



Redwood Coast Energy Authority
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BOARD OF DIRECTORS SPECIAL MEETING MINUTES

**Wharfinger Building, downstairs Bay Room
1 Marina Way, Eureka, CA 95501**

**April 22, 2024
Monday, 3:30 p.m.**

Chair Sarah Schaefer called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:33 p.m. Notice of this meeting was posted on April 19, 2024.

PRESENT: Natalie Arroyo, Vice Chair Scott Bauer (arrived 4:07 p.m.), Skip Jorgensen, Kris Mobley (left 5:34 p.m.), Jason Ramos, Elise Scafani, Chair Sarah Schaefer, Jack Tuttle (arrived 3:35 p.m.), Frank Wilson, Sheri Woo. ABSENT: Frankie Myers.

STAFF AND OTHERS PRESENT: Finance Specialist Ronnie Chaussé; Power Resources Director Richard Engel; Senior Power Resources Manager Jocelyn Gwynn; The Energy Authority California Account Director Jaclyn Harr; Demand-Side Management Director Stephen Kullmann; Human Resources Manager Kristy Siino; Board Clerk Lori Taketa; Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES

Director Scafani reported that the City of Blue Lake took possession of the former biomass plant site. Director Arroyo reported that the California State Association of Counties Legislative Conference Coastal Counties Policy Committee discussed local government roles in the offshore wind development process. The latest CAISO transmission recommendations indicate that offshore wind power will connect to the onshore grid at the Humboldt Bay substation before branching off to Solano County and toward Red Bluff. This would lead to regional grid resilience investment. Chair Schaefer reported on travel with Dir. Arroyo, some RCEA staff and others from Humboldt County to Massachusetts to see offshore wind implementation on the East Coast. Director Bauer reported that the City of Eureka will likely vote to subscribe to RCEA's REpower+ 100% renewable portfolio electricity service at its next meeting.

ORAL AND WRITTEN COMMUNICATIONS

There were no public comments on non-agenda topics at this meeting.

CONSENT CALENDAR

- 4.1** Approve Minutes of March 28, 2024, Board Meeting.
- 4.2** Approve Disbursements Report.
- 4.3** Accept Financial Reports.

Neither the Board nor member of the public requested any consent calendar item discussion.

M/S: Arroyo, Mobley: Approve Consent Calendar items.

The motion passed with a unanimous vote. Ayes: Arroyo, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Bauer, Myers, Abstain: None.

Chair Schaefer confirmed that a quorum was present to conduct CCE Business.

OLD CCE BUSINESS

6.1 Energy Risk Management Quarterly Report

TEA California Account Director Jaclyn Harr reported on the CCE program's latest financial forecast. PG&E's rates, and RCEA's rates because of its current ½% discount from PG&E's rates, will decrease in 2025-26 and Power Charge Indifference Adjustment or exit fee rates will increase. Renewable energy credits, carbon-free product and resource adequacy (RA) prices have all been increasing dramatically. Together, these factors will result in a significant drop in RCEA's net revenue during that time. PG&E's transmission and distribution costs could also rise, which could affect customers' bills. What will impact RCEA's portfolio most is the shift to slice of day resource adequacy requirements. As more and more of California's energy comes from intermittent renewable sources such as solar and wind energy, it is much more challenging for the state to plan for an adequate energy supply at all times of the day, especially in the middle of the night. The new slice of day RA requirements are meant to ensure an adequate energy supply for each hour of each day of the year but will make procurement extremely complicated. The coming procurement requirement has already increased demand for very limited baseload RA supply, driving prices higher than ever. Current State plans call for slice of day RA to be fully implemented in 2025, and RCEA's cash balance is expected to drop dramatically by early 2026 due to the financial impacts of slice of day. Because the Sandrini solar energy project will by then comprise a large part of RCEA's portfolio, RCEA will need to procure more baseload RA to meet the new compliance requirements.

The directors discussed how to explain rate increases to the community, proposed changes to RCEA's Energy Risk Management Policy to help TEA and staff procure needed resources more quickly, the possibility of not meeting state procurement requirements, the possibility of needing less desirable energy to survive new grid conditions, the uncertainty of how slice of day RA procurement will be implemented, difficulties of procuring resources in advance of the rule change, the extreme ups and downs of energy forecasts in general, and the need to take this upcoming change into consideration when creating next year's budget.

The directors discussed policy makers' roles in creating the current energy market predicament, harsher difficulties faced by CCAs that have focused heavily on renewable energy procurement, the need for RA price controls, and CalCCA's advocacy for delaying slice of day until 2026 to allow enough procurement time. There was no public comment on this agenda item.

OLD BUSINESS

8.1 Executive Director Salary and Job Description

Human Resources Manager Siino reviewed the need to set the Executive Director's salary range prior to recruitment. In lieu of a formal classification and compensation study, which could take months to a year to complete, staff prepared proposals for the ad hoc Board

Executive Recruitment Subcommittee's consideration. The subcommittee recommended establishing the Executive Director's salary schedule separately from the staff salary schedule.

The directors discussed internal equity concerns and the need for clear job descriptions with compensation aligned to job duties. There were no comments from the public on this agenda item.

M/S: Woo, Scafani:

1. **Adopt RCEA staff salary schedule with the removal of the Executive Director classification.**
2. **Adopt an Executive Director Salary schedule and approve the initial Executive Director salary range.**
3. **Approve updated Executive Director job description.**

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Myers, Abstain: None.

NEW BUSINESS

9.1 Foster Clean Power B Power Purchase Agreement

Power Resource Director Engel described the second phase of a solar and battery storage project off Foster Avenue near Arcata. The Board already approved a power purchase agreement with developer Renewable America for Foster A, the solar project's first phase. The projects gained County approval for development without real public opposition and will incorporate pollinator habitat to benefit surrounding agricultural lands. The project's potential resource adequacy requirement benefits were described. There was no public comment on this agenda item.

M/S: Arroyo, Woo: Approve Resolution 2024-4 Approving the Form and Authorizing the Execution of the Power Purchase Agreement with Foster Clean Power B LLC.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Mobley, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Myers, Abstain: None.

9.2 Energy Resilient Fire Services in High-Threat Communities Grant

Interim Executive Director Verbeck described the California Energy Commission grant RCEA was awarded to install solar panels and battery storage at 16 rural Humboldt County fire stations. The systems will reduce normal operating costs and help the critical facilities maintain emergency functions during crises. The projects must be completed within the next 2.5 years despite delays to the grant award.

M/S: Wilson, Bauer:

Authorize RCEA Interim Executive Director to execute the California Office of Planning and Research Regional Resilience Grant Program Grant Agreement once finalized and reviewed by General Counsel.

Authorize RCEA Interim Executive Director to execute Partnership Agreement(s) with the RRGP fire station project partners.

The motion passed with a unanimous vote. Ayes: Arroyo, Bauer, Jorgensen, Ramos, Scafani, Schaefer, Tuttle, Wilson, Woo. Noes: None. Absent: Mobley, Myers, Abstain: None.

STAFF REPORTS

10.1 Interim Executive Director's Report (Information only)

Interim Executive Director Verbeck reported that RCEA's electric bike voucher program launched at the beginning of April. All but six of the 67 vouchers already issued have gone to income qualified customers. The program targets people who may use ebikes as a primary transportation source. RCEA, the Schatz Energy Research Center and the Blue Lake Rancheria, Yurok and Hoopa Valley Tribes successfully submitted a grant application in just two weeks to build Tribe-owned and operated microgrids. The California Energy Commission issued a notice of intent to award \$6 million in match funding for this resiliency and energy sovereignty project. There was no public comment on this item.

FUTURE AGENDA ITEMS

Directors requested information about Senate Bill 1999, which would cap PG&E's fixed rate. Staff will use Ava Community Energy's income graduated fixed charge model to report how the proposed fixed rate would affect RCEA's inland and coastal customers. Directors asked to see how different discounted rates can be incorporated into RCEA's budget, and to learn at what reserve level larger rate discounts can be considered. Directors discussed developing small municipally-owned utilities so Humboldt County ratepayers can buy and own energy resources as well as the distribution system. A classification and compensation study was requested, as well as discussion of a biomass energy plan of action when results of Humboldt Sawmill Company's health impact study are shared.

Chair Schaefer adjourned the meeting at 5:54 p.m.

Lori Taketa
Board Clerk