current Assets</b>             |                             |
| 1101 · Allowance for Doubtful Accounts  | -2,253,256.19               |
| 1103 · Accounts Receivable-Other        | 10,852,745.26               |
| 1120 · Inventory Asset                  | 21,715.00                   |
| 1202 · Prepaid Expenses                 | -14,017.68                  |
| 1205 · Prepaid Insurance                | 11,998.61                   |
| 1499 · Undeposited Funds                | <u>1,403.00</u>             |
| <b>Total Other Current Assets</b>       | <u>8,620,588.00</u>         |
| <b>Total Current Assets</b>             | 11,926,454.61               |
| <b>Total Fixed Assets</b>               | 8,678,528.16                |
| <b>Other Assets</b>                     |                             |
| 1700 · Retained Deposits                | <u>4,293,600.00</u>         |
| <b>Total Other Assets</b>               | <u>4,293,600.00</u>         |
| <b>TOTAL ASSETS</b>                     | <u><u>24,898,582.77</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>         |                             |
| <b>Liabilities</b>                      |                             |
| <b>Current Liabilities</b>              |                             |
| <b>Total Accounts Payable</b>           | 3,782,366.65                |
| <b>Total Credit Cards</b>               | 3,179.63                    |
| <b>Other Current Liabilities</b>        |                             |
| 2002 · Deposits Refundable              | 244,845.00                  |
| 2013 · Unearned Revenue - PA 2020-2023  | 1,156,963.30                |
| 2050 · Liabilities                      |                             |
| 2056 · BLR Short Term Loan              | 2,000,000.00                |
| 2057 · MCE Short Term Loan              | <u>4,000,000.00</u>         |
| <b>Total 2050 · Liabilities</b>         | <u>6,000,000.00</u>         |
| <b>Total 2100 · Payroll Liabilities</b> | <u>232,804.49</u>           |
| <b>Total Other Current Liabilities</b>  | <u>7,634,612.79</u>         |
| <b>Total Current Liabilities</b>        | 11,420,159.07               |
| <b>Long Term Liabilities</b>            |                             |
| <b>Total 2700 · Long-Term Debt</b>      | <u>6,287,592.00</u>         |
| <b>Total Long Term Liabilities</b>      | <u>6,287,592.00</u>         |
| <b>Total Liabilities</b>                | 17,707,751.07               |
| <b>Equity</b>                           |                             |
| 2320 · Investment in Capital Assets     | 215,489.00                  |
| 3900 · Fund Balance                     | 13,996,820.06               |
| Net Income                              | <u>-7,021,477.36</u>        |
| <b>Total Equity</b>                     | <u>7,190,831.70</u>         |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>   | <u><u>24,898,582.77</u></u> |



## STAFF REPORT Agenda Item # 3.4

|              |   |
|--------------|---|
| AGENDA DATE: | July 28, 2022   |
| TO:          | Board of Directors                                      |
| PREPARED BY: | Aisha Cissna, Regulatory and Legislative Policy Manager |
| SUBJECT:     | Legislative Quarterly Report                            |

### BACKGROUND

The RCEA Board of Directors adopted the RCEA 2022 Policy Platform ("Platform") in March 2022 to serve as a guide for RCEA's regulatory and legislative engagement based on the principles set forth in RCEA's RePower Humboldt strategic plan.

In accordance with the procedures as described in the Platform, staff will keep the Board apprised of legislative stances taken by RCEA through a quarterly report summarizing RCEA's legislative engagement.

### SUMMARY

This legislative session, RCEA adopted positions for the bills listed below. Per the Platform procedures, RCEA conferred with the Board Chair and Vice Chair to gain approval for officially adopting a position.

- Senate Bill 881 - Oppose
  - This bill would have allowed the California Public Utilities Commission (CPUC) to enforce Integrated Resource Plans by ensuring all load serving entities (LSEs), as defined, are making procurement decisions that will enable the state to reach its 2030 GHG emission reduction requirements. If the CPUC determines that an LSE will fail to meet their requirement, the CPUC may issue fines and/or order procurement.
  - CCAs are in favor of assertive climate policies; however, RCEA and other CCAs opposed this bill because it would directly impede CCAs' statutory autonomy and self-governance and is in direct conflict with RCEA's Platform. The Integrated Resource Plan is intended to be a planning document and not a blueprint for procurement mandates.
  - RCEA submitted a Letter of Opposition to SB 881 in May 2022. This letter encouraged the legislature to engage with community choice stakeholders to arrive at a policy which would maintain CCAs' statutorily-granted procurement autonomy *and* result in bold climate action.
- Assembly Bill 1814 - Support
  - This bill sought to authorize Community Choice Aggregators to submit applications to the California Public Utilities Commission to receive funding to administer transportation electrification programs in the communities they represent.
  - This bill was sponsored by the California Community Choice Association (CalCCA), the trade association that represents California CCAs' interests.

- RCEA’s Chair and Vice Chair approved RCEA’s adoption of “support” for this bill. Unfortunately, this bill did not pass this session and is not expected to be re-introduced in future sessions.
- Assembly Bill 2703 – Support
  - This bill would require a person who receives state funding to deploy a publicly available electric vehicle charging station to agree, as a condition of receiving the funding, to operate the station in compliance with reliability standards that would be developed by the Energy Commission. This bill would also require the Energy Commission to develop a program to provide financial assistance to low-income and disadvantaged community members to use electric vehicle charging stations.
  - RCEA staff engaged with the bill’s sponsor, ChargePoint, to advocate for CCA-friendly amendments. RCEA was successful in securing these amendments.
  - This bill has successfully passed through the Assembly. It is now awaiting a hearing in the Senate Committee on Appropriations.

CalCCA also adopts positions on behalf of its members. A summary of CalCCA positions on various bills from this session is attached. As outlined above, RCEA adopted its own position on a handful of these bills.

The California legislature is on summer recess until August 1, at which point they will reconvene Committees to meet and take positions on bills.

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#### **ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

This report reflects legislative activity that reflects RCEA’s Policy Platform, the purpose of which is to facilitate the achievement of RCEA’s Strategic Plan goals.

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#### **EQUITY IMPACTS**

This report reflects legislation that is intended to improve CCAs’ abilities to meet the power resources and transportation electrification needs of their local communities which are often unique in their constituent marginalized populations and thus better able to tailor services to meet those needs.

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#### **FINANCIAL IMPACT**

N/A

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#### **RECOMMENDED ACTION**

Accept Legislative Quarterly Report.

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#### **ATTACHMENTS**

- Table of CalCCA legislative activity





**California Community Choice Association  
Legislative Positions as of July 2022**

| Bill    | Author     | Summary   | Status                | Position   |
|---------|------------|---|-----------------------|--|
| AB 1960 | Villapudua | Establishes regional diversity goals for the appointment of CPUC commissioners.   | Enrolled to Governor  | Support  |
| AB 2061 | Ting       | Requires data collection of EV chargers to monitor reliability.   | Senate Appropriations | Support  |
| AB 2316 | Ward       | Creates the Community Renewable Energy Program to provide a pathway for solar for those communities that have not benefited from current rooftop solar initiatives. | Senate Appropriations | Expected to be neutral once amendments are adopted on August 1 <sup>st</sup> , 2022. |
| AB 2399 | Mayes      | Allows an IOU to exit retail service under certain conditions.  | Died, Assembly Energy | Watch  |
| AB 2587 | E. Garcia  | Requires the CPUC to open a proceeding once the SB 423 (available firm zero-carbon resources) study with findings is completed.                                     | Senate Appropriations | Watch  |
| AB 2696 | E. Garcia  | Requests CEC, CAISO, CPUC and Office of Business and Economic Development to seek additional financing mechanisms to help finance needed transmission.              | Senate Appropriations | Watch  |
| AB 2667 | Friedman   | DER Fund  | Senate Appropriations | None   |
| AB 2703 | Muratsuchi | Studies the reliability of Zero Emission Vehicle refueling stations.  | Senate Appropriations | Support  |
| AB 2838 | O'Donnell  | Allows an IOU to terminate a green tariff program and to spread the costs to all ratepayers in their service territory.   | Senate Appropriations | Neutral  |

|         |            |   |                               |                        |
|---------|------------|---|-------------------------------|------------------------|
| AB 2937 | Calderon   | Allows IOUs to seek cost recovery of wildfire and climate adaptation investments.   | Died, Assembly Appropriations | Watch                  |
| SB 881  | Min        | Enforcement of IRP plans specifically targeting GHG reductions  | Died, Senate Appropriations   | Oppose, Unless Amended |
| SB 887  | Becker     | Seeks to ensure that transmission necessary to ensure additional renewables can be delivered to the grid are included in the current TPP. | Assembly Appropriations       | Watch                  |
| SB 599  | Hueso      | Supplier diversity reporting  | Assembly Appropriations       | None                   |
| SB 1112 | Becker     | On-bill financing for building decarbonization investments.   | Assembly Appropriations       | Watch                  |
| SB 1136 | Portantino | CEQA expedited review for pollution control projects  | Assembly Appropriations       | None                   |
| SB 1158 | Becker     | Hourly reporting of resources that LSEs relied upon to serve load.  | Assembly Appropriations       | None                   |
| SB 1174 | Hertzberg  | Interconnection delays  | Assembly Appropriations       | Support                |
| SB 1287 | Bradford   | Increases financial security requirements for CCAs and ESPs.  | Died, Senate Energy           | Oppose, Unless Amended |
| SB 1385 | Cortese    | Multi-family solar program  | Assembly Appropriations       | None                   |
| SB 1393 | Archuleta  | Requirements for the adoption and implementation of Reach Codes.  | Assembly Appropriations       | Neutral                |



## **STAFF REPORT**

### **Agenda Item # 3.5**

|              |   |
|--------------|---|
| AGENDA DATE: | July 28, 2022                               |
| TO:          | Board of Directors                          |
| PREPARED BY: | Eileen Verbeck, Deputy Executive Director   |
| SUBJECT:     | Virtual Board and CAC Meeting Authorization |

### **BACKGROUND**

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In response to the COVID-19 public health emergency and in compliance with emergency Brown Act meeting law changes, the RCEA Board of Directors, Community Advisory Committee and the subcommittees of those bodies have been meeting online via the Zoom teleconference platform since April 2020. In September 2021 Governor Newsom signed AB 361 into law. This bill authorized 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 date, Governor Newsom's March 4, 2020, COVID-19 State of Emergency is still in effect. According to the Centers for Disease Control and Prevention, COVID-19 transmission in Humboldt County is at a medium level. Surrounding counties (Del Norte, Trinity and Mendocino) are at high COVID-19 transmission levels. The California Department of Public Health continues to strongly recommend that all persons, regardless of vaccine status, mask in indoor public settings including at meetings and state and local government offices serving the public. To mitigate the spread of COVID-19 the Centers for Disease Control and Prevention recommends that people avoid crowded spaces, choose events that take place outside with enough space for attendees to stay at least six-feet apart, and have virtual gatherings.

### **SUMMARY**

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At its June 2022 meeting, this Board decided to continue meeting virtually until the number of COVID-19 cases locally began trending downward. At the time of agenda publication, local COVID case counts are increasing and the Omicron BA.5 variant is causing yet another surge in cases nationally.

In order to continue virtual meetings and for Board directors and CAC members to participate without making their remote meeting locations publicly accessible, the Board must adopt or extend AB 361 resolutions every 30 days.

## **ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

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N/A – Operations.

## **EQUITY IMPACTS**

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N/A. Staff recommends taking measures to reduce health risks to vulnerable populations.

## **FINANCIAL IMPACT**

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Annual teleconferencing subscription costs have been included in the Fiscal Year 2022-23 budget.

## **STAFF RECOMMENDATION**

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Extend Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period July 28, 2022, through August 26, 2022, pursuant to Brown Act revisions of AB 361.

## **ATTACHMENTS**

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1. Resolution No. 2022-6 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies, for the period June 27, 2022, through July 27, 2022, pursuant to Brown Act revisions of AB 361, adopted June 23, 2022.

**RESOLUTION NO. 2022-6**

**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 JUNE 27, 2022, THROUGH JULY 27, 2022,  
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 Humboldt County Department of Health and Human Services recommends practicing physical distancing at meetings of legislative bodies; and

**WHEREAS**, 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. 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 3. 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.

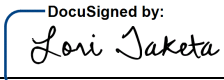
Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 5 of this Resolution.

Section 5. 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 23<sup>rd</sup> day of June 2022.

ATTEST:

DocuSigned by:  
  
 Stephen Avis, RCEA Board Chair

DocuSigned by:  
  
 Lori Taketa, Clerk of the Board

Date: 6/30/2022

Date: 7/14/2022

### CLERK'S CERTIFICATE

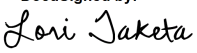
I hereby certify that the foregoing is a true and correct copy of Resolution 2022-6 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 23<sup>rd</sup> day of June 2022, by the following vote:

AYES:                      Avis, Bauer, Bohn, Curran, Losey, Schaefer, Tuttle, Wilson, Woo.

NOES:                     None.

ABSENT:                 None.

ABSTENTIONS:        None.

DocuSigned by:  
  
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\_\_\_\_\_  
Clerk of the Board, Redwood Coast Energy Authority



**STAFF REPORT**  
**Agenda Item # 3.6**

|              |  |
|--------------|--|
| AGENDA DATE: | July 28, 2022  |
| TO:          | Board of Directors   |
| PREPARED BY: | Stephen Kullmann, Director of Demand Side Management                 |
| SUBJECT:     | Approve Amendment to Frontier Energy Professional Services Agreement |

**BACKGROUND**

In July 2020, Redwood Coast Energy Authority became a program administrator (PA) through the California Public Utilities Commission (CPUC) for two ratepayer-funded energy efficiency programs. Staff identified the need for programmatic reporting, budget filing, and technical implementation consulting services and issued an RFP to solicit proposals for these services. In July 2020, the Board approved entering into a professional services agreement with Frontier Energy, Inc. with a not-to-exceed budget of \$60,000. The resulting services agreement and subsequent no-cost extension amendments has a term that ended on July 30, 2022.

**SUMMARY**

To avoid disruption of ongoing and timely assistance with programmatic reporting, budget filing, and technical program implementation needs, staff is proposing to extend the current agreement through December 2023, which is six months after the end of the current PA energy efficiency programming cycle. This will allow for Frontier Energy to assist with program closeout and reporting requirements.

The Frontier Energy consultants specialize in comprehensive energy efficiency and advanced energy solutions and understand the regulatory reporting and programmatic requirements unique to the CPUC energy efficiency programming that RCEA administers.

**FINANCIAL IMPACT**

The financial impact of continuing to utilize Frontier Energy Inc. services throughout the 2022-2023 fiscal year totals \$25,000. This cost is captured in the Contracts – Program related services line item of the FY22-23 Budget and is funded by the PA program budget.

**RECOMMENDED ACTION**

Approve Amendment No. 3 extending the term of the current Professional Services Agreement with Frontier Energy Inc. for reporting and technical services in support of the RCEA-administered CPUC energy programs through December 2023 and authorize the Executive Director to execute all applicable documents.





## STAFF REPORT Agenda Item # 5.1

|              |  |
|--------------|--|
| AGENDA DATE: | July 28, 2022  |
| TO:          | Board of Directors   |
| PREPARED BY: | Jaclyn Harr, TEA Client Services Specialist<br>Richard Engel, Director of Power Resources<br>Jocelyn Gwynn, Senior Power Resources Manager |
| SUBJECT:     | Energy Risk Management Quarterly Report  |

### BACKGROUND

The RCEA Board of Directors adopted an Energy Risk Management Policy (ERMP) in December 2016 to establish functions and procedures to manage the risks associated with the Community Choice Energy program's power procurement and retail electricity sales activities. In accordance with the ERMP, a quarterly update on market activity and projected financial performance is presented to the Board during regularly scheduled meetings. The policy also requires staff to notify the Board of any amendment it makes to an appendix or a reference policy or procedure document.

### SUMMARY

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

In addition, a summary of RCEA's 2022 Summer Assessment prepared by TEA will be provided. The Summer Assessment is an overview of forecasted power supplies and demand in Q3 2022 relative to Q3 2021, across the CA Independent System Operator grid and for RCEA's power supplies and customer demand specifically. The Assessment describes what resources RCEA has contracted that are or will be operational this summer, and the efforts we are taking to support grid reliability.

Lastly, staff is notifying the Board that an update has been made to the ERMP Appendix D-2: Energy Risk Hedging Strategy and has been approved by the Risk Management Team. The update makes previously confidential energy hedging schedules public information, in an effort to demonstrate RCEA's prudent procurement practices that minimize reliability risks on the grid.

### RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

### ATTACHMENTS

RCEA 2022 Summer Assessment: <https://redwoodenergy.org/wp-content/uploads/2022/07/Redwood-Coast-Energy-Authority-2022-Summer->

[Assessment\\_070622\\_clean.pdf](#)

ERMP Appendix D-2: Energy Risk Hedging Strategy: [https://redwoodenergy.org/wp-content/uploads/2022/05/RCEA-ERMP-Appendix-D-2-2022\\_Final.pdf](https://redwoodenergy.org/wp-content/uploads/2022/05/RCEA-ERMP-Appendix-D-2-2022_Final.pdf)

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

## Redwood Coast Energy Authority: 2022 Summer Assessment

RCEA takes seriously its responsibility to help support the California Independent System Operator (CAISO) in ensuring statewide grid reliability. Locally RCEA contributes to reliability through the power resources it procures on behalf of its customers.

### CAISO Grid Conditions Summary

CAISO is forecasting that the grid's summer peak demand is expected to reach 45,866 MW, with the possibility of reaching 51,469 MW should a 1-in-10 year heat wave occur. Due to the multi-year drought in California, hydro generation is expected to be significantly below average. The reduction in available hydro generation coupled with potential extreme temperatures creates a high degree of vulnerability for CAISO grid reliability during the summer months.

The CAISO has revised their load forecast methodology this year to use the most recent 20 years of historical data (previously 26 years) to give more weight to recent weather experiences related to climate change.

CAISO Peak Demand Forecast 2021 vs. 2022

|                                 | 1-in-2 <sup>1</sup> | 1-in-5 | 1-in-10 |
|---------------------------------|---------------------|--------|---------|
| <b>CAISO 2022 Forecast (MW)</b> | 45,866              | 47,850 | 51,469  |
| <b>CAISO 2021 Forecast (MW)</b> | 45,837              | 47,747 | 50,968  |
| <b>Difference (MW)</b>          | 29                  | 103    | 501     |
| <b>Difference (%)</b>           | 0.1%                | 0.2%   | 1.0%    |

Available power plant capacity on the CAISO system to meet the forecasted peak demand is projected at 52,654 MW in July, 50,885 MW in August, and 47,892 MW in September<sup>2</sup>.

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**KEY TAKEAWAY:** *A significant state-wide heat wave that brings demand above a 1-in-5 year weather forecast would create extremely tight conditions on the CAISO grid and potentially threaten grid reliability, particularly in the latter half of the summer*

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Additional risks that were not captured by the CAISO's analysis but could increase the threat to grid reliability include:

- More extreme weather events beyond those projected from the past 20 years of historical data;
- Wildfire events that could limit key transmission paths or other potential transmission outages;
  - For example, in July 2021 California lost roughly 4 GW of import capacity from the Pacific Northwest due a fire in southern Oregon

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<sup>1</sup> A 1-in-2 peak demand forecast is the forecast of peak demand that is statistically expected to be reached once every two years. Similarly, a 1-in-5 and 1-in-10 peak demand forecasts are statistically expected to be reached once every five years and once every ten years, respectively

<sup>2</sup> The decline of available capacity from July to September is the result of two factors: (1) the decline of available hydro generation over the summer and (2) the declining effective load carrying capability (also known as Net Qualifying Capacity [NQC]) of solar resources as solar generation during times of expected peak grid need decreases with the decline in daylight hours.

- A combination of extreme heat and smoke from wildfires that could reduce solar generation;
- Project development delays for power plants expected to come online this summer
  - For example, the recent federal Department of Commerce investigation of solar panel imports for potentially circumventing tariffs

## CAISO Grid Conditions – Deeper Dive

### New Power Plants

CAISO is projecting a net addition of 7,556 MW of new capacity to be online for this summer compared to last summer (June 1, 2021 to June 1, 2022). New resource capacity includes 3,206 MW of which is dispatchable capacity of which the vast majority (3,124 MW) comes from energy storage systems. Energy storage systems do not generate additional energy, but they enable excess solar generation from the middle of the day to be available to meet peak demand in the early evening, thereby shifting the energy availability.

### Hydro Generation

For the third consecutive year, California’s hydro energy supply will be significantly lower than normal. Snowpack was significant early in the season but decreased to 38% of average by April 1. While the entire Sierra Nevada had significant snow during the latter half of April that added nearly three inches to the statewide snowpack, levels have nonetheless steadily declined to 21% by May 9. Major reservoir storage levels in California were at 70% of average by April 11, which is slightly below the 74% of average in 2021.

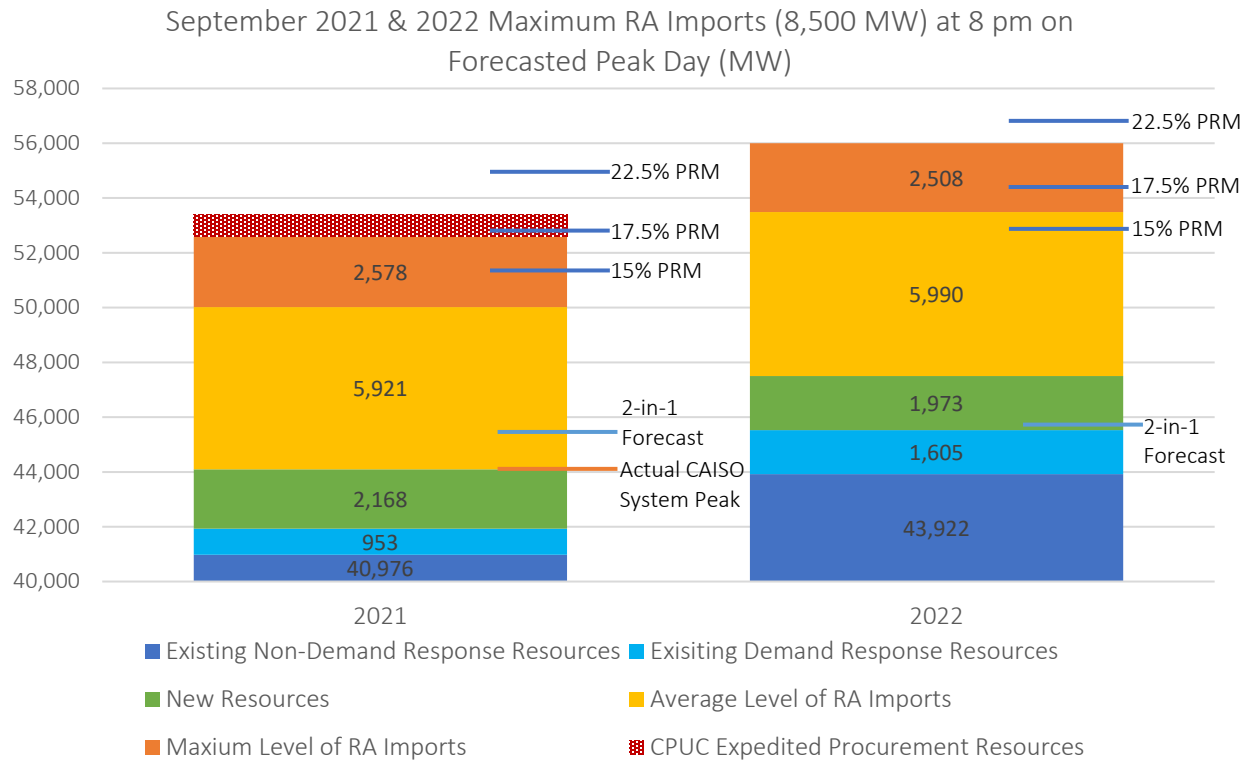
### Stack Analysis of Available CAISO Resources

As part of CAISO’s 2022 Summer Loads and Resources Assessment, the CAISO performed a stack analysis to provide an additional perspective on the amount of capacity the ISO is expecting to be available for summer 2022, and the level of reliability that is anticipated under various load levels and import conditions. The figure on the following page shows the result of this analysis for the month of September 2022 at 8 pm (the greatest supply risk month and hour) and compares the results from 2021, with various planning reserve margins (PRM) above each year’s respective 1-in-2 load forecasts.

The CAISO stack analysis shows an improvement in supply conditions in 2022, compared to 2021. This is a result of approximately 4,000 MW of additional capacity as measured by Net Qualifying Capacity metrics. This capacity increase is partially offset by a higher load forecast of 1,005 MW for 2022 based on the CEC 1-in-2 forecast, represented by the higher PRM in the figure above. The figure also demonstrates the importance of imports above average RA import levels for meeting 1-in-2 and higher peak demand conditions during late summer.

Overall, capacity conditions for this summer are better in 2022 than 2021 due to new resources, despite expectations of increased load and poor hydro conditions. The addition of dispatchable generation (energy storage) should help alleviate the decrease in flexible capacity from the reduction in hydro availability. However, the CAISO grid remains quite vulnerable to high loads and import supply availability this summer.

Further details on CAISO’s 2022 Summer Loads and Resources Assessment can be found at the following link: <http://www.caiso.com/Documents/2022-Summer-Loads-and-Resources-Assessment.pdf>



## Redwood Coast Energy Authority Summer 2022 Readiness

A short summary of RCEA's work in ensuring local and statewide grid reliability is described below.

### Energy Hedging

RCEA has actively hedged its expected summer loads through its long-term power purchase agreements and short-term power deals. In Q3 of 2022, RCEA on average is 100% hedged through these contracts for on-peak hours and 95% hedged in off-peak hours.

### Resource Adequacy

RCEA has procured 100% of its System, Local, and Flexible Resource Adequacy compliance obligations in Q3 of 2022.

### New Resources

RCEA has fully contracted for new capacity to meet its incremental RA compliance obligations pursuant to D.19-11-016. This new capacity, which equals 8 NQC MW inclusive of both 2021 and 2022 obligations, is fully deliverable and available to help support system needs this summer. RCEA's 5.5 MW demand response contract with Leapfrog Power began delivering RA in June 2021 and the Tierra Buena Battery Energy Storage project began operating in June 2022, for which RCEA is receiving 2.5 MW, or half the project's capacity.

In late 2022 RCEA brought online the Redwood Coast Airport Microgrid (RCAM) which is a hybrid microgrid consisting of solar + storage assets which has the benefit of being renewable and available during peak hours, while also able to serve as a key local community resiliency project in the case of power outages within the Humboldt grid. RCAM has no planned outages and is expected to be available

all summer to provide dispatchable energy and ancillary services. RCAM is not yet able to provide resource adequacy, but RCEA staff are pursuing a deliverability allocation so that the facility can contribute further to grid reliability in future years.

#### Existing Resources

RCEA has two power purchase agreements (PPAs) with generators local to Northern California. The Humboldt Sawmill Company biomass facility is contractually incentivized via its PPA with RCEA to provide as much power as possible during Q3. It has no planned outages for Q3 and is expected to be available all summer to provide baseload power. RCEA's second PPA is with Cove Hydro, a small seasonal run-of-river hydro facility in Shasta County. It is offline until the winter rains begin, as was expected and planned for by RCEA staff.

#### Public Safety Power Shutoffs

RCEA staff has developed protocols regarding communication with its scheduling coordinator, The Energy Authority, as well as with PG&E in anticipation of PSPS events that may impact Humboldt County. In the case of a PSPS event and other transmission outages, PG&E may island the Humboldt County Local Capacity Area using its Humboldt Bay Generating Station, reducing the risk of significant blackout events for Humboldt residents compared to previous years.

## Appendix D-2: ENERGY RISK HEDGING STRATEGY

This is a supplemental document to Appendix D of RCEA's Energy Risk Management Policy (ERMP). The purpose of this appendix is to detail procurement schedules, or where appropriate justify the decision not to set schedules, for attaining wholesale products required to support the Community Choice Aggregation (CCA) Program portfolio.

The energy hedging schedules described in the Fixed Price Energy section below provide a disciplined approach to procurement by mandating targeted hedge levels to be achieved by definite dates. This commonly utilized approach is intended to mitigate speculation of future wholesale market prices while also spreading procurement over a multi-year period. A key goal of the CCA program is to reduce energy price uncertainty for the upcoming operating year(s) by procuring at least 70 percent and up to 100 percent of its energy needs with fixed price contracts thereby mitigating exposure to unexpected price movement.

RCEA currently does not have programmatic procedures assigned to Renewable Portfolio Standard, Carbon Free Energy, or Resource Adequacy products, for reasons discussed below. Procurement of these products is primarily driven by RCEA Board-adopted goals and regulatory compliance requirements, which in many cases apply prescribed hedging schedules.

### Fixed Price Energy

The targets below describe minimum and maximum percent hedge targets for identified future time periods. The definition of "Hedge %" in this context is the total fixed price megawatt hours (MWh) procured in the period divided by the total forecast load in MWh inclusive, as applicable, of the energy forecast to be provided by PPAs and other long-term resources within RCEA's portfolio during respective time periods.

RCEA will observe the following schedule when hedging its Fixed Price Energy requirements:

| Time Period                  | Minimum Hedge % | Maximum Hedge % |
|------------------------------|-----------------|-----------------|
| Prompt Month (Jan-March/Q1)  | 80%             | 115%            |
| Prompt Month (April-June/Q2) | 70%             | 105%            |
| Prompt Month (July-Sep/Q3)   | 80%             | 125%            |
| Prompt Month (Oct-Dec/Q4)    | 70%             | 115%            |
| Prompt Calendar Year (PCY)   | 70%             | 100%            |
| PCY +1                       | 50%             | 100%            |
| PCY +2                       | 30%             | 100%            |

The hedge schedule for the Prompt Month will be measured five calendar days prior to the first day of the particular month (*e.g. on January 27, 2023, RCEA will have hedged 80 to 115 percent of its projected energy requirements during February 2023, which is in Q1*).

The hedge schedule for the Prompt Calendar Year (PCY), as well as subsequent two calendar years, will be measured ten calendar days prior to each new calendar year (*e.g. on December 21, 2021, RCEA will have hedged at least 70 percent of its forecast energy requirements for CY 2022, 50 percent of its*

*forecast energy requirements for CY 2023, and 30 percent of its forecast energy requirements for CY 2024).*

### Peak / Heavy Load Hour (HLH) Energy Minimum Hedge

The targets described above represent total fixed-price MWh procured compared to total MWh load forecasts. They are intentionally not instructive regarding diurnal periods (HLH/LLH or Peak/Off Peak) which allows flexibility in procurement strategy given rapidly evolving market dynamics. Historically Peak/HLH periods contain the most price risk. Accordingly, **RCEA additionally requires HLH periods to be procured to a minimum 100% hedged level, using the same definition above, for Prompt Months.**

### Summer Assessment

RCEA will complete a Summer Assessment of market risk and hedging plan by June 1 of each year. This work product will be shared in draft form with the RCEA Risk Management Team in May of each year and will include:

- analysis of summer exposure,
- fundamental analysis of market conditions,
- hourly load/resource balance forecast for June-September, and
- recommendations on products and target hedge levels designed to mitigate peak hour and daily HLH exposure.

Although compliance with the ERMP schedule in this appendix will be measured monthly, RCEA shall endeavor to complete all Q3 hedging prior to June 15 of each year, subject to and allowing for true-ups as load and generation profiles fluctuate throughout the summer season.

### Compliance & Goal Driven Procurement

This section covers procurement undertaken primarily to meet compliance requirements set by regulatory authorities and/or to meet Board-adopted goals that underlie the purpose of RCEA's existence as a local procurement agency. This updated appendix omits the hedging target matrices for these power products that were included in the prior version.

### Renewable Portfolio Standard (RPS)

RCEA has a compliance mandate to procure sufficient renewable energy to meet the state of California's RPS requirements, based on multi-year compliance periods, as well as Board-adopted goals to procure a 100% renewable and carbon free energy portfolio by 2025 and a 100% local energy portfolio by 2030, subject to availability of sufficient local renewable energy resources. These Board-adopted goals currently exceed state compliance mandates.

RCEA has procured several fixed-price long-term renewable contracts to support meeting RPS compliance mandates and Board-adopted goals, such that its long-term energy portfolio offsets energy price risk due to the corresponding decreased reliance on short-term energy procurement. As such, programmatic hedging targets for renewable and carbon free energy are a less effective hedging tool, and consequently do not provide incremental risk reduction given the complexities involved in establishing a growing long-term renewable portfolio.

As a result, RCEA staff undertake an annual assessment of the entirety of the program's renewable energy procurement activities with respect to both state compliance mandates and Board-adopted



goals. This analysis, which includes qualitative and stochastic risk assessment, feeds into RCEA's renewable procurement timelines as well as two CPUC compliance filings: the RPS Procurement Plan and the RPS Compliance Report. The analysis is updated on an ad hoc basis throughout the year as a function of changing market dynamics or new procurement mandates.

### Carbon Free Energy

RCEA has Board-adopted goals regarding the procurement of Carbon Free Energy in addition to its renewable energy procurement. However, the majority of RCEA's renewable energy is also carbon-free, which means that the analysis that drives RCEA's renewable procurement decisions will also underlie RCEA's supplemental Carbon Free Energy procurement. Additionally, the Carbon Free Energy market is currently relatively illiquid due to drought conditions, and thus programmatic procurement of this product is may not be possible. For these reasons, RCEA staff intend to utilize the annual renewable procurement planning and analysis process to also plan for Carbon Free Energy procurement rather than utilizing programmatic hedging targets.

### Resource Adequacy

RCEA will use best reasonable efforts to comply with the filing requirements of the CAISO- and CPUC-administered Resource Adequacy (RA) program, currently:

- 90% of System and Flexible RA requirements procured prior to the year-ahead RA showing on October 31<sup>st</sup> of the year prior to the showing year.
- 100% of System and Flexible RA requirements procured prior to the month-ahead RA showings, due 45 calendar days prior to the first day of the showing month.

As of the 2023 RA compliance year, procurement of local RA is solely the responsibility of the Central Procurement Entity (CPE) in PG&E's service territory, the only territory in which RCEA serves load. Therefore, beyond 2022, RCEA no longer has a regulatory obligation to procure or show local RA to the state agencies. Instead, RCEA has the option to self-show or sell its local RA capacity to the CPE to obtain some value for it.

Due to the nature of RA markets, monthly products are often bundled with other products or "strips" of multiple months of RA, which may result in over-procurement for one or more months as a necessary condition to satisfy compliance requirements in one or more other months. Execution of long term PPAs can also lead to over-procurement of RA products for future years, and inclusion of a defined hedging matrix might require selling excess long-term RA to bring RCEA into hedging compliance, even though such action may not be in RCEA's best business and operational interest. Lastly, compliance guardrails exist at the regulatory level which guide the RA procurement schedule for RCEA and all other LSEs.

# Energy Risk Management Quarterly Report

July 28, 2022



# Topics

- RCEA Financial Overview
- 2022 Summer Assessment

# Financial Overview

## 2023+ Rates & Revenues:

- Updated rate forecasts for 2023+; still waiting on actual rate-setting
  - Latest NewGen forecast: ~7% increase in PG&E gen rates & 65% decrease in PCIA
  - Latest MRW forecast: 5-7% decrease in PG&E gen rates & 65% decrease in PCIA
- 2022 loads and resulting revenues below forecast through June

## Net Power Costs:

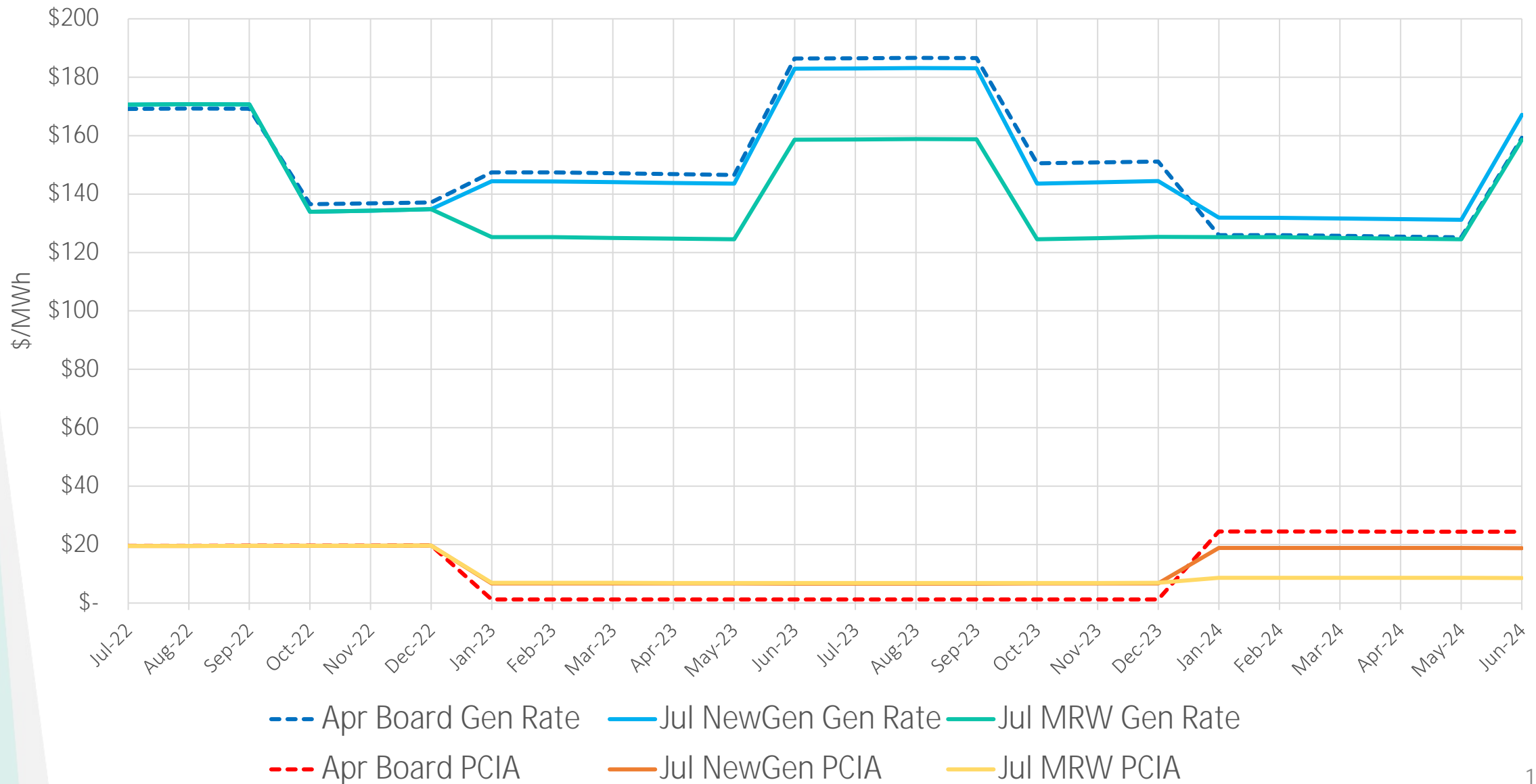
- Sandrini Solar project expected online for Summer 2023
- Expected renewable & carbon-free procurement complete for 2022
- NP15 forward energy prices (including shaping) up in future years
  - Q3-Q4 2022 down 10% (avg. hedged: 98%)
  - CY 2023 up 8% (avg. hedged: 74%)
  - Q1-Q2 2024 up 14% (avg. hedged: 58%)

**Key Takeaway:**  
Slightly lower net revenue forecasted but still on track

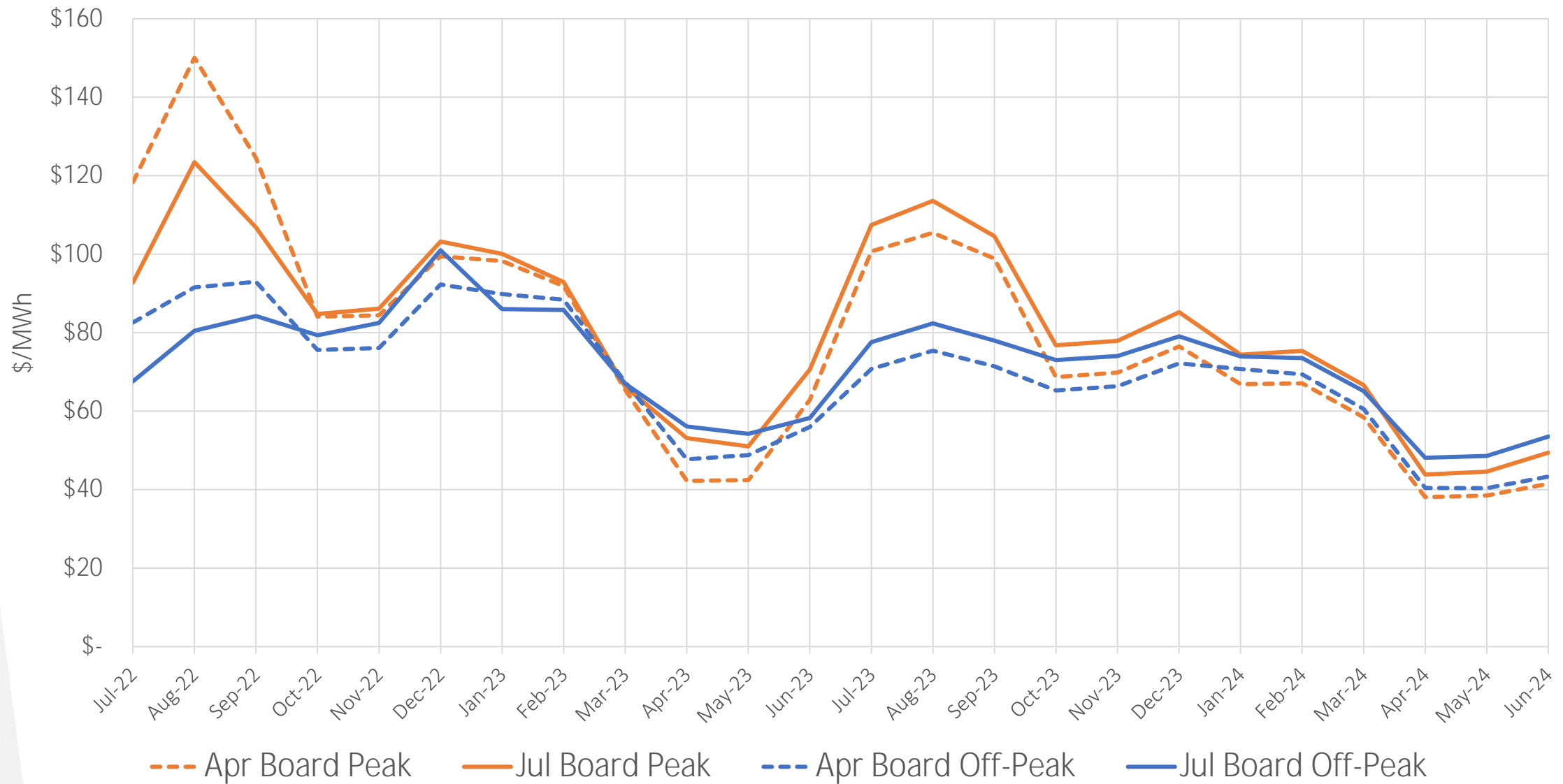
# Rate Scenario Assumptions

- All scenarios assume same 0.5% RCEA rate discount
- Two rate forecasts developed by two separate consulting firms, MRW and NewGen, with access to confidential rate-making materials filed by PG&E
- MRW forecast assumes an average power price \$3 lower for 2022-2024 than NewGen forecast
- MRW assumes PG&E does not recover all expected 2023 costs in 2023 rates due to delay in General Rate Case collections
- Differences in forecasts ultimately due to different consultants' perspective on opaque rate-making process

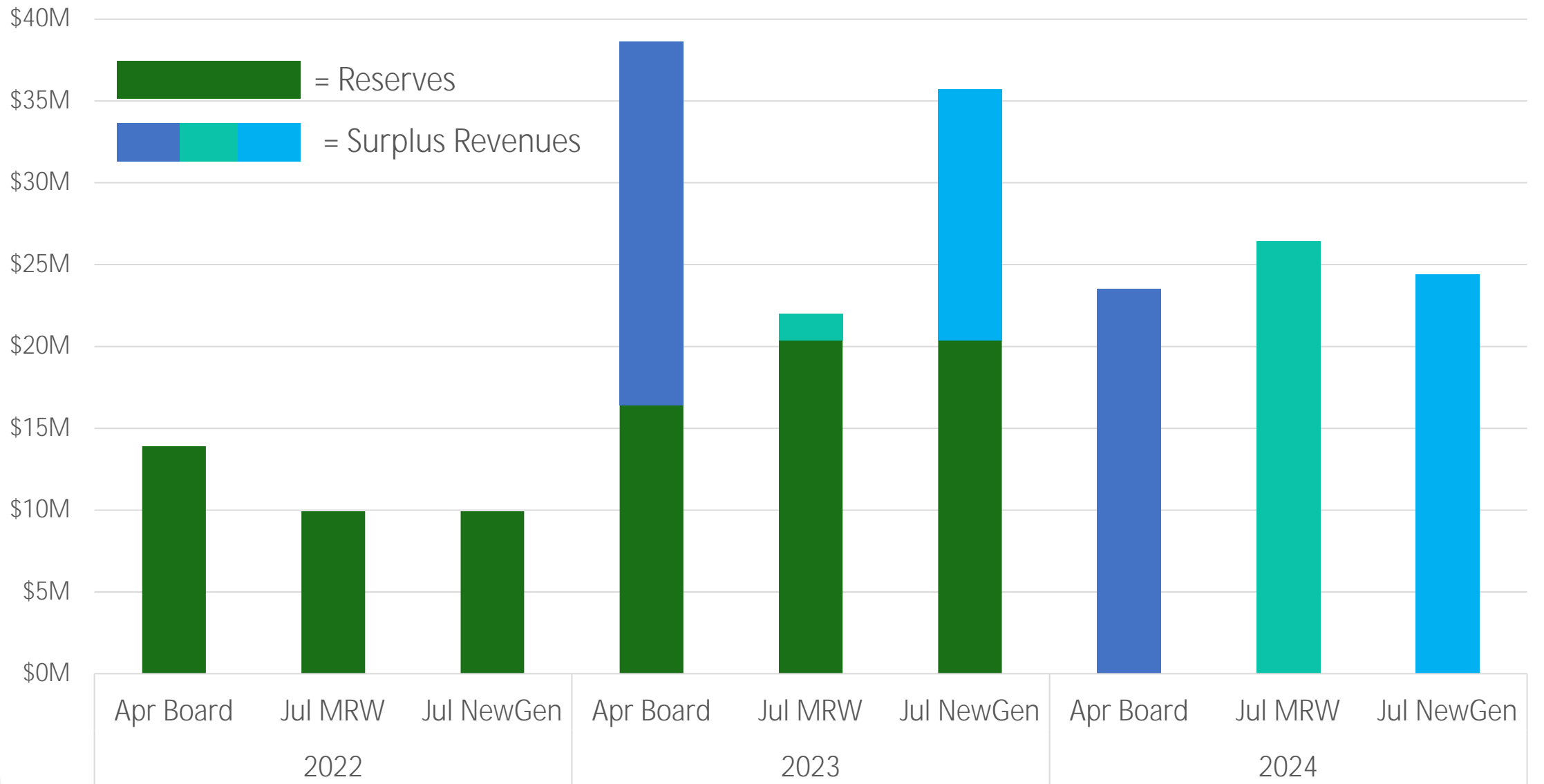
# PG&E Rates & PCIA



# NP15 Shaped Energy Price



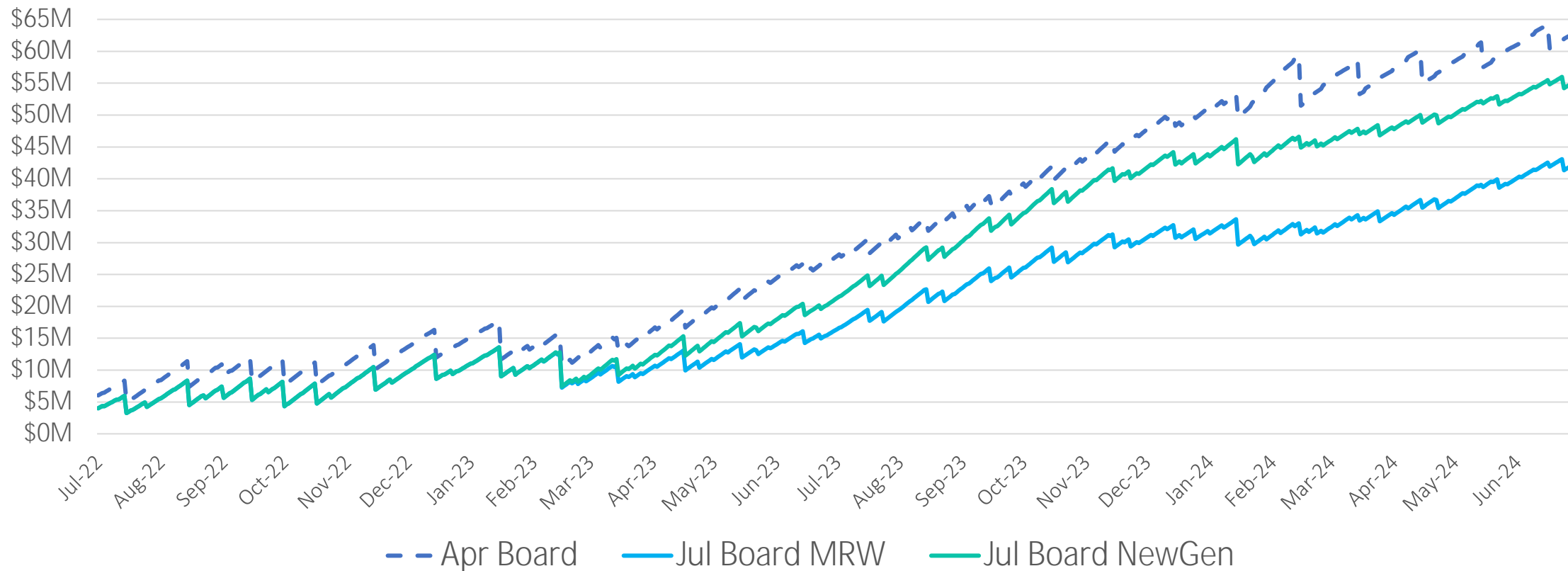
# RCEA Net: Reserves + Surplus Revenues





# RCEA Two-Year Cash Projection

|            | Q3-Q4 2022 |         |         | CY 2023 |         |         | Q1-Q2 2024 |         |         |
|------------|------------|---------|---------|---------|---------|---------|------------|---------|---------|
|            | Minimum    | Average | Ending  | Minimum | Average | Ending  | Minimum    | Average | Ending  |
| Apr Board  | \$5.1M     | \$10.4M | \$15.0M | \$10.6M | \$28.7M | \$51.1M | \$49.6M    | \$57.1M | \$63.0M |
| Jul MRW    | \$3.3M     | \$7.2M  | \$10.8M | \$7.3M  | \$18.7M | \$31.8M | \$29.7M    | \$35.6M | \$42.5M |
| Jul NewGen | \$3.3M     | \$7.2M  | \$10.8M | \$7.4M  | \$23.9M | \$43.9M | \$42.3M    | \$48.7M | \$55.4M |



# 2022 Summer Assessment

- It's standard utility practice to prepare for the peak season:
  - Review of utility's portfolio assets and position
  - Consideration of general market conditions and risks
- CAISO releases its Summer Assessment in late May/early June each year
- RCEA's load peaks in the winter, but the rest of California peaks in the summer, so RCEA has been completing an internal Summer Assessment annually
- Now providing a review for the Board and public consideration!

# Summer Assessment – CAISO Grid Conditions

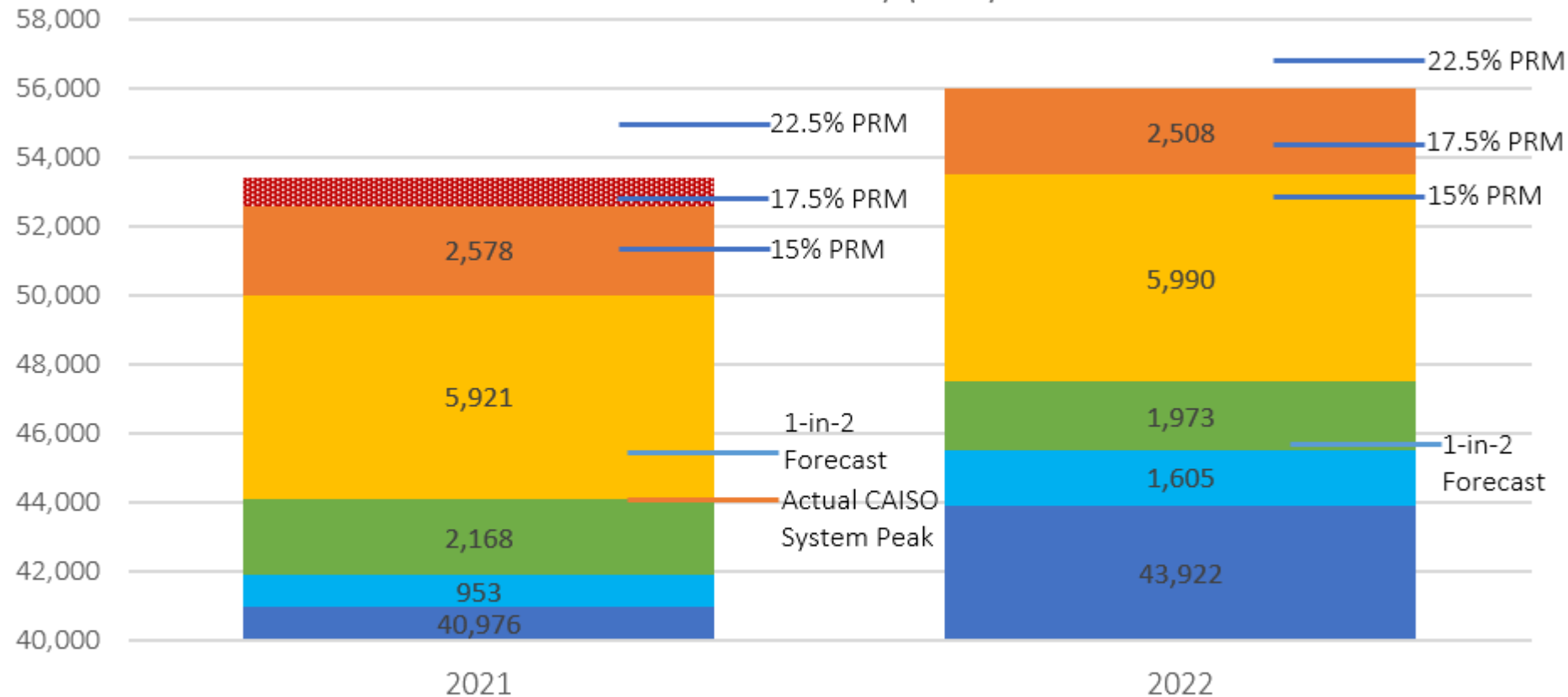
- **Key Takeaway:** a significant California heat wave (above a 1-in-5-year weather forecast) could bring demand high enough to threaten grid reliability, particularly at end of summer

CAISO Peak Demand Forecast 2021 vs. 2022

|                                 | <b>1-in-2<sup>1</sup></b> | <b>1-in-5</b> | <b>1-in-10</b> |
|---------------------------------|---------------------------|---------------|----------------|
| <b>CAISO 2022 Forecast (MW)</b> | 45,866                    | 47,850        | 51,469         |
| <b>CAISO 2021 Forecast (MW)</b> | 45,837                    | 47,747        | 50,968         |
| <b>Difference (MW)</b>          | 29                        | 103           | 501            |
| <b>Difference (%)</b>           | 0.1%                      | 0.2%          | 1.0%           |

# Summer Assessment – CAISO Resources

September 2021 & 2022 Maximum RA Imports (8,500 MW) at 8 pm on  
Forecasted Peak Day (MW)



- Existing Non-Demand Response Resources
- Existing Demand Response Resources
- New Resources
- Average Level of RA Imports
- Maximum Level of RA Imports
- CPUC Expedited Procurement Resources

# Summer Assessment – RCEA Readiness

- Energy Hedging:
  - RCEA on average is 100% hedged for on-peak & 95% hedged for off-peak in Q3 of 2022
- Resource Adequacy:
  - RCEA has procured 100% of its System, Local, and Flexible Resource Adequacy compliance obligations in Q3 of 2022
- New Resources:
  - RCEA has fully contracted for its incremental RA compliance (D.19-11-016)
    - For 2021 – 5.5. MW demand response contract fully online
    - For 2022 – 2.5 MW with battery storage contract fully online
  - New Redwood Coast Airport Microgrid fully online
- Existing Resources:
  - Humboldt Sawmill Company biomass resource is fully online, incentive to provide additional power in Q3 and has no planned outages in the summer
  - Cove Hydro run-of-river hydro resource is offline for summer, as expected



**STAFF REPORT**  
**Agenda Item # 7.1**

|              |  |
|--------------|--|
| AGENDA DATE: | July 28, 2022                              |
| TO:          | Board of Directors                         |
| PREPARED BY: | Richard Engel, Director of Power Resources |
| SUBJECT:     | Firm Clean Resources Agreements            |

**BACKGROUND**

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Through the 2020 Integrated Resource Planning (IRP) proceeding, the California Public Utilities Commission (CPUC) had identified the need for additional clean energy resources and capacity including firm and/or baseload clean resources, and storage resources, to enable grid integration of a large fleet of intermittent resources to meet California's greenhouse gas emission reduction goals and to replace several methane gas once-through-cooling power plants that are scheduled to be shut down, and the Diablo Canyon Nuclear Power Plant slated to retire between in 2024 and 2025.

Subsequently, in June 2021, as part of the 2020 IRP the CPUC issued through a decision order (D.21-06-035) the Mid-Term Reliability Procurement Order (MTR Order) requiring jurisdictional load serving entities (LSEs), such as RCEA, to procure and/or develop a collective 11,500 MW of new capacity by 2026. RCEA's share of the MTR Order is 38 MW which is determined based on RCEA's load ratio to the CPUC's jurisdictional load.

Included within the MTR Order is an identified need of 1,000 MW of new incremental capacity from firm clean resources (FCR) delivered from geothermal and/or biomass resources with an on-line date by August 2026. RCEA's share of the FCR requirement is approximately 3.5 MW.

In October 2021, CC Power issued the Firm Clean Energy Resources RFO for resources that meet the CPUC's requirements set forth in D.21-06-035 to procure new resources with at least 80% capacity factor that must not be subject to use limitations or be weather dependent required for compliance in 2026. Offers were due December 13, 2021, and CC Power received bids from six bidders and 16 projects with only five of the projects located in California. Two bidders were shortlisted, Open Mountain Energy (OME) and Ormat.

On May 31, 2022, CC Power's board of directors unanimously approved Resolutions No. 22-05-03 and 22-05-04 approving and delegating authority to the CC Power General Manager to execute power purchase agreements (PPAs) with OME and Ormat respectively and subsequent project participation share agreements (PPSAs) with the participating members once each member receives governing board approval to participate in the projects. The PPAs and PPSAs

for the OME and Ormat projects are provided as Attachments 1 through 4. The two resolutions adopted by CC Power are provided as Attachments 5 and 6.

## **SUMMARY**

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The two CC Power firm clean resources projects proposed for Board approval will continue to bridge the gap towards RCEA meeting CPUC mid-term reliability compliance while also providing Renewable Portfolio Standards (RPS) eligible long-term renewable energy, delivered with a high-capacity factor in support of state mandated and Board directed RPS goals. Further, because of the firm nature of geothermal resources, both projects are expected to provide a reliable source of resource adequacy. The recommended projects are located outside of the California Independent System Operator (CAISO) balancing authority, and as such RCEA will need to retain import capability from the CAISO to enable the resources to meet CPUC resource adequacy requirements and therefore count towards RCEA's MTR obligations.

Following is a summary of the two projects recommended for approval.

### Ormat Geothermal Portfolio

Ormat will provide the project participants a portfolio of new geothermal projects located in California and Nevada. The projects are still under development and the precise capacity per project and availability to CC Power are not yet known. At a minimum the portfolio will provide 64 MW and will not exceed 125 MW. As projects materialize, CC Power and the participants will be given the opportunity to elect projects into the portfolio of resources. All projects included in the portfolio will need to meet RPS PCC1 and resource adequacy eligibility requirements satisfied by obtaining the necessary import capability rights. In the event RCEA and/or the other participants are unable to obtain import capacity rights for a specific geothermal project, the participants can elect not to include the resource in the portfolio. RCEA's expected share of the Ormat portfolio is 4 megawatts (MW) of capacity and approximately 30,000 megawatt hours (MWh) of energy annually or 5% of RCEA's retail sales.

Ormat is a leading geothermal company, which owns, operates, designs, manufactures and sells geothermal power plants primarily based on the Ormat Energy Converter – a power generation unit that converts low-, medium- and high-temperature heat into electricity. Ormat has engineered, manufactured, and constructed power plants totaling over 3,000 MW of gross capacity and currently owns a generating portfolio of 1,100 MW (net), spread globally in the United States (California, Nevada, Oregon, Idaho and Hawaii), Guatemala, Guadeloupe, Kenya and Indonesia. RCEA is procuring resource adequacy under long-term contract from the Tierra Buena battery energy storage project in Sutter County developed and operated by Ormat.

### Open Mountain Energy (OME)

OME's Fish Lake Geothermal project is 13 MW of new capacity located in Esmeralda County, Nevada. The project will meet RPS PCC1 eligibility requirements and provided resource adequacy, if RCEA obtains the import capability rights. Once the agreements are fully executed, RCEA is obligated to take its allocation regardless of whether it is able to obtain import

capability. RCEA's expected share from Fish Lake Geothermal is 0.36 MW of capacity and approximately 3,000 MWh of energy annually or 0.5% of retail sales.

OME combines its geothermal and project development expertise with Kaishan Group's power plant technologies and manufacturing to form a cutting-edge industry leading vertically integrated geothermal energy company.

#### Project Participation and Recommended Maximum Authority

The contract structures utilized for both Ormat and OME, involves CC Power signing a power purchase agreement with the project seller and each of the participating community choice aggregators (CCAs) signing a project participation share agreement with CC Power. The structure is similar to the two long duration storage contracts RCEA's Board approved for execution with CC Power. RCEA will be one of several CC Power members sharing in the output, benefits, costs and obligations of the two geothermal projects.

Under the contracts, CC Power will pay the PPA rate and in return will be entitled to all product attributes from the facility, including energy arbitrage, ancillary services, and resource adequacy. Through the PPSA, RCEA will pay for its entitlement share of the projects and in turn receive its share of the attributes and benefits of the geothermal project. The eight participating CCAs will receive an entitlement share of the obligations and benefits associated with its capacity share. Table 1 is the expected entitlement share percentage and megawatts (MW) per participating CC Power member.

**Table 1: Expected Entitlement Share of Firm Clean Resources**

| Participant                    | Ormat<br>Entitlement Share<br>% | Ormat<br>Entitlement Share<br>MW | OME Entitlement<br>Share % | OME<br>Entitlement<br>Share MW | Total Entitlement<br>MW |
|--------------------------------|---------------------------------|----------------------------------|----------------------------|--------------------------------|-------------------------|
| Central Coast Community Energy | 17.90%                          | 22.38                            | 18.60%                     | 2.42                           | 24.80                   |
| Clean Power San Francisco      | 13.90%                          | 17.38                            | 14.50%                     | 1.89                           | 19.27                   |
| Peninsula Clean Energy         | 17.10%                          | 21.38                            | 17.80%                     | 2.31                           | 23.69                   |
| Redwood Coast Energy Authority | <b>3.20%</b>                    | <b>4.00</b>                      | <b>2.80%</b>               | <b>0.36</b>                    | <b>4.36*</b>            |
| San Jose Clean Energy          | 19.60%                          | 24.50                            | 17.40%                     | 2.26                           | 26.76                   |
| Silicon Valley Clean Energy    | 13.40%                          | 16.75                            | 14.00%                     | 1.82                           | 18.57                   |
| Sonoma Clean Power Authority   | 11.20%                          | 14.00                            | 11.70%                     | 1.52                           | 15.52                   |
| Valley Clean Energy            | 3.70%                           | 4.63                             | 3.20%                      | 0.42                           | 5.05                    |
|                                | 100%                            | 125.00                           | 100%                       | 13.00                          | 138.02                  |

\* In the event step-up provisions are triggered, RCEA's maximum obligation would be 5.45 MW

Both project PPSAs have a step-up provision capped at 125% of the original entitlement share. The step-up provision is necessary to ensure the PPA between CC Power and the project seller will continue in the event one or more project participants default. In such case, rather than allowing the PPA to terminate, the remaining participants will increase their entitlement share.

The cap also limits each participant's exposure and obligation, as shown in Table 2 for RCEA.



**Table 2: RCEA's Capped Step-Up at 125% of Entitlement Share**

| Ormat<br>Nameplate<br>MW | Ormat<br>Step-up<br>MW | OME<br>Nameplate<br>MW | OME<br>Step-up<br>MW | Total<br>Nameplate<br>MW | Total<br>Step-up<br>MW | Total<br>Authority<br>MW |
|--------------------------|------------------------|------------------------|----------------------|--------------------------|------------------------|--------------------------|
| 4.00                     | 1.00                   | 0.36                   | 0.09                 | 4.36                     | 1.09                   | 5.45                     |

Consistent with the CC Power Board direction for enhanced contracting conditions, the developer will construct the project under a project labor agreement, thus assuring payment of prevailing wages and use of apprenticeship programs. For projects built in Nevada, both developers will adhere to the Nevada prevailing wage requirement with audit, or project labor agreement. Alternatively, developers may apply for and receive Nevada's Renewable Energy Tax Abatement (RETA) benefits which require construction workforce is paid no less than 175% of the statewide average annual wage and provide adequate health insurance. The projects will also adhere to CC Power's environmental and environmental justice conditions.

#### MTR Order and Compliance

The OME and Ormat projects meet the conditions established in the MTR Order for resources that must be able to deliver firm power (with a capacity factor of at least 80%), minimum ten-year contract term, start date by mid-2026 and ability to meet resource adequacy requirements. In aggregate, the firm clean generation resource mandate for the CCAs participating in joint FCR procurement through CC Power is expected to be 138 MW of nameplate capacity. Once adjusted for effective load carrying capacity the entitlement for the participants in the CC Power FCR request for offers decreases to 114 MW of Net Qualifying Capacity. RCEA will fully meet its mid-term reliability compliance needs for firm clean resources through its participation in these two CC Power geothermal agreements.

In addition to MTR compliance, these agreements will help RCEA to meet its energy and renewable portfolio standard targets, as well as our general resource adequacy compliance needs.

#### **ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

By continuing to build RCEA's portfolio of long-term renewable energy resources, this project contributes to many Strategic Plan goals:

- *4.1.2 Minimize Greenhouse Gas Emissions Associated with RCEA's CCE Program.* While geothermal resources are not necessarily zero-emission, they have a far lower emissions intensity than the overall state power mix and unspecified, spot-market power.
- *4.1.4 Maximize Renewable Energy Content of RCEA's CCE Program.* Geothermal energy is a qualifying resource in the state's Renewables Portfolio Standard.
- *4.1.5 Ensure Diversity in Local Sources.* RCEA does not yet have any geothermal energy in its long-term renewable energy portfolio. These contracts will help to diversify RCEA's long-term renewables procurement mix.

## EQUITY IMPACTS

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The selected developers are not listed in the CPUC's Supplier Clearinghouse as business enterprises meeting the Commission's supplier diversity criteria.

## FINANCIAL IMPACT

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Ultimate execution of the Ormat and OME agreements will result in cost to RCEA starting in Fiscal Year 2023-24, which will be included in the budget at that time. Based on the volumes of energy RCEA will procure under these agreements, annual costs in a highest cost scenario where step-up provisions are triggered are not expected to exceed \$1.5 million to \$3 million (depending on total capacity developed) for Ormat and \$300,000 for OME over the 20-year terms of these contracts.

Additional administrative costs for monitoring and implementation of the firm clean resource project agreements through CC Power are expected starting in the current fiscal year. These administrative costs are expected to fall within the executive director's spending approval authority.

## STAFF RECOMMENDATION

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Delegate authority to Executive Director to execute necessary Project Participation Share Agreements (PPSAs) and Buyer's Liability Pass Through Agreements (BLPTAs) with California Community Power and Participating Members for two new Geothermal Projects:

- Ormat Nevada Inc. Portfolio of Geothermal Projects
  - Expected Participation Share: 3.20% or 4.00 MW with quantity not to exceed 5.00 MW
  - Delivery term: 20 years starting on or about June 1, 2024
- Open Mountain Energy LLC., Fish Lake Geothermal
  - Expected Participation Share: 2.80% or 0.36 MW with quantity not to exceed 0.45 MW
  - Delivery term: 20 years starting on or about April 1, 2024.

## ATTACHMENTS

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1. [CC Power/Ormat Power Purchase Agreement and BLPTA](#)
2. [ORGP LLP GEOTHERMAL PORTFOLIO, Participating Members and CC Power Project Participation Share Agreement](#)
3. [CC Power/Open Mountain Energy Power Purchase Agreement and BLPTA](#)
4. [Open Mountain Energy, Participating Members and CC Power Project Participation Share Agreement](#)
5. CC Power Resolution 22-05-03 Approval of Fish Lake Geothermal Project and Authorization to Execute Associated Agreements.
6. CC Power Resolution 22-05-04 Approval of Ormat Geothermal Portfolio Project and Authorization to Execute Associated Agreements.

NOTE: *The PPAs and PPSAs are linked above and available at <https://redwoodenergy.org/board-of-directors/>.*

**California Community Power  
Resolution 22-05-03**

**APPROVAL OF FISH LAKE GEOTHERMAL PROJECT AND AUTHORIZATION  
TO EXECUTE ASSOCIATED AGREEMENTS**

WHEREAS, California Community Power ("CC Power") was created by a Joint Powers Agreement ("JPA") to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members; and

WHEREAS, on September 15, 2021 CC Power authorized the issuance of a Request for Offers ("RFO") for Firm Clean Resources ("FCR"); and

WHEREAS, the FCR RFO was issued on October 25, 2021 and responses were received on December 21, 2021; and

WHEREAS, the CC Power Board accepted the Project Development Process establishing a roadmap for the development and progress of CC Power projects and programs; and

WHEREAS, the FCR Project Oversight Committee made up of CC Power member staff, along with project negotiators and project counsel ("Project Team"), has completed negotiations on the Fish Lake Geothermal Project, a 13 MW geothermal power; and

WHEREAS, the Project Team, through the negotiation process, has developed and negotiated a Power Purchase Agreement, Buyer Liability Pass Through Agreement, and Project Participation Share Agreement associated with the Fish Lake Geothermal Project; and

WHEREAS, pursuant to Section 6.02 of the CC Power JPA, on May 31, 2022, the CC Power Board waived the required notice of intent to bring the Fish Lake Geothermal Project to the Board for approval; and

WHEREAS, while the structure of CC Power is predicated on voluntary project participation and not all Members will be participating in the Fish Lake Geothermal Project, the JPA requires action by the full Board, not simply the project participating members, to approve projects within the purview of CC Power; and

WHEREAS, it is the intent that the CC Power Board approve the Fish Lake Geothermal Project and associated agreements with the understanding that approval by participating members is a condition precedent to the effectiveness of the agreements.

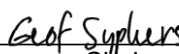
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby:

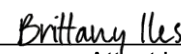
1. Approve the Fish Lake Geothermal Project as within the purpose and power of CC Power.
2. Approve the Power Purchase Agreement and associated Buyer Liability Pass Through Agreement, in substantially final form, attached hereto as Attachment A.
3. Approve the Project Participation Share Agreement, in substantially final form, attached hereto as Attachment B.
4. Delegate the authority to the General Manager to execute the Fish Lake Geothermal Project Agreements described above and attached hereto, on behalf of CC Power.

### California Community Power Resolution 22-05-03

PASSED AND ADOPTED by the Board of Directors of California Community Power this 31<sup>st</sup> day of May, 2022, by the following vote:

|                                |                     | Aye | No | Abstain | Absent |
|--------------------------------|---------------------|-----|----|---------|--------|
| Central Coast Community Energy | Rob Shaw            | X   |    |         |        |
| CleanPowerSF                   | Barbara Hale        | X   |    |         |        |
| East Bay Community Energy      | Nick Chaset         |     |    | X       |        |
| Marin Clean Energy             | Dawn Weisz          | X   |    |         |        |
| Peninsula Clean Energy         | Jan Pepper          | X   |    |         |        |
| Redwood Coast Energy Authority | Lori Biondini       | X   |    |         |        |
| San José Clean Energy          | Lori Mitchell       | X   |    |         |        |
| Silicon Valley Clean Energy    | Girish Balachandran | X   |    |         |        |
| Sonoma Clean Power Authority   | Geof Syphers        | X   |    |         |        |
| Valley Clean Energy            | Mitch Sears         | X   |    |         |        |

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 Brittany Iles  
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**California Community Power  
Resolution 22-05-04**

**APPROVAL OF ORMAT GEOTHERMAL PORTFOLIO PROJECT AND AUTHORIZATION  
TO EXECUTE ASSOCIATED AGREEMENTS**

WHEREAS, California Community Power ("CC Power") was created by a Joint Powers Agreement ("JPA") to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members; and

WHEREAS, on September 15, 2021 CC Power authorized the issuance of a Request for Offers ("RFO") for Firm Clean Resources ("FCR"); and

WHEREAS, the FCR RFO was issued on October 25, 2021 and responses were received on December 21, 2021; and

WHEREAS, the CC Power Board accepted the Project Development Process establishing a roadmap for the development and progress of CC Power projects and programs; and

WHEREAS, the FCR Project Oversight Committee made up of CC Power member staff, along with project negotiators and project counsel ("Project Team"), has completed negotiations on the Ormat Geothermal Portfolio Project, a portfolio of geothermal powered electric generating plants; and

WHEREAS, the Project Team, through the negotiation process, has developed and negotiated a Power Purchase Agreement, Buyer Liability Pass Through Agreement, and Project Participation Share Agreement associated with the Ormat Geothermal Portfolio Project; and

WHEREAS, pursuant to Section 6.02 of the CC Power JPA, on May 31, 2022, the CC Power Board waived the required notice of intent to bring the Ormat Geothermal Portfolio Project to the Board for approval; and

WHEREAS, while the structure of CC Power is predicated on voluntary project participation and not all Members will be participating in the Ormat Geothermal Portfolio Project, the JPA requires action by the full Board, not simply the project participating members, to approve projects within the purview of CC Power.

WHEREAS, it is the intent that the CC Power Board approve the Ormat Geothermal Portfolio Project and associated agreements with the understanding that approval by participating members is a condition precedent to the effectiveness of the agreements.

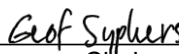
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CC Power hereby:

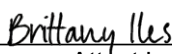
1. Approve the Ormat Geothermal Portfolio Project as within the purpose and power of CC Power.
2. Approve the Power Purchase Agreement and associated Buyer Liability Pass Through Agreement, in substantially final form, attached hereto as Attachment A.
3. Approve the Project Participation Share Agreement, in substantially final form, attached hereto as Attachment B.
4. Delegate the authority to the General Manager to execute the Ormat Geothermal Portfolio Project Agreements described above and attached hereto, on behalf of CC Power.

## California Community Power Resolution 22-05-04

PASSED AND ADOPTED by the Board of Directors of California Community Power this 31<sup>st</sup> day of May, 2022, by the following vote:

|                                |                     | Aye | No | Abstain | Absent |
|--------------------------------|---------------------|-----|----|---------|--------|
| Central Coast Community Energy | Rob Shaw            | X   |    |         |        |
| CleanPowerSF                   | Barbara Hale        | X   |    |         |        |
| East Bay Community Energy      | Nick Chaset         |     |    | X       |        |
| Marin Clean Energy             | Dawn Weisz          | X   |    |         |        |
| Peninsula Clean Energy         | Jan Pepper          | X   |    |         |        |
| Redwood Coast Energy Authority | Lori Biondini       | X   |    |         |        |
| San José Clean Energy          | Lori Mitchell       | X   |    |         |        |
| Silicon Valley Clean Energy    | Girish Balachandran | X   |    |         |        |
| Sonoma Clean Power Authority   | Geof Syphers        | X   |    |         |        |
| Valley Clean Energy            | Mitch Sears         | X   |    |         |        |

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 Chair

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 Brittany Iles  
 Attest by: Secretary



# Approval of Participation in California Community Power Geothermal Projects: Ormat and Open Mountain Energy

Presentation to RCEA Board of Directors

July 28, 2022





# Topics

- Reasons for proposed procurement
- Joint solicitation process
- Project information
- RCEA's level of participation
- Agreement structure
- Review by RCEA Board's ad hoc procurement committee
- Proposal to RCEA Board

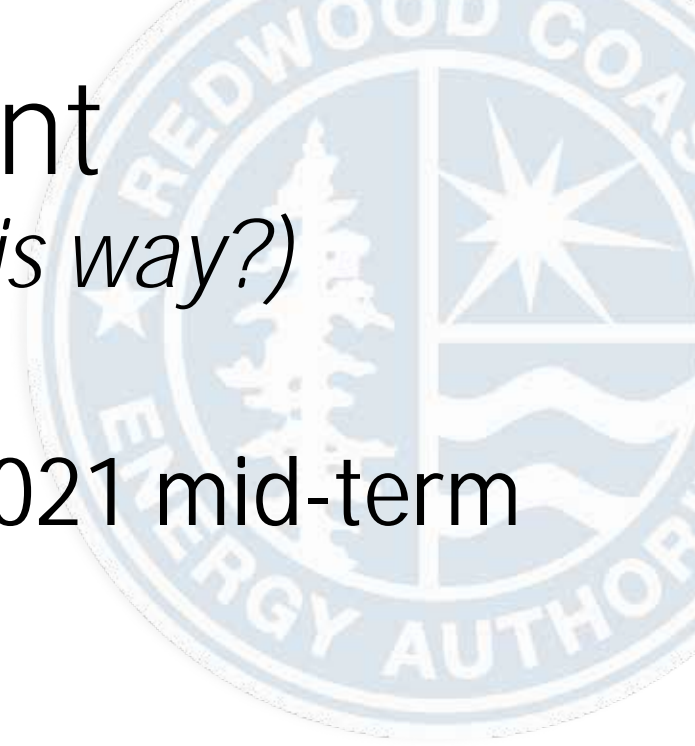




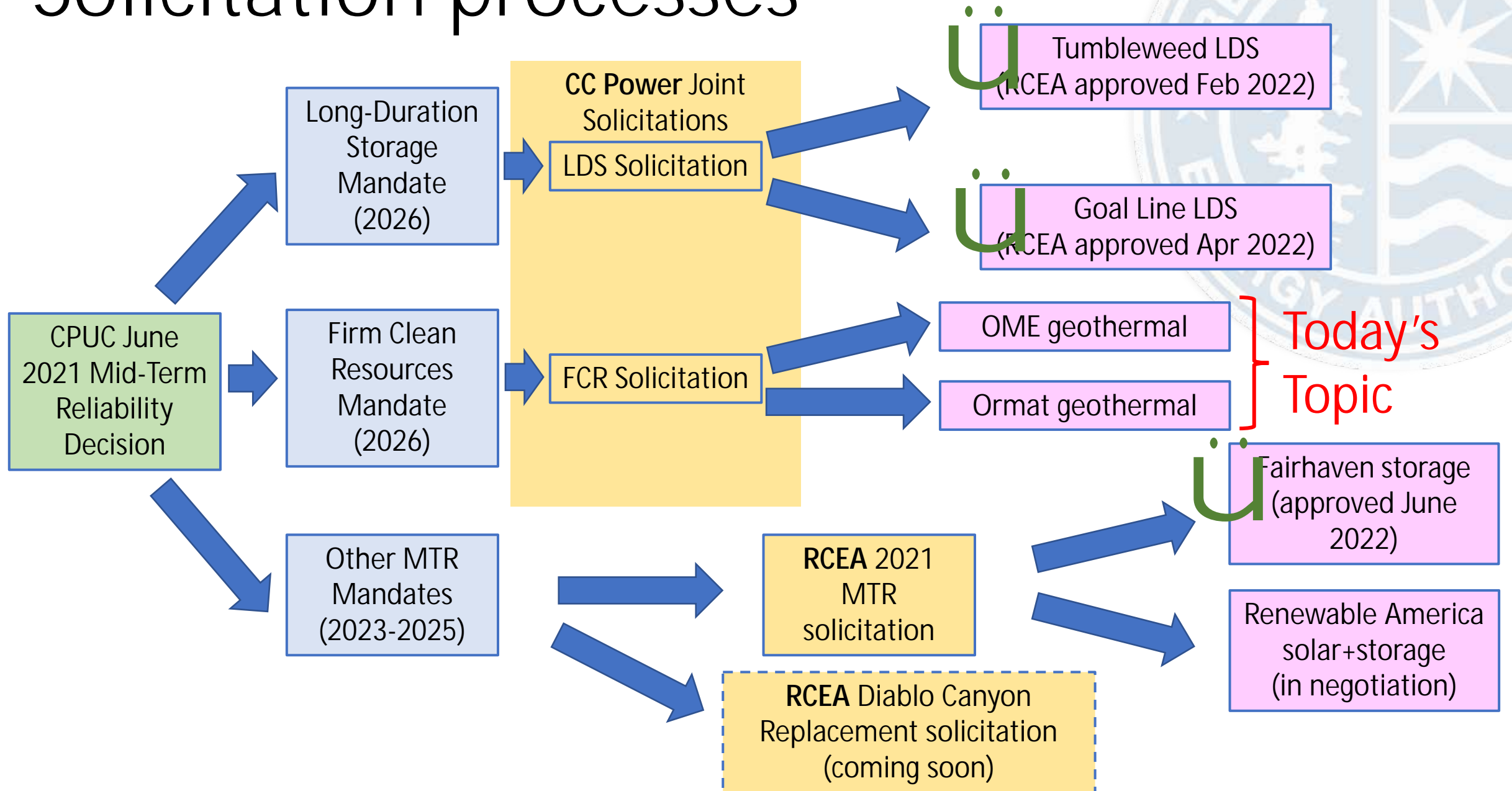
# Reasons for proposed procurement

*(Why are we doing it? Why are we doing it this way?)*

- Foremost reason: Compliance with CPUC's 2021 mid-term reliability decision
- Additional drivers:
  - Compliance with SB 350 long-term renewable procurement mandate
  - Building a diversified portfolio of renewable energy for RCEA
  - Leveraging some economies of scale through joint procurement

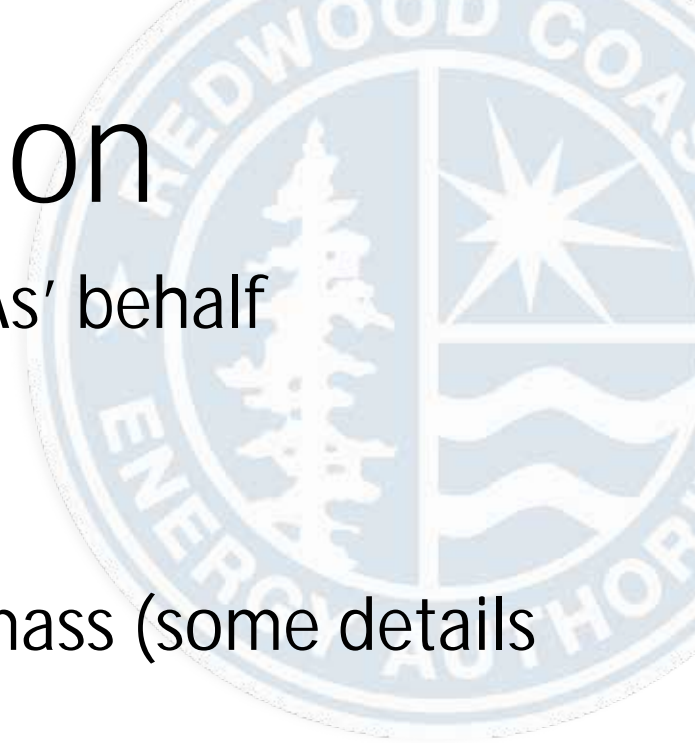


# Solicitation processes



# Firm Clean Resources Solicitation

- Administered by San José Clean Energy on the joint CCAs' behalf
- Issued RFO in October 2021
- Offers due December 2021
- 6 bidders w/ 16 projects, geothermal and a couple biomass (some details on next slide)
- None in Humboldt
- Shortlisted two geothermal offers, the highest scoring of all offers
  - Portfolio of projects from Ormat Nevada, Inc. (Ormat)
  - Open Mountain Energy LLC (OME) Fish Lake Geothermal
- CC Power approved/executed power purchase agreements May 31, 2022
- CCAs have 120 days to approve participation agreements



# Ormat Portfolio of Projects

- **Seller** – Ormat Nevada Inc.
- **Buyer** – CC Power
- **Developer** – Ormat Nevada Inc.
- **Technology** – Incremental Geothermal
- **Project** – portfolio of facilities with combined capacity of 64 MW to 125 MW
- **Product** – Energy, PCC1, full capacity rights
- **Location** – Various locations in Nevada and California
- **Expected COD** – Varies with project, as early as 2024
- **Price** – Fixed \$/MWh, no escalation
- **Term** – 20 years



# Open Mountain Energy Fish Lake Project

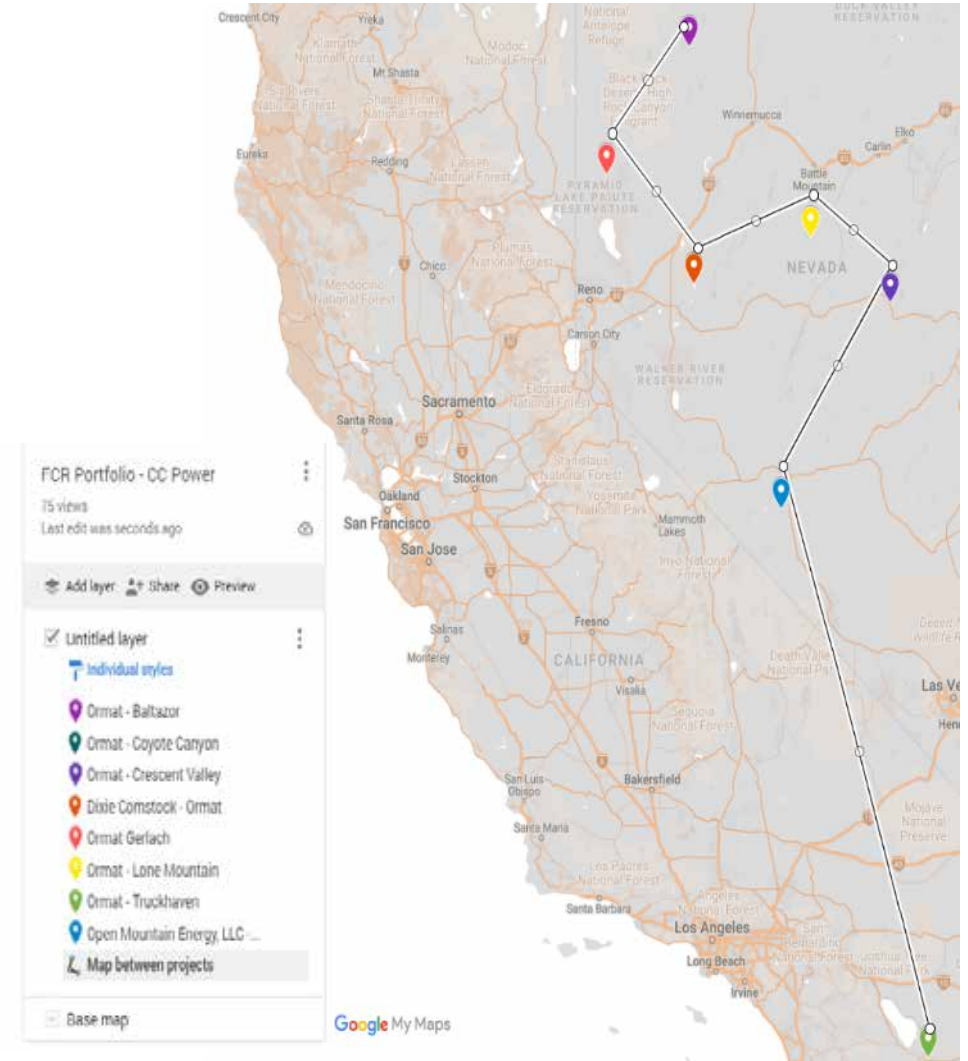
- **Seller** – Fish Lake Geothermal, LLC
- **Buyer - Developer** – Open Mountain Energy, LLC
- **Technology** – Incremental Geothermal
- **Project size** – 13 MW, ~107 GWh/year
- **Product** – Energy, PCC1, full capacity rights
- **Location** – Esmeralda County, Nevada
- **Expected COD** – June 1, 2024
- **Price** – Fixed \$/MWh, no escalation
- **Term** – 20 years





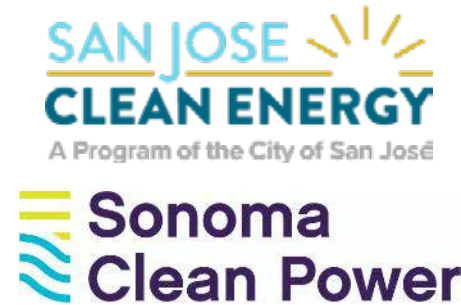
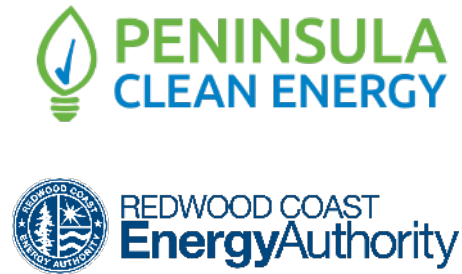
# Project details

| Counterparty              | Project Name             | Term               | Nameplate MW | NQC MW |
|---------------------------|--------------------------|--------------------|--------------|--------|
| Open Mountain Energy, LLC | Fish Lake Geothermal LLC | 4/2024 to 4/2044   | 13           | 10.9   |
| Ormat Nevada, Inc.        | Truckhaven               | 6/2025 to 6/2045   | 25           | 20.5   |
| Ormat Nevada, Inc.        | Baltazor                 | 6/2024 to 6/2044   | 20           | 17.1   |
| Ormat Nevada, Inc.        | Lone Mountain            | 2/2026 to 2/2046   | 20           | 16.4   |
| Ormat Nevada, Inc.        | Crescent Valley          | 10/2025 to 10/2045 | 20           | 12.9   |
| Ormat Nevada, Inc.        | Gerlach                  | 6/2025 to 6/2045   | 20           | 16     |
| Ormat Nevada, Inc.        | Coyote Canyon            | 8/2024 to 8/2044   | 25           | 19     |
| Ormat Nevada, Inc.        | Dixie Comstock           | 6/2025 to 6/2045   | 20           | 16     |



All projects are outside of the CAISO, therefore need import capability into California to count as Resource Adequacy, a requirement for the FCR procurement mandate

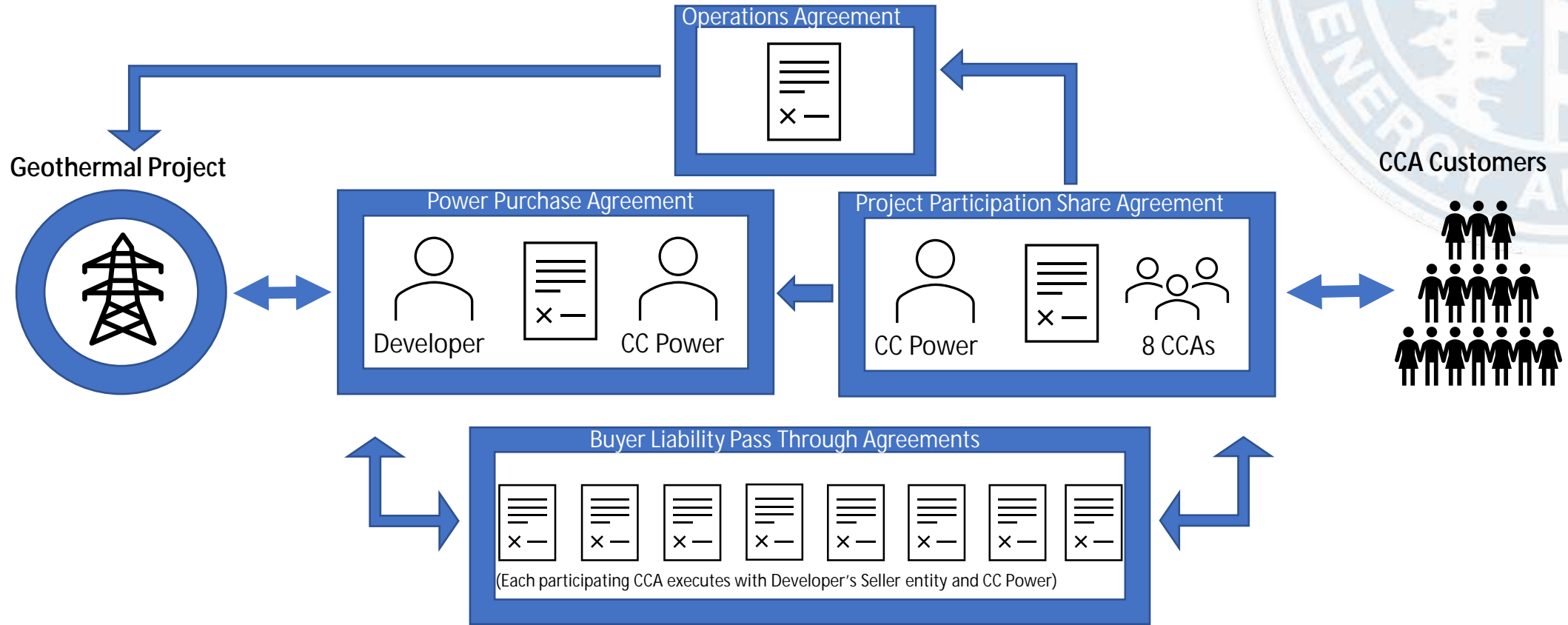
# Participating CCAs



| Participant                    | Ormat<br>Entitlement Share<br>% | Ormat<br>Entitlement Share<br>MW | OME Entitlement<br>Share % | OME<br>Entitlement<br>Share MW | Total Entitlement<br>MW |
|--------------------------------|---------------------------------|----------------------------------|----------------------------|--------------------------------|-------------------------|
| Central Coast Community Energy | 17.90%                          | 22.38                            | 18.60%                     | 2.42                           | 24.80                   |
| Clean Power San Francisco      | 13.90%                          | 17.38                            | 14.50%                     | 1.89                           | 19.27                   |
| Peninsula Clean Energy         | 17.10%                          | 21.38                            | 17.80%                     | 2.31                           | 23.69                   |
| Redwood Coast Energy Authority | 3.20%                           | 4.00                             | 2.80%                      | 0.36                           | 4.36*                   |
| San Jose Clean Energy          | 19.60%                          | 24.50                            | 17.40%                     | 2.26                           | 26.76                   |
| Silicon Valley Clean Energy    | 13.40%                          | 16.75                            | 14.00%                     | 1.82                           | 18.57                   |
| Sonoma Clean Power Authority   | 11.20%                          | 14.00                            | 11.70%                     | 1.52                           | 15.52                   |
| Valley Clean Energy            | 3.70%                           | 4.63                             | 3.20%                      | 0.42                           | 5.05                    |
|                                | 100%                            | 125.00                           | 100%                       | 13.00                          | 138.02                  |

\* In the event step-up provisions are triggered, RCEA's maximum obligation would be 5.45 MW

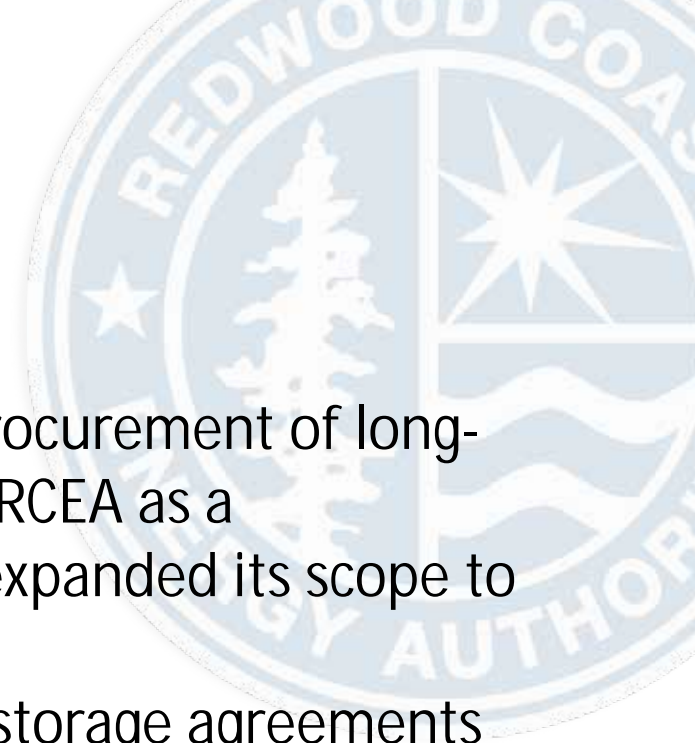
# Agreement structure





# Review by RCEA Board's ad hoc procurement review committee

- In January 2021 the Board formed an ad hoc committee to review procurement of long-duration storage to be procured by California Clean Power JPA, with RCEA as a participating CC Power member. In November 2021 the committee expanded its scope to review CC Power firm clean resources procurement
- This committee has previously met to review the two long-duration storage agreements and make recommendations to the Board on participation in those agreements
- Earlier this month, three of the four committee members met with staff to discuss the geothermal firm clean resources agreements
- They reviewed a slide show similar to this one, but including confidential information on contract prices and how these projects ranked against other offers in CC Power's scoring process
- The ad hoc committee members unanimously agreed to recommend approval of the geothermal contracts by the Board



# Proposal to RCEA Board

Delegate authority to Executive Director to execute necessary Project Participation Share Agreements (PPSA) and Buyer's Liability Pass Through Agreements (BLPTA) with California Community Power and Participating Members for two new Geothermal Projects:

## 1. Ormat Nevada Inc. (Ormat) Portfolio of Geothermal Projects

- Expected Participation Share: 3.20% or 4.00 MW with quantity not to exceed 5.00 MW
- Delivery term: 20 years starting on or about June 1, 2024

## 2. Open Mountain Energy LLC., Fish Lake Geothermal (OME)

- Expected Participation Share: 2.80% or 0.36 MW and quantity not to exceed 0.45 MW
- Delivery term: 20 years starting on or about April 1, 2024





## **STAFF REPORT**

### **Agenda Item # 7.2**

|              |   |
|--------------|---|
| AGENDA DATE: | July 28, 2022   |
| TO:          | Board of Directors  |
| PREPARED BY: | Richard Engel, Director of Power Resources<br>Jocelyn Gwynn, Senior Power Resources Manager |
| SUBJECT:     | Foster Clean Power A Solar + Storage Agreement  |

### **BACKGROUND**

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In September 2021, RCEA launched a Request for Offers (RFO) for Long-term Reliability Resources in response to the California Public Utilities Commission's (CPUC) June 2021 Mid-Term Reliability (MTR) Decision 21-06-035 to address reliability needs of the state's grid in the 2023-2026 term. The Decision requires each load-serving entity (LSE) in California, including RCEA, to procure its allocated share of incremental resource adequacy (RA) capacity. RCEA is obligated to purchase RA on an annual and monthly basis as part of the state's reliability program to ensure the California Independent System Operator has sufficient capacity to maintain reliable grid operations at all times. An additional requirement that the MTR Decision places on LSEs is that a portion of that RA capacity must come from new resources to replace retiring gas and nuclear facilities in the coming years.

At its January 2022 meeting, the Board approved shortlisting three projects under the RFO, a battery storage project and two solar plus battery storage projects, all three of which will be local to the Humboldt Bay area. The Board having approved a contract for the Fairhaven battery storage project in June, staff are now bringing the second of these contracts to the Board for approval.

### **SUMMARY**

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The Foster Clean Power project is a hybrid 3 MW solar plus 1.25 MW battery storage system that is being developed by Renewable America on land adjacent to Foster Avenue in Arcata. They have an executed lease option agreement with the private landowner for the term of the Power Purchase Agreement (PPA) and a signed interconnection agreement with PG&E. The developer has been transparent with staff that after the project is built, they plan to assign the PPA, along with agreements for other projects they are developing, to Excelsior Energy Capital, an independent North American renewable energy investor.

The Foster project was originally shortlisted with the expectation that it could begin operation during summer 2023, thus allowing RCEA to count it toward our first MTR compliance milestone. However, due to uncertainty in the solar equipment supply chain and in the timing of securing a deliverability allocation from CAISO (which is required for the project to provide RA), the developer has revised the schedule to bring the project online in Q2 2023 and to begin delivering RA to RCEA in Q2 2024. Despite the schedule change, the project still has compliance value to RCEA, given our 2024 and 2025 MTR obligations. If the project is delayed, CPUC rules and contract terms allow that RCEA can procure, or the developer can supply, short-term replacement capacity to meet our compliance obligation. If the project does not secure a deliverability allocation by 2025, then the contract price will be reduced to reflect the reduction in value to RCEA. Aside from RA compliance, the project will also deliver energy, renewable energy certificates and local development benefits to RCEA.

## **ALIGNMENT WITH [RCEA'S STRATEGIC PLAN](#)**

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By continuing to build RCEA's portfolio of long-term, local renewable and storage resources, this project contributes to many Strategic Plan goals:

- *4.1.1 Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent.*
- *4.1.2 Minimize Greenhouse Gas Emissions Associated with RCEA's CCE Program.*
- *4.1.4 Maximize Renewable Energy Content of RCEA's CCE Program.*
- *4.1.5 Ensure Diversity in Local Sources*
- *4.1.7.2 Develop Distributed Generation.*
- *4.1.8.1 Support Utility Scale Solar Energy Development.*
- *4.1.8.2 Procure Local Solar Energy.*

## **EQUITY IMPACTS**

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Renewable America is not listed in the CPUC's Supplier Diversity Clearinghouse as a diverse business enterprise. They are working with GRID Alternatives on workforce development opportunities through this and their other projects, including potential community benefit or project labor agreements.

## **FINANCIAL IMPACT**

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Initial analysis by The Energy Authority shows that the expected value of the energy, RECs and RA from Foster Clean Power is at parity with the contract cost over the term of the agreement. These costs and revenues are accounted for in RCEA's financial model and will be incorporated into the budget starting in fiscal year 2023-2024. This project will also bring value to RCEA's long-term portfolio as a hedge against price volatility risk for all three products.

## **STAFF RECOMMENDATION**

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Approve Power Purchase Agreement with Foster Clean Power A LLC and authorize the Executive Director to execute all applicable documents.

## ATTACHMENTS

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Power Purchase Agreement with Foster Clean Power A LLC

*NOTE: This power purchase agreement was not ready at the time of agenda publication and will be available for viewing at <https://redwoodenergy.org/board-of-directors/> by 5 p.m. on Tuesday, July 26, 2022.*



# REDWOOD COAST **Energy**Authority

## **STAFF REPORT** **Agenda Item # 9.1**

|              |   |
|--------------|---|
| AGENDA DATE: | July 28, 2022                             |
| TO:          | Board of Directors                        |
| FROM:        | Eileen Verbeck, Deputy Executive Director |
| SUBJECT:     | Deputy Executive Director's Report        |

### **SUMMARY**

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Deputy Executive Director Eileen Verbeck will provide a brief update on:

- Local and national offshore wind related activities,
- RCEA recent activities, and
- Other topics as needed.

### **RECOMMENDED ACTION**

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None. (Information only.)

### **ATTACHMENTS**

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RCEA monthly report.



# July 2022 News and Updates

## from the Redwood Coast Energy Authority



### Net Energy Metering (NEM):

RCEA paid a total of \$142,284 to NEM customers for excess on-site solar generation for the 2021/22 NEM Program payout.

### Public Safety Power Shutoff (PSPS):

Although the 2022 PSPS season is underway, Humboldt County has not been affected by any PSPS related outages. RCEA staff continue to monitor PG&E's PSPS portal for potential alerts affecting RCEA customers. An "Electricity Grid Alerts" banner is on the front of RCEA's website that provides updates and useful links, including signing up for Flex Alerts.

### Offshore Wind:

The Bureau of Ocean Energy Management (BOEM) completed its environmental review in May of potential impacts from offshore wind energy leasing activities in the Humboldt Wind Energy Area (WEA) and issued a finding of no significant impact. The review considered potential impacts from the issuance of leases, site assessment activities, site monitoring activities, and project easements and related right-of-way grants.

BOEM also filed a Proposed Sale Notice for the Humboldt WEA providing an opportunity for public input. BOEM is expected to hold its auction for offshore wind leases in Fall 2022.






Director of Business Planning and Finance, Lori Biondini, gave a presentation to the Marin Conservation League on July 15 on the status of offshore wind energy planning in California, and RCEA's proposed project for the Humboldt WEA. A senior attorney with the NRDC also presented, allowing attendees to consider some of the identified environmental concerns within the context of the State's and RCEA's energy goals.

**WE  
ARE  
HIRING!**

### Current Employment Opportunities at RCEA

- Infrastructure Programs Manager
- Demand Side Management Tech/Sr. Tech Project Manager
- Finance Manager
- Demand Side Management Intake Coordinator
- Human Resources & Workforce Development Manager

### 2022 totals

| Residential EV Charging Equipment REBATE  | Electric Vehicles REBATE  | Heat Pumps REBATE   | Residential Services ASSESSMENTS  | Non-Res Services ASSESSMENTS  |
|---|---|---|---|---|
| 11 approved  | 27 approved  | 50 approved<br>9 reserved  | 57 consultations<br>33 res kits  | 23 Completed (just 1 month)  |



### Mobile Solar and Battery Trailer:

RCEA facilitated a one-year assignment of a mobile solar and battery trailer for the Southern Humboldt Fire Chiefs Association. The trailer, which is to be utilized by 17 fire agencies, was provided at no cost by the Empowered by Light Organization and Captain Richard Birt. It was delivered during an inter-agency training in Brice Land on June 11. This project will inform future mobile renewable energy deployment opportunities for essential services.

### Agency Projects - ongoing

**City of Ferndale** - solar and lighting project completed

**City of Rio Dell** - solar & storage installed, generator installation in progress

**Eureka City Schools** - solar, storage, and EV bus charger installation project is progressing

**Yurok Tribe** - benchmarking and making connections for multiple project locations

**City of Arcata** - outlining an energy efficiency project at Arcata Community Center

**City of Eureka** - upgrading solar and lighting at Water Treatment Plant and High Tank

**Burnt Ranch Elementary School** - contracting for roof-mounted solar array project

**Arcata School District** - helped with Board acceptance and paperwork processing for CalSHAPE program and contract assistance for the CalSHAPE HVAC project

**Redwood Coast Montessori School** - issued a re-bid for the ECAA-Ed project and assisted with the CalSHAPE RFQ for Plumbing services for phase two of the application

**Coastal Grove Charter School** - helped with Board acceptance and paperwork processing for CalSHAPE program and contract assistance for the CalSHAPE HVAC project

**Loleta Union Elementary School** - assisted with a board resolution and processed paperwork for acceptance in the CalSHAPE program.

**Rural REN** - We submitted our business plan to the CPUC and have met with commission staff and other stakeholders and are addressing any feedback.

**TECH Quick Start Grant** - We have secured partnerships with area contractors, identified potential customers, and are beginning outreach.

**Mobile Home Solar** - We have completed plan set for pole-mounted solar for mobile home installations and are identifying sites with Bear River Rancheria for installations.

### Transportation:

RCEA's Infrastructure and Transportation Team received a notice of proposed award for a \$700,000 Rural Electric Vehicle (REV) Charging grant (GFO-21-604) from the California Energy Commission. RCEA received the second highest scoring application in the state and is committed to supporting the adoption of zero emission vehicles in the region. RCEA will also provide technical assistance to Mendocino County for their proposed award.

HTA won a \$38.7M TIRCPs grant to bring 11 hydrogen buses and refueling infrastructure to Humboldt County. HTA will provide "over the fence" refueling for private vehicles, which will be a critical first step in exploring hydrogen as an advanced transportation fuel in our region. This development will inform our work on our CEC medium-duty/heavy duty vehicle blueprint grant (ARV-21-035).

RCEA is now facilitating a monthly regional transportation roundtable for various agencies and stakeholders to share project updates and collaborate on competitive state and national grant applications.