



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

BOARD OF DIRECTORS MEETING MINUTES

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

**August 22, 2024
Thursday, 3:30 p.m.**

Vice Chair Scott Bauer 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 August 16, 2024.

PRESENT: Natalie Arroyo, Vice Chair Scott Bauer, Skip Jorgensen, Elise Scafani, Jack Tuttle, Frank Wilson, Sheri Woo. ABSENT: Kris Mobley, Frankie Myers, Jason Ramos, Chair Sarah Schaefer.

STAFF AND OTHERS PRESENT: Regulatory and Legislative Policy Manager Faith Carlson, Finance Specialist Ronnie Chaussé, Power Resources Director Richard Engel, Senior Power Resources Manager Jocelyn Gwynn, The Energy Authority (TEA) California Account Director Jaclyn Harr, Human Resources Manager Kristy Siino, Board Clerk Lori Taketa, Interim Executive Director Eileen Verbeck. Closed session: Tripepi Smith Director Christine Martin.

REPORTS FROM MEMBER ENTITIES

Director Tuttle reported that Swell Energy is no longer operating in Humboldt County.

ORAL AND WRITTEN COMMUNICATIONS

California Forest Pest Council Chair Danielle Lindler submitted a comment supporting RCEA's biomass power procurement.

Member of the public Sharon Kramer submitted a comment supporting microgrids designed for sheep co-grazing.

Member of the public Ken Miller submitted an article opposing the state's net-energy metering program changes and supporting residential solar and distributed energy generation.

CONSENT CALENDAR

- 4.1 Approve Minutes of June 27, 2024, Board Meeting.
- 4.2 Approve Disbursements Reports.
- 4.3 Accept Financial Reports.
- 4.4 Accept Quarterly Budget Report for Fiscal Year 2023-2024 Q4.
- 4.5 Authorize the Executive Director to Execute Amendment No. 4 to the Agreement for Professional Services with Aiqueous for Demand-Side Management Database Operation Services to Extend Services through June 2025 for a Total Amended Budget of \$373,950.

- 4.6** Adopt Resolution 2024-09 of the Redwood Coast Energy Authority Authorizing Access to Summary Criminal History Information for Employment, Licensing or Certification Purposes.
- 4.7** Approve Revised Community Advisory Committee Charter.
- 4.8** Appoint Benjamin Fordham to the Community Advisory Committee County 3 Seat for a Term Ending on March 31, 2026.

Director Woo requested item 4.8 be pulled from the Consent Calendar.

M/S: Arroyo, Woo: Approve the Consent Calendar with the exception of item 4.8.

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

ITEMS REMOVED FROM CONSENT CALENDAR

4.8 Community Advisory Committee County 3 Seat Appointment

CAC candidate Benjamin Fordham introduced himself and described his energy-related experience. There was no public comment on this item.

M/S: Woo, Arroyo: Appoint Benjamin Fordham to the Community Advisory Committee County 3 Seat for a Term Ending on March 31, 2026.

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

OLD CCE BUSINESS

6.1. Energy Risk Management Quarterly Report

TEA's California Account Director Harr reported that California's renewable energy and energy storage resource development efforts successfully addressed this summer's electricity needs so far. As the CPUC determines how the new Slice of Day Resource Adequacy procurement requirement is to be implemented, it appears RCEA may pay for the higher reliability requirements incrementally. The previous cash reserve forecast's extreme drop has been more evenly redistributed, but still results in a decreased reserve building rate. The Diablo Canyon nuclear power plant's retirement has been postponed to 2030 and all California load serving entities (LSEs) are being offered portions of the plant's carbon free renewable energy credit allocation. LSEs' customers must help pay for the plant's operating cost via the Power Charge Indifference Adjustment on their electric bills regardless of whether the LSE accepts these credits. The plant will not increase its energy production.

The directors discussed RCEA's current prohibition of long-term nuclear procurement, the problem of safe nuclear waste storage, and how the renewable certificates will affect the program's procurement portfolio, the agency's bottom line and future nuclear plant development. The directors will discuss accepting the nuclear allocation at their next meeting. There was no public comment on this item.

M/S: Arroyo, Scafani: Accept Energy Risk Management Quarterly Report and 2024 California Summer Market Conditions Assessment.

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

6.2. Feed-In Tariff Redesign

Senior Power Resources Manager Gwynn described RCEA's feed-in tariff program which offers above-market pricing and a streamlined application and agreement process for developers of local renewable energy projects of up to 1 MW. Of six projects enrolled in the program after the 2019 program launch, only the two North Coast Highway Solar projects remain under contract due to pandemic-driven changes. Staff hope to revive the stalled Hatchery Road projects with the same developers and recognize the need to update FIT program terms to attract new projects. Staff proposed increasing project capacity to up to 5 MW, requiring battery storage pairing and ability to provide resource adequacy for projects larger than 1 MW, and increasing pricing including higher payment for energy delivered during the grid's peak demand hours.

The directors discussed how waste digester projects may participate in the FIT program. There was no public comment on this item.

M/S: Jorgensen, Arroyo:

- 1. Authorize issuance of the redesigned Feed-In Tariff Program with terms and conditions consistent with the revised Tariff Schedule and Power Purchase Agreement.**
- 2. Authorize the Executive Director to approve administrative revisions to the Feed-In Tariff Schedule and Power Purchase Agreement, in consultation with legal counsel in the instance of the power Purchase Agreement, on condition that the revisions do not fundamentally change the terms and conditions of the program or measurably increase risk exposure for RCEA.**

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

OLD BUSINESS

8.1 Tumbleweed Long Duration Energy Storage Amendment

Power Resources Director Engel described the proposed amendment to the long-duration storage agreement between Rev Renewables and California Community Power, a joint powers authority to which RCEA belongs. The developer requested a price increase due to higher equipment costs and potential tariff changes for batteries manufactured in China. Under the most negative conditions, RCEA would pay an additional \$2.5 million over the contract's 15-year term. A more likely scenario is that RCEA will pay \$1.5 million more over that period. If RCEA chose to leave the contract, the agency would need to find a

replacement buyer or face paying the contracted price without receiving any long-duration storage development credit.

The directors discussed whether the agency would realize any financial gain from this amendment, and the reason RCEA entered this agreement, which was to comply with the CPUC Mid-Term Reliability procurement mandate. There was no public comment.

M/S: Arroyo, Jorgensen: Authorize RCEA's continued participation in the Tumbleweed Energy Storage Services Agreement under the terms of the Second Amendment.

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

STAFF REPORTS

10.1 Interim Executive Director's Report (Information only)

Interim Executive Director Verbeck reported that the Fairhaven battery storage resource adequacy contract was terminated after CAISO informed the project developer that its grid interconnection would be delayed several years due to prolonged inactivity of the biomass plant that previously made use of the site's grid connection. RCEA and Swell terminated the behind-the-meter battery storage partnership and Swell no longer supports Humboldt County Self-Generation Incentive Program (SGIP) participants. Another company may step in to offer SGIP services. The Humboldt County Regional Climate Action Plan is ready for public comment. A public meeting will be held on September 10. The Department of Energy will negotiate the Tribal Energy Resilience and Sovereignty grant award agreement prior to a potential administration change. Ms. Verbeck shared photos of workers installing photovoltaic panels at the Sandrini solar project site. A CPUC Administrative Law Judge issued a proposed decision to split the Rural Regional Energy Network into distinct North and Central Regional Energy Networks (RENs), with RCEA to lead the Rural REN North. The proposed Rural REN North funding was \$33.1 million over three years, slightly more than requested in the group's petition. After the comment period ends on September 10, and a reply period, the CPUC could vote on the project as early as September 26. There was no public comment on this item.

CLOSED SESSION

12.1 Public Employment, pursuant to Government Code Section 54957: Executive Director recruitment.

There was no public comment on the closed session agenda item. The Directors convened in closed session at 5:03 p.m. and reconvened in open session at 6:09 p.m. Vice Chair Bauer stated there was no closed session report and adjourned the meeting at 6:10 p.m.

Lori Taketa
Board Clerk