



BOARD OF DIRECTORS MEETING MINUTES

November 17, 2022 - Thursday, 3:30 p.m.

Notice of this meeting was posted on November 10, 2022. Vice Chair Chris Curran called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:38 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. Vice Chair Curran stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Stephen Avis (arrived 3:54 p.m.), Scott Bauer (arrived 4:04 p.m.), Vice Chair Chris Curran, Michelle Fuller (Humboldt Bay Municipal Water District Alternate Director), Mike Losey, Sarah Schaefer, Frank Wilson. ABSENT: Rex Bohn, Jack Tuttle, Sheri Woo (HBMWD Director). STAFF AND OTHERS PRESENT: General Counsel Nancy Diamond; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; The Energy Authority Account Services Manager Jaclyn Harr, Executive Director Matthew Marshall; Power Resources Specialist Colin Mateer; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

ORAL COMMUNICATIONS

Community Advisory Committee member Larry Goldberg, who stated that he was speaking as a community member and solar energy professional and not as a CAC representative, requested that the Board assign staff to investigate microgrids as a supplemental distributed power source around the county in lieu of upgrading PG&E transmission infrastructure to address the county's limited electrical capacity issues. Mr. Goldberg described microgrids as a first step toward creating a distributed power network around the county.

Vice Chair Curran closed the oral communications portion of the meeting.

CONSENT CALENDAR

- 3.1** Approve Minutes of October 27, 2022, Board Meeting.
- 3.2** Approve Disbursements Report.
- 3.3** Accept Financial Reports.
- 3.4** Approve Resolution 2022-9, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving Amendment No. 1 to a Behind the Retail Meter Capacity Storage Agreement with Swell VPP Fund 2021-I LLC.
- 3.5** Accept Quarterly Budget Report (Q1).

Neither directors nor members of the public requested that items be removed from the consent calendar.

M/S: Losey, Schaefer: Approve consent calendar items.

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

There was no quorum to conduct Community Choice Energy business.

OLD BUSINESS

7.1. Brown Act Open Meeting Law Changes and Meeting Options

Deputy Executive Director Verbeck reported on Assembly Bill 2449 which outlines ways for governing agency members to remotely participate in meetings, and RCEA public meeting options before and after the Governor's state of emergency ends on February 28, 2023. The directors supported conducting in-person and virtual hybrid meetings after the state of emergency ends and televising RCEA Board meetings on Access Humboldt if the expense was reasonable.

There were no responses from the public to Vice Chair Curran's invitation for comment and the public comment period was closed. Chair Avis joined the meeting during this discussion.

M/S: Wilson, Losey: Continue to conduct fully virtual meetings until February 28, 2023. 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 November 17, 2022, through December 15, 2022, pursuant to Brown Act revisions of AB 361.

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

STAFF REPORTS

9.1. Executive Director's Report

Offshore wind outreach activities with CORE Hub will increase following the Bureau of Ocean Energy Management lease auction on December 6. Federal and state Inflation Reduction Act funding will increase customer program and public agency opportunities. RCEA is compiling information to share with member agencies and the public on how to access these funds.

Director Bauer joined the meeting. Executive Director Marshall confirmed there was a Community Choice Energy quorum.

OLD CCE BUSINESS

5.1. Energy Risk Management Quarterly Report

The Energy Authority Client Services Manager Jaclyn Harr reported on financial drivers affecting updated revenue forecasts for the next two years. The presented revenue projections reflected PG&E rates which are expected to be updated in December and go into effect by March or April. RCEA's customer generation rates continue to be set at 0.5% less than PG&E's rates, which are expected to rise by 3%. The power charge indifference adjustment (PCIA), a charge RCEA customers pay to make PG&E whole for power procured on RCEA's customers' behalf before they left PG&E, has been extremely volatile over the past two years and is expected to swing to a low point due to high energy prices, giving RCEA customers a small bill credit. Power costs, especially during peak summer months, are projected to increase. RCEA is about 90% hedged from extreme price increases in 2023 by

long-term power contracts and is less well-hedged in 2024. RCEA's historic and projected cash reserve balance and the effect of volatile global energy markets on the agency's ability to maintain a cash reserve were described. It is anticipated that RCEA will reach its target reserve level of \$35 million in November 2023. Ms. Harr suggested reconsidering RCEA's rate discount relative to PG&E rates no sooner than 2024, to give the agency time to build reserves while market conditions are favorable. Reserves allow for more stable rates for RCEA customers during market and PCIA swings as well as providing RCEA the ability to invest in above-market costs of advanced renewable energy projects such as microgrids and offshore wind.

The Directors discussed the CPUC regulatory process around PG&E rate setting, how advocacy groups monitor the process and how RCEA can have some independence from energy prices and related PCIA volatility through reserve building.

There were no responses from the public to Vice Chair Curran's invitation for comment and the public comment period was closed.

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

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

FUTURE AGENDA ITEMS

Chair Avis stated that as he was not re-elected to the Ferndale City Council he is resigning from the RCEA Board. He thanked the RCEA Board and staff and reaffirmed his interest in wind power. Executive Director Marshall thanked Chair Avis on behalf of staff for his efforts while on RCEA's Board and expressed hope that the Chair would remain engaged in energy efforts as an RCEA customer and community member. Staff was asked to draft summarized instructions on remote meeting participation and additional materials on current projects to orient new Board directors. Staff encouraged orientation session attendance.

CLOSED SESSION

Staff stated there was nothing new to report to the Board in closed session regarding:

- 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 was no public comment regarding closed session item:

- 11.2.** Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

The directors adjourned to closed session at 4:40 p.m. to discuss item 11.2. The Board reconvened from closed session at 5:11 p.m. Executive Director Marshall stated there was nothing to report from closed session and adjourned the meeting at 5:12 p.m.

Lori Taketa
Clerk of the Board