



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING MINUTES

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

**September 26, 2024
Thursday, 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 3:36 p.m. Notice of this meeting was posted on September 23, 2024.

PRESENT: Vice Chair Scott Bauer, Alt. HBMWWD Dir. Michelle Fuller (remote, just cause, medical), Skip Jorgensen, Jason Ramos, Elise Scafani, Chair Sarah Schaefer, Alt. County Dir. Mike Wilson. ABSENT: Natalie Arroyo, Kris Mobley, Frankie Myers, Jack Tuttle, Frank Wilson, Sheri Woo.

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, Demand-Side Management Director Stephen Kullmann, Board Clerk Lori Taketa, Interim Executive Director Eileen Verbeck. Closed session: Tripepi Smith Director Christine Martin.

ORAL AND WRITTEN COMMUNICATIONS

Fortuna resident Ernie Degraff submitted written comments in support of new nuclear power development.

CONSENT CALENDAR

- 4.1 Approve Minutes of August 22, 2024, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Approve Resolution 2024-10, Approving and Attesting to the Veracity of the 2023 Power Source Disclosure Report.
- 4.5 Adopt Resolution 2024-11 adopting a Procurement Policy, Investment Policy and amending the Financial Management Policy.
- 4.6 Approve Resolution 2024-12 Approving the Form of and Authorizing the Execution of the First Amendment to the Resource Adequacy Agreement with the Regents of the University of California.
- 4.7 Approve Resolution 2024-13 Approving the Form of and Authorizing the Execution of the Second Amendment to the North Coast Highway Solar 1 Power Purchase Agreement and the Second Amendment to the North Coast Highway Solar 2 Power Purchase Agreement Reducing Delay Damages Rates for the Feed-In Tariff Projects.
- 4.8 For the North Coast Plug-In Electric Vehicle Charging Network Phase 2 Construction Contract Award:

1. Determine that the Hooven & Reese and A.T.C. bids are responsive to IFB-24-505.
2. Reject the bid protest submitted by ACGC, inc. on September 20, 2024.
3. Award a contract for the installation of electric vehicle charging stations for the RCEA North Coast Plug-In Electric Vehicle Charging Network Expansion Project to Hooven & Reese Inc. in the amount of \$142,414.30 for the McKinleyville and Arcata sites; and authorize the Executive Director to execute all applicable documents subject to RCEA General Counsel review.

There were no public comments nor Board discussion on any consent calendar item.

M/S: Bauer, Jorgensen: Approve the Consent Calendar.

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

NEW CCE BUSINESS

7.1. Interconnection Process Enhancements Request for Information

Regulatory and Legislative Policy Manager Carlson and Power Resources Senior Manager Gwynn explained CAISO's revised process for assessing energy projects for connection to the California electricity grid, and RCEA's participation in scoring potential projects. The directors clarified that there are very few places within Humboldt County where new projects could connect to the CAISO-managed grid. There were no public comments on this item.

M/S: Bauer, Scafani: Authorize issuance of the Request for Information for CAISO Queue Cluster 15 Resources in accordance with the terms and conditions of the attached RFI Protocol and Commercial Interest Exclusivity Agreement.

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

7.2. Statewide Allocation of Carbon-Free Attributes from Diablo Canyon Nuclear Power Plant

Regulatory and Legislative Policy Manager Carlson and Power Resources Director Engel reported on the Diablo Canyon nuclear power plant's history and its contributions to California's electricity grid reliability. California electricity customers are paying for Diablo Canyon's operating costs and electricity providers have the option to accept Diablo Canyon clean energy credits to help pay for their share of state-required renewable energy investments. RCEA has not taken these credits because its Energy Risk Management Policy bans long-term nuclear energy procurement. Staff is asking the Board whether they want to make a short-term exception because the price of required clean energy credits has increased significantly and building local renewable energy projects to meet state requirements has been very difficult and slow. Diablo Canyon will not produce more energy if RCEA accepts the credit. RCEA could sell an equivalent amount of carbon-free hydropower for about \$500,000 this year to counter a large, expected budget deficit. Staff are aware of two CCAs to date that have accepted the nuclear energy credits through Diablo Canyon's retirement in 2030.

The Directors discussed:

- The state did not factor waste storage costs and hazards when classifying nuclear energy as a carbon-free energy.
- How accepting the Diablo Canyon credit increases transparency for RCEA customers because nuclear power would show up on their annual power source postcard. Without taking the credit, the mailer will not include nuclear power even though customers will still pay to keep Diablo Canyon running.
- How accepting or not accepting the allocation is a messaging issue.
- Taking the credit might encourage new nuclear power plant development.
- RCEA should add opposing new nuclear development to its policy platform.
- It is important to consider RCEA's long-term financial survival, and the risk of losing customers if its rates are not competitive with PG&E's.
- How RCEA could use the money it saves by taking the nuclear credit to lower rates, pay for anti-nuclear advocacy, and invest in more renewable energy projects.
- How taking the nuclear credits could erode progress toward RCEA's mission and make customers leave for PG&E.

Member of the public Craig Benson opposes accepting Diablo Canyon credits due to nuclear waste's long-term dangers.

Community Advisory Committee members Colin Fiske and Kit Mann submitted comments as members of the public:

- Colin Fiske opposes accepting Diablo Canyon credits because this goes against why RCEA was created.
- Kit Mann supports accepting Diablo Canyon credits to ameliorate the climate catastrophe, even if it carries negative impacts.

Ryan Pickering supports accepting the nuclear credits due to cost savings and grid reliability.

Cal Poly Humboldt Associate Professor Jennifer Marlow asked RCEA for a ratepayer discussion on short-term financial benefits of accepting nuclear power credits versus the legacy of nuclear waste and investment in long-term nuclear fuel management.

Arcata resident Kathleen Marshall opposes accepting the nuclear power energy allocation, which would make RCEA more like PG&E.

Arcata resident Dave Ryan opposes accepting the nuclear attribute due to waste concerns.

Cal Poly Humboldt graduate student Alexander Brown asked whether accepting the clean energy credit could help with advocacy for relocating and responsibly storing nuclear waste.

Michael Welch of Redwood Alliance opposes accepting the nuclear energy allocation because of the dangers of storing nuclear waste and supporting nuclear industry goals.

David Weisman from Alliance for Nuclear Responsibility said the CPUC buried the cost of running Diablo Canyon in the generic public purposes program charges on customers' bills. Ratepayers will not save money but will pay \$400 million in 2024-25 to operate the plant.

A director asked how CCE votes are calculated and Board Clerk Taketa responded that an affirmative vote of five CCE members and more than 50 votes was needed to pass a motion. The Directors asked to discuss nuclear energy policy platform revisions at a future meeting.

M/S: Scafani, Jorgensen: Accept the Diablo Canyon nuclear allocation for the 2025 calendar year, and direct staff to present potential procurement savings uses to the Board at a future meeting.

The motion failed with the following vote. Ayes: Jorgensen, Scafani. Noes: Bauer, Schaefer, M. Wilson. Absent: Mobley, Myers, Tuttle, F. Wilson. Abstain: None. Non-Voting: Fuller, Ramos.

NEW BUSINESS

9.1 Rural Regional Energy Network North Administrative Actions – Administrative Consultant Contract and Termination of Previous RuralREN Memoranda of Understanding

Demand-Side Management Director Kullmann reported that the CPUC approved splitting the Rural Regional Energy Network (REN) into separate RENs for northern and central California. RCEA will administer the northern California REN which will run energy efficiency programs for homeowners and businesses, help local governments with efficiency codes and standards and contribute to energy efficiency workforce development and training. Staff Director Kullmann described past experience working with Frontier Energy. The Directors thanked Mr. Kullmann and staff for doing challenging work to create a REN for rural California residents. There was no public comment on this item.

M/S: Jorgensen, M. Wilson:

- 1. Award a contract with Frontier Energy for RuralREN North Administrative Services for a term of 2024-2027 and a not-to-exceed amount of \$1,200,265 and Authorize the Interim Executive Director to execute all applicable documents subject to RCEA General Counsel review.**
- 2. Authorize the Interim Executive Director to execute all documents to terminate the original RuralREN agreements subject to RCEA General Counsel review.**

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

9.2 Addition and Reclassification of Staff Positions

Interim Executive Director Verbeck reported on the Tribal Energy Resilience and Sovereignty project's progress and needs, and the need to unfreeze positions now that the Northern California Rural REN creation and funding are official. Staff will prepare a budget adjustment for the Board's approval. There was no public comment on this item.

M/S: M. Wilson, Scafani:

Approve:

- 1. Addition of a TERAS Project Analyst position,**

2. Unfreezing a DSM Manager Position and Reclassify as DSM Technician contingent on final approval of RuralREN North by the CPUC,
3. Unfreezing a DSM Specialist Position and Reclassify as DSM Coordinator contingent on final approval of RuralREN North by the CPUC,
4. Reclassifying Power Resource Specialist to Power Resource Analyst,
5. RCEA Organization Chart with approved changes.

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

STAFF REPORTS

10.1 Interim Executive Director's Report (Information only)

Interim Executive Director Verbeck reported that the County Planning Commission approved the North Coast Highway Solar project, an RCEA feed-in tariff project. Constructed started on the Foster Avenue solar feed-in tariff projects. The Sandrini Solar project developers are planning a ribbon cutting in November 2024 or early 2025. Staff will coordinate if Board members would like to attend. There was no public comment on this item.

FUTURE AGENDA ITEMS

Directors requested information on how to advocate at the legislature and CPUC for CCA survival. CalCCA is considering reopening Power Charge Indifference Adjustment (PCIA) proceedings in 2025 because they anticipate a big PCIA change that could hurt CCAs like RCEA.

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 5:43 p.m. and reconvened in open session at 5:59 p.m. Vice Chair Bauer stated there was no closed session report and adjourned the meeting at 6 p.m.

Lori Taketa
Board Clerk