



BOARD OF DIRECTORS MEETING AGENDA

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

COVID-19 NOTICE

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

Pursuant to the Governor's [Executive Order N-29-20](#) of March 17, 2020, and [revised Brown Act provisions](#) signed into law on September 16, 2021, the RCEA Board of Directors meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

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

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.

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

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

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

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

OPEN SESSION Call to Order

1. 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 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).

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 Brown Act Open Meeting Law Changes and Meeting Options

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.

OR:

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**, 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 December 15, 2022**, for the Board and January 10, 2023, for the Community Advisory Committee.

OR:

Approve conducting RCEA Board and Community Advisory Committee meetings in a **hybrid** in-person and teleconference format pursuant to **AB 2449** at the Jefferson Community Center auditorium **beginning December 15, 2022**, for the Board and January 10, 2023, for the Community Advisory Committee.

8. NEW BUSINESS – None.

9. STAFF REPORTS

9.1 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.

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

12. RECONVENE TO OPEN SESSION

13. CLOSED SESSION REPORT

14. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, December 15, 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

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

Notice of this meeting was posted on October 22, 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 3:34 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 asked Vice Chair Chris Curran to continue facilitating the meeting, and Vice Chair Curran stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Stephen Avis, Scott Bauer, Rex Bohn (arrived 3:38 p.m., left 5:00 p.m.), Vice Chair Chris Curran, Mike Losey, Sarah Schaefer, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Regulatory and Legislative Policy Manager Aisha Cissna; General Counsel Nancy Diamond; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; Executive Director Matthew Marshall; Administrative Specialist Meredith Matthews; Power Resources Specialist Colin Mateer; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

ORAL COMMUNICATIONS

Member of the public Wendy Ring expressed support for community solar and expressed hope that RCEA take advantage of AB 2316 and the Inflation Reduction Act to help public and nonprofit entities build solar facilities for reduced cost to further energy justice and local, renewable energy.

Executive Director Marshall congratulated Chair Avis on being honored by the American Planning Association for outstanding contributions to professional planning.

Member of the public Walt Paniak thanked RCEA for offering REpower+, a carbon-free energy service to customers.

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

CONSENT CALENDAR

- 3.1** Approve Minutes of September 22, 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 October 27, 2022, through November 25, 2022, pursuant to Brown Act revisions of AB 361.

Neither directors nor members of the public requested 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: Avis, Bauer, Bohn, Curran, Losey, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Vice Chair Curran confirmed there was a Community Choice Energy quorum.

OLD CCE BUSINESS

5.1. Integrated Resource Plan Power Portfolio Approval

Power Resources Director Engel clarified that the Board-supported, diversified scenario preserves the diversified energy portfolio recommended by RCEA's strategic plan. Its biomass energy could be sourced from lower-emissions projects after the Humboldt Sawmill Company contract ends in 2031. The Integrated Resource Plan (IRP) process, a biennial planning exercise, was described. Staff will engage the Community Advisory Committee and community to offer input during the next 2-year cycle, and staff will incorporate the input under Board direction within regulatory boundaries. Aspects of the preferred portfolio were reviewed, including its share of new resource building, emissions, and criteria pollutants.

The Humboldt-Del Norte County Medical Society submitted written comment calling on the RCEA Board and the Humboldt County Board of Supervisors to move forward on the RePower Humboldt strategic plan to end biomass incineration and to commit to not expand, initiate or renew biomass combustion contracts.

Member of the public Diane Ryerson submitted written comment opposing biomass combustion for electricity due to greenhouse gas and particulate emissions.

Member of the public Wendy Ring asked RCEA to prioritize clean energy and health over local energy, stated her opposition to biomass energy in RCEA's portfolio due to significant climate and public health impacts, and stated that more climate beneficial uses of mill waste currently exist.

Dan Chandler of 350 Humboldt supported non-combustion biomass uses, opposed RCEA's contract extension with Humboldt Sawmill Company due to global warming impacts and expressed frustration that RCEA did not purchase existing solar power in lieu of extending the HSC contract. Mr. Chandler also submitted written comment for 350 Humboldt opposing an IRP submission that includes a biomass contract extension and supporting the prioritization of reducing greenhouse gas emissions over local and new renewable energy.

Member of the public Martha Walden opposes inclusion of biomass energy in RCEA's IRP preferred portfolio, does not consider biomass energy to be part of RCEA's promise to supply 100% clean and renewable energy by 2025, and stated that the public is looking to RCEA for maximum leadership to address the dire climate change emergency.

Member of the public Joanne McGarry asked RCEA to prioritize energy conservation while waiting for clean, renewable energy sources. Ms. McGarry opposed biomass energy and supported a local, decentralized energy system.

Nancy Ihara requested submission of portfolio two or four to the CPUC due to biomass energy's negative climate impacts and in the context of international global disasters.

A member of the public named Ellen opposed biomass' inclusion in the IRP portfolio and stated that it was misleading to market renewables while promoting an energy source that is as damaging as coal.

Member of the public Jesse Noell requested that RCEA analyze biomass' health and climate change costs and help avoid those costs by helping people and community groups install rooftop solar on parking lots and public buildings. Mr. Noell requested a thermometer graphic showing battery storage growth and reduction of health impacts at the Board's next meeting.

Member of the public Walt Paniak supported the least cost option portfolio, expressed concern that HSC's biomass power is too expensive, and supported applying savings from not purchasing biomass energy toward more microgrids for first responder locations in rural areas. Mr. Paniak also submitted written comment supporting the least cost option.

Vice Chair Curran closed the public comment period.

The directors asked for clarification about how local renewable energy purchases affect the actual electrons used locally. The directors discussed the importance of public education about the local, renewable energy by 2030 goal; the need to reconsider the strategic plan's emphasis on locally-sourced energy; and the importance of HSC's resource adequacy in meeting state mandates in a very competitive resource adequacy market. There was interest in receiving more information about biomass' local health impacts from the medical community and asking staff to plan a transition away from biomass combustion energy.

Staff noted that RCEA's contract with HSC gives the agency some leverage to request plant improvements. Changes in the energy market have made HSC's electricity and renewable energy products competitively priced. Staff clarified that RCEA is not financially subsidizing local biomass energy now.

M/S: Bohn, Bauer:

Adopt Resolution No. 2022-8 Approving the 2022 Integrated Resource Plan Portfolio.

Delegate Authority to the Executive Director to Approve the Final Integrated Resource Plan for Submission to the California Public Utilities Commission.

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. Racial Justice Plan Progress Update

Deputy Executive Director Verbeck recapped the reasons why RCEA drafted its Racial Justice Plan and progress made on drafting and implementing the plan.

The directors discussed the Yurok tribe's request to join RCEA in a non-voting capacity like the Humboldt Bay Municipal Water District's. The directors expressed appreciation for staff work on the plan.

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 Racial Justice Plan progress report.

Adopt Racial Justice Plan.

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

NEW CCE BUSINESS

8.1 Rural Regional Energy Network Regulatory and Legal Services Agreement with PefferLegal

Demand-Side Management Director Kullmann reported on the proposed Rural REN, which will deliver energy efficiency programs more effectively to rural and hard-to-reach areas statewide, the program's extended approval process timeline and the need to change legal counsel during the project's development stage.

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

M/S: Woo, Losey: Authorize the Executive Director to execute a Legal Services Agreement with PefferLegal for RuralREN regulatory support and legal services through December 2023 for a not to exceed value of \$90,000, subject to sufficient budgetary allocations and pending RCEA General Counsel review.

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

8.2 PG&E Southern Humboldt Transmission Issues (Information only.)

Executive Director Marshall provided background information on Humboldt County's electrical grid infrastructure and described the constriction issues facing areas in Southern Humboldt. Grid constrictions are limiting electrical load and economic growth in Fortuna and Rio Dell. The 43 new customers in areas served by PG&E's Garberville 1102 circuit including Phillipsville, Shelter Cove, Whitethorn, Briceland, Ettersberg, Honeydew and Petrolia, will not be able to increase electrical load without \$300 million in distribution system upgrades. Other parts of the local electrical grid are also unable to support increased loads. These areas include Fields Landing, southeast Eureka's Walnut Drive, Arcata up to Fickle Hill including Sunnybrae and Cal Poly Humboldt, areas served by the Hoopa substation including Weitchpec down the Klamath River to Pecwan and up to Soames Bar. Executive Director

Marshall described ways RCEA could deploy distributed resources such as battery storage in the Eel River Valley area to lessen constriction issues while PG&E upgrades infrastructure, and other ways to help provide service in remote affected areas. Transmission upgrades to export offshore wind may also improve transmission-level issues through parts of southern Humboldt County.

The directors expressed frustration and disappointment in PG&E and the infrastructure limitations and reiterated that the CPUC is responsible for ensuring that PG&E meets its obligations as a utility. Staff was encouraged to continue pressing PG&E for information through the CPUC.

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

8.3 Memorandum of Understanding with the California Fishermen's Resiliency Association

Executive Director Marshall described RCEA outreach efforts with local fishermen since offshore wind was identified as a Community Choice Energy goal in 2016. RCEA and the Humboldt Fishermen's Marketing Association signed a memorandum of understanding in 2018 to work together for the coexistence of offshore wind and the commercial fishery. RCEA provided the Association with a \$20,000 grant to hire a consultant who helped the group establish a nonprofit Fishermen's Resiliency Association to act as a single point of offshore wind negotiation with fishing port associations from San Francisco north to Crescent City. The Fishermen's Resiliency Association memorandum of understanding will allow RCEA to engage with these port associations through a single entity. The intention is to work with fishermen to engage with developers so the offshore wind and fishing industries can coexist.

The directors praised the organization and Board for the forethought to work closely with the local fishing community. A request was made for more direct wording on page three above the Governing Law section, replacing the word "necessarily." General Counsel Diamond agreed to address the language in question.

No member of the public commented on this report. Vice Chair Curran closed the comment period.

M/S: Losey, Woo: Approve a Memorandum of Understanding between the California Fishermen's Resiliency Association and RCEA with the addition of the requested language change, if any, by RCEA Legal Counsel, and authorize the Executive Director to execute the agreement contingent on final review and approval by RCEA Legal Counsel.

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

STAFF REPORTS

9.1. Executive Director's Report

Executive Director Marshall described the December 6 Bureau of Ocean Energy Management offshore wind lease auction process. Developers may win up to one of five California lease areas, two of which are off the Humboldt County coastline. While RCEA and its partners are competing for a lease, RCEA will work with any successful developers locally.

The Humboldt Bay Harbor, Recreation and Conservation District selected Crowley Wind Services to develop the harbor infrastructure as part of a future west coast offshore wind hub. RCEA provided the Harbor District with \$50,000 to develop plans and pursue port development funding.

No member of the public commented on this report. Vice Chair Curran closed the comment period.

CLOSED SESSION

There was no public comment regarding closed session items:

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.

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

The directors adjourned to closed session at 6:05 p.m. The Board reconvened from closed session at 6:28 p.m. Executive Director Marshall stated there was nothing to report from closed session and adjourned the meeting at 6:28 p.m.

Lori Taketa
Clerk of the Board

Redwood Coast Energy Authority
Disbursements Report
As of September 30, 2022

Type	Date	Num	Name	Memo	Amount
Liability Check	09/02/2022	ACH	Newport Group	Deferred compensation contribution	-10.00
Liability Check	09/08/2022	E-pay	EDD	Taxes	-5,986.39
Liability Check	09/08/2022	E-pay	Internal Revenue Service	Taxes	-28,108.74
Liability Check	09/08/2022	E-pay	EDD	Taxes	-2.05
Liability Check	09/08/2022	14057	Umpqua Bank	Health Savings Account contributions	-148.72
Liability Check	09/08/2022	ACH	Newport Group	Deferred compensation contributions	-15,636.26
Check	09/09/2022	14044	Avcollie, M.	Per Diem - Sept. travel to CCEC in San Diego, CA	-216.00
Check	09/09/2022	14045	Cissna, A.	Per Diem - Sept. travel to CCEC in San Diego, CA	-216.00
Check	09/09/2022	14046	Terry, P.	Per Diem - Sept. travel to CCEC in San Diego, CA	-216.00
Check	09/09/2022	14047	Perez, A.	Per Diem - Sept. travel to CCEC in San Diego, CA	-216.00
Check	09/09/2022	14048	Kullmann, S.	Per Diem - Sept. travel to CCEC in San Diego, CA	-182.00
Check	09/09/2022	14049	CCE Customer	PA equipment rebate residential - #DS-R-220803-C	-410.00
Check	09/09/2022	14050	CCE Customer	PA equipment rebate residential - #DS-R-220803-C	-940.00
Check	09/09/2022	14051	CCE Customer	PA equipment rebate residential - #DS-R-220801-C	-940.00
Check	09/09/2022	14052	CCE Customer	Heat Pump Rebate #DS-NR-220822-0475	-1,180.00
Check	09/09/2022	14053	CCE Customer	Heat Pump Res Rebate #DS-R-220830-0488	-1,600.00
Check	09/09/2022	14054	CCE Customer	Res EVSE rebate #EVSE13	-241.90
Check	09/09/2022	14055	SacTown Contractor's Corp.	PA install - Japhy's and HTA	-3,113.44
Check	09/09/2022	14056	NEM Customer	NEM Annual Payout Acct #5828915157	-617.07
Bill Pmt -Check	09/09/2022	14058	Amazon.com	monthly billing - August 2022	-1,539.57
Bill Pmt -Check	09/09/2022	14059	AT&T	RCAM Router charges - ACV: 7/19 - 8/18	-163.00
Bill Pmt -Check	09/09/2022	14060	AT&T Long Distance	Phone charges 8/25/2022 - 9/24/2022	-176.48
Bill Pmt -Check	09/09/2022	14061	Boone, J.	Mileage reimbursement -August 2022	-31.88
Bill Pmt -Check	09/09/2022	14062	Braun Blaising & Wynne	Legal Services - Regulatory -July 2022	-11,925.42
Bill Pmt -Check	09/09/2022	14063	City of Eureka-Water	Water service, 7/26/22- 8/24/22	-186.41
Bill Pmt -Check	09/09/2022	14064	Davidson Bros. Lock & Safe	ACV Lock order for 3 invoices	-2,616.11
Bill Pmt -Check	09/09/2022	14065	Dell USA	XPS 13 9315 Laptops: qty 2	-3,376.04
Bill Pmt -Check	09/09/2022	14066	Donald Dame	Professional Services August 2022	-336.00
Bill Pmt -Check	09/09/2022	14067	Enterprise	Joseph Sloan, WEI Electric Utility conf. in Portland,	-127.27
Bill Pmt -Check	09/09/2022	14068	FedEx	ResKit shipping	-29.54
Bill Pmt -Check	09/09/2022	14069	Frontier Energy, Inc.	PA Program Consulting - August 2022	-1,828.75
Bill Pmt -Check	09/09/2022	14070	HireRight	Background Check: new hires	-191.40
Bill Pmt -Check	09/09/2022	14071	Mad River Union	A1 Ad - recruitment	-360.00
Bill Pmt -Check	09/09/2022	14072	Mission Uniform & Linen	AUGUST mat service	-8.47
Bill Pmt -Check	09/09/2022	14073	PG&E EV Account	EV stations 7/15-8/15/2022	-1,194.16
Bill Pmt -Check	09/09/2022	14074	Pierson Building Center	Facility repairs-Toilet seat	-19.65
Bill Pmt -Check	09/09/2022	14075	Ray Morgan Company	Printer Charges: 8/6-9/5/22	-131.26
Bill Pmt -Check	09/09/2022	14076	Recology	August 2022 garbage service	-95.55
Bill Pmt -Check	09/09/2022	14077	SDRMA WC	Final Audited Premium FY 2021-22	-2,085.11
Bill Pmt -Check	09/09/2022	14078	Optimum Business	Phone & Internet access - 8/28 - 9/27/2022	-1,101.75
Bill Pmt -Check	09/09/2022	14079	Times Printing Company	Monthly printing services - mailers	-1,551.52
Bill Pmt -Check	09/09/2022	14080	Verizon Wireless	Tablet/cell service for staff & equipment - August	-1,449.35
Check	09/09/2022	14081	VISA	August 2022 Statement 7/21/2022 - 8/22/2022	-5,671.50
Paycheck	09/09/2022	ACH	Employees	Payroll	-67,053.23
Check	09/13/2022	ACH	Employees	8/25 and 9/10 Payroll - incorrectly deposited into fra	-5,032.41
Liability Check	09/21/2022	E-pay	EDD	Taxes	-6,077.25
Liability Check	09/21/2022	E-pay	Internal Revenue Service	Taxes	-28,406.74
Liability Check	09/21/2022	E-pay	EDD	Taxes	-8.26
Liability Check	09/22/2022	ACH	Newport Group	Deferred compensation contributions	-15,736.79
Bill Pmt -Check	09/23/2022	ACH	CalPine Corporation	Calpine August 2022 Costs	-61,681.92
Bill Pmt -Check	09/23/2022	ACH	Humboldt Sawmill Co.	August 2022 Electricity	-732,089.26
Bill Pmt -Check	09/23/2022	ACH	Leapfrog Energy	August 2022 RA	-36,740.00
Bill Pmt -Check	09/23/2022	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-August 2022	-16,900.00
Bill Pmt -Check	09/23/2022	ACH	CA Community Power	Share of CCA joint procurement general op	-9,039.00

Redwood Coast Energy Authority
Disbursements Report
As of September 30, 2022

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	09/23/2022	ACH	CalCCA	Quarterly Invoice for Rate Special Assessment	-3,502.62
Bill Pmt -Check	09/23/2022	ACH	Keenan	Anthem Medical Insurance October 2022	-24,003.23
Bill Pmt -Check	09/23/2022	ACH	Sterling Administration	FSA Funding - 2021 Rollover Funding	-1,981.36
Bill Pmt -Check	09/23/2022	WIRE	USDA	Loan Payment Q3-2022	-30,471.17
Check	09/23/2022	14082	SacTown Contractor's Corp.	PA install - Dunaway Building: Sarah Land	-8,095.68
Check	09/23/2022	14083	NEM Customer	NEM Close Out Acct #9897591033	-408.37
Check	09/23/2022	14084	NEM Customer	NEM Close Out Acct #9696114080	-6.81
Check	09/23/2022	14085	NEM Customer	NEM Close Out Acct #3627039264	-25.43
Check	09/23/2022	14086	NEM Customer	NEM Close Out Acct #4880387876	-367.65
Check	09/23/2022	14087	NEM Customer	NEM Close Out Acct #2301386912	-233.30
Check	09/23/2022	14088	NEM Customer	NEM Close Out Acct #2119860674	-169.01
Check	09/23/2022	14089	NEM Customer	NEM Close Out Acct #5076132074	-74.57
Check	09/23/2022	14090	NEM Customer	NEM Close Out Acct #9382309390	-62.93
Check	09/23/2022	14091	NEM Customer	NEM Close Out Acct #0919871525	-11.16
Check	09/23/2022	14092	NEM Customer	NEM Close Out Acct #1264965565	-12.17
Check	09/23/2022	14093	NEM Customer	NEM Close Out 4 Accts	-93.94
Check	09/23/2022	14094	NEM Customer	REISSUE of 08/10/22 NEM Close Out Acct #21143	-130.19
Bill Pmt -Check	09/23/2022	14095	Advanced Display & Signs	Qty 1,000 RCEA Logo stickers	-249.51
Bill Pmt -Check	09/23/2022	14096	Ameritas - Dental	#010-055098-00001 Dental - Oct 2022	-2,025.94
Bill Pmt -Check	09/23/2022	14097	Ameritas - Vision	010-055098-00002 Vision - October 2022	-426.28
Bill Pmt -Check	09/23/2022	14098	AT&T	RCAM charges: 9/1 - 9/30/2022	-925.14
Bill Pmt -Check	09/23/2022	14099	Bithell, M.	August 2022 Mileage & Sept 2022 Purchase Reimb	-61.12
Bill Pmt -Check	09/23/2022	14100	Central Office	Printing services- RCEA QR code cards	-63.37
Bill Pmt -Check	09/23/2022	14101	ChicoBag	Qty 100 Original Polyester Screenprint Bags	-1,218.12
Bill Pmt -Check	09/23/2022	14102	City of Arcata	August 2022 Utility User Tax #6310	-14,928.46
Bill Pmt -Check	09/23/2022	14103	City of Arcata	August 2022 Excessive Energy Use Tax #6315	-2,517.97
Bill Pmt -Check	09/23/2022	14104	David L. Moonie & Co., LLP	Accounting consulting - August 2022	-1,311.00
Bill Pmt -Check	09/23/2022	14105	Diamond, Nancy	August 2022 services	-9,907.50
Bill Pmt -Check	09/23/2022	14106	Eureka Rubber Stamp	Custom Stamps for Finance Dept.	-79.80
Bill Pmt -Check	09/23/2022	14107	FedEx	Res Kit - service 296	-27.73
Bill Pmt -Check	09/23/2022	14108	Hilson, D.	Mileage reimbursement - August 2022	-57.89
Bill Pmt -Check	09/23/2022	14109	Humboldt Bay Harbor District	Conference Room Rental-9/13/22	-25.00
Bill Pmt -Check	09/23/2022	14110	HWMA	E-waste Disposal	-11.75
Bill Pmt -Check	09/23/2022	14111	Mission Uniform & Linen	Sept 2022 mat service & janitorial supplies	-196.17
Bill Pmt -Check	09/23/2022	14112	North Coast Cleaning	August 2022 monthly cleaning service	-480.00
Bill Pmt -Check	09/23/2022	14113	NYLEX.net, Inc.	Onsite network support services - October	-3,200.00
Bill Pmt -Check	09/23/2022	14114	PG&E CCA	August 2022 CCE Charges	-22,255.10
Bill Pmt -Check	09/23/2022	14115	Quest	1 yr SUB Public VEEAM Backup for Microsoft 365	-555.00
Bill Pmt -Check	09/23/2022	14116	Ramone's	RCAM Grand Opening-Pasteries & Coffee	-308.70
Bill Pmt -Check	09/23/2022	14117	Sloan, J.	Portland Conference: Gasoline & Parking Reimb. -	-167.95
Bill Pmt -Check	09/23/2022	14118	Terry, P.	June Meeting Reimb.	-87.87
Bill Pmt -Check	09/23/2022	14119	Times Printing Company	Sept 2022 4 invoices	-24,870.18
Bill Pmt -Check	09/23/2022	14120	Winzler, John	Office Lease - October 2022	-8,372.70
Liability Check	09/23/2022	14121	Umpqua Bank	Health Savings Account contributions	-148.72
Bill Pmt -Check	09/23/2022	14122	Eureka Chamber of Commerce	Conference Room Rental-9/13/22	-60.00
Bill Pmt -Check	09/23/2022	14123	Arcata Chamber of Commerce	October 6, 2022 Mixer Hosting Fee	-400.00
Bill Pmt -Check	09/23/2022	14124	Colonial Life	Colonial Life Premiums September 2022	-1,567.52
Bill Pmt -Check	09/23/2022	14125	PG&E Engineering	ACV Microgrid Interconnection fees	-186,515.85
Check	09/23/2022	ACH	Broadreach	MTR shortlist deposit-return	-51,750.00
Paycheck	09/23/2022	ACH	Employees	Payroll	-69,299.44
TOTAL					-1,548,662.99

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July through September 2022

	<u>Jul - Sep 22</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	216,298.03	1,101,031.00	19.65%
Total 5100 · Revenue - program related sales	8,114.67	30,400.00	26.69%
Total 5300 · Revenue - interest on deposits	341.85		
Total 5400 · Revenue-nongovernment agencies	85,974.49	489,124.00	17.58%
Total 5500 · Revenue - Electricity Sales	18,847,570.77	93,848,684.00	20.08%
Total 5 REVENUE EARNED	19,158,299.81	95,469,239.00	20.07%
Total Income	19,158,299.81	95,469,239.00	20.07%
Gross Profit	19,158,299.81	95,469,239.00	20.07%
Expense			
Total 6 WHOLESALE POWER SUPPLY	11,717,970.97	76,236,276.00	15.37%
Total 7 PERSONNEL EXPENSES	904,179.37	4,071,684.00	22.21%
Total 8.1 FACILITIES AND OPERATIONS	123,013.93	801,816.00	15.34%
Total 8.2 COMMUNICATIONS AND OUTREACH	35,522.80	177,004.00	20.07%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	53,939.47	180,000.00	29.97%
8410 · Contracts - Program Related Ser	21,298.75	290,000.00	7.34%
8420 · Accounting	6,823.50	87,455.00	7.8%
8430 · Legal	39,804.52	180,000.00	22.11%
8450 · Wholesale Services - TEA	185,993.23	654,984.00	28.4%
8460 · Procurement Credit - TEA	154,727.67	690,545.00	22.41%
8470 · Data Management - Calpine	184,741.44	737,532.00	25.05%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	647,328.58	2,820,516.00	22.95%
Total 8.5 PROGRAM EXPENSES	166,834.73	638,100.00	26.15%
Total 8.6 INCENTIVES & REBATES	68,987.23	477,823.00	14.44%
Total 9 NON OPERATING COSTS	77,415.31	246,020.00	31.47%
Total Expense	13,741,252.92	85,469,239.00	16.08%
Net Ordinary Income	5,417,046.89	10,000,000.00	54.17%
Net Income	<u>5,417,046.89</u>	<u>10,000,000.00</u>	<u>54.17%</u>

Redwood Coast Energy Authority
Balance Sheet
As of September 30, 2022

	<u>Sep 30, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	7.53
1050 · GRANTS & DONATIONS 3840	15,995.51
1060 · Umpqua Checking Acct 0560	4,105.02
1071 · Umpqua Deposit Cntrol Acct 8215	4,638,693.75
1075 · Umpqua Reserve Account 2300	2,099,923.52
1076 · First Republic Bank - 4999	62,263.94
8413 · COUNTY TREASURY 3839	5,329.01
Total Checking/Savings	6,826,318.28
Total Accounts Receivable	91,109.53
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-2,758,660.42
1103 · Accounts Receivable-Other	13,425,476.57
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-19,227.99
1205 · Prepaid Insurance	34,941.40
1499 · Undeposited Funds	1,403.00
Total Other Current Assets	10,705,647.56
Total Current Assets	17,623,075.37
Total Fixed Assets	8,781,303.82
Other Assets	
1700 · Retained Deposits	4,191,600.00
Total Other Assets	4,191,600.00
TOTAL ASSETS	30,595,979.19
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	3,681,989.96
Total Credit Cards	8,957.60
Other Current Liabilities	
2002 · Deposits Refundable	1,233,090.01
2013 · Unearned Revenue - PA 2020-2023	772,049.97
Total 2050 · Current Loans	4,000,000.00
Total 2100 · Payroll Liabilities	228,321.85
Total Other Current Liabilities	6,233,461.83
Total Current Liabilities	9,924,409.39
Long Term Liabilities	
Total 2700 · Long-Term Debt	6,287,592.00
Total Long Term Liabilities	6,287,592.00
Total Liabilities	16,212,001.39
Equity	
2320 · Investment in Capital Assets	215,489.00
3900 · Fund Balance	8,751,441.91
Net Income	5,417,046.89
Total Equity	14,383,977.80
TOTAL LIABILITIES & EQUITY	30,595,979.19



STAFF REPORT
Agenda Item # 3.4

AGENDA DATE:	November 17, 2022
TO:	Board of Directors
PREPARED BY:	Mike Avcollie, Infrastructure Programs Manager Jocelyn Gwynn, Senior Power Resources Manager
SUBJECT:	Behind-the-Retail-Meter Capacity Storage Agreement Amendment

BACKGROUND

In May of 2021, the Board approved the Behind-the-Retail-Meter Capacity Storage Agreement between RCEA and Swell Energy (Swell). Under the agreement, Swell is responsible for implementing RCEA's Community Grid Program, through which capacity from individual batteries sited at customer homes and businesses is aggregated into a virtual power plant (VPP) to be dispatched when called upon by the California Independent System Operator (CAISO) to reduce electricity demand during times of tight supply on the grid. In exchange, RCEA would purchase the Resource Adequacy (RA)¹ value that the VPP will receive, in the minimum amount of 300 kW up to the maximum amount of 3 MW.

The RA value of the VPP is determined by the CPUC and CAISO according to a complex capacity accreditation and registration process that discounts the value of the resource significantly. Anticipating potential challenges related to how this RA counting process works, the agreement includes a mechanism allowing RCEA at its option to change the type of product procured from RA to Load Modification. Load Modification would benefit our portfolio by reducing our RA capacity obligation, which is based on forecasted peak load.

In January of 2022, Swell notified RCEA that the significant regulatory and market changes that have occurred since execution of the Agreement have made it uneconomical to provide the RA product, and a product transition to Load Modification would be necessary to streamline the administrative process for Swell to deliver on the program goals in a timely manner.

SUMMARY

After conducting independent analysis to confirm the Load Modification product will deliver equivalent benefits at lower risk to RCEA, staff worked with legal counsel, The Energy Authority (TEA) and Swell to draft Amendment 1 to the Behind-the-Retail-Meter Capacity Storage Agreement. The primary reasons for the amendment are, 1) to allow for a product transition to

¹ RA is a capacity product that RCEA is required to procure to comply with the state's Resource Adequacy Program, the goal of which is to ensure enough capacity is available to meet demand on the electric system at all times.

occur prior to the initial delivery date, which is May 1, 2023; 2) to allow for Swell to initiate this product transition; and 3) to clarify additional Load Modification terms and conditions that the parties did not contemplate when they were negotiating the original agreement.

Under a Load Modification regime, the aggregated capacity of the VPP will be dispatched on a daily basis and counted as negative load, rather than being included in RCEA's RA supply portfolio and dispatched by CAISO occasionally as a reliability resource. The effect of this change will be to reduce RCEA's peak load during specific times, which will in turn reduce the amount of RA RCEA is obligated to procure in compliance with the state's reliability program.

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

The Community Grid Program helps RCEA fulfil the following Strategic Plan goals:

- **2.1.5 Integrate Distributed Energy Resources.** Develop and implement customer programs that support, promote and integrate distributed energy resources, including but not limited to grid connected generation, energy storage, energy efficiency, electric vehicle and demand response technologies.
- **2.3.1 Implement Demand Response and Distributed Energy Resource Programs.** Support and prioritize demand response programs that offer customers a role in balancing energy usage with the availability of electricity on the grid. Demand response programs and offerings will, where possible, integrate with distribution-connected efficiency systems and controls, renewable energy generation, and energy storage measures. Where feasible, energy technologies will be controllable and integrated as a distributed resource.
- **2.3.2 Support Reduced Energy Use During Peak Hours and Peak Event Days.** Notify, support, and enable action from customers who choose to participate by shifting energy usage to off-peak hours, reduce daily energy usage during peak hours, and/or reduce energy usage during peak event days.

EQUITY IMPACTS

This program leverages the CPUC's Self-Generation Incentive Program (SGIP) funding, which provides higher incentive rates for qualified low-income residential customers, medical baseline residential customers in high-fire threat areas, and critical facilities in high-fire threat areas. These critical facility customers that participate in the Community Grid program will be able to continue operations and provide critical services to less-resourced constituents during power outages.

FINANCIAL IMPACT

Amendment 1 will not change RCEA's cost under the original agreement. Following execution of the proposed amendment, the transition to a Load Modification product will change the types of value streams that RCEA is able to realize from the VPP, but TEA's analysis indicates that the program will still return a net positive benefit to RCEA's portfolio while delivering on the goal of returning utility bill savings to program participants.

STAFF RECOMMENDATION

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.

ATTACHMENTS

Resolution 2022-9 - A Resolution Approving Amendment No. 1 to a Behind the Retail Meter Capacity Storage Agreement with Swell VPP Fund 2021-I LLC

Appendix A: Behind the Retail Meter Capacity Storage Agreement Amendment 1

RESOLUTION NO. 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

WHEREAS, Redwood Coast Energy Authority (“RCEA”) entered into a contract with Swell VPP Fund 2021-I LLC (“Swell”) on June 1, 2021, entitled Behind the Retail Meter Capacity Storage Agreement ("Agreement"), to foster a customer energy storage program that delivers benefits for RCEA’s customers and generates capacity value for RCEA’s reliability portfolio (“Resource Adequacy”); and

WHEREAS, under the Agreement, Swell will provide RCEA with Resource Adequacy sourced from customer-sited batteries and RCEA has an option to transition from the Resource Adequacy product it will receive (“Product Transition”) to instead reduce its aggregate peak demand (“Load Modification”); and

WHEREAS, a Product Transition is necessary to streamline the administrative process for Swell to deliver on the program goals in a timely manner; and

WHEREAS, an amendment to the Agreement is required to allow for a Product Transition to occur prior to the Initial Delivery Date (as defined in the Agreement), and to clarify the Load Modification terms and conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redwood Coast Energy Authority as follows:

1. Amendment No. 1 to that certain Behind the Retail Meter Capacity Storage Agreement dated June 2, 2021, between Redwood Coast Energy Authority and Swell VPP Fund 2021-I LLC is hereby approved.
2. The Executive Director of Redwood Coast Energy Authority is authorized to execute Amendment No. 1 substantially in the form attached hereto as Appendix A on behalf of RCEA, and, in consultation with legal counsel, is authorized to approve any needed future amendment to the Behind the Retail Meter Capacity Storage Agreement dated June 2, 2021, between Redwood Coast Energy Authority and Swell VPP Fund 2021-I LLC so long as the term, volume, and price are not changed and the amendment does not fundamentally change the business terms of the Agreement or measurably increase risk exposure for RCEA.

Adopted this ____ day of _____, 2022

ATTEST:

Stephen Avis, RCEA Board Chair

Clerk of the Board, RCEA

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2022-9 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

APPENDIX A

**AMENDMENT NO. 1 TO BEHIND THE RETAIL METER
CAPACITY STORAGE AGREEMENT**

**AMENDMENT No. 1 TO
BEHIND THE RETAIL METER CAPACITY STORAGE AGREEMENT**

This is an amendment (“Amendment”) to that certain Behind the Retail Meter Capacity Storage Agreement (“Agreement”) made by and between the Redwood Coast Energy Authority (“Buyer”) and Swell VPP Fund 2021-I, LLC (“Seller”) which the parties entered into on June 1, 2021, concerning an aggregation of battery energy storage systems, each located on the Customer side of each participating Customer’s retail meter. Capitalized terms used in this Amendment, unless defined herein, are intended to have the definition ascribed to them in the Agreement. This Amendment No.1 is effective on _____.

RECITALS

WHEREAS, Buyer launched its Behind-the-Meter Distributed Resource Adequacy solicitation to foster a customer energy storage program that delivers benefits for Buyer’s Resource Adequacy obligations and energy load costs;

WHEREAS, the Agreement was originally structured as a Resource Adequacy Agreement with option for Buyer to elect a Product Transition following the Initial Delivery Date to purchase Load Modification instead of Resource Adequacy;

WHEREAS, Seller has informed Buyer of significant regulatory changes that have occurred since execution of the Agreement which have made it uneconomical to provide Resource Adequacy;

WHEREAS, Buyer has conducted independent analysis to confirm Load Modification will deliver equivalent benefits at lower risk than Resource Adequacy for Buyer’s compliance obligations and costs;

WHEREAS, a Seller-initiated Product Transition is necessary to streamline the administrative process for Seller to deliver on the program goals in a timely manner;

WHEREAS, the parties desire to amend the Agreement consistent with Buyer’s goal of developing Customer-sited battery energy storage systems by allowing Seller to initiate a Product Transition prior to the Expected Initial Delivery Date.

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

1. **Milestones**. Section C of the Cover Sheet is hereby deleted in its entirety and replaced with the following:

"C. Milestones

Milestone	Completion Date
1. Fifty percent (50%) of Contract Amount enrolled (pursuant to Section 2.4(a))	1/15/2023
2. Seventy-five (75%) of Contract Amount enrolled (pursuant to Section 2.4(a))	2/15/2023

Appendix A to RCEA Resolution No. 2022-9

3. One hundred percent (100%) of Contract Amount enrolled (pursuant to Section 2.4(a))	3/15/2023
--	-----------

2. Product Transition. Section 3.3 Product Transition is hereby deleted in its entirety and replaced with the following.

- (a) Buyer Product Transition Notice. At any time after the Effective Date, Buyer may, at Buyer's sole discretion, elect to receive Load Modification rather than Capacity Attributes from the Project ("Buyer Product Transition") by providing notice to Seller ("Buyer Product Transition Notice"). Upon receipt by Seller of such Buyer Product Transition Notice, and as a condition to Buyer's obligation to take and pay for Load Modification for the remainder of the Delivery Term, Seller shall within one hundred and twenty (120) days satisfy the Load Modification Conditions set forth in Part One of Appendix IX.
- (b) Seller Product Transition Notice. At any time after the Effective Date, Seller may, subject to written approval by Buyer, elect to provide Load Modification rather than Capacity Attributes from the Project ("Seller Product Transition") by providing notice to Buyer ("Seller Product Transition Notice"). Seller shall provide such Seller Product Transition Notice to Buyer, and within forty-five (45) days of receipt of such of such notice, Buyer shall provide its written acceptance or rejection of such Product Transition; failure of Buyer to provide notice to Seller within forty-five (45) days shall be deemed Buyer's rejection of Seller's offer. Upon receipt of Buyer's acceptance of a Product Transition, and as a condition to Buyer's obligation to take and pay for Load Modification for the remainder of the Delivery Term, Seller shall within one hundred and twenty (120) days satisfy the Load Modification Conditions set forth in Part One of Appendix IX.
- (c) Effective Date of a Buyer or Seller Product Transition. Commencing on the latter of the first day of the first Showing Month after Seller's satisfaction of the Load Modification Conditions or, if Seller satisfies the Load Modification Conditions prior to the Initial Delivery Date, the Initial Delivery Date ("Product Transition Effective Date"), and for each day of each Showing Month during the remainder of the Delivery Term, Seller shall deliver to Buyer and Buyer shall pay for all Load Modification, including in the Contract Amounts, pursuant to the protocols and in consideration of the payments set forth in Part Two of Appendix IX. Upon a Buyer Product Transition pursuant to Section 3.3(a) or a Seller Product Transition pursuant to Section 3.3(b), and for remainder of the Delivery Term, the Product shall be Load Modification and not Capacity Attributes and Seller shall have no further obligation to provide, or to comply with any provision of this Agreement that is limited to Capacity Attributes, and as specified in Appendix IX, Section 7.1 and 7.2 of this Agreement shall be replaced in total by the alternate Sections 7.1 and 7.2 provided in Appendix IX. For clarity, a Product Transition pursuant to this Section 3.3 may occur a maximum of one (1) time after the Effective Date of this Agreement.

3. Definitions. Appendix I: General Definitions is hereby amended to delete in its entirety the definition for "Non-Exporting" and to replace the definition of "Unit" with the following:

"Buyer Product Transition" has the meaning set forth in Section 3.3(a).

"Product Transition Effective Date" has the meaning set forth in Section 3.3(c).

“Seller Product Transition” has the meaning set forth in Section 3.3(b).

“Unit” (or “Units,” if more than one), means the behind-the-retail-meter energy storage facilities installed at the Sites as more particularly described in Appendices II and III, including all appurtenant facilities, communications and control systems, and equipment, from which Seller has agreed to provide the Product to Buyer pursuant to this Agreement.

4. **Load Modification Terms and Conditions.** Appendix IX, Load Modification Specific Terms and Conditions is hereby deleted in its entirety and replaced with Appendix IX – Amendment 1, Load Specific Terms and Conditions, attached hereto and incorporated herein.
5. **Ratification of Agreement.** The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.
6. **Counterparts.** This Amendment may be executed by the Parties in one or more counterparts using verified electronic signature or signature transmitted in PDF, each of which shall be an original, but all of which shall constitute one and the same instrument, and when so executed and delivered shall be treated by the Parties and given the same effect as an original.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Amendment No.1 effective as of the date written above.

SWELL VPP FUND 2021-I, LLC:

By: _____
[Name], [Title]

Date: _____

REDWOOD COAST ENERGY AUTHORITY:

By: _____
Matthew Marshall, Executive Director

Date: _____

Approved as to form:

By: _____
Nancy Diamond, General Counsel

Date: _____

**APPENDIX IX – AMENDMENT 1
LOAD MODIFICATION SPECIFIC TERMS AND CONDITIONS**

PART ONE: LOAD MODIFICATION CONDITIONS PRECEDENT

1. Seller shall have met the conditions identified in Sections 2.1(f), 2.1(g), and 2.1(k) of that certain Behind the Retail Meter Capacity Storage Agreement dated as of June 1, 2021 (“Agreement”).
2. Either of the following has occurred: (1) Seller has received notice of Buyer’s election to receive Load Modification pursuant to Section 3.3(a) of the Agreement; or (2) Seller has received notice of Buyer’s acceptance of a Seller Product Transition pursuant to Section 3.3(b) of the Agreement.
3. No later than the Dispatch Plan Deadline, Seller shall have delivered to Buyer a Load Modifying Resource Dispatch Plan, which shall be in a form mutually agreed upon by the Parties upon Buyer’s election of a Product Transition, for the applicable year of the Delivery Term.

PART TWO: LOAD MODIFICATION TERMS

A. Load Modification Protocols

Upon a Product Transition, and for the remainder of the Delivery Term, Seller shall comply with the following Load Modification Protocols:

1. For each year of the Delivery Term, Seller shall submit to Buyer a Load Modifying Resource Dispatch Plan as well as complete any forms or documentation required by the CEC (as reasonably determined by Buyer) on or before the Dispatch Plan Deadline.
2. No less than 15 days before the Load Modifying Resource Dispatch Plan Deadline, the Parties shall meet to discuss the Load Modifying Resource Dispatch Plan for the coming year.
3. Buyer may require Seller to modify Dispatch Plan to maximize Load Modification for Buyer outside of Customers’ peak and partial-peak time-of-use periods upon mutual agreement of an equitable adjustment to the Contract Price to reflect the demonstrable economic loss to Seller.
4. At all times during the Delivery Term, Seller shall operate the Project to provide the Contract Amounts of Load Modification as specified in the applicable Load Modifying Resource Dispatch Plan.

B. Maximizing Load Modification Benefits

In the event that a change in Buyer’s or the Utility Distribution Company’s rates results in adverse changes to the economic benefits provided to Customers under the Customer agreements, upon request by Buyer, Buyer and Seller shall take commercially reasonable efforts to make changes to the Load Modifying Resource Dispatch Plan to maximize benefits for Customers.

C. Load Modification Contract Terms

Upon the Product Transition Effective Date, the Agreement shall be automatically revised as specified below, and such revisions shall be considered an element of the administration of the Agreement and shall not require the consent of the Parties.

- a. **Section 2.1: Conditions Precedent.** The text of Section 2.1 shall be deleted in its entirety and replaced with the following:

“2.1 Conditions Precedent to the Initial Delivery Date. Seller shall provide Buyer with Notice of the expected occurrence of the Initial Delivery Date no later than ninety (90) days prior to the Initial Delivery Date. Seller shall take all actions and obtain all approvals necessary to meet the obligations of this Agreement and to deliver the Product to Buyer pursuant to the terms of this Agreement, which include those obligations set forth below in Sections 2.1(a) – (k) (collectively the “Conditions Precedent”), which must be satisfied at least seventy-five (75) days before the Initial Delivery Date or such deadline as set forth below. The Conditions Precedent are as follows:

(a) At Seller’s expense, Seller shall have (i) executed all agreements with Customers whose Units are to be a part of the Project as of the Initial Delivery Date and (ii) secured all Governmental Approvals, each of (i) and (ii) as are necessary for the safe and lawful operation and maintenance of the Project and to enable Seller to deliver the Product to Buyer.

(b) At Seller’s expense, Seller or Contractor shall have constructed or caused to be constructed the Seller Units, and Seller shall have taken contractual or operational control of the Capacity Exchange Units that are to be a part of the Project as of the Initial Delivery Date to (i) enable Seller to satisfy the obligations of the Seller herein and (ii) enable the Project to provide Product.

(c) Seller shall have provided to Buyer a certification of Seller and a Licensed Professional Engineer, substantially in the form attached hereto as Appendix VI-A, demonstrating (A) that, for each Seller Unit, the Commercial Operation Date has occurred, (B) the satisfactory completion of the Seller Unit(s) at the Sites that are comprising the Project as set forth in Seller’s Final Portfolio List as of the Initial Delivery Date and (C) that the Seller Unit(s) enrolled in the Project as set forth in Seller’s Final Portfolio List can deliver, in aggregate, the proportion of the Product attributable to Seller Units in aggregate.

(d) [reserved].

(e) At Seller’s expense, Seller shall have executed any necessary Interconnection Agreements and installed any necessary metering to deliver Product in accordance with the CAISO Tariff and any applicable tariffs of the Utility Distribution Company and the Participating Transmission Owner.

(f) Seller shall have posted collateral as required by Section 11.3(a)(ii).

(g) As of the Initial Delivery Date, no Seller’s Event of Default shall have occurred and remain uncured.

(h) At least ninety (90) days prior to the Initial Delivery Date, Seller shall have submitted to Buyer a Project Safety Plan and both the Engineer Attestation and Seller Attestation in accordance with Section 12.2(a) and the Attestation shall be substantially in the forms attached hereto as Appendices VI-C and VI-D.

(i) At least ninety (90) days prior to the Initial Delivery Date, Seller shall have provided Buyer with (i) the Seller’s Final Portfolio List in a Progress Report in accordance with Section 4.1(e) that demonstrates Units and Customers under contract to Seller sufficient for

Seller to deliver Product, as of the Initial Delivery Date (“Seller’s Final Portfolio List”) and (ii) a description of the Project set forth in Appendices II-A and II-B.

(j) [reserved].

(k) Seller shall have provided to Buyer an attestation, in the form attached hereto as Appendix XI, that Seller is following all of the rules set forth in the MUA Decision.”

- b. Section 3.1:** The text of Section 3.1 shall be deleted in its entirety and replaced with the following:

“3.1 Product. During the Delivery Term, Seller grants, pledges, assigns and otherwise commits and shall deliver exclusively to Buyer, all Load Modification and all Capacity Attributes, in each case that may be calculated or derived from the Projects and their Operational Characteristics (collectively, the “Product”), pursuant to the terms and conditions contained herein. The Operational Characteristics specified in Appendix III shall not be modified without prior written consent of Buyer, which consent shall not be unreasonably withheld. During the Term, Seller shall not sell, deliver, use or transfer, in any way, or permit any entity other than Buyer to claim, any Capacity Attributes.”

- c. Section 3.2(c):** The text of Section 3.2(c) shall be deleted in its entirety and replaced with “[reserved]”.

- d. Section 3.7:** Section 3.7 of the Agreement shall be deleted in its entirety and replaced with the following:

“3.7 Buyer’s Use and Certification of Product.

(a) During the Term, Seller shall take all actions, including executing all documents or instruments, complying with all applicable registration, certification and reporting requirements of all applicable Governmental Authorities and other Persons, as such requirements may be amended from time to time, that are necessary to ensure that Buyer can use Product at all times during the Delivery Term. Promptly following Buyer’s written request, Seller agrees to take all actions and execute or provide any documents, information, or instruments with respect to Product reasonably necessary to enable Buyer to comply with the requirements of any Governmental Authority.

(b) During the Delivery Term, Seller shall, at no cost to Buyer, obtain and maintain CAISO and all applicable Governmental Authority certification(s) for all elements of the Product for which certification is or may become required in order to enable Buyer to receive and use such Product. If Buyer is required under applicable Law to obtain such certification, Seller shall take all actions within its control to ensure that Buyer is able to secure such certification. Seller, at no cost to Buyer, shall take all other actions during the Delivery Term, including submission of all reports and other filings with CAISO and applicable Governmental Authorities, that are required to be taken by Seller to ensure that Buyer can receive the Product and shall take all actions within its control to assist Buyer in taking actions required to be taken by Buyer with regard to receipt of Product.

(c) For each year during the Delivery Term, Seller shall submit to Buyer a Load Modifying Resource Dispatch Plan on or before the Dispatch Plan Deadline. The Load

Modifying Resource Dispatch Plan shall include such actions, terms, and conditions as are necessary to enable Seller to provide the Contract Amounts of Load Modification.

(d) No less than thirty (30) days before the Dispatch Plan Deadline, Seller shall provide to Buyer a proposed Load Modifying Resource Dispatch Plan for the coming Contract Year. If such proposed Load Modifying Resource Dispatch Plan complies with the requirements of this Agreement and provides for delivery of the Contract Amount of Load Modification, Buyer shall, within fourteen (14) days of receipt, either (i) approve the proposed Load Modifying Resource Dispatch Plan by notice to Seller (and the proposed Load Modifying Resource Dispatch Plan shall become the Load Modifying Resource Dispatch Plan), or (ii) request changes to the proposed Load Modifying Resource Dispatch Plan. If Buyer proposes changes to proposed Load Modifying Resource Dispatch Plan that would not demonstrably, materially and adversely affect Seller, Seller shall incorporate such changes (with no other modifications) into, and send to Buyer by the Dispatch Plan Deadline, a revised Load Modifying Resource Dispatch Plan (which shall become the Load Modifying Resource Dispatch Plan). If Buyer's proposed changes would demonstrably, materially, and adversely affect Seller, Seller shall notify Buyer within five (5) days of its receipt of Buyer's proposed changes and meet and confer with Buyer in good faith, and provide such information as reasonably requested by Buyer, concerning the effect of Buyer's proposed changes. If, after the Parties' meetings, Buyer agrees to compensate Seller for the demonstrable, material, and adverse effect of its proposed changes to Seller's proposed Load Modifying Resource Dispatch Plan, Seller shall incorporate such changes (with no other modifications) into, and send to Buyer by the Dispatch Plan Deadline, a revised Load Modifying Resource Dispatch Plan. Upon Seller's receipt of Buyer's written acceptance, such revised draft shall become the Load Modifying Resource Dispatch Plan.

(e) At all times during the Delivery Term, Seller shall operate the Portfolio as specified in the applicable Load Modifying Resource Dispatch Plan to provide the Contract Amounts of Load Modification, and shall bear all costs and expenses associated with such operation."

- e. **Section 5.4:** The text of Section 5.4 shall be deleted in its entirety and replaced with "[reserved]".
- f. **Section 5.7:** The text of Section 5.7 shall be deleted in its entirety and replaced with "[reserved]".
- g. **Section 5.8:** Section 5.8 of the Agreement shall be deleted in its entirety and replaced with the following:

"5.8 Settlement Quality Meter Data Services. Seller shall provide Buyer's Data Manager with Settlement Quality Meter Data ("SQMD") for each individual asset in Sellers Portfolio with sufficient detail to allow Buyer or Buyer's Data Manager to verify Delivered Quantities for each individual day of the Delivery Term."

- h. **Section 6.2:** The text of Section 6.2 shall be deleted in its entirety and replaced with "[reserved]".
- i. **Section 6.3:** Section 6.3 of the Agreement shall be deleted in its entirety and replaced with the following:

"6.3 Shortfall Damages. If Seller provides Buyer with the Delivered Quantities that are less than the Contract Amount during any Showing Month during the Delivery Term, where the calculation of the monthly Shortfall amount is as defined below, then Seller shall pay Shortfall Damages to Buyer on the date payment would otherwise be due in respect of the month

in which the failure occurred. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller pursuant to this Agreement.

Shortfall Calculation

Where,

i = 1-hour event interval

n = number of event intervals in month m

Forecasted_m = Monthly Contract Amount (kW) of Load Modification for month m as defined in Appendix XIV – Amendment 1.

Delivered_i = Delivered Quantity for each interval i of month m

Delivered_m = Delivered Quantity for month m

Shortfall_m = the monthly Shortfall amount

then,

$$Delivered_m = \frac{\sum_{i=1}^n Delivered_i}{n}$$

and

$$Shortfall_m = Forecasted_m - \min(Delivered_m, Forecasted_m)$$

- j. **Section 6.4:** The text of Section 6.4 shall be deleted in its entirety and replaced with “[reserved]”.
- k. **Sections 7.1 and 7.2:** Sections 7.1 and 7.2 of the Agreement shall be deleted in their entirety and replaced with the following:

“7.1. Monthly Payment.

(a) Each monthly invoice prepared by Seller pursuant to Article 10 of the Agreement shall include meter data substantiating the Delivered Quantity of Load Modification delivered to Buyer from the Project consistent with the Load Modifying Resource Dispatch Plan for the applicable month.

(b) For all Load Modification that Seller delivers during the Delivery Term in accordance with this Agreement, Buyer shall, in accordance with Article 10 of the Agreement, pay Seller a monthly payment (“Monthly Payment” or “MP”) as follows:

$$MP = DQ \times CP$$

where,

DQ = The Delivered Quantities;

and

CP = The contract price set forth on the Cover Sheet (“Contract Price”) of the Agreement.

7.2 Allocation of CAISO Payments and Costs.

(a) For clarity, Buyer has no obligation to pay Seller for Load Modification that is delivered outside the parameters of the applicable Load Modifying Resource Dispatch Plan.

(b) Except as may otherwise be provided in the Agreement, Seller shall retain any revenues it may receive from and pay all costs charged by the CAISO or any other

third party with respect to the Product or Project.

(c) To the extent that the Project is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments of the CAISO Tariff, the Parties agree that any Availability Incentive Payments are for the benefit of Seller and for Seller's account and that any Non-Availability Charges are the responsibility of Seller and for Seller's account."

l. Section 8.1(a): The text of Sections 8.1(a)(vi), (vii), and (viii) shall each be deleted in their entirety and each replaced with "[reserved]".

m. Appendix I Definitions: Appendix I: General Definitions shall be amended to add the following definitions:

"Buyer's Data Manager" means the entity designated by Buyer to receive data from the Project as specified in the Agreement.

"Contract Amount" shall mean either (1) the Initial Contract Amount, (2) the revised Contract Amount as modified pursuant to Section 3.4(a)(i), Section 3.4(a)(ii), or Section 3.4(a)(iii), and as specified for the applicable Showing Month in Column A of the most recently executed version of Appendix II-C, "Contract Amount Modification," or (3) upon Buyer's acceptance or initiation of a Product Transition, the Buyer and Seller mutually agreed upon Monthly Contract Amounts of Load Modification specified within Appendix XIV – Amendment 1.

"Delivered Quantities" means, for each month, the average quantity of Load Modification, in kW, delivered to Buyer from the Project during all one-hour dispatch intervals designated in the Load Modifying Resource Plan during the applicable monthly invoice period as described in Section 7.1(a).

"Monthly Capacity Factor" is deleted in its entirety.

"Monthly Contract Amount" means the Contract Amount for the Applicable Showing Month in Appendix XIV – Amendment 1.

"Shortfall" means any difference between a Delivered Quantity and a Monthly Contract Amount.

"Shortfall Damages" means a payment in the amount equal to the product of the Shortfall and the Contract Price paid by Seller to Buyer.

n. Appendix XIII: The text of Appendix XIII shall be deleted in its entirety and replaced with "[reserved]".

o. Appendix XIV: The text of Appendix XIV shall be deleted in its entirety and replaced with Appendix XIV – Amendment 1, Monthly Contract Amount of Load Modification, attached hereto and incorporated herein.

APPENDIX XIV - AMENDMENT 1
MONTHLY CONTRACT AMOUNT OF LOAD MODIFICATION

Seasonality of solar generation influences the amount of eligible Load Modification that can be provided by Seller. To adjust for seasonality, the amount of Product provided by Seller to Buyer in each Applicable Showing Month is to be defined by the Load Modifying Resource Dispatch Plan and mutually agreed upon by Buyer and Seller, where the Monthly Contract Amount of Load Modification (kW) is calculated as follows:

Where,

i = 1-hour event interval

n = number of event intervals in month m

Forecasted _{i} = Forecasted Energy for interval i as shown in the Load Modifying Resource Dispatch Plan

Forecasted _{m} = Monthly Contract Amount (kW) for month m

then,

$$\text{Forecasted}_m = \min\left(\frac{\sum_{i=1}^n \text{Forecasted}_i}{n}, \text{Contract Amount}\right)$$

Applicable Showing Month	Monthly Contract Amount of Load Modification (kW)
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

XIV - 1

Appendix A to RCEA Resolution No. 2022-9

Instructions:

1. After conferring with Buyer regarding Buyer's preferred annual dispatch schedule, Seller shall provide to Buyer (i) a Seller executed copy of this Appendix XIV – Amendment 1, and (ii) Seller's Load Modifying Resource Dispatch Plan pursuant to Appendix IX – Amendment 1, completing the column "Monthly Contract Amount of Load Modification".
2. Upon Buyer's acceptance of Seller's Load Modifying Resource Dispatch Plan, Buyer shall execute this Appendix XIV – Amendment 1 and provide to Seller the written acceptance of Seller's Load Modifying Resource Dispatch Plan including the mutually executed copy of this Appendix XIV – Amendment 1. The Monthly Contract Amount of Load Modification shall become effective as of the Buyer's date of execution of this Appendix XIV – Amendment 1.

In WITNESS WHEREOF, each Party has caused this Appendix XIV: Monthly Contract Amount of Load Modification to be duly executed by its Authorized Representative as of the dates provided below and attests that all of the information is accurate and in compliance with the terms of the Agreement.

SWELL VPP FUND 2021-I LLC, a Delaware limited liability company		REDWOOD COAST ENERGY AUTHORITY, a California Joint Powers Authority	
Signature :		Signature :	
Name:		Name:	
Title:		Title:	
Date:		Date:	



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 3.5

AGENDA DATE:	November 17, 2022
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Fiscal Year 2022-2023 Q1 Budget Update

SUMMARY

Below is a review of the first quarter of fiscal year 2022-2023 revenue and expenses as compared to the current budget. Overall, total income and expenses are 20% and 15% of their respective budgets for the year, or less than a quarter of expected totals.

REVENUE

- Total revenue from government agencies is at 20% of the expected total for the year. This budget line item includes the RCEA-administered California Public Utilities Commission efficiency program.
- Program related sales include RCEA's electric vehicle charging network (REVNet) fees and are at 27% of the expected total.
- Revenue expected from nongovernment agencies includes RCEA's contract with Pacific Gas & Electric Company as a Local Government Partner as well as the TECH Grant and is at 18%.
- Total electricity sales are at 20% of the expected total for the year.

EXPENSES

- Wholesale power expenses are only 15% of their expected total although it is typical for costs to be less in the Fall quarter.
- Personnel expenses are about on track at 22%.
- The facilities and operations expenses are at 15% of their expected total. This category includes final capital expenses associated with the airport microgrid (final interconnection engineering true-up fees and Tesla final notice of completion payment) that may not be realized until Spring 2023.
- Communications and outreach expenses this quarter included one of the two required mass customer mailings per year (Power Content Label) and are at 20%.
- Total expenses for professional and program Regulatory and Wholesale services are tracking a little higher than budgeted; other expenses in this category are low or on target.
- Program expenses include customer billing fees and customer-paid taxes and are on track.
- The bulk of the incentives and rebates line item directly correlates with government and non-government agency revenues, but also includes some CCE-funded customer rebate programs. This expense category depends on customer uptake and is at 15%.

- The non-operating costs category includes interest paid on loans, including the \$2M short-term loan from the Blue Lake Rancheria. The full principal was paid back in September 2022, so the first quarter total expense includes all interest that will be paid this fiscal year. The remainder of expenses in this category will be quarterly payments on the Federal Financing Bank note for the long-term loan through the USDA Rural Utilities Services program.

RECOMMENDED ACTIONS

Accept Quarterly Budget Report (Q1).

ATTACHMENT

- RCEA July -September 2022 Profit & Loss Budget vs. Actual Financial Statement

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July through September 2022

	<u>Jul - Sep 22</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	216,298.03	1,101,031.00	19.65%
Total 5100 · Revenue - program related sales	8,114.67	30,400.00	26.69%
Total 5300 · Revenue - interest on deposits	341.85		
Total 5400 · Revenue-nongovernment agencies	85,974.49	489,124.00	17.58%
Total 5500 · Revenue - Electricity Sales	18,847,570.77	93,848,684.00	20.08%
Total 5 REVENUE EARNED	19,158,299.81	95,469,239.00	20.07%
Total Income	19,158,299.81	95,469,239.00	20.07%
Gross Profit	19,158,299.81	95,469,239.00	20.07%
Expense			
Total 6 WHOLESALE POWER SUPPLY	11,717,970.97	76,236,276.00	15.37%
Total 7 PERSONNEL EXPENSES	904,179.37	4,071,684.00	22.21%
Total 8.1 FACILITIES AND OPERATIONS	123,013.93	801,816.00	15.34%
Total 8.2 COMMUNICATIONS AND OUTREACH	35,522.80	177,004.00	20.07%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	53,939.47	180,000.00	29.97%
8410 · Contracts - Program Related Ser	21,298.75	290,000.00	7.34%
8420 · Accounting	6,823.50	87,455.00	7.8%
8430 · Legal	39,804.52	180,000.00	22.11%
8450 · Wholesale Services - TEA	185,993.23	654,984.00	28.4%
8460 · Procurement Credit - TEA	154,727.67	690,545.00	22.41%
8470 · Data Management - Calpine	184,741.44	737,532.00	25.05%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	647,328.58	2,820,516.00	22.95%
Total 8.5 PROGRAM EXPENSES	166,834.73	638,100.00	26.15%
Total 8.6 INCENTIVES & REBATES	68,987.23	477,823.00	14.44%
Total 9 NON OPERATING COSTS	77,415.31	246,020.00	31.47%
Total Expense	13,741,252.92	85,469,239.00	16.08%
Net Ordinary Income	5,417,046.89	10,000,000.00	54.17%
Net Income	<u>5,417,046.89</u>	<u>10,000,000.00</u>	<u>54.17%</u>



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 5.1

AGENDA DATE:	November 17, 2022
TO:	Board of Directors
PREPARED BY:	Jaclyn Harr, TEA Client Services Specialist Richard Engel, Director of Power Resources
SUBJECT:	Energy Risk Management Quarterly Report

BACKGROUND

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

SUMMARY

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

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

Not applicable

EQUITY IMPACTS

Not applicable

RECOMMENDED ACTION

Accept Energy Risk Management Quarterly Report.

ATTACHMENTS

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

RCEA Energy Risk Management Quarterly Report

November 2022 Board Meeting



Overview of Financial Drivers

Rates & Revenues:

- 2023 PG&E Rate Forecast Solidifies
 - PG&E Generation Rate: projected 3% year-over-year increase
 - Power Cost Indifference Adjustment: projected slightly below \$0
- 2022 RCEA loads below forecast, leading to lower revenues

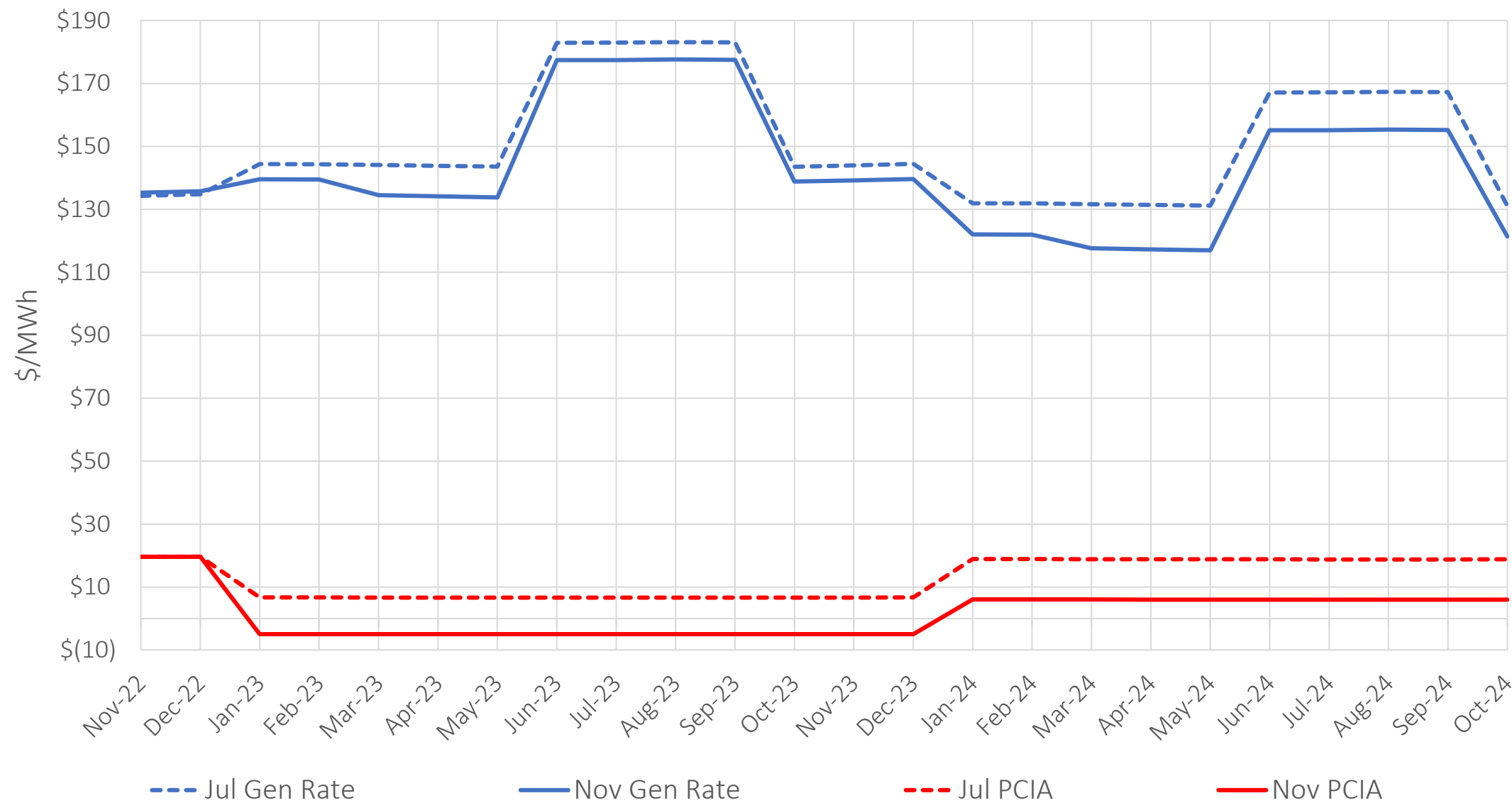
Net Power Costs:

- Lower than forecasted power costs in Q3
- NP15 forward energy prices (including shaping) increase
 - 2023: increase of 18% (average hedged: 87%)
 - Q1 – Q3 2024: increase of 22% (average hedged: 64%)

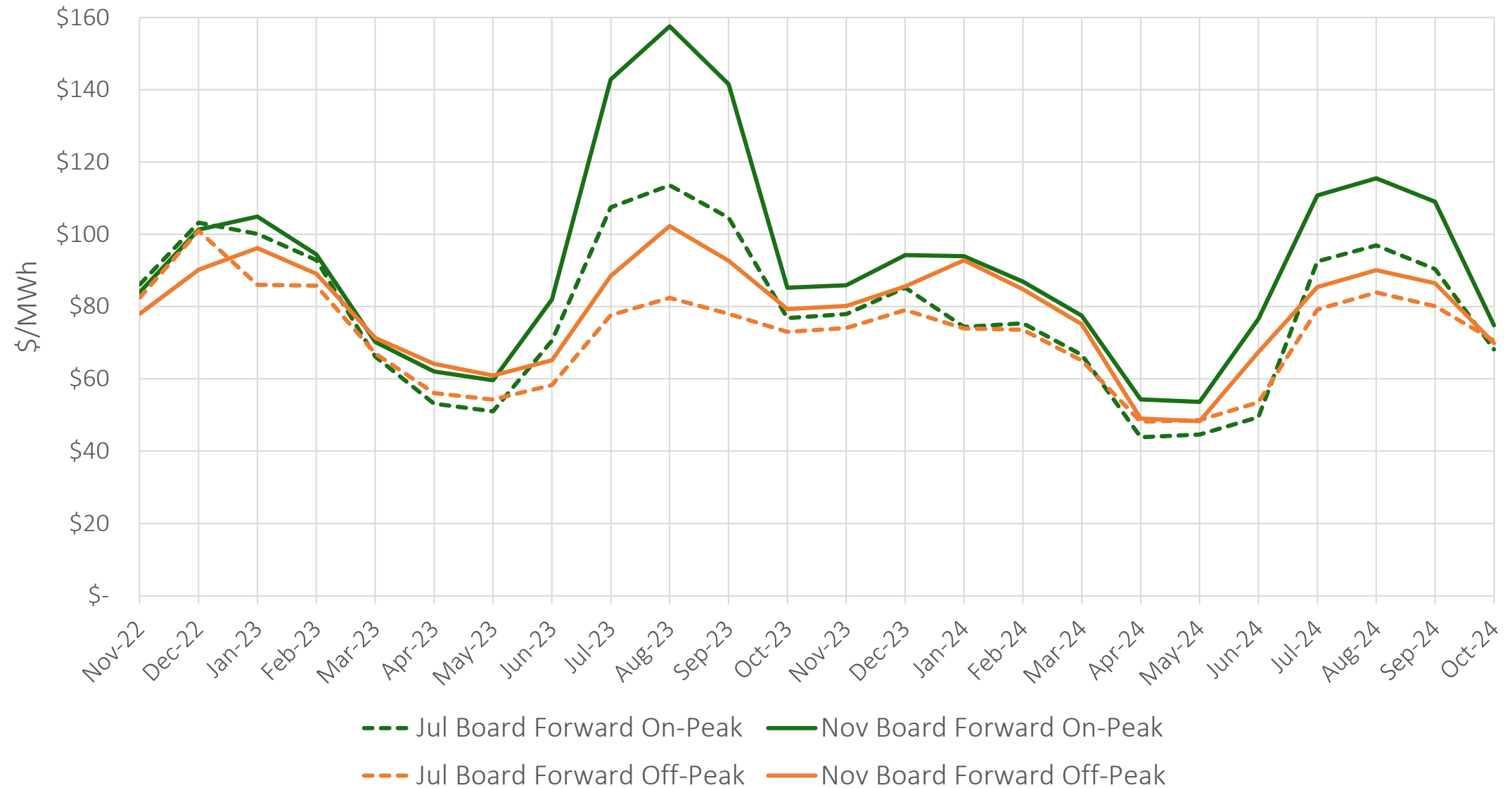
PG&E Rates Advice Letter – Issued 11/15

- Largely confirms current forecasts
- ~2% system average bundled rate increase
 - Includes delivery charge, which decreases by average of 10%
 - Generation rate component increasing by varying degrees
 - Residential generation rates increase by 3%
- Average PCIA drops to \$1/MWh from \$20/MWh
 - Higher than current modeling, but may lack most recent data
- Next Steps: PG&E's December Rate Update Advice Letter will be used for RCEA's initial 2023 rates
 - Rate updates may be protested which could delay 2023 rate implementation

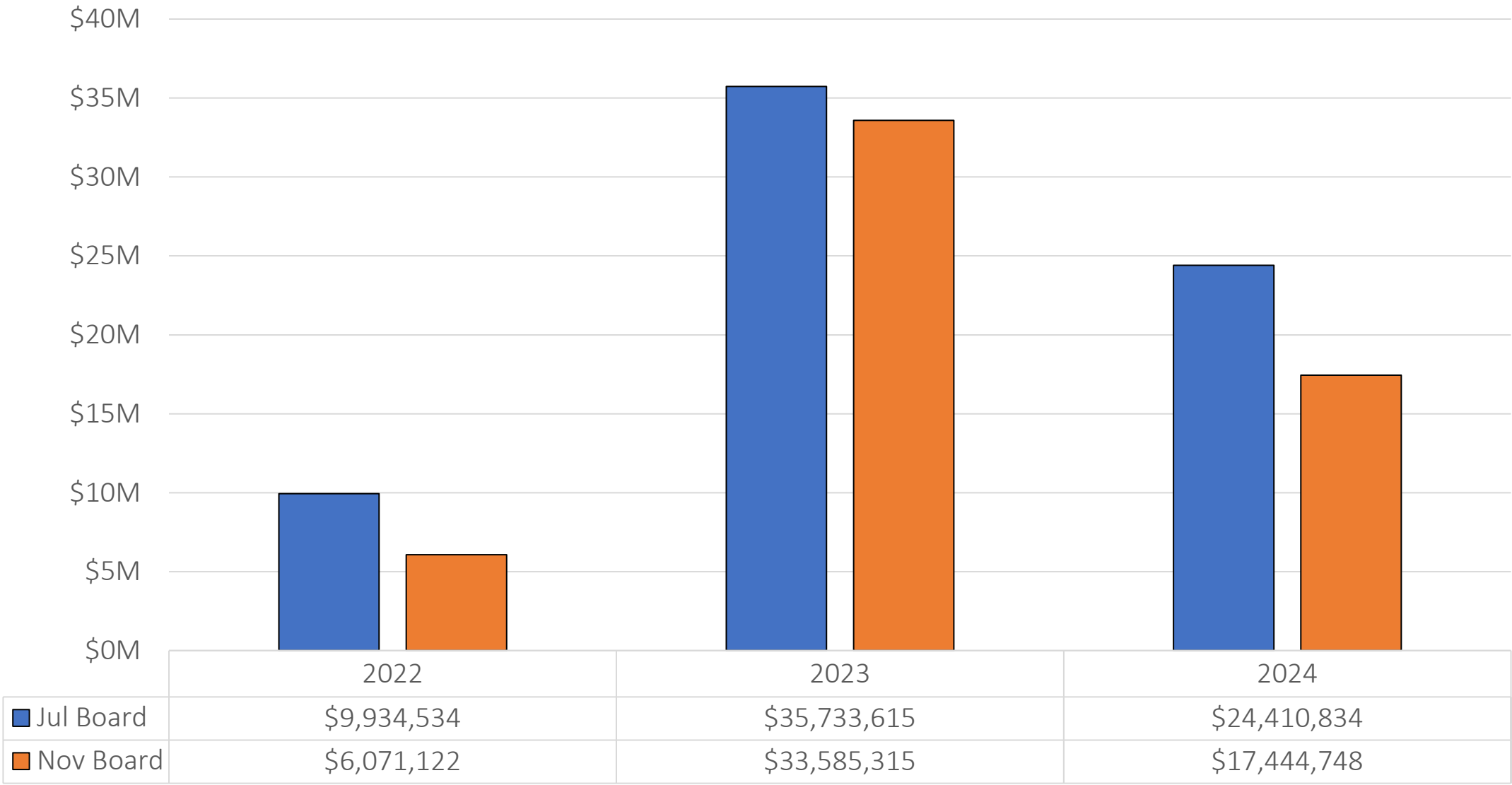
Forecasted PG&E Rates & PCIA



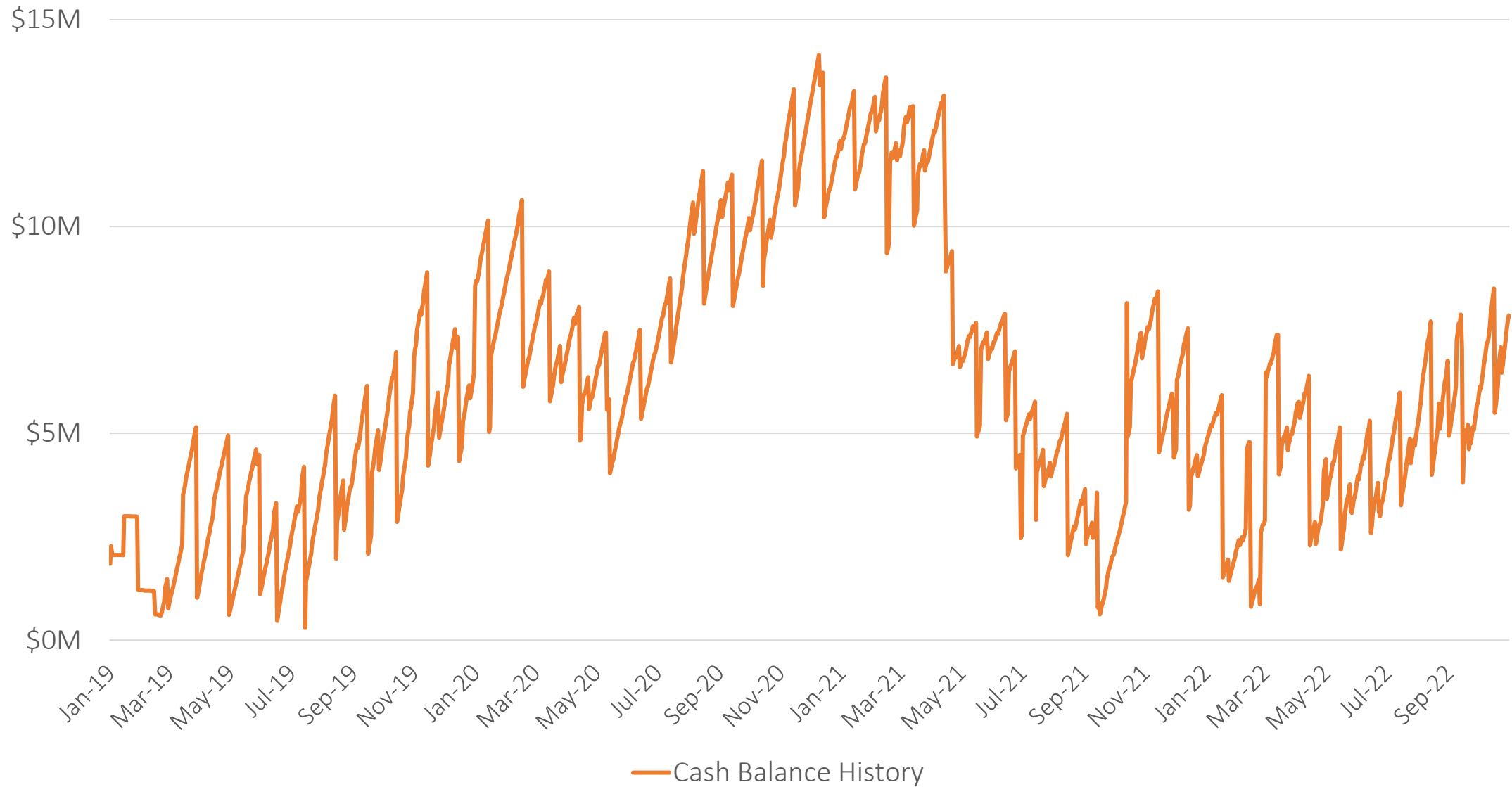
Forecasted RCEA Energy Prices



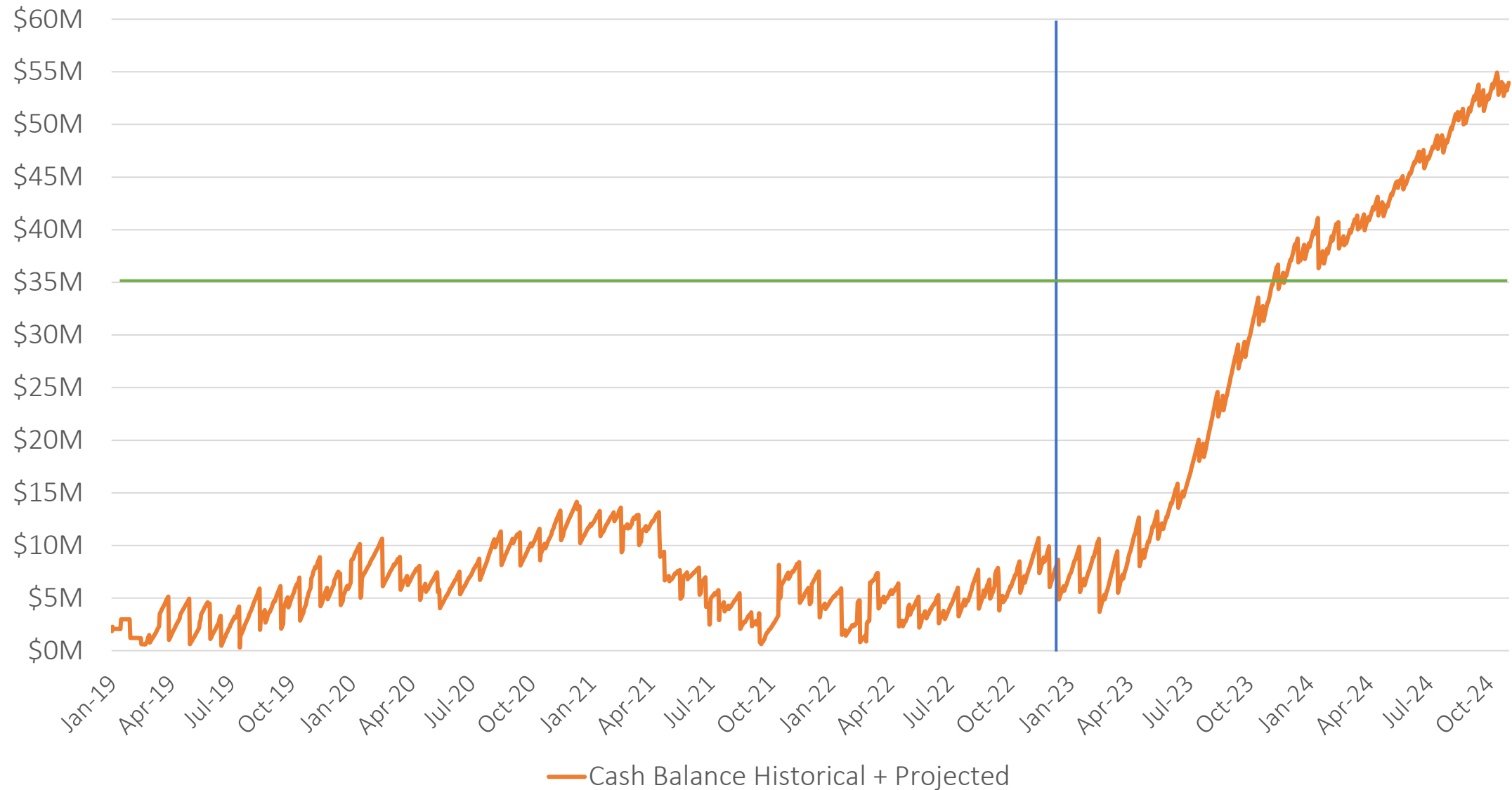
Forecasted RCEA Net Revenue



RCEA Cash Balance History (2019 – Present)

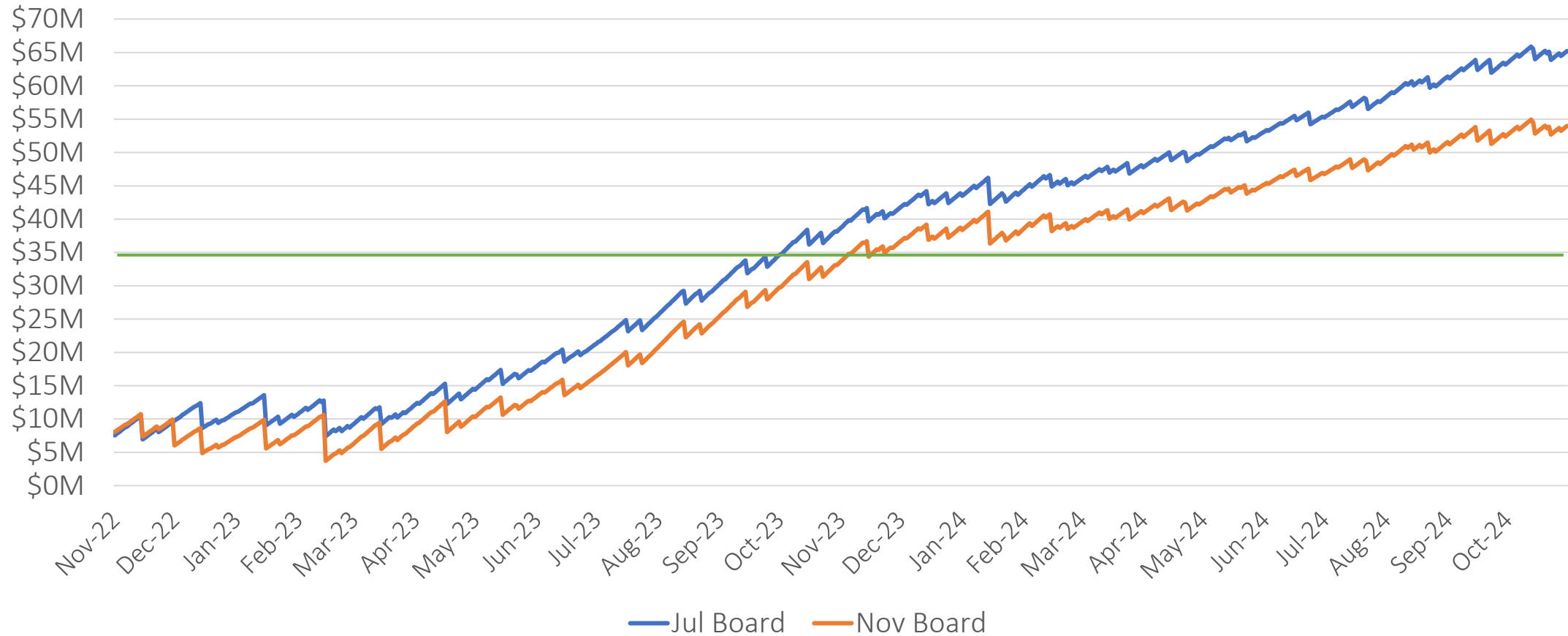


RCEA Cash Balance History & Projection



RCEA Two-Year Cash Projection

	Nov-Dec 2022			CY 2023			Jan-Oct 2024		
	Min	Avg	Ending	Min	Avg	Ending	Min	Avg	Ending
Jul Board	\$6.9M	\$9.5M	\$10.8M	\$7.4M	\$23.9M	\$43.9M	\$42.3M	\$53.7M	\$65.2M
Nov Board	\$4.9M	\$7.8M	\$7.1M	\$3.7M	\$19.5M	\$38.7M	\$36.3M	\$45.6M	\$54.0M





REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	November 17, 2022
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Board and CAC Hybrid Meeting Arrangements

BACKGROUND

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.

Governor Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023. After this date the Board cannot conduct fully virtual meetings under AB 361 unless another state of emergency is declared. Until February 28, the Board has the option to meet completely virtually, return to in-person meeting, or combine in-person and teleconference meetings ("hybrid meetings").

Recently the State Senate passed AB 2449 which provides a new avenue for a minority of a local agency's board to meet remotely without noticing or providing public access to their remote meeting location under modified Brown Act requirements. Under the provisions of AB 2449, agencies would not be obligated to post agendas at all teleconference locations, would not be obligated to identify all teleconference locations in the meeting agendas, and would not be obligated to make each teleconference location open to the public.

However, for an agency to proceed under AB 2449 procedures, **at least a quorum** of the legislative body members must participate in-person from a single, physical location clearly identified on the agenda which is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction. Another departure from AB 361 rules is that remote AB 2449 participation must be done for specified reasons — either because of a "just cause" or as a result of "emergency circumstances."

Just cause is defined as childcare or caregiving needs that require remote participation, a contagious illness that prevents a member from attending in person, a need related to physical or mental disability that requires remote participation, or travel while on official business of the legislative body or another state or local agency. Remote participation for just cause reasons shall not be utilized by any member of the legislative body for more than two meetings per calendar year. Emergency circumstances is defined as a physical or family medical emergency that prevents a member from attending in person. Under either case (just cause or emergency circumstances) AB 2449's provisions do not permit any member to participate in meetings solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of regular meetings within a calendar year.

The agency must also be prepared to host a robust remote meeting allowing participants to listen and participate verbally.

SUMMARY

In anticipation of returning to in-person meetings, staff reserved the Jefferson Community Center auditorium (1000 B Street Eureka, CA 95501) for upcoming Board and CAC meeting times. The Jefferson Community Center has hybrid meeting capabilities. The Jefferson Community Center auditorium rental fee includes all hybrid meeting equipment and technical support, and there are no fees to cancel.

RCEA staff propose the following options for upcoming RCEA public meetings:

1. Continue to conduct fully virtual meetings until February 28, 2023, by continuing to extend AB 361 resolutions every 30 days. After February 28, 2023, all meetings will be in person and hybrid options will comply with AB 2449.
2. Begin meeting in person as early as December 15, 2022, with hybrid option under AB 361 until February 28, 2023. For Board directors to participate online or by phone via Zoom without making their remote meeting location publicly accessible, the Board must continue to adopt or extend AB 361 resolutions every 30 days. After February 28, 2023, all meetings will be in person and hybrid options will comply with AB 2449.
3. Begin meeting in person as early as December 15, 2022, with a hybrid option that complies with AB 2449.

In addition to the options under AB 2449, the option still exists for remote participation if the agenda is posted at the teleconference location, and the teleconference location is identified in the meeting agenda and open to the public.

Additionally, it is possible to broadcast hybrid meetings on Access Humboldt and archive meeting recordings online on Internet Archive. RCEA staff would like Board direction on whether to pursue live or delayed broadcast of Board meetings.

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

N/A – Operations.

EQUITY IMPACTS

N/A. Staff recommends taking measures to reduce health risks to vulnerable populations. Signs strongly recommending the wearing of masks will be posted at the meeting site and masks will be provided.

FINANCIAL IMPACT

Jefferson Community Center auditorium rental rates are \$75/hour. The approximate cost of meeting in this auditorium for one year is approximately \$3,375. Annual teleconferencing subscription costs have been included in the Fiscal Year 2022-23 budget.

STAFF RECOMMENDATION

Approve conducting RCEA Board and Community Advisory Committee meetings in one of three potential ways:

1. 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.

2. Begin meeting in person as early as December 15, 2022, with hybrid option under AB 361 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, 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 December 15, 2022 for the Board and January 10, 2023, for the Community Advisory Committee.

3. Begin meeting in person as early as December 15, 2022, with a hybrid option that complies with AB 2449.

Approve conducting RCEA Board and Community Advisory Committee meetings in a hybrid in-person and teleconference format pursuant to AB 2449 at the Jefferson Community Center auditorium beginning December 15, 2022, for the Board and January 10, 2023, for the Community Advisory Committee.

ATTACHMENTS

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.

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.

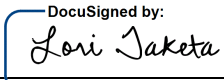
Section 5. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

Adopted this 23rd 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 23rd 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



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 9.1**

AGENDA DATE:	November 17, 2022
TO:	Board of Directors
FROM:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director's Report

SUMMARY

Executive Director Matthew Marshall will provide a brief update on:

- RCEA recent activities, and
- Other topics as needed.

RECOMMENDED ACTION

None. (Information only.)