



REDWOOD COAST EnergyAuthority

Arcata | Blue Lake | Blue Lake Rancheria | County of Humboldt | Eureka | Ferndale | Fortuna | Humboldt Bay Municipal Water District | Rio Dell | Trinidad | Yurok Tribe

BOARD OF DIRECTORS REGULAR MEETING AGENDA

**Wharfinger Building, upstairs Great Room (new location)
1 Marina Way, Eureka, CA 95501**

**May 22, 2025
Thursday, 3:30 p.m.**

Any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email LTaketa@redwoodenergy.org or call (707) 269-1700 at least 3 business days before the meeting. Assistive listening devices are available.

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, including those received less than 72 hours prior to the Committee's meeting, will be made available to the public at www.RedwoodEnergy.org.

NOTE: Speakers wishing to distribute materials to the Board at the meeting, please provide 13 copies to the Board Clerk.

THIS IS A HYBRID IN-PERSON AND VIRTUAL MEETING.

The RCEA Board of Directors holds in-person hybrid meetings. When attending, please be courteous to those who choose to wear a mask.

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 speak during the public comment periods, raise your hand in the online Zoom webinar, or press star (*) 9 on your phone to raise your hand. Staff will ask you to unmute your phone or computer when it is your turn. You will have 3 minutes to speak.

Email written comments to PublicComment@redwoodenergy.org. Identify the agenda item number in the subject line. Comments will be included in the meeting record but not read aloud during the meeting.

OPEN SESSION Call to Order

1. ROLL CALL - REMOTE DIRECTOR PARTICIPATION

- 1.1. Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

2. REPORTS FROM MEMBER ENTITIES

3. ORAL AND WRITTEN 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.

4. 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.

- 4.1 Approve Minutes of April 24, 2025, Board Meeting.
- 4.2 Accept Disbursements and Financial Reports.
- 4.3 Approve 2025 RCEA Policy Platform.
- 4.4 Receive Federal Activity Report.
- 4.5 Approve Payment of California Community Power Annual Dues of Up to \$175,000 and Joint Action Share of Up to \$90,000 and Special Projects Participation Fees of Up to \$300,000 for Fiscal Year 2025-26.
- 4.6 Award Professional Services Agreement to kW Engineering to Perform Northern Rural Energy Network (NREN) Normalized Metered Energy Consumption Program Support Services for a Not to Exceed Value of \$318,000 Through June 30, 2028, and Authorize the Executive Director to Execute all Applicable Documents.
- 4.7 Award Professional Services Agreement to Frontier Energy to Perform Design Services for the NREN Finance Equity Program for a Not to Exceed Value of \$98,020 Through December 31, 2025, and Authorize the Executive Director to Execute All Applicable Documents.
- 4.8 Authorize the Purchase of ChargePoint Electric Vehicle CP6000 "Head Units" from Campton Electric at a Price Not to Exceed \$71,177.40 and Authorize Executive Director to Execute All Applicable Documents in Fulfillment of California Energy Commission Rural Electric Vehicle Charging Grant Requirements.
- 4.9 Approve Amendment to the Professional Services Agreement with Gallagher Benefit Services to Include the Addition of an Organizational Assessment for a Total Not-to-Exceed Value of \$83,600 and Authorize the Executive Director to Execute all Applicable Documents.

- 4.10** Approve Amendment No.3 to the Professional Services Agreement with Sierra Business Council in the Amount of \$120,000 for RuralREN North Startup Activities and Authorize the Executive Director to Execute All Applicable Documents.

5. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

6. NEW BUSINESS

- 6.1** Financial Audit for Fiscal Years Ending June 30, 2022, and 2023

Accept and approve Redwood Coast Energy Authority Financial Statements June 30, 2023, and 2022, Associated Independent Auditors' Report, and Report on Federal Awards by Baker Tilly US, LLP.

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.

7. OLD CCE BUSINESS

- 7.1.** Semiannual Energy Risk Management Report

Accept Energy Risk Management Semi-Annual Report.

8. NEW CCE BUSINESS

- 8.1.** Approve Community Choice Energy Funded Programs for Fiscal Year 2025-26

Approve the proposed programs funded by revenue generated from electricity sales and direct staff to include the programs in the fiscal year 2025-2026 budget for full Board adoption.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. OLD BUSINESS – None.

10. NEW BUSINESS (Continued)

- 10.1** Proposed Fiscal Year 2025-2026 Budget Introduction

Provide direction to staff on the draft Fiscal Year 2025-2026 budget.

11. STAFF REPORTS

11.1 Executive Director's Report

12. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

13. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, June 26, 2025, 3:30 p.m.

Wharfinger Building upstairs Great Room, 1 Marina Way, Eureka, CA 95501

Online and phone participation will be possible via Zoom.



STAFF REPORT
Agenda Item # 1.1

AGENDA DATE:	May 22, 2025
TO:	RCEA Board of Directors
FROM:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Member Teleconference Participation

BACKGROUND

Since emergency Brown Act meeting law changes went into effect in 2020 due to the COVID-19 public health emergency, the RCEA Board of Directors, Community Advisory Committee (CAC) and the subcommittees of those bodies met online with no physical, public meeting location. Governor Newsom signed AB 361 into law in September 2021, which allowed these bodies to continue meeting completely virtually without publishing each member's participation location while the COVID state of emergency continued and state or local officials recommended social distancing measures or the RCEA Board determined that meeting in person posed health and safety risks.

The COVID-19 State of Emergency ended on February 28, 2023, and RCEA Board and CAC meetings returned to meeting in-person at a physical location, with allowances under existing Brown Act rules or new AB 2449 Brown Act rules should a Board or CAC member need to participate from a remote location for certain reasons. If another state of emergency is declared, these bodies may be able to return to completely remote meetings.

SUMMARY

RCEA Board Directors may attend up to two meetings per year from a remote location without making the location accessible to the public for the following reasons:

1. "Just cause"
 - a. To provide childcare or caregiving need to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner;
 - b. Due to a contagious illness that prevents the member from attending in-person;
 - c. Due to a need related to a physical or mental disability as defined in Government Code sections 12926 and 12926.1 not otherwise accommodated; and
 - d. Due to travel while on official business of the legislative body or another state or local agency.
2. "Emergency circumstance" due to a physical or family medical emergency that prevents the member from attending in person.

If a Board Director would like to attend the meeting remotely due to an emergency circumstance, the Board will take action by majority vote to approve the Director's remote participation. A vote is not necessary for a request to attend remotely for just cause. A brief

description, protecting the Director's (or Director's family member's) medical privacy, needs to be provided in both cases.

The remotely participating Board Director needs to publicly disclose at the meeting before any action (vote) is taken, whether anyone 18 years of age or older is present in the room at the remote location with the Director, and the general nature of the individual's relationship with the Director.

If the Board Director anticipates needing to participate remotely for more than 2 meetings per year, staff recommends arranging for a publicly and ADA accessible space with visual and audio meeting capabilities from which to participate.

Staff asks to be notified one-week in advance, if possible, of remote meeting attendance so the Director's publicly and ADA accessible remote meeting address can be published in the agenda, if required per Brown Act open meeting laws.

Current Remote Participation Requests

As of the writing of this staff report, there have been no remote director participation for "just cause" or "emergency circumstances" requests.

RECOMMENDED ACTION (if needed)

Approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.



BOARD OF DIRECTORS DRAFT MEETING MINUTES

Jefferson Community Center Auditorium
1000 B Street, Eureka, CA 95501

April 24, 2025
Thursday, 3:30 p.m.

Vice Chair Sheri Woo called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:34 p.m. Notice of this meeting was posted on April 18, 2025.

PRESENT: Chair Scott Bauer (just cause remote participation, local agency travel), Michael Gerace (left at 4:50 p.m.), Skip Jorgensen, Alt. Dir. Cheryl Kelly, Jason Ramos (left at 4:51 p.m.), Elise Scafani, Frank Wilson, Vice Chair Sheri Woo. ABSENT: Natalie Arroyo, Carlos Diaz, Jack Tuttle, Sarah Schaefer.

STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini, Infrastructure Planning and Operations Director Dana Boudreau, Executive Director Elizabeth Burks, Regulatory and Legislative Policy Manager Faith Carlson, Power Resources Director Richard Engel, Senior Program Manager Ben Mattio, Account Services Manager Marisha Ramirez-Escareño, Board Clerk Lori Taketa, Deputy Executive Director Eileen Verbeck.

CONSENT CALENDAR

- 4.1 Approve Minutes of March 27, 2025, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Approve the following amendment to extend the Professional Service Agreements for RuralREN North startup activities through May 31, 2025:
 1. Amendment No. 2 with Sierra Business Council in the amount of \$390,754.
 2. Amendment No. 1 with Lake Area Planning Council in the amount of \$88,884,
and
 3. Amendment No. 1 with Mendocino Council of Governments in the amount of \$88,436,
and authorize the Executive Director to execute all applicable documents.

- 4.5** Award professional services agreement to Energy Resources Integration to perform the NREN commercial energy assessment for a not to exceed value of \$200,000 and authorize the Executive Director to execute all applicable documents.

M/S: Ramos, Jorgensen: Approve Consent Calendar items.

The motion passed with a unanimous roll call vote. Ayes: Bauer, Gerace, Jorgensen, Kelly, Ramos, Scafani, Wilson, Woo. Noes: None. Absent: Arroyo, Diaz, Schaefer. Abstain: None.

6.1. Study Session on Electricity Affordability

Executive Director Burks introduced the study session on electricity affordability by noting how goals such as safety, reliability, clean energy and innovative programs must be balanced with electricity affordability. In Humboldt County almost 30% of households qualify for CARE or FERA low-income bill assistance programs, and in most of the County there is a concentration of households earning \$18,100/year or less that spend more than 15% of their wages on electricity bills after paying for housing, water and gas. The number of people who stopped paying their electricity bills is rising. The study session covered what is included in electricity bills and efforts to address rising costs.

When RCEA's Community Choice Energy (CCE) program began in 2017, transmission and distribution costs were roughly equal to electricity usage costs on an RCEA customer bill. RCEA's charges are limited to electricity usage. Transmission and distribution charges can now make up two-thirds of both PG&E and RCEA customers' bills. Energy supply and related costs have also risen. Every 1% of renewable energy RCEA procures above the state requirement increases power procurement costs by 4%. Staff members described aspects of electricity pricing, including the Power Charge Indifference Adjustment, policy drivers affecting rates, and RCEA's customer programs aimed at helping manage energy costs. The board also discussed solar billing, the CPUC General Rate Case which approves electricity transmission and distribution upgrades, and different utility models including municipally-owned utilities.

Staff asked Board members to direct the community to RCEA's programs, and inform people of RCEA customer benefits including lower electricity bills. Since RCEA's CCE program began, Humboldt County RCEA customers together saved roughly \$7.3 million on their electricity bills compared to if they had remained PG&E customers. Board directors were also asked to help policy makers understand the larger context of the electricity affordability issue, including grid under-investment and externalized fossil fuel costs. There were no public comments on this item.

STAFF REPORTS

10.1 Executive Director's Report (Information only)

Executive Director Burks reported that the Finance Committee will review the draft fiscal year 2025-2026 budget which will be presented at the next Board meeting. The May Community

Advisory Committee meeting will focus on committee goal setting and working groups. Staff is preparing and scheduling a community battery storage presentation in Arcata. The date and time will be announced. There were no public comments.

FUTURE AGENDA ITEMS

Directors requested a staff report on how CPUC General Rate Case dollars are spent, whether RCEA can advocate for spending those funds on infrastructure projects, and whether any of those funds are spent on Tribal lands.

Vice Chair Woo adjourned the meeting at 5:01 p.m.

Lori Taketa
Board Clerk

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REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.2

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Profit & Loss, Balance Sheet and Monthly Disbursements Reports

SUMMARY

The attached Disbursements Report lists RCEA's checks, debits, and electronic payments made during the period identified on the report. The Business Planning and Finance Director certifies that the disbursements were drawn in payment of demands conforming to RCEA's adopted Financial Policy and budget.

The Financial Reports (Profit & Loss Budget vs. Actual and Balance Sheet) are presented to keep the Board apprised of current agency receipts and spending relative to budget line items.

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

Agency financial tracking and reporting are necessary administrative functions supporting RCEA strategic plan goal implementation.

EQUITY IMPACTS

Not applicable.

FINANCIAL IMPACT

The disbursements presented were drawn in payment of demands included within the adopted budget.

STAFF RECOMMENDATION

Accept disbursement report for March 2025, and financial reports for this fiscal year through March 2025.

ATTACHMENTS

1. Disbursements Report for March 1 through March 31, 2025
2. Profit & Loss Budget vs. Actual Report, July 2024 through March 2025
3. Balance Sheet as of March 31, 2025

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Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/03/2025	ACH	The Energy Authority	CAISO Invoice #CISO022625-FEB	-31,433.13
Bill Pmt -Check	03/10/2025	ACH	The Energy Authority	CAISO Invoice #CISO030525-FEB	-22,346.72
Liability Check	03/14/2025	ACH	Ascensus	Paydate 3/14/25	-14,760.41
Liability Check	03/14/2025	ACH	Ascensus	Paydate 3/14/25	-13,402.63
Liability Check	03/14/2025	ACH	EDD	Paydate 3/14/25	-8,594.52
Liability Check	03/14/2025	ACH	Internal Revenue Service	Paydate 3/14/25	-37,796.37
Bill Pmt -Check	03/14/2025	ACH	CA Community Power	2 invoices: 50103 & 50116	-48,750.33
Bill Pmt -Check	03/14/2025	ACH	CalCCA	2024-2025 PG&E Erra Special Assessment	-4,551.59
Bill Pmt -Check	03/14/2025	ACH	Humboldt Sawmill Co.	Feb 2025 Electricity Generation	-583,105.16
Bill Pmt -Check	03/14/2025	ACH	Sonoma Clean Power Authority	Feb 2025 - Flex RA sale - Monthly	-261,000.00
Bill Pmt -Check	03/14/2025	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-Feb 2025	-16,900.00
Bill Pmt -Check	03/14/2025	WIRE	USDA	Loan Payment Q1-2025	-96,610.19
Check	03/14/2025	19329	NEM Customer	NEM Account Closeout Reissued	-106.38
Check	03/14/2025	19330	NEM Customer	NEM Account Closeout Reissued	-164.81
Check	03/14/2025	19331	NEM Customer	NEM Account Closeout	-264.26
Check	03/14/2025	19332	NEM Customer	NEM Account Closeout	-440.38
Check	03/14/2025	19333	NEM Customer	NEM Account Closeout	-625.17
Check	03/14/2025	19334	NEM Customer	NEM Account Closeout	-5.77
Check	03/14/2025	19335	NEM Customer	NEM Account Closeout	-655.50
Check	03/14/2025	19336	NEM Customer	NEM Account Closeout	-42.24
Check	03/14/2025	19337	NEM Customer	NEM Account Closeout	-443.98
Check	03/14/2025	19338	NEM Customer	NEM Account Closeout	-243.32
Check	03/14/2025	19339	NEM Customer	NEM Account Closeout	-695.40
Check	03/14/2025	19340	NEM Customer	NEM Account Closeout	-140.96
Check	03/14/2025	19341	NEM Customer	2025 NEM Payout-Transitional	-1,106.53
Check	03/14/2025	19342	NEM Customer	2025 NEM Payout-Transitional	-166.10
Check	03/14/2025	19343	NEM Customer	2025 NEM Payout-Transitional	-235.09
Check	03/14/2025	19344	NEM Customer	2025 NEM Payout-Transitional	-732.95
Check	03/14/2025	19345	NEM Customer	2025 NEM Payout-Transitional	-860.93
Check	03/14/2025	19346	NEM Customer	2025 NEM Payout-Transitional	-239.55
Check	03/14/2025	19347	CCE Customer	CCE Equipment Rebate -Res #241126-2337	-500.00
Check	03/14/2025	19348	NREN Customer	REN RES Equipment Rebate -250212-2415	-250.00
Check	03/14/2025	19349	NREN Customer	REN RES Heat Pump Rebate -250307-2483	-1,200.00
Bill Pmt -Check	03/14/2025	19350	AT&T	RCAM Router charges - ACV: 01/19-02/18/25	-163.00
Bill Pmt -Check	03/14/2025	19351	AT&T Long Distance	Phone charges 02/25 - 03/24/2025	-140.53
Bill Pmt -Check	03/14/2025	19352	Baker Tilly US, LLP	2 invoices: Feb 2025 Services	-8,925.00
Bill Pmt -Check	03/14/2025	19353	Bishop, M.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19354	Boudreau, D.	Feb & Mar 2025 Mileage & Purchase Reimb	-81.31
Bill Pmt -Check	03/14/2025	19355	Braun Blaising & Wynne, P.C.	Legal Services - Regulatory -Jan 2025	-2,081.96
Bill Pmt -Check	03/14/2025	19356	Burks, E.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19357	City of Arcata	Feb 2025 Utility User Tax #6310	-13,148.58
Bill Pmt -Check	03/14/2025	19358	City of Arcata	Feb 2025 Excessive Energy Use Tax #6315	-3,274.39
Bill Pmt -Check	03/14/2025	19359	City of Eureka-Other	2nd False Alarm Fee-Permit E1339	-50.00
Bill Pmt -Check	03/14/2025	19360	City of Eureka-Water	633 & 917 water services	-403.89
Bill Pmt -Check	03/14/2025	19361	Donald Dame	CCE Consulting services- Feb 2025	-320.25
Bill Pmt -Check	03/14/2025	19362	Donnelly, S.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19363	Enterprise	Car rental Feb 2025: L. Boindini	-181.24
Bill Pmt -Check	03/14/2025	19364	Hilson, D.	Mileage reimbursement - Feb 2025	-71.75

Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/14/2025	19365	Humboldt Bay Coffee Co.	2 invoices: Feb 2025 Office Coffee	-77.85
Bill Pmt -Check	03/14/2025	19366	Humboldt HyCycle	2 invoices: E-Bike Voucher Reimb	-1,200.00
Bill Pmt -Check	03/14/2025	19367	Kullmann, S.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19368	Law Offices of Nancy Diamond	3 invoices: Feb 2025 Legal Services	-8,589.50
Bill Pmt -Check	03/14/2025	19369	Local Worm Guy	Feb 2025 Compost service 633 & 917 3rd St	-84.00
Bill Pmt -Check	03/14/2025	19370	Mission Linen & Uniform Service	4 invoices: Mar 2025 services & supplies	-209.41
Bill Pmt -Check	03/14/2025	19371	North Coast Cleaning Services, Inc.	2 invoices: Feb 2025 cleaning services	-1,090.00
Bill Pmt -Check	03/14/2025	19372	NYLEX.net, Inc.	Parts for APC Replacement battery cartridge	-1,261.79
Bill Pmt -Check	03/14/2025	19373	Optimum Business-633	633 3rd St: Phone & Internet - 02/28-03/30/2025	-1,105.22
Bill Pmt -Check	03/14/2025	19374	PG&E - ACV	2 Stmt: Jan & Feb 2025 utilities	-397.22
Bill Pmt -Check	03/14/2025	19375	PG&E EV Account	EV stations 02/03-03/02/2025	-2,098.13
Bill Pmt -Check	03/14/2025	19376	Quarles & Brady LLP	Jan 2025 Legal Services for GRIP Award	-2,596.00
Bill Pmt -Check	03/14/2025	19377	Recology Humboldt County	Act 060703330, 633 3rd St. Feb 2025	-110.05
Bill Pmt -Check	03/14/2025	19378	Recology Humboldt County	Act 061371327, 917 3rd St. Feb 2025	-74.54
Bill Pmt -Check	03/14/2025	19379	Rodriguez, Louis	Mileage reimbursement - Feb 2025	-36.40
Bill Pmt -Check	03/14/2025	19380	Scraper's Edge	Special Printing: signs	-77.55
Bill Pmt -Check	03/14/2025	19381	Smith, S.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19382	Terry, P.	Per Diem Meals: NREN Qtr Meeting 2025	-57.00
Bill Pmt -Check	03/14/2025	19383	The Engine is Red	Feb 2025:NREN Phase 6 Brand Tone	-4,800.00
Bill Pmt -Check	03/14/2025	19384	The Engine is Red	Mar 2025: NREN Phase 3 Production	-26,100.00
Bill Pmt -Check	03/14/2025	19385	Times Printing Company	3 invoices: Mar 2025 Move-In invoices	-1,253.53
Bill Pmt -Check	03/14/2025	19386	Verbeck, E.	Per Diem Meals: TERAS Meeting 2025	-177.00
Bill Pmt -Check	03/14/2025	19387	Whitchurch Engineering, Inc	EVCS DMV -Dec 2024 & Jan 2025 Services	-1,270.00
Paycheck	03/14/2025	ACH	Employees	Payroll, 3/14/25	-90,160.48
Bill Pmt -Check	03/17/2025	ACH	The Energy Authority	TEA Invoice #TEA 22025 Feb 2025	-2,372,306.24
Check	03/17/2025	ACH	VISA	VISA 2291: Feb 2025 Stmt 01/22-02/20/2025	-10,493.21
Check	03/17/2025	ACH	VISA	VISA 4133: Feb 2025 Stmt 01/22-02/20/2025	-3,378.53
Bill Pmt -Check	03/17/2025	ACH	The Energy Authority	CAISO Charges	-28,755.97
Check	03/20/2025	Debit	Umpqua	Service Charge	-178.60
Check	03/20/2025	Debit	Umpqua	Service Charge	-258.70
Bill Pmt -Check	03/24/2025	ACH	The Energy Authority	CAISO Weekly	-202,026.11
Bill Pmt -Check	03/26/2025	ACH	EDPR CA Solar Park LLC II	Feb 2025-Contract Energy	-542,380.17
Check	03/27/2025	19388	Jesse Lopez	Model Stipend: 3/27/25 RCEA photoshoot	-50.00
Check	03/27/2025	19389	Sarah Gutierrez	Model Stipend: 3/27/25 RCEA photoshoot	-50.00
Check	03/27/2025	19390	Olivia Gambino	Model Stipend: 3/27/25 RCEA photoshoot	-50.00
Check	03/27/2025	19391	Candelaria Ramos Rosas	Model Stipend: 3/27/25 RCEA photoshoot	-50.00
Liability Check	03/28/2025	ACH	Ascensus	Paydate 03/28/25	-14,755.92
Liability Check	03/28/2025	ACH	CICCS Coalition for Controlling Insurance	March 2025 Premiums	-66.98
Liability Check	03/28/2025	ACH	Colonial Life	April 2025 Premiums	-3,352.18
Liability Check	03/28/2025	ACH	EDD	Paydate 03/28/25	-8,793.58
Liability Check	03/28/2025	ACH	Internal Revenue Service	Paydate 03/28/25	-38,571.93
Liability Check	03/28/2025	ACH	Keenan	April 2025 Premiums	-44,161.89
Liability Check	03/28/2025	ACH	Principal Life Insurance Company	April 2025 Premiums	-131.24
Liability Check	03/28/2025	ACH	Ascensus	Paydate 03/28/25	-13,006.68
Bill Pmt -Check	03/28/2025	ACH	CalPine Corporation	Calpine Feb 2025 Costs	-66,020.64
Bill Pmt -Check	03/28/2025	ACH	Leapfrog Power, Inc	Feb 2025 RA Invoice	-36,740.00
Bill Pmt -Check	03/28/2025	ACH	Mendocino Council of Governments	First Budget Payment for Set-up Activites	-45,703.48
Bill Pmt -Check	03/28/2025	ACH	Snow Mountain Hydro, LLC	Feb 2025 Electricity Generation	-150,698.17

Redwood Coast Energy Authority

Disbursements Report

As of March 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/28/2025	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA-Mar 2025	-16,900.00
Bill Pmt -Check	03/28/2025	WIRE	CA Community Power	1/19/25-1/18/26 Curated Service: WoodMackenzi	-15,579.95
Bill Pmt -Check	03/28/2025	WIRE	PG&E Voluntary Allocation	Oct 2024 Forecast Price- VA Long & Short term	-152,331.52
Liability Check	03/28/2025	19392	Ameritas - Dental	April 2025 Premiums	-2,712.32
Liability Check	03/28/2025	19393	Ameritas - Vision	April 2025 Premiums	-485.40
Check	03/28/2025	19394	CCE Customer	CCE Equipment Rebate -Res #241118-2322	-250.00
Check	03/28/2025	19395	NREN Customer	REN RES Equipment Rebate -NREN	-50.00
Check	03/28/2025	19396	NREN Customer	REN RES Equipment Rebate -NREN	-50.00
Check	03/28/2025	19397	NREN Customer	REN RES Equipment Rebate -250313-2498	-150.00
Check	03/28/2025	19398	NREN Customer	REN RES Equipment Rebate -250219-2435	-150.00
Check	03/28/2025	19399	NREN Customer	REN RES Equipment Rebate -250217-2431	-150.00
Check	03/28/2025	19400	NREN Customer	REN RES Equipment Rebate -250224-2445	-250.00
Check	03/28/2025	19401	NREN Customer	REN RES Equipment Rebate -250216-2429	-350.00
Check	03/28/2025	19402	NREN Customer	REN RES Equipment Rebate -250225-2446	-400.00
Check	03/28/2025	19403	NREN Customer	REN RES Heat Pump HVAC Rebate	-400.00
Check	03/28/2025	19404	NEM Customer	2025 NEM Payout-Transitional	-662.02
Check	03/28/2025	19405	NEM Customer	2025 NEM Payout-Transitional	-524.72
Check	03/28/2025	19406	NEM Customer	2025 NEM Payout-Transitional	-509.33
Bill Pmt -Check	03/28/2025	19407	Adventures Edge	Mar 2025: 1 E-Bike Voucher	-700.00
Bill Pmt -Check	03/28/2025	19408	Amazon.com	Monthly billing - Feb 2025	-421.47
Bill Pmt -Check	03/28/2025	19409	AT&T	RCAM charges: 03/01-03/28/25 for Acct. 3042 70	-28.45
Bill Pmt -Check	03/28/2025	19410	AT&T	RCAM charges: 03/07-04/06/25 for Acct. 4806 03	-330.21
Bill Pmt -Check	03/28/2025	19411	Boone, J.	Per Diem Meals: CAICCA Conf 2025	-195.00
Bill Pmt -Check	03/28/2025	19412	Briceland Volunteer Fire Department	Rx Burn trainings: 10/13 & 10/25/24	-8,000.00
Bill Pmt -Check	03/28/2025	19413	Burks, E.	Per Diem Meals: CAICCA Conf 2025	-110.00
Bill Pmt -Check	03/28/2025	19414	Busick, B.	Per Diem Meals: CAICCA Conf 2025	-110.00
Bill Pmt -Check	03/28/2025	19415	Carter Properties	917 3rd Street Office Lease - April 2025 rent	-2,375.00
Bill Pmt -Check	03/28/2025	19416	Concoby, M.	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19417	Donnelly, S.	Travel Reimb: NREN Qtr Meeting 2025	-90.44
Bill Pmt -Check	03/28/2025	19418	Engel, R.	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19419	Eureka Humboldt Fire Extinguisher Co. Inc	Fire extinguisher Maint for 917 3rd St	-45.00
Bill Pmt -Check	03/28/2025	19420	Frontier Energy, Inc.	RuralREN North Program Consulting - Feb 2025	-21,399.75
Bill Pmt -Check	03/28/2025	19421	Gwynn, J.	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19422	Humboldt Bay Coffee Co.	Office Coffee-633 3rd St	-51.90
Bill Pmt -Check	03/28/2025	19423	Humboldt County Fair	Vendor Application Fee-2025	-25.00
Bill Pmt -Check	03/28/2025	19424	Humboldt County Fair	Weekend Day Vendor Space rental fee	-290.00
Bill Pmt -Check	03/28/2025	19425	Kullmann, S.	Per Diem Meals: CAICCA Conf 2025	-110.00
Bill Pmt -Check	03/28/2025	19426	Law Offices of Susie Berlin	Feb 2025 Legal Services - RuralREN Support	-170.00
Bill Pmt -Check	03/28/2025	19427	Lorenzini, S.	Per Diem Meals: CAICCA Conf 2025	-195.00
Bill Pmt -Check	03/28/2025	19428	Marin Esther Photography	March 2025 Services: 2 invoices	-900.00
Bill Pmt -Check	03/28/2025	19429	Mission Linen & Uniform Service	March 2025 services & supplies: 4 invoices	-260.08
Bill Pmt -Check	03/28/2025	19430	Novotny, F.	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19431	NYLEX.net, Inc.	Onsite network support services - Apr 2025	-4,059.00
Bill Pmt -Check	03/28/2025	19432	Pacific Paper Company	March 2025 supplies: 2 invoices	-173.14
Bill Pmt -Check	03/28/2025	19433	PG&E CCA	Feb 2025 CCE Charges	-21,611.80
Bill Pmt -Check	03/28/2025	19434	PG&E Office Utility	02/04-3/05/2025 utilities for 917 3rd Street	-655.42
Bill Pmt -Check	03/28/2025	19435	Ramirez, M.	Per Diem Meals: CAICCA Conf 2025	-195.00
Bill Pmt -Check	03/28/2025	19436	Ramone's Bakery	RRGP RFQ Meeting-Pasteries & Coffee	-166.67

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/28/2025	19437	Regli, S	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19438	Rennie, J	Mileage reimbursement - Feb 2025	-93.80
Bill Pmt -Check	03/28/2025	19439	Revolution Bicycles	Mar 2025: 1 E-Bike Voucher	-700.00
Bill Pmt -Check	03/28/2025	19440	Ubeo Business Services	633 3rd St Printer Charges: 02/06-03/05/25	-156.30
Bill Pmt -Check	03/28/2025	19441	Verbeck, E.	March 2025: Per diem CAICCA & Reimb TERAS	-845.16
Bill Pmt -Check	03/28/2025	19442	Winzler, John	Office Lease - 633 3rd St. April 2025	-7,946.31
Bill Pmt -Check	03/28/2025	19443	WREGIS	Qty 8 Created/Retired transactions	-1.92
Bill Pmt -Check	03/28/2025	19444	Yakovleva, Vera A.	Per Diem Meals: CAICCA Conf 2025	-132.00
Bill Pmt -Check	03/28/2025	19445	Hooven & Reese, Inc.	Eureka & Fortuna EVSE contract	-49,225.72
Bill Pmt -Check	03/28/2025	19446	Hooven & Reese, Inc.	Arcata & McKinleyville EVSE contract	-5,344.05
Paycheck	03/28/2025	ACH	Employees	Payroll, 3/28/25	-94,720.40
Bill Pmt -Check	03/31/2025	ACH	The Energy Authority	CAISO Invoice #CISO032625-MAR	-195,909.22
TOTAL					<u>-5,512,611.63</u>

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2024 through March 2025

	Jul '24 - Mar 25	Budget	% of Budget
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	3,100.00	0.00	100.0%
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	4,995,715.70	8,502,834.00	58.75%
Total 5100 · Revenue - program related	5,942,826.56	5,950,888.00	99.87%
Total 5300 · Revenue - interest on deposits	1,052.33	0.00	100.0%
Total 5400 · Revenue-nongovernment agencies	335,179.50	501,000.00	66.9%
Total 5500 · Revenue - Electricity Sales	52,053,154.05	80,442,685.00	64.71%
Total 5 REVENUE EARNED	63,327,928.14	95,397,407.00	66.38%
Total Income	63,331,028.14	95,397,407.00	66.39%
Gross Profit	63,331,028.14	95,397,407.00	66.39%
Expense			
Total 6 WHOLESALE POWER SUPPLY	44,277,567.82	64,768,112.00	68.36%
Total 7 PERSONNEL EXPENSES	3,553,774.12	5,388,452.00	65.95%
Total 8.1 FACILITIES AND OPERATIONS	654,273.05	1,152,207.00	56.78%
Total 8.2 COMMUNICATIONS AND OUTREACH	107,242.53	276,200.00	38.83%
8.4 PROFESSIONAL & PROGRAM SERVICES			
8400 · Regulatory	104,969.44	164,300.00	63.89%
Total 8410 · Contracts - Program Related Services	400,129.83	3,179,444.00	12.59%
8420 · Accounting	93,324.00	290,000.00	32.18%
8430 · Legal	88,438.45	280,000.00	31.59%
8450 · Wholesale Services - TEA	651,366.81	875,603.00	74.39%
8460 · Procurement Credit - TEA	107,224.25	150,000.00	71.48%
8470 · Data Management - Calpine	578,822.26	855,276.00	67.68%
8480 · Customer Billing - PG&E	194,735.80	272,714.00	71.41%
8490 · NREN Partner Funds	509,332.98	2,836,190.00	17.96%
Total 8.4 PROFESSIONAL & PROGRAM SERVICES	2,728,343.82	8,903,527.00	30.64%
Total 8.6 INCENTIVES & REBATES	147,854.29	965,605.00	15.31%
Total 9 NON OPERATING COSTS	92,923.66	129,000.00	72.03%
Total Expense	51,561,979.29	81,583,103.00	63.2%
Net Ordinary Income	11,769,048.85	13,814,304.00	85.2%
Net Income	11,769,048.85	13,814,304.00	85.2%

Redwood Coast Energy Authority
Balance Sheet
As of March 31, 2025

	<u>Mar 31, 25</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	58,131.84
1071 · Umpqua Deposit Cntrol Acct 8215	4,669,036.63
1075 · Umpqua Reserve Account 2300	32,000,000.00
1077 · JP Morgan Chase Act 74999	399,967.48
Total Checking/Savings	37,127,435.95
Total Accounts Receivable	100,993.64
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-11,637,825.06
1103 · Accounts Receivable-Other	17,771,287.63
1120 · Inventory Asset	18,614.90
1205 · Prepaid Insurance	49,706.33
1210 · Retentions Receivable	32,176.31
Total Other Current Assets	6,233,960.11
Total Current Assets	43,462,389.70
Total Fixed Assets	9,958,548.33
Other Assets	
1700 · Security Deposits	4,202,456.19
Total Other Assets	4,202,456.19
TOTAL ASSETS	57,623,394.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	3,679,068.01
Total Credit Cards	20,393.13
Other Current Liabilities	
2002 · Deposits Refundable	1,013,130.01
2011 · NEM Escrow Liability	221,605.06
Total 2100 · Payroll Liabilities	217,571.17
2200 · Accrued Expenses	0.00
Total Other Current Liabilities	1,452,306.24
Total Current Liabilities	5,151,767.38
Total Long Term Liabilities	5,930,836.64
Total Liabilities	11,082,604.02
Equity	
3900 · Fund Balance	34,771,741.35
Net Income	11,769,048.85
Total Equity	46,540,790.20
TOTAL LIABILITIES & EQUITY	57,623,394.22



STAFF REPORT

Agenda Item # 4.3

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Faith Carlson, Regulatory and Legislative Policy Manager
SUBJECT:	2025 Policy Platform Update

BACKGROUND

On March 24, 2022, the RCEA Board of Directors adopted the RCEA 2022 Policy Platform (Platform), which is brought to the Board periodically for updates.

The purpose of the Platform is to deliver on RCEA's RePower Humboldt goals and maintain the operation of RCEA's various programs. The Platform allows RCEA to adopt regulatory and legislative positions in a timely manner without full Board approval if the position is aligned with the Board-approved platform. This Platform also informs RCEA's regulatory activities to ensure staff engagement aligns with the Board's priorities and RCEA's goals.

The 2024 Policy Platform and Draft 2025 Policy Platform support the following overarching policy priorities:

- To maintain local control to preserve the ability to self-procure its power resources, and to self-determine rates and the energy programs RCEA offers to its residents, businesses, and communities it serves, through the mechanisms of local governance;
- To restructure the electric utility sector to allow for increased government ownership of energy infrastructure;
- To ensure cost effective energy service and programming;
- To ensure transmission and distribution access reliability as well as access to energy resources;
- To provide equitable and just economic, resilience, and climate benefits to the local community;
- To maintain an efficient, transparent governance structure and operations.

At the March 2025 meeting the RCEA Board reviewed the draft 2025 Policy platform and requested additional language be developed to add support for policies that allow for tribal governments to be full participants in Community Choice Aggregation (CCA) business and to have Tribal Nations be recognized by the California Public Utilities Commission (CPUC) as public agencies for the purpose of being eligible to be direct recipients of CPUC program funding.

SUMMARY

Based on the direction received at the March 2025 Board meeting, staff revised the Draft 2025 Policy Platform to include 2 new policies.

Under Governance and Statutory Authority, item e. has been added to support policies that allow for tribal governments to be full participants in CCAs.

Additionally, item e. has been added to the Environmental Justice section to support Tribal Nations being recognized by the California Public Utilities Commission (CPUC) as public agencies for the purpose of being eligible to be direct recipients of CPUC program funding.

The attached Draft 2025 Policy Platform is the version received by the Board in March with the noted additions appearing in red text.

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

The Platform was developed to allow RCEA to efficiently engage in regulatory and legislative development supporting RCEA's ability to implement RePower Humboldt strategies and achieve the objectives articulated in RCEA's Mission Statement.

EQUITY IMPACTS

The Platform contains a section on "Environmental Justice" which includes "engag[ing] in policy that directly or indirectly impact the ability of rural, low-income, and underserved communities to have affordable, reliable and clean energy."

This section also includes support for policies that "enable all communities [...] to participate in the decarbonization of the state's electrical grid, building stock, and the transportation sector in a cost-effective manner," and support "for metrics and cost effectiveness rules that do not create a disadvantage in serving equity customers."

FINANCIAL IMPACT

Budgeted staff and legal expenses.

STAFF RECOMMENDATIONS

Approve 2025 RCEA Policy Platform.

ATTACHMENTS

Redwood Coast Energy Authority Draft 2025 Policy Platform, with redlined addition from direction at March 2025 Board meeting



REDWOOD COAST ENERGY AUTHORITY

2025 POLICY PLATFORM

INTRODUCTION

Redwood Coast Energy Authority (“RCEA”) is a joint-powers authority of the cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, Trinidad, the Yurok Tribe, Blue Lake Rancheria, County of Humboldt, and the Humboldt Bay Municipal Water District. The mission of RCEA is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient, and renewable resources available in the region for the benefit of the member agencies and their constituents.

This Policy Platform serves as a guide for regulatory and legislative engagement based on principles set forth in RCEA’s RePower Humboldt strategic plan. To review RCEA’s strategic plan, please see [RePower Humboldt 2019 Update](#)

AVENUES AND EXAMPLES OF ADVOCACY

Legislation and regulation are two distinct, but related, policy tools. Legislation sets principles of public policy, while regulation implements these principles and brings legislation into effect.

Examples of RCEA legislative advocacy include submitting letters in support or opposition of specific bills, as well as meeting with legislators in the California State Senate, the California State Assembly, U.S. House of Representatives, and U.S. Senate.

Most of RCEA’s regulatory engagement takes place through the California Public Utilities Commission, the primary State agency responsible for executing legislation and issuing regulations pertinent to Community Choice Aggregation (“CCA”) and Regional Energy Network (“REN”) operations. However, RCEA’s operations are also impacted by other state and federal agencies including but not limited to the California Energy Commission, the California Independent System Operator, the California Air Resources Board, the California Department of Water Resources, the Federal Energy Regulatory Commission, and the federal Bureau of Ocean Energy Management. Examples of advocacy in this sphere include meeting with agency staff, agency decision-makers, and submitting comments in response to regulations.

PROCEDURES

Regulatory Engagement: RCEA regulatory engagement at the CPUC and other agencies is conducted at the staff level under the authority of the Executive Director in a manner consistent with RCEA’s mission, this policy platform, RCEA’s strategic plan, and any applicable RCEA policies.

Legislative Advocacy: The RCEA Executive Director, or their designee, is authorized to adopt positions on legislative matters in a timely manner without Board approval if the position is aligned with the issue areas described below.

To keep the Board apprised of advocacy activities, staff will notify the full Board of any legislative positions taken by RCEA through periodic reports to the Board summarizing legislative engagement.

While the platform attempts to address a full range of issues of interest to RCEA, it is not intended to limit RCEA's engagement in other issues that may impact RCEA in a positive or negative way. Issues not addressed in the platform will continue to be brought to the Board on a case-by-case basis.

This platform will be brought to the RCEA Board on an annual basis for review and input.

ISSUE AREAS

1. Governance and Statutory Authority

RCEA will:

- a. Oppose policies that limit local governments or CCA rate-setting, programming, or procurement autonomy.
- b. Oppose policies that limit CCA and REN ability to effectively and affordably serve their customers.
- c. Support policies that allow CCAs and RENs to engage with their customers and promote transparency in their operations.
- d. Support policies that make it easier for jurisdictions to form or become members of a CCA or REN and oppose regulations and legislation that restrict such ability.
- e. **Support policies that allow for tribal governments to be full participation in CCAs.**

2. Restructuring the Electricity Utility Sector

RCEA will:

- a. Support policies that reduce reliance on Investor-Owned Utilities ("IOUs"), such as
 - i. Policies that support governments' ability to fund or own electric infrastructure, including transmission and distribution infrastructure.
 - ii. Policies that stabilize, remove, or reduce costs associated with leaving IOU service, such as the Power Charge Indifference Adjustment or costs associated with maintaining a Provider of Last Resort.
- b. Where IOU service is retained, advocate for:
 - i. Reforms to the utility regulatory and business model to transform IOUs into entities that solely provide transmission and distribution services.
 - ii. Efforts to discourage new gas infrastructure and retire or repurpose existing gas infrastructure.
 - iii. Reforms to the utility regulatory and business model to ensure IOUs deliver effective service to ratepayers, increase safety and reliability, and reduce costs.
 - iv. Greater collaboration to occur between CCAs, RENs, tribes, local governments, and IOUs, particularly in local planning efforts related to energy resources, load planning, and programs.
 - v. Increased data access to IOU data, such as customer program enrollment, meter data, and load planning data.
- c. Oppose policies that expand direct access.

3. Reliability

RCEA will:

- a. Support policies that reduce duration and frequency of power outages and improve grid reliability, such as **Public Safety Power Shut-Offs (“PSPS”)**.
 - i. Support policies that increase the notification and transparency requirements on IOUs as they implement a PSPS.
 - ii. Support policies that create standards for PSPS implementation and impose penalties on IOUs that execute PSPS below those standards.
 - iii. Support policies that call for equitable treatment of non-utility owned generation during PSPS events and during related islanded operation of sections of the grid.
- b. **Resource Adequacy (“RA”)**
 - i. Support reforms to the RA program to improve system reliability at a reasonable cost to ratepayers.
 - ii. Advocate for and support efforts to remove barriers to demand response, microgrids, and behind the meter resources to provide RA or other demand-reduction value.
- c. Advocate for transmission and distribution development and maintenance to allow for reliable customer access to the grid and connection of new resources and loads.

4. **Emergency and Disaster Response**

RCEA will

- a. Support policies to alleviate residential and commercial financial hardship caused by public health emergencies or natural disasters that could disrupt electricity service or restrict customer access to clean energy and transportation opportunities.

5. **Community Resilience**

RCEA will:

- a. Advocate for and support funding for programs implemented by local governments, CCAs, and RENs to increase community resilience to wildfires, PSPS events and other potential service disruptions.
- b. Support policies that reduce barriers to microgrid development by CCAs and other local entities including tribes and local governments.
- c. Support policies that expand the ability of non-IOU entities to develop microgrids (e.g., ensuring CCA access to ratepayer funds to develop microgrids).
- d. Support policies that increase the development of community level resources and distributed energy resources that reduce the need for new transmission and distribution infrastructure.

6. **Climate Action**

RCEA will:

- a. Support policies that increase resources for climate change mitigation and adaptation and support initiatives that will strengthen climate change mitigation and adaptation efforts.

7. **Energy Generation Sources**

RCEA will:

- a. Support policies that expand opportunities for, or reduce barriers to the development of resources that align with Board-adopted strategic plan goals and our energy risk policy, as long as local development and siting criteria are consistent with city and county land use authority,

- other local and state regulatory requirements, and informed by input from tribal governments.
- b. Oppose policies that require CCAs to purchase specific energy products, thus limiting the ability of CCAs to meet local energy needs in a cost-effective manner and in conflict with their local procurement and rate setting authority.
- c. Advocate for permanent waste solutions for nuclear plants and oppose policies that extend the life of Diablo Canyon Nuclear Power Plant.

8. Environmental Justice

RCEA will:

- a. Advocate for policies that align with RCEA's Racial Justice Plan.
- b. Engage in policy developments that directly or indirectly impact the ability of rural, low-income, and underserved communities to have affordable, reliable, and clean energy.
- c. Support policies that enable all communities, including emerging and historically marginalized communities, and individuals, regardless of race, color, national origin, religion, sexual orientation, sex, gender identity, age, disability, or socioeconomic status, in California to participate in the decarbonization of the state's electric grid, building stock, and the transportation sector in a cost-effective manner.
- d. Advocate for metrics and cost effectiveness rules that do not create a disadvantage in serving equity customers.
- e. **Support and advocate for policies that allow Tribal Nations to be recognized by the California Public Utilities Commission (CPUC) as public agencies for the purpose of being eligible to be direct recipients of CPUC program funding.**

9. RCEA Programs

RCEA will support policies that:

- a. Protect CCA and REN autonomy to administer programs, including but not limited to:
 - i. Integrated demand side management (including but not limited to microgrids, distributed energy resources, demand response, energy efficiency, electrification, distributed generation and storage, vehicle-to-grid storage)
 - ii. Low-carbon transportation (including but not limited to advanced fuel deployment, fuel efficiency, fueling infrastructure)
 - iii. Energy generation and utility services (including but not limited to rates and tariffs, transmission and distribution infrastructure)
- b. Protect Public Purpose Program support for energy efficiency programs.
- c. Support non-regulated fuels, such as propane, to be treated comparably with natural gas in allowing for electrification incentives.
- d. Avoid interruptions, gaps, or reductions in program funding.

10. Local Economic Development and Environmental Objectives

RCEA will:

- a. Support policies that enhance opportunities for local governments, CCAs, and RENs to promote local economic and workforce development through locally designed programs that meet the unique needs of its member agencies and customers.
- b. Support efforts to enhance development of local and regional sources of renewable energy, including efforts to establish Humboldt Bay as the primary west coast hub for the offshore wind

industry

- c. Support policies that enable CCAs and RENS to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.

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REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.4

AGENDA DATE:	May 22, 2025
TO:	RCEA Board of Directors
FROM:	Faith Carlson, Regulatory and Legislative Policy Manager
SUBJECT:	Federal Activity Update

SUMMARY

As of May 14, President Donald Trump signed over 152 Executive Orders, 39 Memoranda, and 54 Proclamations. Many of these actions have implications for the energy sector or to trade. Although RCEA's routine operations are not federally funded, these executive orders will affect our work. Currently, the only RCEA project directly impacted by these orders continues to be the Tribal Energy Resilience and Sovereignty project (TERAS), which is currently under review by the Department of Energy.

Many of these executive orders already face legal challenges which may affect their implementation.

Energy related measures have started gaining traction in Federal Legislature, some of which would affect programs that stack with RCEA and NREN programs.

EXECUTIVE BRANCH

Below is a non-exhaustive list of Presidential Actions that may be relevant to RCEA. Please see the attachment to this staff report for additional information on each action.

- Executive Actions Related to Energy and the Environment:
 - Regulatory Relief for Certain Stationary Sources to Promote American Energy
 - Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241
 - Strengthening the Reliability and Security of the United States Electric Grid
 - Protecting American Energy from State Overreach
 - Zero-Based Regulatory Budgeting to Unleash American Energy
 - Restoring America's Energy Dominance
 - Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Projects
 - Unleashing America's Offshore Critical Minerals and Resources
- Executive Actions Related to Deregulation:
 - Directing the Repeal of Unlawful Regulations
 - Reducing Anti-Competitive Regulatory Barriers
 - Fighting Overcriminalization in Federal Regulations

- Other Executive Actions
 - Restoring America's Maritime Dominance
 - Restoring Equality of Opportunity and Meritocracy

The table below summarizes the tariff actions taken by the current administration:

Country	Rate	Status
China	125% paused, 30% in effect	125% in effect 4/10/25. In addition to the Executive Order lowering tariffs for 90 days to 34% and 54% based on certain conditions, the administration announced an additional 90-day reduction to 30%. China has in turn announced a reduction from 125% to 10% on US goods.
All Steel and Aluminum	25%	In effect 3/12/25
Canada	25% (10% for energy products)	Delayed on 3/6/25
Mexico	25%	Delayed on 3/6/25
All Automobiles and Auto Parts	25%	In effect 4/3/25
All	10%+	10% baseline in effect 4/5/25, baseline+ reciprocal tariffs delayed on 4/9/25

JUDICIAL BRANCH

As of 4/11/25, as a response to two court cases challenging Council on Environmental Quality (CEQ) authority, and the Executive Order, "Unleashing American Energy" the CEQ removes regulations implementing National Environmental Policy Act (NEPA) from the Code of Federal Regulations, encouraging agencies to use 2020 NEPA as a framework for their own NEPA implementation procedures.

Pending Litigation

- 4/16/25 California filed suit challenging President Trump's authority to impose tariffs.
- 5/5/25 California and 17 states filed a suit over the legality of the Executive Order "Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects."
- 5/9/25 California and 14 other states sue Trump administration over legality of the Jan. 20 Executive Order "Declaring a National Energy Emergency."

LEGISLATIVE BRANCH

The US Federal House of Representatives Ways and Means Committee is working on markups to “The One, Big, Beautiful Bill,” a budget reconciliation bill not exclusively related to energy. The bill includes an extension of tax cuts, energy measures, and healthcare measures, among other topics. The bill still needs to pass the House and Senate, and receive signature from President Trump and is in the early phases of House review.

If passed as written, the bill would take these actions related to energy:

- Rescind various IRA unobligated funds, notably including for Energy Efficiency Training, Advanced Technology Vehicle Manufacturing, financing programs, Tribal loans, Offshore Wind transmission planning and financing.
- Repeal various IRA programs, including funding for EV purchases, EPA “Green Banks” program, Diesel Emissions Reduction Act, air monitoring, air pollution in schools, outreach, Climate Change Action Plans, and environmental justice programs.
- Implement a pay-for-permit framework, which would require approval or acceleration of permitting and leasing upon payment of varying fees by developers.
- Establish a De-Risking Compensation program at the DOE, which would compensate eligible coal, critical minerals, oil, natural gas, and nuclear project sponsors that enroll in the program for unrecoverable losses for projects that are unviable or delayed due to future federal actions.
- Appropriate new funds and rescind varying other funds related to energy and the environment.
- Repeal emissions and fuel economy standards for model years 2027 and beyond.
- Extend by 10 years the date by which Methane Emissions Reduction Program charge shall be imposed and collected.
- Reduce key tax incentives for development of renewable energy projects, with full credits remaining until 2028, then decreasing annually until reaching 0% in 2032. Includes limits on Chinese, Iranian, North Korean, and Russian company ownership, component, and subcomponent use.

IMPACTS

The full scope of impacts continues to be uncertain. As a result of some of the above actions, there may be state and local policies related to decarbonization that are identified for litigation.

These actions are influencing the cost of energy and pace of renewable energy project development. Tariffs have led to an increase in imported energy prices and affected the supply chain needed to build energy infrastructure, resulting in slower timelines and increased costs. Prioritization and streamlining of regulations could speed timelines up for some projects, including coal and liquid natural gas projects. However, tax incentive rollbacks would increase utility-scale and residential energy development costs.

The US Energy Information Administration (EIA) has stated that due to tariffs on China, China has announced that they no longer will import US liquid natural gas, though another destination

is expected to be found. Due to slowing economic activity, the EIA predicts less world oil consumption. Due to multiple factors, they predict residential energy prices will rise.

There is potential for increased support for port development in Humboldt County, though likely not related to offshore wind.

Lastly, in response to past executive orders, the Securities and Exchange Commission will not defend the Climate Disclosure Rule, which required all public companies to disclose emissions created by their products after sale and would have gone into effect starting 2026. This may affect other decarbonization policies and transportation electrification.

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

Staff will continue to track Federal actions and identify those that may impact RCEA's ability to deliver on the goals and strategies in the RCEA strategic plan.

FINANCIAL IMPACT

The TERAS project's \$88 million in federal funding has been paused. The broad financial impacts are currently unknown.

STAFF RECOMMENDATION

Receive federal activity report. No action needed.

ATTACHMENTS

RCEA-Relevant Presidential Actions



RCEA-Relevant Presidential Actions

Actions Related to Energy and the Environment

Date	Action	Summary	Notes
4/8/25	Presidential Proclamation: Regulatory Relief for Certain Stationary Sources to Promote American Energy	<ul style="list-style-type: none"> - Coal-fired energy is essential for reliability, affordability, and security. “Unattainable emissions controls” puts these missions in jeopardy. - The Environmental Protection Agency’s (EPA) rule 89 FR 38508 puts burdens on coal-fired plants and the proclamation exempts coal-fired plants from it. 	<ul style="list-style-type: none"> - May increase coal and coal energy production nationwide.
4/8/25	Executive Order: Reinvigorating America’s Beautiful Clean Coal Industry and Amending Executive Order 14241	<ul style="list-style-type: none"> - It is the policy of the US that coal is essential to our national and economic security. - Orders the designation of coal as a “mineral” and investigation to if it fits the definition of “critical mineral”. - Orders an assessment of coal resources on federal lands within 60 days. - Prioritizes leasing federal lands for coal mining. - Orders various reviews and elimination of regulations, guidance, and programs that seek to transition the nation away from coal production and energy generation. - Orders actions to promote export opportunities for coal and coal technologies. - Orders an expansion of categorical exclusions for coal under the National Environmental Policy Act (NEPA). - Orders a report within 60 days related to coal power for AI data centers. - Orders an action plan for coal technology deployment to be developed in 90 days. 	<ul style="list-style-type: none"> - May increase coal and coal energy production nationwide.
4/8/25	Executive Order: Strengthening the Reliability and Security of the United States Electric Grid	<ul style="list-style-type: none"> - States that it is US policy to ensure the reliability, resilience, and security of the electric power grid, which requires our grid to use all available power generation resources. - Orders streamlining of Department of Energy (DOE) processes in emergency conditions, related to reserve margins and resources that are critical for system reliability. 	<ul style="list-style-type: none"> - May limit the retirement of coal and natural gas plants around the country and in CA.
4/8/25	Executive Order: Protecting American Energy from State Overreach	<ul style="list-style-type: none"> - States the administration’s commitment to oil, natural gas, coal, hydropower, geothermal, biofuel, critical mineral, and nuclear energy resources. - States that energy dominance is threatened by state and local government “climate change” regulation, with specific mention of New York and Vermont fines on GHG emissions, and California cap-and-trade. 	<ul style="list-style-type: none"> - State and local decarbonization policies may be identified for litigation.



		<ul style="list-style-type: none"> - Directs the Attorney General to identify and report all State and local laws burdening the identification, development, siting, production, and use of domestic energy resources that may be unconstitutional, preempted by Federal law, or otherwise unenforceable within 60 days. 	
4/9/25	Executive Order: Zero-Based Regulatory Budgeting to Unleash American Energy	<ul style="list-style-type: none"> - Directs certain agencies to incorporate a sunset provision into their regulations governing energy production to the extent permitted by law with the goal of periodic regulatory examination. - Covered agencies include the EPA, DOE, FERC, and Nuclear Regulatory Commission, Office of Surface Mining Reclamation and Enforcement, Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, US Fish and Wildlife Service, Department of the Interior, and US Army Corps of Engineers. Specific regulations identified by agency. - Not later than 9/30/25, all listed regulations shall have a conditional sunset date, with the sunset date no later than 9/30/26. Any new regulation covered by this order shall have a sunset date not more than 5 years. - Agencies shall provide the public with an opportunity to comment on the costs and benefits of each regulation prior to a rule's expiration. 	<ul style="list-style-type: none"> - May lead to the sunset of climate change and environmental regulations. - Rule reexamination may allow for increased stakeholder input in the development of new rules.
4/15/25	Executive Order: Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Projects	<ul style="list-style-type: none"> - States that critical minerals are essential for economic security, resilience, and national security. - Orders the Secretary of Commerce to investigate and report the effects of imports of processed critical minerals and their derivative products on national security within 90 days, with a final report and recommendations due within 180 days. 	<ul style="list-style-type: none"> - Potentially allows for cancellation of tariff exemption for critical minerals, which make up components of renewable power resources.
4/24/25	Executive Order: Unleashing America's Offshore Critical Minerals and Resources	<ul style="list-style-type: none"> - Strategic minerals defined as nickel, cobalt, copper, manganese, titanium, uranium, copper, potash, gold, and rare earth elements. - Encourages streamlined permitting without compromising environmental and transparency standards, increased investment, and increased agency and international ally coordination. - Orders actions to expedite licensing, leasing, and permitting seabed exploration, resource recovery, and processing in US and interested ally jurisdiction. - Orders actions to identify availability and need for seabed resources. - Orders minerals storage, financial, and regulatory analysis and recommendation. 	

Actions Related to Deregulation

Date	Action	Summary	Notes
4/9/25	Presidential Memorandum: Directing the Repeal of Unlawful Regulations	<ul style="list-style-type: none"> - The Department of Government Efficiency (DOGE) review and repeal of regulation to with priority for specific Supreme Court decisions named in this order. - Directs agencies to finalize rules without notice and comment process where consistent with the “good cause” exemption in the Administrative Procedure Act. - For any policy identified by EO 14219 for repeal and not repealed, within 30 days of the end of the review period, agencies must submit a one-page summary of the regulation explaining the basis for the decision to not repeal that regulation. 	
4/9/25	Executive Order: Reducing Anti-Competitive Regulatory Barriers	<ul style="list-style-type: none"> - Within 70 days, directs agencies, in consultation with the Federal Trade Commission and Attorney General, to identify regulations that facilitate the creation of monopolies, create barriers to entry, limit competition, or create licensure or accreditation requirements that unduly limit competition, with a public comment window to follow. 	<ul style="list-style-type: none"> - May result in the identification of some EPA policies.
5/9/25	Executive Order: Fighting Overcriminalization in Federal Regulations	<ul style="list-style-type: none"> - Disfavors criminal enforcement of criminal regulatory offenses. - “Prosecutions of criminal regulatory offenses should focus on matters where a putative defendant is alleged to have known his conduct was unlawful.” - Orders annual reporting of criminal regulatory offenses enforceable by agencies and range of potential criminal penalties for a violation. - All future proposed and final rules published in the <i>Federal Register</i> to include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute. - Within 45 days, each agency to publish plan to address criminally liable regulatory offenses and their referral criteria to the DOJ. 	<ul style="list-style-type: none"> - May make enforcement of environmental and other violations more challenging.

Actions Related to Trade

Date	Action	Summary	Notes
4/2/25	Executive Order: Regulating Imports with a Reciprocal Tariff	<ul style="list-style-type: none"> - Declares a national emergency arising from conditions around trade deficits based on an investigation on trade deficits per a 1/20/25 Presidential Memo. 	



	to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits	<ul style="list-style-type: none">- Calls upon public and private sector to make efforts necessary to strengthen the international economic position of the US.- On 4/5/25, all imports from all trading partners shall be tariffed 10%, with the exception of Canada and Mexico.- On 4/9/25, additional country specific tariffs will be imposed according to Annex I.- Annex II outlines goods that are exempt from the order.- A 25% tariff imposed on Mexico and Canada, with 10% on CA energy imports.- Duty fees still apply.	
4/8/25	Executive Order: Amendment to Reciprocal Tariffs and Updated Duties as Applied to Low-Value Imports from the People's Republic of China	<ul style="list-style-type: none">- In response to China imposing a 34% tariff on the US, increases the tariff on Chinese goods to 84%.	<ul style="list-style-type: none">- A later proclamation clarifies that semiconductors are exempt from the tariff.
4/9/25	Executive Order: Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment	<ul style="list-style-type: none">- In response to China matching the 84% tariff, increases the tariff on Chinese goods to 125%.- Pauses supplemental tariffs on all other countries, aside from a universal 10% tariff.	<ul style="list-style-type: none">-
4/29/25	Executive Order: Addressing Certain Tariffs On Imported Articles	<ul style="list-style-type: none">- Clarifies that previously ordered tariffs should not “stack” on the same import, and clarifies which should apply.	<ul style="list-style-type: none">-
5/12/25	Executive Order: Modifying Reciprocal Tariff Rates to Reflect Discussions with the People's Republic of China	<ul style="list-style-type: none">- Previous Executive Orders on tariffs included terms that if trading partners took “significant steps to remedy non-reciprocal trade arrangements and align sufficiently with the United States on economic and national security matters” tariffs may be modified. This Executive Order states that China has taken such steps by entering trade discussions with the US and lowers tariffs to 34% and 54% based on certain conditions for 90 days.	<ul style="list-style-type: none">- Tariffs directly increase the cost to produce clean energy due to insufficient domestic manufacturing.



Other Actions

4/9/25	Executive Order: Restoring America's Maritime Dominance	<ul style="list-style-type: none">- States that it is US policy to revitalize and rebuild domestic maritime industries and workforce to promote national security and economic prosperity.- Within 210 days, the various agencies shall submit a Maritime Action Plan.- Directs an investigation of the People's Republic of China's "unfair targeting of maritime, logistics, and shipbuilding sectors."- Ensure the collection of harbor maintenance fees and other charges when products are imported through Mexico or Canada as a means to avoid fees.- Within 90 days, deliver a plan to collaborate with allies towards these goals.	<ul style="list-style-type: none">- Potential for funding opportunities for Humboldt Bay Harbor District
4/23/25	Executive Order: Restoring Equality of Opportunity and Meritocracy	<ul style="list-style-type: none">- Disavows disparate-impact liability, defined as the "presumption of unlawful discrimination exists where there are any differences in outcomes in certain circumstances among different races, sexes, or similar groups, even if there is no facially discriminatory policy or practice or discriminatory intent involved, and even if everyone has an equal opportunity to succeed."- Revokes related Executive orders and Presidential Actions.- Orders agencies to deprioritize enforcement and repeal statutes and regulations that include disparate-impact liability.- Orders promotion of equal access to employment regardless of whether an applicant has a college education, where appropriate.	<ul style="list-style-type: none">-

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REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.5

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Annual Dues and Participation Costs for California Community Power

BACKGROUND

RCEA is a member of California Community Power (CC Power), a California joint powers agency comprised of Community Choice Aggregators (CCAs). CC Power “allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals.” CC Power General and Administrative costs (G&A) are shared evenly by the current nine members. CC Power, through a strategic planning process with the members, also plans joint actions with costs that are allocated pro-rata by load share.

SUMMARY

The proposed CC Power G&A costs for fiscal year 2025-2026 are about \$175,000 for each member. This amount is about a 26% increase over the G&A contribution for the 2024-2025 fiscal year and reflects the maturation of CC Power, including an additional staff member.

RCEA’s share of the budget allocated for joint actions is about \$90,000. This work will include participation in the annual joint solicitation, exploration of alternative technologies, transmission education and strategizing, and building capacity for in-house scheduling coordination of CC Power-procured generation.

Last year the Board authorized RCEA to enter into four power purchase agreements and energy storage service agreements through CC Power to meet the Mid-Term Reliability Order from the California Public Utilities Commission. Initial costs associated with RCEA’s participation in those projects have already been paid, and anticipated costs for fiscal year 2025-2026 are included in the draft budget.

In addition to those projects, Staff are interested in participating in three additional initiatives next fiscal year: a long-duration storage project, geothermal project origination, and the remaining due diligence for CADEMO (an offshore wind project in State waters). Project-specific costs are shared by members who “opt-in” and may ultimately change, but Staff expect to spend up to \$300,000 towards RCEA’s share of the costs of previously approved agreements and the new initiatives.

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

Participation in CC Power supports RCEA’s RePower Humboldt strategic plan goals, particularly those in section 4, Energy Generation & Utility Services, which pertain to RCEA’s role as a CCA. CC Power has benefited RCEA by allowing participation in joint power procurement efforts that would have otherwise been costly and potentially completely out of reach for RCEA due to its relatively small size amongst load-serving entities.

EQUITY IMPACTS

N/A

FINANCIAL IMPACT

RCEA’s share of CC Power costs are included in the draft 2025-2026 fiscal year budget. Costs are split between Facilities and Operations (dues and memberships) and Professional and Program Services.

STAFF RECOMMENDATION

Approve Payment of California Community Power Annual Dues of Up to \$175,000 And Joint Action Share of Up to \$90,000 And Special Projects Participation Fees of Up to \$300,000 for Fiscal Year 2025-26.



STAFF REPORT
Agenda Item 4.6

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Patricia Terry, Senior Portfolio Manager Lexie Perez, Senior Contracts and Grants Manager
SUBJECT:	NREN Normalized Metered Energy Consumption (NMEC) Program Support Services Contract Award

Background

The California Public Utilities Commission (CPUC) issued Decision D.24-09-031, effective September 26, 2024, that approves the Northern California Rural Regional Energy Network (RuralREN North or NREN) to deliver energy efficiency programs to underserved rural customers.

Summary

RCEA, serving as Lead Portfolio Administrator of NREN, issued RFP-25-603, a solicitation for support services for Normalized Metered Energy Consumption (NMEC) based savings programs. The consultant will assist with program design and calculations using customer meter data to determine actual energy savings for projects in the residential and commercial (non-residential) customer sectors. Staff sent the request for proposals (RFP) to multiple qualified firms and posted it publicly on RCEA's website and the California Energy Efficiency Coordinating Council's (CAEECC) solicitation site.

On April 26, 2025, RCEA received four complete, responsive, and responsible bids. A selection committee - consisting of RCEA, Sierra Business Council, and NREN's administrative and technical consultant Frontier Energy - reviewed the proposals and interviewed the highest scoring three firms that submitted proposals. Based on the scoring criteria set forth in the RFP, the proposal submitted by kW Engineering, an engineering firm based in Oakland, CA, scored the highest.

Respondent Name	Review Committee Averaged Score
kW Engineering	88.6
AESC	81.6
Recurve Analytics	81.4
Cascade Energy	76.8

kW Engineering is qualified to perform this work, having many years of experience supporting NMEC-based savings programs and other energy efficiency programs, including services for other RENs such as BayREN and SoCalREN. kW Engineering has a combination of technical expertise, flexibility, and capability to support the unique program design needs of NREN. In addition to scoring the highest for meeting the criteria of the RFP, kW's proposal also offers the lowest overall pricing estimate. Staff recommends authorizing RCEA to enter into an agreement with kW Engineering to perform the NMEC program support services.

kW Engineering has indicated a willingness to sign RCEA's standard Professional Services Agreement published with the RFP with one non-substantive revision requested to insurance language, as indicated in their attached proposal, which has been reviewed and approved by staff.

FINANCIAL IMPACTS

This professional services agreement has a not to exceed budget of \$318,000. These expenses will be recovered through NREN revenue.

EQUITY IMPACTS

RENs in general, and the NREN in particular, are designed to reach customers that otherwise are not being reached by existing ratepayer-funded programs. The NREN NMEC programs will ensure that hard-to-reach, disinvested, disadvantaged, and underserved rural non-residential customers are empowered to better manage their energy use and cost through increased awareness, support resources, a trained workforce and access to financing to improve their homes and businesses.

RECOMMENDED ACTIONS

Award professional services agreement to kW Engineering to perform the Northern Rural Energy Network Normalized Metered Energy Consumption program support services for a not to exceed value of \$318,000 through June 30, 2028, and authorize the Executive Director to execute all applicable documents.

ATTACHMENTS

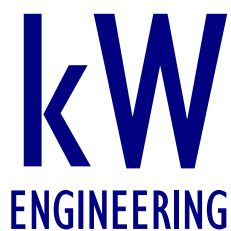
- A. kW Engineering Response to RFP-25-603

NMEC PROGRAM SUPPORT SERVICES RESPONSE

RFP-25-603

Northern California Rural Energy Network
April 24, 2025

Prepared By:



kW-engineering.com

Prepared For:



**Northern Rural
Energy Network**

1. Cover Letter	iii
2. Company Overview	4
3. Statement of Qualifications	5
3.1 Qualifications and Experience (Firm and Personnel)	5
3.1.1 Firm's Expertise.....	5
3.1.2 Data Security Policies	14
3.1.3 Staffing Plan and Resumes of Key Staff	14
3.1.4 Organization and Staffing Chart	18
3.1.5 List of Subcontractors	19
3.2 Availability and Project Schedule.....	19
3.2.1 Proposed Project Schedule.....	19
3.3 References.....	22
3.4 Approach to the Scope of Work.....	25
3.4.1 Task 1: Program Coordination and Reporting	25
3.4.2 Task 2: Development	26
3.4.3 Task 3: Launch and Ongoing Implementation.....	29
3.4.4 Task 4: Reporting	31
4. Project Fee Proposal.....	33
Fee Schedule	33
Terms.....	34
5. Additions, Deletions, and Exceptions	35
5.1 Revision Request to Standard Agreement Section 9.6	35
5.2 kW Engineering's Proposed Revision	35
5.3 Reason for Proposed Revision	35
Appendix A. Attachments	36



Dear Selection Committee,

kW Engineering is pleased to provide our proposal response to RFQ 25-603 - NMEC Program Support Services to support Northern California Rural Energy Network's Commercial NMEC Program. With over 26 years of dedicated experience in providing the engineering services sought by the Redwood Coast Energy Authority, our team is well-equipped to meet and exceed your expectations.

We understand your requirements for knowledgeable engineers to provide consulting, design support, and implementation support for Normalized Metered Energy Consumption (NMEC) based residential/commercial programs for the Northern California Rural Energy Network. Our dedicated team has been integral to all NMEC and Populated NMEC programs currently operating in California. We have designed and continue to support residential / commercial site level NMEC and population-based programs for Southern California Edison (SCE), Pacific Gas & Electric (PG&E), San Diego Gas & Electric (SDG&E), Southern California Gas (SCG), San Francisco Public Utilities Commission (SFPUC), and the Southern California Regional Energy Network (SoCalREN). We acknowledge the comprehensive scope of work outlined in the RFP. We are dedicated to executing all tasks as scheduled, ensuring the delivery of high-quality technical support to the NREN team. Our commitment extends to meeting project turnaround times and providing an exceptional level of customer service across all outlined responsibilities.

To meet the specific needs of this contract, we have assembled a dedicated team of key personnel. Antonio Huizar will serve as the Principal-In-Charge and is duly authorized to represent kW Engineering in all matters related to this proposal. Assisting him closely will be Dr. David Jump, overseeing the program design and M&V support.

Having thoroughly reviewed the contractual terms and conditions, we have identified no necessary alterations to the contract. We hereby certify the receipt of all addenda issued by NREN. Additionally, we do not have any current relationships with RCEA, SBC, MCOG, or Lake APC that would pose a conflict of interest. The required appendix forms have been duly included in our response.

We are enthusiastic about the prospect of contributing to the success of the Northern Rural Energy Network and sincerely appreciate your consideration of our proposal. For any questions or further information, please do not hesitate to contact us. Thank you for your time and consideration.

Sincerely,

A solid black rectangular box used to redact the handwritten signature of Antonio Huizar.

Antonio Huizar, P.E.

Executive Vice President/Principal

562.760.7793

huizar@kw-engineering.com

287 17th Street, Suite 300, Oakland, CA 94612 p: 510.834.6420
kw-engineering.com

2. Company Overview



In 1998, two visionary engineers embarked on a mission to transform the energy landscape. Their shared ambition was to establish kW Engineering as the foremost technical experts dedicated to identifying opportunities for energy conservation, reducing carbon footprints, and enhancing the bottom lines of our valued customers in the commercial sector.

The seeds of this remarkable journey were sown, and kW Engineering's vision has flourished over the years. With unwavering commitment, we expanded our original Northern California footprint, establishing regional offices in Southern California, Utah, Idaho, and New York. kW Engineering has been in business for over 26 years since our company's founding in 1998 under Kilowatt Engineering, Inc., dba kW Engineering, Inc. In 2023, Jim Kelsey, the company's founder and CEO, retired, passing the torch to Sanjiv "Sunny" Devnani, who established our Salt Lake City office in 2005 and has grown it to a team of over 30 people. Our mission to deliver excellence and client satisfaction has remained the cornerstone of our endeavors, propelling us forward.

kW Engineering has earned the trust of discerning clients through our technical prowess, quality assurance, cost-effectiveness, responsiveness, integrity, and dedication to the cause of energy conservation. We continuously push the boundaries of our field, employing the latest tools, technologies, and best practices. Every project we undertake is an opportunity to showcase our expertise, refine our craft, and reinforce our reputation. With hundreds of satisfied long-term clients, we have become a recognized leader in the energy industry.

kW Engineering builds trust and confidence through industry-standard Measurement and Verification (M&V) services. We apply M&V methods to assure our clients that their savings are realized, including independent engagements with individual customers and through high-participation utility energy efficiency programs. We actively develop best practices in data acquisition and analytics to cost-effectively demonstrate real energy performance. We actively engage with the development of M&V standards through organizations such as the Efficiency Valuation Organization and ASHRAE.

Our journey continues to be a testament to our unwavering commitment to shaping a more cost-effective and energy-efficient future. Partnering with clients across various sectors—government, municipal, K-12, healthcare, and higher education—we continue to inspire and enable positive change through innovation, excellence, and integrity.

Please see Exhibit A – Firm Business Information, which has been attached to our appendix.

Main Contact: Antonio Huizar, P.E., Executive Vice President/Principal |

Email: huizar@kw-engineering.com | **Phone:** 562.760.7793

Office Address: 287 17th Street, Suite 300, Oakland, CA 94612 | **Telephone:** 510.834.6420

Fax: 510.834.6421 | **Website:** kw-engineering.com

Federal Tax ID Number: 86-1121883 | **Type of Organization:** C-Corporation

3. Statement of Qualifications

3.1 QUALIFICATIONS AND EXPERIENCE (FIRM AND PERSONNEL)

3.1.1 Firm's Expertise

kW Engineering has been a very active leader in the development and support of normalized metered energy consumption (NMEC) and similar meter-based approaches for quantifying the impacts of energy efficiency programs. Since 2015, when California legislation enabled NMEC programs and methods, kW Engineering has helped the industry develop best practices in program design and implementation and supported its growth in numerous ways. Some highlights of our NMEC experience are described below.

In 2020 through today, kW Engineering became the M&V contractor for Seattle City Light's (SCL) Energy Efficiency as a Service Program. Following the Metered Energy Efficiency Transaction Structure (MEETS), SCL acted as a financial intermediary for efficiency project developers to develop and install projects and receive payment over time based on savings. Participating building energy baselines were affected by the decreased occupancy during the COVID pandemic. kW Engineering helped City Light analysts develop granular profiles (GPs) based on similar building energy use data and we used them in baseline energy models to account for these low occupancy effects. GPs are a common method to account for exogenous effects in population NMEC programs.

Currently in 2025 for San Francisco's upcoming population NMEC – based Food Service program, we have tested GPs that are available on the CALMAC website¹ for their ability to describe energy use behavior of selected food service groups in San Francisco. The goal is to use them in population NMEC analysis to determine program savings. We are developing criteria based on pre-screening buildings to direct them into a population-based or site-level NMEC savings approach. kW Engineering is responsible for developing the program implementation and M&V plans, including setting up program application and verification processes, rules for engagement with implementers, and will conduct the population NMEC data analysis.

In 2022, SCE engaged us to help them develop the Summer Reliability Market Access Program for their service territory, which emphasized summer peak period demand reduction projects in the building sector. We assessed market sectors that could deliver savings during these peak times and provided calculators for aggregators to estimate the Total System Benefits (TSB) for achieving peak period savings in these preferred sectors. Incentives were set based on measured TSB rather than traditional dollars per energy or demand unit approaches. We also set up a streamlined program application and a measure verification process so that aggregators and participants could quickly engage with customers, install efficiency measures, and receive their quarterly incentive payments. We remain engaged with this program as the last projects performance years come to an end.

For Southern California Edison (SCE) starting in 2018, kW Engineering helped determine program designs and measurement and verification (M&V) requirements for a High Opportunity Programs and Projects (HOPPs – a precursor to NMEC) efficiency program serving the public sector. Using site-level NMEC methods, kW Engineering assisted with developing the advice

¹ www.calmac.org.

letter, wrote the program M&V Plan, and acted as SCE's M&V contractor to pre-screen candidate buildings, develop project M&V Plans, and perform the savings analysis and incentive calculations for three different milestones in the post-installation period. To date, kW Engineering has completed over 25 pre-screenings, 15 project M&V Plans, and 25 savings reports.

Through this engagement we have developed methods to assess and account for the various non-routine effects and impacts, whether exogenous to the building sector (such as reduced occupancy due to the COVID pandemic) or originating from the site itself. We identified data sources that served as proxies for building occupancy and used their data in energy adjustment models. We examined changes in rates of savings accumulation, analyzed residual patterns between models and data, and used engineering calculations to adjust for non-routine energy uses. These techniques were shared to the Efficiency Valuation Organization (publishers of the industry standard M&V Guide IPMVP) so that it could be published as part of an application guide for non-routine events and adjustments.

For Southern California Gas (SoCalGas) in 2018 we wrote advice letters to enable HOPP and NMEC programs serving restaurants, the public sector, and the lodging industry and provided consulting and technical review of project submittals during program operation.

For PG&E in 2019 we assisted in the development of their own NMEC programs servicing public and commercial sector buildings. We developed the program M&V Plan and report templates for each milestone of each project: Pre-screening Report, M&V Plan, Installation Report, Savings Progress Report, and Final Savings Report. We have served as technical reviewers for program projects and were assigned the more complicated NMEC projects. We also created and run the PG&E Smart Labs and Cool Save third-party NMEC programs.



To help each Program Administrator (PA) and offer some standardization, kW Engineering developed the **NMEC analysis software 'nmecr'** and placed it in the public domain. An open-source R package, 'nmecr' analyzes commercial building energy consumption using a meter-based, whole-building approach for M&V. It is based on popular building energy use modeling algorithms developed at Lawrence Berkeley National Laboratory and Texas A&M's Energy Systems Labs. 'nmecr' has been used in multiple NMEC programs in California and other states, as well as in projects in Europe. Visit our [nmecr](#) page for more information.

kW Engineering has conducted **training** sessions at SoCalGas, SCE, and PG&E on NMEC programs and processes for PAs and implementers. We have developed and conducted training on each M&V option including NMEC (Option C) at PG&E's Energy Center.

While NMEC's meter-based approach shares project risk appropriately with customers, its pay for performance approach differs from customized and deemed methods of which the industry is familiar. kW Engineering's senior SME attends California Public Utility Commission (CPUC) meetings on the development of NMEC methods and requirements and provides expert review and feedback in formal proceedings. Currently kW Engineering is working with the California Technical Forum and SDG&E to define processes that streamline implementation of NMEC.

This background and experience also led kW Engineering to be selected by SCE when they sought assistance in developing their Summer Reliability population NMEC Market Access Program in 2022. Needing to pull together and launch a program quickly as directed by the

governor's order, which sought to reduce peak period demand to relieve electric grids throughout the state, kW Engineering assisted SCE by engaging a population NMEC M&V provider, developing program processes and requirements, documenting the M&V Plan, and providing technical review of each project application and installation reports.

kW Engineering staff are contributors to industry standards in energy auditing and measurement and verification through the US Department of Energy Federal Energy Management Program, ASHRAE, and the Efficiency Valuation Organization. We are currently developing methods to integrate analysis of demand side resources including demand response and energy storage, and quantify benefits from decarbonization projects.

Leading M&V Industry Expertise

Dr. David Jump, P.E., CMVP, PMVA is one of the industry's leading M&V experts, providing program guidance and recommendations for regional, state, national, and international entities. In addition to leading kW Engineering's efforts in supporting utility programs, Dr. Jump frequently contributes to industry standards through utility M&V plans, conference presentations, and trainings. David has contributed to M&V guidelines for the US Department of Energy, ASHRAE and the Efficiency Valuation Organization (EVO). **Below is a non-exhaustive list of David's extensive work in M&V programs:**

- 25+ NMEC M&V Plans developed and 15 M&V Savings Reports authored for SCE's PSPBR program
- 5+ Program Support Letters on behalf of SCE, PG&E, and SoCalGas for the California Public Utilities Commission
- Developed Program Level M&V Plans and Templates for PG&E, SCE, SoCalGas, Seattle City Light, and Bonneville Power Administration
- Contributor to the US DOE's FEMP M&V Guidelines, ASHRAE Guideline 14, and EVO's International Performance Measurement and Verification Protocol (IPMVP)
- Delivered NMEC training at PG&E Energy Center, SCE, and SoCalGas
- Presented at ACEEE, Emerging Technology Forums, CA EM&V Council, and more

David has also led kW Engineering's M&V efforts to support the following utility programs:

- San Diego & Electric Industrial Strategic Energy Management Program
- San Diego Gas & Electric Customer Process Improvement
- San Francisco Public Utilities Commission – Food Service Sector
- SCE Public Sector Performance-Based Retrofits Program
- Seattle City Light Energy Efficiency as a Service Program
- Southern California Regional Energy Network Metered Savings Program
- SoCalGas Gas Model Acceptance Study

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Working with David Jump and the kW Engineering team has been an asset across multiple utility programs. For Southern California Edison, David and Antonio assembled and led a highly capable team to design and implement a population-based Summer Reliability Program (SRP), aligning technical innovation with program goals. For the San Francisco Public Utilities Commission, David led the critical task of evaluating granular load profiles to identify food service sector groups eligible for population-level NMEC—laying the groundwork for data-driven program design. David and his team bring deep technical insight, strategic thinking, and a collaborative approach that make them exceptional partners for utility clients like us.

**- Brian Maloney,
SFPUC Utility Specialist, Formerly PG&E**

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Program Experience

The following section demonstrates kW's Engineering's experience in providing NMEC design and implementation services for California utilities. We have included 6 examples of California utility programs, including 2 Regional Energy Networks, demonstrating our experience with each task outlined in NREN's NMEC Program scope of work. Below is a summary table of our utility program experience, followed by detailed program examples for each utility.

Utility Program Experience Table

	Program Name	Task 1: Program Coordination	Task 2: Development	Task 3: Launch and Implementation	Task 4: Reporting
1	Southern California Regional Energy Network (SoCalREN)	✓	✓	✓	✓
2	Bay Area Regional Energy Network (BayREN)	✓	✓	✓	✓
3	Pacific Gas & Electric (PGE)	✓	✓	✓	✓
4	San Francisco Public Utilities Commission (SFPUC)	✓	✓	✓	✓
5	Southern California Edison (SCE)	✓	✓	✓	✓
6	Southern California Gas (SoCalGas)	✓	✓	✓	✓

Southern California Regional Energy Network (2013 – Present)

Project Size: 86 Site | **Annual Cost Savings:** \$850,000

Annual Electricity Savings: > 5 million kWh | **Annual Gas Savings:** > 300,000 therms

Project Summary

Under contract to the Energy Coalition, kW Engineering provided energy auditing, project management, construction management, commissioning, and measurement and verification services for their Project Delivery, Metered Savings, Pathway to Zero, and Benchmarking programs. The goal of this project was to reduce energy consumption electrical demand, greenhouse gas emissions, and maintenance costs in city-run facilities including City Hall, office buildings, libraries, parks, and museums. kW performed full comprehensive lighting and mechanical audits of 86 facilities.

- Energy Audit tasks included utility bill, benchmarking, and energy balance analysis, followed by facility staff interviews, and full site surveys. kW performed investment-grade calculations of potential energy efficiency and demand response measures.
- Specification and design tasks included creating bid documents for mechanical and lighting contractors, conducting and scheduling contractor facility walk-throughs, reviewing contractor bids, and aiding selection.



- Construction Management tasks included document management, responding to RFIs from contractors, and providing owner representation and quality control throughout the construction phase.
- Commissioning and Measurement and Verification (M&V) tasks include drafting and witnessing functional performance tests, verifying proper system operation through trend data, and calculating the realized energy savings based on trend data.
- As SoCalRen's Metered Savings Program's NMEC M&V service provider, we provided project pre-screening, M&V Plan development, and 12-month savings reports for public entities participating in this program. Potential projects' energy data was used to determine whether the building was sufficiently 'predictable' using ordinary least squares regression modeling with modeling algorithms in kW Engineering's 'nmecr' software. Detailed M&V Plans were developed as part of the Project Applications. Savings reports were developed after 12 months of post-installation data had been collected. Focusing mainly on K-12 schools and municipal buildings, we analyzed savings for over 20 site-level NMEC projects. Because the buildings' energy use were primarily influenced by ambient temperature, occupancy, and building operation schedule, kW's 'nmecr' software's time-of-week-and-temperature model was used to quantify savings. The effects of the COVID pandemic on occupancy were seen in many of the buildings, as were other non-routine events. We successfully addressed these issues in various ways, including identifying additional independent variables and sources, extending baseline or performance periods, and examining changes in savings accumulation rates.

Bay Area Regional Energy Network (BayREN) (2013-Present)

Project Summary

kW Engineering is the technical assistance provider for BayREN's ZNE/C program which provides free (CPUC-funded) engineering technical assistance to help local governments save energy and money while reducing their carbon footprints. The program helps municipalities retrofit or construct buildings to meet zero net energy (ZNE) or zero net carbon (ZNC) goals by providing



engineering analysis and recommendations for efficiency, renewables and electrification projects. Our clients include the Counties of San Mateo and Sonoma, Cities of Belmont, Berkeley, Menlo Park, Oakland, Piedmont, San Carlos, Santa Rosa, Sonoma, and Corte Madera.

Tasks Include:

- Site audits and portfolio reviews
- Review of energy models and design strategies
- Municipal ZNE/ZNC roadmap development
- Municipal portfolio review
- Scope of work development
- Project cost estimation
- Procurement strategy recommendations

Program website: <https://www.bayren.org/zero-net-energyzero-net-carbon-assistance-municipal-buildings/technical-assistance-program>

Pacific Gas and Electric (PGE) (2004 – Present)

Energy Efficiency Program Support (2004 – Present)

kW Engineering has been a pivotal partner for PG&E since 2004, undertaking multifaceted support across various programs to enhance energy efficiency. Support for the Large Integrated Audits (LIA) program involved meticulous energy audits for institutional, commercial, industrial, and agricultural customers, showcasing a 93% success rate in driving audits towards implementation and verified energy savings.



In the Technical Review realm, kW Engineering's contributions to PG&E's Customized Retrofit Incentives Program and Third-Party Programs have resulted in over \$46 million in annual energy cost savings and \$30 million in incentives. Their role extends beyond review, often providing technical guidance and field measurements.

As a top provider for PG&E's Core Retro-Commissioning (RCx) program since 2007, kW Engineering has investigated 100 sites, completing 65 projects with verified annual energy savings of 43.4 million kWh and 1.48 million therms.

Engaging in PG&E's California Solar Initiative (CSI) and Self-Generation Incentive Programs (SGIP) since 2002, kW Engineering has conducted over 2,000 site inspections, totaling approximately 158,000 kW of installed power. Their expertise includes project verification, report generation, and providing technical support and training. This comprehensive collaboration underscores kW Engineering's commitment to driving sustainable and efficient energy solutions for PG&E and its diverse programs.

Smart Labs and Cool Save NMEC Incentive Programs (2021-2025)

Projected Annual Savings: 7.5 million kWh & 450,000 therms

Contract Amount: >\$10 million

Program Summary

kW's Smart Labs Program is a retrofit program for laboratory buildings in PG&E service territory that provides incentives and critical technical assistance with airflow management, risk mitigation, implementation, and long-term performance planning. The Program implements the best practices of a Smart Labs process by largely focusing on a systematic risk assessment to set the ventilation needs of laboratory environments. Program info can be found here: <https://smartlabs.energy/>. Through this program kW Engineering has enabled many clients to implement lab improvement projects, including UC Davis, UC San Francisco, Gilead, Genentech, and Stanford University.

kW's CoolSave Program is a comprehensive energy efficiency program for grocery stores in PG&E service territory that provides incentives and technical assistance. The Program provides scoping studies to identify retro-commissioning and capital improvement opportunities with refrigeration, HVAC and lighting systems in large grocery stores. Program info can be found here: <https://coolsave.energy>

For both CoolSave and Smart Labs programs, the kW Engineering team performed program design, marketing, recruitment, site evaluations, calculations, implementation support, commissioning, regulatory review, measurement and verification, and incentive processing. These programs provide incentives based on a normalized metered energy consumption (NMEC) based measurement and verification (M&V) approach. As the administrator of these programs, kW Engineering manages the M&V and performance-based incentive payment process.

San Francisco Public Utilities Commission (2015–Present)

For over 15 years, we have served as a key design and implementation partner in advancing the San Francisco Public Utilities Commission's (SFPUC) sustainability goals. Our work has centered on developing and executing technically robust, M&V-integrated energy and electrification projects across a broad portfolio of municipal facilities—including City Hall, libraries, public health clinics, homeless shelters, and cultural institutions.



As the energy project owner's representative, we provided end-to-end services that were grounded in a rigorous approach to performance tracking and verification. Key areas of focus included:

- Conducting energy and electrification audits to establish baselines and identify savings opportunities aligned with M&V best practices
- Developing design documents and specifications with embedded M&V frameworks to support accurate savings estimation and post-implementation validation
- Managing project development and Job Order Contracting (JOC) to expedite delivery while maintaining M&V-driven quality and cost controls
- Overseeing construction and commissioning, with continuous coordination to ensure that installed systems met both design intent and measurable performance targets
- Executing Measurement and Verification (M&V) plans, including monitoring protocols, savings analysis, and reporting in accordance with IPMVP standards.

We were reselected for four consecutive 5-year service contracts, a testament to the technical rigor and reliability of our M&V-centered project delivery model. Our recent work has included electrification design and implementation for a variety of sites—from smaller Health Services clinics to large civic buildings like San Francisco City Hall. During electrification rollouts, we acted as construction managers, with responsibilities including:

- Optimizing thermal load and system design to reduce heating and hot water energy use.
- Electrical infrastructure assessments to accommodate new high-efficiency equipment.
- Detailed equipment selection and integration design, ensuring systems were compatible with existing building operations and M&V protocols.
- Technical bid and design reviews, ensuring contractor scopes aligned with energy performance goals.

Stakeholder engagement was a constant throughout the project lifecycle. We coordinated with city departments and contractors to facilitate implementation and ensure that commissioning and M&V activities were executed smoothly. Our team delivered clear, actionable reporting that helped clients interpret results and realize long-term operational benefits.

By embedding M&V considerations directly into the design and implementation process, we ensured that sustainability investments translated into verifiable outcomes—supporting SFPUC's long-term vision for energy efficiency, cost savings, and climate action.

Food Services Program

In the fall of 2024, kW Engineering was engaged by SFPUC to assist in developing a population NMEC approach for food sector buildings in San Francisco through its CleanPower SF Utility. Essential considerations for this program were maintaining low program overhead for customers, streamlining participation and documentation requirements, and serving large

populations. The program intends to engage aggregators who are responsible for customer engagement and offer incentives based on achieved group savings through population NMEC methods. For customers that do not qualify, the program will offer site-level NMEC or more traditional deemed or custom approaches. We have focused on the use of granular profiles for the population NMEC approach and completed data collection and testing of their explanatory power for the various food service groups (restaurants, grocery stores, wholesale markets, convenience stores, bars, etc.). We are setting up program implementation and M&V plans, assisting SFPUC in recruiting program implementers/aggregators, establishing project application requirements, verifying procedures, and preparing for program launch. kW Engineering will provide engineering support through the project application and installation processes and serve as the program M&V provider.

Southern California Edison (2010 – Present)

SCE Summer Reliability Market Access Program (Population NMEC) (2021 to present)

Project Size and Impact: Over 350 commercial projects and 6,000 residential projects

Annual Cost Savings: Over \$20 million

Annual Energy Savings: Over 110 million kWh and 3,200 kW demand savings

Utility Incentives: Over \$30 million



Southern California Edison (SCE) selected kW Engineering to design and provide engineering support of their Summer Reliability Program (SRP) that offers participants performance-based compensation to reduce energy usage during times of high grid stress with the goal of avoiding rotating outages while minimizing costs to ratepayers. The program assists commercial and residential customers to purchase and install energy efficiency (EE) measures to reduce electricity demand. David Jump, Antonio Huizar, and Robert Garcia led this effort to provide SCE's first ever Population based NMEC program.

Services

kW's responsibilities involved:

- Designing the Summer Reliability Program
- Developing the Project Application and Calculation Guidelines
- Developing the Program M&V Plan
- Establishing the Total Systems Benefit Compensation Terms
- Developing the Summer Reliability Program Manual
- Training the Trade Professionals and Stakeholders
- Developing the Technical Review and Inspection Guidelines
- Designing the Population NMEC Engine
- Performing Site Inspections
- Performing Due Diligence Technical Reviews of all Applications
- Performing the Installed Savings Analytics for Compensation Payments
- Developing the Program Database

Codes & Standards Support

kW Engineering developed a web-based Building Electrification Modeling Tool to allow for the comparison of multiple design alternatives for building electrification, load flexibility analysis, and utility rate analysis. The tool allows for simple energy models to be developed using a web-

based wizard. A variety of different system types are supported as well as DEER-defined baseline systems for various vintages and climate zones.

The tool consists of a web interface that allows users to create accounts, log in, and create new projects. Each project includes the selection of a building prototype that the user is allowed to customize. Multiple alternative designs, each consisting of potentially multiple measures, can be defined by the user. A number of building electrification and load flexibility measures that are available to the user were developed.

The web application uses the OpenStudio SDK to articulate models based on the user specifications and simulate the building energy model in Energy Plus. Output reports are processed and presented to the user through the web interface. The reports include hourly load profile, energy cost based on tariffs, and hourly carbon emissions based on location. The resulting OpenStudio model is available for download.

Currently, kW Engineering hosts and maintains the Building Electrification Modeling Tool developed for SCE. One large-scale building electrification analysis has been implemented to date. This involved modeling DEER prototypes updated to meet Title 24 standards for solar and battery storage across all SCE climates zones. The models were simulated in the web based OpenStudio modeling tool and output reports were provided to SCE.

Customized Incentive Program (CIP)

For over ten years, kW Engineering has supported Southern California Edison's (SCE) Customized Incentive Program (CIP) by providing high-quality, cost-effective engineering, consulting, and project management services. Work includes:

Technical review of program applications, installation reports, measurement & verification (M&V) plans, and operating reports. Tasks have included conducting pre- and post-installation inspections, reviewing engineering savings, providing savings calculation assistance to customers, making recommendations for project approval, tracking project status, as well as M&V planning and response assistance.

Measure customer equipment to verify energy consumption, loading, and operating performance. At SCE's request, kW conducted M&V of energy savings on emerging technologies and presented results to SCE's account representatives for distribution to their customers.

Work collaboratively with SCE's customers to estimate energy savings accurately and with supporting data to stand up to regulatory review. This technical assistance includes reviewing customer energy bills, monitoring energy consumption, estimating savings using bin simulations, energy usage analysis using eQUEST, and presenting results to the customers for review and approval.

Southern California Gas (SoCalGas)

Program Summary

SoCalGas engaged kW Engineering to provide engineering support services for their NMEC HOPPs, Industrial SEM, RCx, and Custom Incentive programs by providing energy audits, technical reviews, training, NMEC M&V plans, regression analysis, incentive support, and NMEC annual performance verification analysis.

SoCalGas partnered with SCE's HOPPs program to offer customers gas savings incentives using the site-level NMEC method. kW Engineering served as SoCalGas' M&V contractor to pre-screen potential buildings, integrate gas NMEC methodologies into M&V plans, and provide savings reports based on the performance period data. We have also provided technical review



for SoCalGas' site-level NMEC third party programs. Currently we are SoCalGas' technical reviewer for its third party population NMEC program for hospitals.

In 2022 we were engaged by SoCalGas to investigate alternate criteria for accepting natural gas energy models for use in site-level and population-based NMEC projects. Gas usage in many commercial buildings is very low or zero through the warm months of the year, which causes the CPUC's current criteria CV(RMSE) to exceed the acceptable limit (25%) for most gas models. We collected natural gas data from SoCalGas, PG&E, and SDG&E, and investigated the accuracy of different modeling algorithms using out-of-sample model predictions and also different accuracy metrics. Our recommendation of using ASHRAE's fractional savings uncertainty (FSU) method, because it increased model acceptance rates, was cited in the CPUC's proposed NMEC Rulebook 2.0.

3.1.2 Data Security Policies

Data Security Policies for Utility Customer Data

Our organization is committed to protecting the security and privacy of all customer data. We adhere to industry standards and best practices, including ISO 27002, to ensure the security, resilience, and compliance of our operations while safeguarding customer data. Our policies include but are not limited to data encryption, access control, regular audits, and incident response.

These policies are consistent with those we use with other organizations through which we receive customer data, ensuring a uniform approach to data security across all our operations.

Data Retention and Destruction Policies

Our data retention and destruction policies are designed to ensure compliance with federal and state laws, eliminate accidental or innocent destruction of records, and facilitate efficient operations. We follow the minimization principle of only collecting data necessary for the specified purposes and retaining it only as long as needed.

PGE Green Button/Share My Data API Experience

Our firm is fully capable of obtaining customer data using PG&E's Green Button/Share My Data API. We have maintained access to this API since 2015 in support of multiple engagements. This API allows us to access detailed energy usage information in a standardized file format, empowering customers to share their data securely and efficiently.

3.1.3 Staffing Plan and Resumes of Key Staff

Our team offers deep expertise in Measurement and Verification (M&V) practices, with a strong focus on applying Normalized Metered Energy Consumption (NMEC) methodologies. Each team member brings hands-on experience in advanced energy analytics, utility data analysis, and the application of industry-standard M&V protocols such as IPMVP Option C. This collective background ensures we can deliver rigorous, transparent, and verifiable energy savings analyses aligned with program requirements and regulatory standards.

Brief resumes for key team members are included below to highlight our relevant experience with M&V, NMEC, and utility incentive programs. Full resumes for each team member have been included in Appendix A: Attachments for reference.

Antonio Huizar, P.E.**Project Role:** Principal-In-Charge

Antonio Huizar is a Principal at kW Engineering and licensed professional engineer who has been in the energy efficiency industry since 2002. Antonio's experience includes energy efficiency, demand response, emerging technologies, commissioning, retro-commissioning (RCx), HVAC system design, measurement & verification, codes & standards (C&S), on-site audits, field data collection, normalized metered energy consumption (NMEC), utility program design, and whole building modeling. Antonio currently manages all our major contracts with utility clients in California and New York.

Education and Training

- B.S., Mechanical Engineering, California Polytechnic State University, 2002
- Professional Engineer CA #M35305
- NFPA 1910 Certified
- ASHA 1910 Certified
- ASHRAE Member

David Jump, PhD, P.E., CMVP**Project Role:** NMEC M&V Program Manager

David Jump has over 28 years of experience delivering engineering and energy efficiency services to utilities and large commercial clients. His expertise includes measurement and verification (M&V), meter-based program development, commissioning, and oversight of energy savings performance contracts across diverse sectors such as healthcare, education, laboratories, and industrial facilities. As a leading expert in M&V, he has contributed to key industry M&V standards, including DOE's FEMP Guidelines, ASHRAE Guideline 14, and EVO's IPMVP. David also led the development of an open-source NMEC analysis tool and provides regulatory input on the California Public Utilities Commission's meter-based efficiency programs.

Education and Training

- Ph.D., M.S. and B.S., Mechanical Engineering, University of California – Santa Barbara
- Professional Engineer CA #M30240
- Certified Measurement and Verification Professional (CMVP)

Graham Lierley, P.E.**Project Role:** Implementation Support Program Manager

Graham Lierley has over fifteen years of experience providing energy efficiency and renewable energy engineering services. His expertise includes energy audits, energy modeling, energy savings measurement and verification (M&V), building retro-commissioning (RCx), program management, and renewable energy design and inspection. He is currently kW's program manager of PGE's CoolSave grocery incentive program (a third-party whole-building incentive program). He also facilitates kW's internal grocery refrigeration working group.

Education and Training

- B.S., Environmental Engineering, Humboldt State University
 - Professional Engineer CA #M37898
 - ASHRAE Member
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<p>Roberto Garcia, P.E. Project Role: Senior Engineer II</p> <p>Roberto is a licensed professional engineer at kW Engineering with over a decade of experience in the energy efficiency sector. Since joining kW in 2019, he has focused on conducting ASHRAE Level I and II energy audits for diverse commercial, educational, and industrial clients. His expertise extends to program management of technical reviews for local utilities. Roberto's passion for energy savings and technical support is driven by his ability to leverage data-driven decision-making to validate and quantify the significant impact of retro-commissioning activities on a facility.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.S., Mechanical Engineering, Iowa State University, 2014 ▪ Professional Engineer CA - #39368
<p>Kyle Wolfe Project Role: M&V Engineer</p> <p>Kyle joined kW Engineering as an intern in May 2023, quickly became an invaluable asset, and transitioned to a full-time role after graduating from California State Polytechnic University in January 2024. At kW, Kyle has heavily contributed to the ongoing development and utilization of in-house NMEC software for site-level energy modeling and kW Link for monitoring-based commissioning of HVAC systems. Additionally, Kyle has conducted and delivered reports for ASHRAE Level 1 and Level 2 audits.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.S., Environmental Resource Engineering, California State Polytechnic University – Humboldt, 2023 ▪ Engineer In Training
<p>Maggie Jacoby, PhD Project Role: Senior Data Analyst</p> <p>Maggie joined the M&V team in 2021, after completing her Ph.D. in architectural engineering. Through her academics, she performed research on developing machine learning algorithms to detect building occupancy and increase energy efficiency. She also has experience with data analysis in Python and R, applying machine learning algorithms for fault detection and predicting whole-building energy use. She performs M&V, energy audits, load calculations, and develops savings opportunities. Since joining the team, Maggie has been integral to kW's utility efficiency programs.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ Ph.D., Architectural Engineering, University of Colorado – Boulder, 2021 ▪ B.S., Mathematics, University of California – Davis, 2010
<p>Griffin Taylor Project Role: Senior Engineer</p> <p>Griffin is a Senior Engineer with 13 years of experience in the energy efficiency sector, including six with kW Engineering. He specializes in technical reviews, field inspections, and performance verification for various incentive-supported projects for PG&E, including thermal energy storage, retrofits, and new construction. Griffin also has a solid background in energy modeling for Title 24 and LEED projects and has played a significant role in field research and studies, including PG&E's Code Readiness Study and Home Energy Use Study.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.A., Energy Management and Design, Sonoma State University, 2012

<p>Benjamin Onato Project Role: Project Engineer</p> <p>Benjamin Onato was introduced to energy efficiency in 2020 and began working professionally in the energy efficiency industry in 2021. Since then, he has successfully helped deliver multiple energy audits, retro-commissioning projects, and electrification/decarbonization feasibility studies. His curiosity for innovative solutions, paired with his realistic expectations, results in practical yet effective recommendations for his clients.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.S., Mechanical Engineering, California State Polytechnic University, 2021 ▪ Engineer In Training ▪ N4 TCP Level 1 ▪ ASHRAE Member
<p>Pratik Raj Khadka Project Role: M&V Engineer</p> <p>Pratik joined kW Engineering in August 2023 after graduating from the University of California - Davis. He has quickly expanded his knowledge in HVAC, refrigeration systems, building management systems, and energy efficiency strategies. His ability to connect and communicate with customers has been instrumental in his success in moving energy efficiency projects forward. Throughout his time at kW, Pratik has become experienced in projects ranging from retro-commissioning and energy efficiency consulting to technical reviews for utility programs.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ M.S., Energy Systems, University of California – Davis, 2023 ▪ B.S., Mechanical Engineering, Kathmandu University, 2019 ▪ Engineer In Training ▪ LEED Green Associate
<p>Preet Amin Project Role: M&V Engineer</p> <p>Preet joined kW Engineering in September 2023 after graduating from University of California, Davis. Since joining, he has worked on many MBCx and RCx projects. He has also worked on energy modeling projects and helped with utility incentive programs. He has experience with evaluating savings for data center projects and helping a client reduce their water usage across the country. Preet is currently working towards getting his P.E. license in California.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.S., Mechanical Engineering, Computer Science – Minor, University of California – Davis, 2023 ▪ Engineer In Training
<p>Samantha Berman Project Role: Engineer</p> <p>Samantha joined kW Engineering in September 2023 after graduating from UCLA. She has quickly expanded her knowledge in HVAC, refrigeration systems, building management systems, and energy efficiency strategies. Samantha has passed the Professional Engineering (PE) exam and will be officially licensed after gaining the necessary years of experience in September 2025. In her current role, Samantha is involved in technical reviews and energy audits and works directly with utilities to implement clean energy solutions.</p>	<p>Education and Training</p> <ul style="list-style-type: none"> ▪ B.S., Mechanical Engineering, University of California – Los Angeles, 2023 ▪ Engineer In Training

3.1.4 Organization and Staffing Chart

The following organizational chart illustrates kW Engineering's proposed program team for Northern Rural Energy Network's Commercial NMEC services. Antonio Huizar, P.E., will be the Principal-In-Charge, with David Jump, PhD, P.E., CMVP, leading the M&V NMEC team, including program design and development. Graham Lierley, P.E., will lead the Implementation Support team. Our proposed NMEC M&V team includes experienced M&V engineers and data analysts who will perform M&V/NMEC analysis and calculations, as well as complete reports. We have also included four experienced engineers on the Implementation Support team, who can assist with customer project applications and installations support.



3.1.5 List of Subcontractors

kW Engineering is responding to Northern Rural Energy Network's RFP as the sole firm on the NMEC Commercial Program Support Services. Our team has the bandwidth and expertise to deliver the full scope of services and is not partnering with subcontractors. Please see the Exhibit B – List of Subcontractors Form confirming no subcontractors in the Appendix of our response.

3.2 Availability and Project Schedule

Our team is fully prepared and committed to supporting the NREN NMEC Program from day one. We have dedicated staff with the bandwidth, availability, and experience to begin work and deliver on program goals immediately. With deep expertise in NMEC and utility program implementation, our team is structured for timely, consistent, and scalable support throughout the contract term. Personnel based in Northern California will enable responsive coordination with RCEA staff and program partners. We recognize the importance of sustaining momentum, especially during program launch, and are ready to begin Program Design and Implementation aligned with RCEA's requested timeline, including the Kick-Off Meeting in late May 2025, pending contract award and execution. We are also flexible and responsive to schedule adjustments as needed to meet RCEA's evolving priorities.

3.2.1 Proposed Project Schedule

Task	Deliverables	Timeline
Contract Execution	Upon contract award, kW Engineering will complete contract execution with Northern Rural Energy Network (NREN) and confirm the program timeline.	3 rd Week of May 2025
Kick-off Meeting	Schedule and facilitate a kick-off meeting within two weeks of contract execution. kW Engineering will provide the meeting agenda and minutes.	4 th Week of May 2025
Task 1- Program Coordination and Reporting		
1.1 Coordination	After gaining an understanding of the current program design and implementation duties, kW Engineering will develop an RASCI Chart and a Program Flow Chart with NREN staff to design the program and determine roles and responsibilities for implementation.	July 1 st 2025
1.2 Check-in Meetings	Check-in Meeting Schedule – kW Engineering will schedule and lead project check-ins, including providing meeting agenda and minutes	Scheduled weekly

Task 2 - Development		
2.1 Determine Site-Level or Population-Level Approach	kW Engineering will coordinate with NREN staff to determine a site-level or population-level approach for the Residential and Commercial RA programs.	Within 4 weeks of obtaining customer data from NREN
2.2 Program Documents	kW will develop M&V plans and proposal for structure and methodology for project-level M&V plans. Methodology will be based on the CPUC Rulebook based on NMEC and Option C Technical Guidance. kW will collaborate with NREN staff to update Program Implementation Plans with the NMEC process. Deliverables include Timeline to Launch, Process Flow Chart, Program M&V Plan, and Program Implementation plan.	By September 1 st 2025
2.3 Quality Assurance/ Quality Control	kW Engineering will serve as an unbiased party, responsible for reviewing project work, ensuring appropriate documentation, and promoting continuous improvement in program delivery.	By September 1 st 2025
Task 3 – Launch and Ongoing Implementation		
3.1 Customer Project Feasibility	kW Engineering will determine customer eligibility for NMEC projects based on energy assessments from NREN staff. kW will work directly with NREN staff to receive data collected about the site, and obtain customer usage data via PG&E Green Button or Share My Data, or directly from NREN if needed. Using data collected, kW will confirm the viability of opportunities identified by NREN staff and identify additional opportunities.	Ongoing – From program launch to Dec 2027
3.2 Customer Project Application	kW will identify recommended actions for energy savings, perform energy savings calculations for recommendations, develop project-specific M&V plan and document methodology, and work with NREN staff to calculate incentives for measures. kW will also work with NREN staff to prepare content for customer proposals and detail how all activities related to customer eligibility verification, incentive determinations, and measurement savings and documentation will be managed. Deliverables include a per-project list of recommendations and associated energy savings and equipment specifications.	Ongoing – From program launch to Dec 2027

3.3 Customer Project Installations	kW Engineering will partner with NREN staff to collect any data or information required for project close-out, including updating savings/incentive calculations with final installation specifications. kW will implement NMEC M&V plan and provide any savings persistence tips to facility personnel and NREN staff. Deliverables include per-project energy savings estimates for reporting of NMEC project upon project completion.	Ongoing – From program launch to Dec 2027
3.4 Monitoring Period	kW Engineering will work with NREN staff to receive 12 months of post-intervention load data for customers. kW will work with NREN staff to check customer data 1-2 months into the reporting period to ensure appropriate monitoring is occurring. kW will follow the NMEC rulebook for quantifying savings at the meter. Deliverables include per-project closeout calculations and quantification of savings at the meter.	Ongoing – From program launch to Dec 2027
Task 4 - Reporting		
Monthly Reports and Monthly Data	kW will draft and deliver final project level M&V reports to be delivered for each project that has completed its monitoring period according to CPUC reporting standards. kW Engineering will provide monthly energy savings calculations for NREN's monthly reports.	The 15 th of the following month through December 2027
Quarterly Data	kW Engineering will provide quarterly true-ups of energy savings form completed projects, to provide NREN staff with the necessary data for quarterly claims.	30 days after the end of each quarter through December 2027

3.3 References

Below are five recent clients for whom we have provided comparable NMEC, M&V, and program support services within the past five years. Our references highlight our extensive experience providing NMEC program development, M&V services, and energy efficiency program support to local governments, utilities, and regional energy networks. Each project reflects our ability to deliver high-quality technical services aligned with the scope of work outlined in this RFP. All references are from the past five years and demonstrate our commitment to supporting public sector and utility-administered energy efficiency initiatives.

The references below include contact information for the principal client representatives who can speak directly to the quality, effectiveness, and collaborative nature of our work.

San Francisco Public Utilities Commission			
Name:		Title:	
Phone:		Email:	
Date:		Cost:	
Mailing Address:			
Project Description:			
<p>kW Engineering provides population NMEC program development services for SFPUC’s CleanpowerSF utility’s Food Services Program. We collected information to determine the populations of various food service sectors (identified by their NAICs codes) and assessed various comparison group structures. Settling on use of synthetic controls because of the availability of PG&E-territory granular profiles (GPs) on the CALMAC.org website, we developed and completed a testing plan to identify the significant GPs for the food service sectors in San Francisco. We developed the program process flow and implementation plan and are completing the program M&V Plan. The plans describe the program process activities, their requirements and timing, incentive rates, and roles and responsibilities of involved parties. We assist the SFPUC project manager to coordinate with other program administrators to identify potential program implementers. This program is unique in that it will serve interested customers with site NMEC and custom or deemed approaches in the case they don’t qualify for the Population NMEC program offering.</p>			

Pacific Gas & Electric (PG&E)			
Name:		Title:	
Phone:		Email:	
Date:		Cost:	
Mailing Address:			
Project Description:			
<p>Since 2004, kW Engineering has been a key partner in supporting Pacific Gas and Electric's (PG&E) energy efficiency programs, delivering a wide range of technical services across multiple sectors. Their work in the Large Integrated Audits (LIA) program has resulted in a 93% implementation success rate for energy-saving projects in institutional, commercial, industrial, and agricultural facilities. In the Customized Retrofit Incentives and Third-Party Programs, kW Engineering has helped realize over \$46 million in annual energy cost savings and \$30 million in incentives. As a top contributor to PG&E's Core Retro-Commissioning (RCx) program since 2007, the firm has completed 65 projects with verified annual savings of 43.4 million kWh and 1.48 million therms. Their involvement in the California Solar Initiative (CSI) and Self-Generation Incentive Program (SGIP) includes over 2,000 site inspections totaling 158,000 kW of capacity.</p> <p>More recently, kW Engineering leads PG&E's Smart Labs and CoolSave programs, providing design, implementation, and performance-based incentive processing for lab and grocery store retrofits. These programs, which use a normalized metered energy consumption (NMEC) approach for M&V, are projected to save 7.5 million kWh and 450,000 therms annually and include high-profile clients such as UC Davis, Genentech, and Stanford.</p>			

Southern California Edison (SCE)			
Name:		Title:	
Phone:		Email:	
Date:		Cost:	
Mailing Address:			
Project Description:			
<p>Since 2003, kW Engineering has been providing the vast majority of engineering support services for its evolving portfolio of energy efficiency programs, which include the Customized Incentive Program, Emerging Technologies, Codes & Standards, Demand Response, Public Sector Program, HOPPs, Strategic Energy Management, NMEC, and Market Access Programs. These programs are supported by high-quality, cost-effective engineering, consulting, and project management services. Our Public Sector support involved working with over 100 local government agencies and higher education clients to provide energy efficiency audits, measurement and verification services, normalized metered energy consumption plan design, project pre-screen reporting, regression analysis, NMEC education and training for stakeholders, and yearly performance data analysis reporting for NMEC projects.</p>			

Bay Area Regional Energy Network (BayRen)			
Name:	██████████ ██████████	Title:	████████████████████ ██████████
Phone:	██████████	Email:	████████████████████
Date:	██████████	Cost:	██████████
Mailing Address:	██████████ █ ████████████████████		
Project Description:			
<p>kW Engineering serves as the technical assistance provider for BayREN's Zero Net Energy/Zero Net Carbon (ZNE/ZNC) Program. This CPUC-funded initiative offers free engineering support to help local governments reduce energy use, lower costs, and cut carbon emissions. The program supports municipalities in retrofitting or constructing buildings to achieve ZNE or ZNC goals through detailed engineering analysis and tailored recommendations for energy efficiency, renewable energy, and electrification measures. Services include site audits, energy model and design strategy reviews, roadmap development, cost estimation, and procurement planning. Participating clients include the Counties of San Mateo and Sonoma, the Cities of Belmont, Berkeley, Menlo Park, Oakland, Piedmont, San Carlos, Santa Rosa, and Corte Madera.</p>			

Southern California Regional Energy Network (SoCalRen)			
Name:	██████████	Title:	██████████
Phone:	██████████	Email:	████████████████████
Date:	██████████	Cost:	██████████
Mailing Address:	████████████████████████████████████████		
Project Description:			
<p>kW Engineering is currently under contract with the Energy Coalition to provide energy auditing, project management, construction management, commissioning, normalized metered energy consumption (NMEC) and measure and verification services for their programs. The goal of this project was to reduce energy consumption, electrical demand, greenhouse gas emissions, and maintenance costs in city-run facilities, including City Hall, office buildings, libraries, parks, and museums. kW performed benchmarking, full comprehensive audits, NMEC support, M&V services, and NMEC training to stakeholders.</p> <p>Metered Savings Program support services, including developing M&V plans, performing site-level pre-screening, mid-year data analysis review, site-level NMEC yearly reporting, and incentive support for over 50 sites.</p> <p>Energy Audit tasks included utility bills, benchmarking, energy balance analysis, facility staff interviews, and full site surveys. kW performed investment-grade calculations of potential energy efficiency and demand response measures.</p> <p>Specification and design tasks included preparing bid documents, coordinating contractor walk-throughs, reviewing bids, and supporting contractor selection. Construction management and commissioning services encompassed document oversight, RFI responses, owner representation, quality control, functional testing, system verification, and realized energy savings calculations.</p>			

3.4 Approach to the Scope of Work

KW Engineering has reviewed the Scope of Work outlined in the RFP and finds it similar to many of our prior program development and implementation engagements. Both population and site-level NMEC program M&V approaches have great potential upside benefits but require very structured program elements to be successful. We emphasize developing rigorous program structures and documentation so that the program will operate efficiently, and so that staff have the bandwidth to tackle special case issues as they inevitably occur.

3.4.1 Task 1: Program Coordination and Reporting

Having developed several site-level and population NMEC program structures over the past eight years, we are very familiar with the requirements for their successful implementation. Through our own innovations in M&V analysis techniques, participation in statewide NMEC working groups, and through lessons learned and feedback from past evaluations of our programs, we have experience and resources that will help NREN develop and implement its program.

Subtask 1.1: Coordination

We are eager to meet the NREN staff as a first step in the process to share our experiences and acquire a thorough understanding of the envisioned program design and processes. We would like to collect any information on the program in advance in order to be well prepared when we meet. This includes access to existing NREN tools, program tracking resources, and project metrics.

For the kickoff meeting, we will prepare a detailed agenda and provide illustrative examples of program processes and requirements that facilitate discussion and decision making. The meeting will include all required NREN personnel and kW Engineering staff. The agenda will include introductions, NREN's vision for the program, itemization of program development deliverables and milestones, discussion of NREN staff implementation responsibilities, demonstration of NREN database and tracking tools, kW Engineering's ideas for program development and coordination with NREN staff, and setting up Check-In meetings with NREN to check progress and exchange needed information.

We've prepared 'swim lane' diagrams to illustrate the program processes and roles for participating customers, aggregators/implementers, program administrator, technical reviewer, and M&V provider. Such diagrams illustrate program processes and responsibilities quite well and will complement the RASCI chart.

We will share our experiences for both site-level and population NMEC methods and provide our insights on what worked well in different situations. Successful site-level and population NMEC programs share these elements:

- a. Large populations of buildings with significant savings potential.
- b. Participation of effective service providers who know their building sectors well and can execute effective business strategies in recruiting participants.
- c. Significant customer desire for energy efficient equipment or services that demonstrably and cost-effectively reduce their energy costs.
- d. Buildings that have reasonable predictability so that an energy model may accurately estimate the counterfactual energy use in the reporting period.
- e. Buildings with data historians of their on-site operations and/or solar generation capacity.

- f. Streamlined data acquisition and analysis capabilities to enable timely reporting of savings progress throughout the program.

Subtask 1.2: Check-In Meetings

We anticipate there will be a significant effort to pull all the elements of the program together and this will require close coordination with NREN, which can be facilitated with weekly check-in meetings. In this phase we are defining the program development tasks, which will be carried out in Task 2. We aim to reduce the development time based on examples from our prior program development activities, experiences, and resources. These include:

- a. Defining the commercial and residential sectors to be served
- b. Data analysis and testing to select participants for population or sit-level NMEC approaches
- c. Population NMEC comparison group structure and composition
- d. Data access and flow
- e. Incentive levels and payment milestones
- f. Implementation Plan
- g. M&V Plan
- h. Project Application requirements and templates
- i. Installation report requirements and templates
- j. Cohort and individual project savings and compensation reports

Items to be developed for program launch will be defined by NREN with advice from kW Engineering. We will document the main program documentation (e.g. Implementation and M&V Plans) and advice on program marketing materials. We will coordinate and support project check-in meetings throughout this coordination and reporting phase.

Task 1 Deliverables:

- RASCI Chart
- Program Flow Chart (potentially a swim lane diagram)
- Kickoff meeting participation, agenda, examples of program elements, and meeting minutes
- Schedule of check-in meetings, agendas, and minutes.

3.4.2 Task 2: Development

Subtask 2.1: Determining Site-Level or Population-Level Approach

Population NMEC approaches have become very popular since their successful implementation of the Governor's 2021 Summer Reliability executive order that enabled their use in California's large investor-owned utility service areas. Four factors govern the accuracy of population NMEC M&V approaches:

1. The percentage of savings relative to a participant's baseline energy use (size effect).
2. The potential for unexpected noise in a building's energy use. This is commonly known as the occurrence of non-routine events which affect a building's energy separately from any installed energy efficiency measures (data volatility).
3. The potential to model energy use and account for exogenous effects through statistical modeling with select weather and schedule variables and/or comparison groups. Appropriate modeling algorithms may be used to increase predictability (or reduce inaccuracy) and allow the savings to be more easily detected (noise filtering).

4. Larger populations will lead to better defined average changes in energy use for both treatment and comparison groups and help reduce noise from inaccurate model predictions or occurrence of non-routine events (population effect).

In our experience, individual sites in a population NMEC program may generate from as low as 2% to over 10% savings on average. Therefore, participants where low savings are realized must have large populations to meet the overall accuracy requirement of the CPUC's NMEC Rulebook. A better approach is to achieve higher savings for each participant, which lowers the number of sites needed to increase savings accuracy. There is a trade-off as higher savings often means higher costs for multiple measures.

Population NMEC programs relieve the customers of fulfilling extensive and often cumbersome efficiency program participation requirements. This responsibility is taken up by trained program aggregators who assure the program requirements are met. In this development stage the target customer sectors are identified and some initial testing is conducted to determine how predictable a sector's typical building's energy use is, what the savings potential is, whether a comparison group may be defined, and whether the population NMEC approach is appropriate.

Site-level NMEC approaches have stricter requirements on building predictability and amount of savings. The CPUC NMEC Rulebook and its accompanying LBNL Guidance document establish predictability metrics for individual site-level NMEC participants to assure that savings is discernable above the noise. Nevertheless, the site-level NMEC approach can be offered to single participants in any market sector, to participants in low-population market sectors, and to participants where non-routine events can be confidently identified and quantified. A clear set of requirements will be provided prior to recruitment to determine whether a participant qualifies for a population or site-level program approach.

In summary, there are multiple considerations whether a customer should participate in a population or a site-level NMEC program approach:

- Building predictability. This is somewhat looser for population NMEC than site-level NMEC approaches. The CPUC's NMEC Rulebook v2.0 sets an FSU standard for the population NMEC projects while it requires that savings be 'distinguishable above variations in consumption' for site-level NMEC projects yielding less than 10% savings over baseline.
- Savings potential of market sectors.
- Potential for non-routine events. If too many NREs are anticipated and treatment group participation count is low, the site may be better suited for a site-level NMEC approach.
- Population size and distribution. Targeted market sector size should be large within any of NREN's climate zones to assure the potential for high population levels. Too few participants, or participants spread out over multiple climate zone are not ideal for population NMEC and may be better suited for site-level approaches.
- Ability of aggregator to recruit significant participant populations.
- Availability of participant data, including on-site generation data (for example customers with photovoltaic generation may participate if they can provide concurrent generation data over the same time period and data time interval).
- Health of market sector. Participants should reasonably be expected to stay in business over the duration of the program's M&V period. We have seen cases where certain retail stores have closed in the performance period, causing increases in apparent savings.
- kW Engineering does not recommend site-level NMEC for the residential sector except in edge cases such as very large multi-family buildings.

Initial testing of a sample of potential participant data will inform NREN which participants to direct to the population NMEC approach and which to the site-level NMEC approach. It informs whether to set up comparison groups using a difference-in-difference approach or synthetic controls with granular profiles. One proven approach is to make use of the granular profiles available on the CALMAC website. This can reduce program set-up costs and shorten program set up time.

kW Engineering can work with NREN to collect building energy use data for this testing phase. We will collect weather and granular profile data directly from the CALMAC website. Testing will involve model development for each site and assessment of their goodness-of-fit metrics and fractional savings uncertainties (FSUs) for different savings levels. Through this testing, the requirements for cohort population size, savings target, and comparison group methodology will be established.

kW Engineering's public-domain R-based nmecr software will be used for testing. It offers each of the modeling algorithms mentioned above and can include multiple additional independent variables, which may be granular profiles in a population NMEC approach or an occupancy variable in a site-level approach. Our data analysts are proficient in setting up batch processes and visualizations to complete this analysis.

Subtask 2.2: Program Documents

Conclusions from the population NMEC analysis, accessibility of market sectors, aggregator recruitment and other factors will inform the development of the Program Implementation and M&V Plans and the Program Manual. This includes updates to the program process flow chart, and will be helpful for website content development and program marketing materials. These documents will inform and provide the program requirements aggregators must follow. As we've done for other NMEC programs, the M&V Plans can include templates to fill out for each project at the program application and installation phases, as well as for the final savings and compensation report stage.

Subtask 2.3: Quality Assurance/Quality Control

Whether a project follows the population or site-level NMEC channels, to ensure each project adheres to program requirements at each stage, we provide technical review forms and procedures to collect consistent information to maintain quality control for each application and inspection report. Compilation of program applications and installation reports are used to establish a program dashboard so that NREN managers can quickly see the status of program achievements. On the M&V side, we provide organized and transparent documentation of our M&V calculations including collected data, analysis software, and instructions for setting up and repeating the analysis. This is intended to facilitate eventual program evaluation.

kW Engineering personnel may be called upon to provide assistance to NREN when considering program application, whether verifying deemed savings values and sources, or reviewing customized calculations. We can help NREN personnel sample sites for inspection and assist with inspection requirements.

To assure quality in delivery and open a channel for continuous improvement in program processes and requirements, we propose to establish weekly or bi-weekly program status meetings throughout the program period.

Task 2 Deliverables:

- Timeline to launch. This will be documented in the Implementation plan according to the schedule provided in the RFP.

- Process flow chart or charts. Depending on NREN's preference, process flowcharts can show the entire process or individual processes within each program stage (program application, installation report, final M&V reports).
- Templates for project applications, installation reports, technical review forms (population and site-level)
- Pre-launch Testing Plan and Report
- Program Implementation and M&V Plan
- Program Manual

3.4.3 Task 3: Launch and Ongoing Implementation

kW Engineering will continue from the program development to supporting NREN with the program launch and ongoing implementation.

Subtask 3.1: Customer Project Feasibility

Our firm conducts energy audits and retro-commissioning investigations for a wide range of facility types. We tailor our investigations to meet our clients' goals, scoping work accordingly. Toward this end, we focus our efforts on the opportunities that are most likely to be implemented and yield the greatest savings, while documenting other possible future measures. We place a high priority on teamwork through collaboration between our engineers and our customers' site staff. We keep our analysis work cost-effective by tailoring the level of analysis to the size of the potential savings. Our proven methodology exceeds industry standards and allows for flexibility based on the specifics of the site and the goals of the client. Under this task our team will work with the NREN team and their customers to:

- Assist with determining customer eligibility for NMEC projects based on energy assessments performed by NREN staff.
- Work directly with NREN staff to receive data collected about the site.
- Obtain customer usage data either by:
 - Receiving data directly from NREN. This option requires that the CONSULTANT participate in security trainings, have oversight of data usage by NREN, risk assessments, cybersecurity insurance, have a data destruction and retention policy and other requirements as needed.
 - Obtaining data directly from the customer using the PG&E Green Button or Share My Data. This option is preferred.
- Using data collected, confirm viability of opportunities identified by NREN staff and identify any additional opportunities.
- Using data collected, confirm viability of opportunities identified by NREN staff and identify any additional opportunities.

Subtask 3.2: Customer Project Application

kW emphasizes quality assurance at each stage. The audit focuses on the 'Plan' and 'Identify' stages. We see our role is to identify, assess, and encourage implementation of energy-saving measures. kW positions the customer for success with each energy efficiency measure as they move from identification through implementation to verification. Continuing from the prior task, our firm will work as directed by NREN with supporting the customers with their project applications in the following capacities:

- Identify recommended equipment for installation, addition of controls, maintenance and operational or behavioral changes for increased energy savings.
- Perform energy savings calculations for recommendations.

- C. Develop project-specific M&V plan and document methodology for addressing non-routine events.
 - a. Provide documentation for determining project EUL and NTGR
 - b. Using meter-level interval data provided by NREN and weather data, establish the customer's baseline for the 12-months pre-intervention as described in the NMEC rulebook.
 - c. Work with NREN staff to collect any additional data needed.
- D. Work with NREN staff to calculate the incentives for the measures.
- E. Work with NREN staff to prepare content for customer proposals that will include recommendations, specifications, and savings. Detail how all activities related to customer eligibility verification, incentive determinations, and measurement savings and documentation will be managed.

We have a technical library of analytical templates that we use to estimate energy savings for typical systems (air handlers, chillers, controls, lighting, etc). These templates allow us to be cost-effective while providing excellent quality control. kW Engineering often uses a bin method approach, consistent with ASHRAE Technical Committee 4.7 standards for energy analysis in existing buildings. Our analysis methods have been thoroughly peer-reviewed through various utility incentive programs. These methods, along with actual data and control sequences from the site, provide us the flexibility to evaluate detailed issues particular to a site's actual equipment operations. For more comprehensive projects that incorporate numerous system types in the building, we rely on whole-building simulation tools such as eQUEST or OpenStudio in order to cost-effectively analyze the whole building impacts and interactive effects between measures.

To evaluate the financial attractiveness of measures, we typically calculate simple payback, Net Present Value, Modified Internal Rate of Return (MIRR) and/or other metrics, as requested. In general, our approach for project evaluation is to use a life-cycle basis. Life-cycle cost analysis is justified where significant non-energy impacts are identified such as operation, capital replacement and maintenance cost impacts. Life-cycle cost analysis is also preferred by more sophisticated program participants who want to consider the time value of money and compare investments in energy efficiency to other opportunities.

To promote adoption of energy efficiency measures we also highlight non-energy benefits (NEBs) in our audit reports. For many customers, these other factors may be more important than the direct utility cost savings. Some of these factors include:

- Productivity / Sales Impacts
- Appearance
- Comfort
- Reliability
- Ease of Use (e.g. Building Automation)
- Tax deductions
- Water savings
- Property value impacts

Our team will work closely with NREN staff to support customers throughout the entire process.

Subtask 3.3: Customer Project Installations

kW Engineering will work with NREN to support their projects after installation. Once the proposed projects are implemented, the customer will require further assistance to develop and submit the Installation Report (IR). To submit a comprehensive IR, it is important to collect the

final specifications and drawings for the installed systems; confirm whether any portion of the scope of work has changed since the PA submittal; and update the calculations, costs, and project write-ups if needed. Under this task our team will support the customer and NREN:

- A. Work with NREN staff to collect any data or information required for project close-out. This may include updating any savings/incentive calculations with final installation specifications.
- B. Implement the NMEC M&V plan determined in Task 2.
- C. Provide any savings persistence tips to facility personnel and NREN staff.

As with the Application submittal process, our approach seeks to minimize the impact and headache for the customer throughout this process. Therefore, we will begin by generating a comprehensive list of information that we need from the customer. This approach will minimize the amount of 'back-and-forth' required, which is often what turns customers off from the incentive program process. Based on the information received from the customer, we will identify any changes to the PA-approved scope of work. If there are any changes to scope, costs, or energy savings, we will generate a revised package to submit with the Installation Report.

Subtask 3.4: Monitoring Period

kW Engineering will work with NREN and the customer by collecting the required energy data. We will collect the required project data to perform NMEC savings analysis as well as evaluation analysis as required that may include individual measure above-code savings, and the meter-based NMEC savings analysis. kW Engineering will thoroughly document all data and analysis collected, and work with NREN to meet the requirements. Following up on the installation, our team will work with NREN staff to provide the post installation performance reports that will include a first quarter screen as well as an annual report:

- A. Work with NREN staff to receive 12-months post intervention load data for customers.
- B. Work with NREN staff to check customer data 1-2 months into the reporting period to ensure appropriate monitoring is occurring.
- C. Follow the NMEC rulebook for quantifying savings at the meter.

Task 3 Deliverables:

- kW Engineering will provide the following deliverables under this task:
- Per-project list of recommendations and associated energy savings and equipment specifications, if applicable.
- Per-project energy savings estimates for reporting of NMEC project upon project completion
- Per-project closeout calculations and quantifications of savings at the meter.

3.4.4 Task 4: Reporting

Under this task, our team will work closely with NREN staff to provide the following program and project level M&V reports:

- A. Draft the final project level M&V reports which document activities carried out in the M&V plan determined in Task 2.
- B. Describe all findings related to data collection adjustment models and all findings related to routine and non-routine events.
- C. Provide support for NMEC specific reporting requirements described in the CPUC NMEC rulebook.
- D. Provide data for NMEC reporting for monthly reports, quarterly claims, and annual report.

Task 4 Deliverables:

- Monthly energy savings calculations for monthly reports
- Quarterly true ups of energy savings from completed projects
- Monthly final project-level M&V reports to be delivered for each project that has completed its monitoring period according to CPUC reporting standards

4. Project Fee Proposal

The following section summarizes kW Engineering's professional fees and costs associated with the scope of work. Without knowing specifics on exact scope of work and volume of projects expected, the following costs are estimates.

Fee Schedule

Task	Cost	Notes
1. Coordination and Reporting	\$10,000.00	* \$10,000.00
2. Development	\$180,000.00	* \$180,000.00
3. Launch and Ongoing Implementation	\$10,000.00	\$10,000.00
	\$10,000.00	\$10,000.00
	\$10,000.00	\$10,000.00
	\$10,000.00	\$10,000.00
4. Reporting	\$17,000.00	\$17,000.00
NTE Total	\$318,000.00	

		Weighted Contribution by Task			
Labor Category	Rate (\$/hr)	Task 1	Task 2	Task 3	Task 4
Principal					
Director					
Engineering Manager					
Senior Engineer II					
Senior Engineer					
Project Engineer					
Engineer					
Project Coordinator					
Technician					
Intern					
Admin					

NOTE: kW Engineering's rates escalate at 3% per year after the first year of service.

Miscellaneous/Travel Expenses: kW Engineering will charge the standard mileage rate reported by the IRS for the current calendar year. We anticipate staffing this project locally. We bill clients at cost for additional travel expenses, with prior approval if requested.

Terms

kW Engineering terms are net 30 days after receipt of invoice. Work is to be billed monthly based on time and materials, with the budget as indicated in this proposal. Please note that our legal contractual name is **Kilowatt Engineering, Inc. dba kW Engineering, Inc.**

5. Additions, Deletions, and Exceptions

kW Engineering has reviewed Redwood Coast Energy Authority's Exhibit C - Standard Agreement, including Exhibit C: Data Security Agreement, and the Terms and Conditions of the RFP. We agree to all the terms and conditions, apart from the insurance requirement for Technology Professional Liability Errors and Omissions Insurance.

5.1 Revision Request to Standard Agreement Section 9.6

We are requesting a revision to the following section of RCEA's Standard Agreement:

9.6 Technology Professional Liability Errors and Omissions Insurance: CONSULTANT shall maintain Technology Professional Liability Errors and Omissions Insurance with limits not less than \$2,000,000 per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by CONSULTANT in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, copyright, trademark, invasion of privacy violations, information theft, release of private information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

The policy shall include, or be endorsed to include, property damage liability coverage for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of RCEA in the care, custody, or control of CONSULTANT. If not covered under CONSULTANT's liability policy, such "property" coverage of RCEA may be endorsed onto CONSULTANT's Cyber Liability Policy as covered property as follows: Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of RCEA that will be in the care, custody, or control of CONSULTANT.

5.2 kW Engineering's Proposed Revision

We respectfully request that the requirement for Technology E&O Insurance outlined in Section 9.6 of the Standard Agreement be revised to accept Cyber Risk Liability Insurance in its place, as this policy offers equivalent or greater protection specific to the nature of our services and risk profile. Please see a redlined version of RCEA's Standard Agreement which has been included in the appendix of our response.

5.3 Reason for Proposed Revision

As licensed Design Professionals, we do not carry Technology Errors & Omissions (E&O) Insurance. However, we do maintain Cyber Risk Liability Insurance with limits of \$10 million per claim and in the aggregate, which provides broad protection including data breach response, regulatory fines and penalties, credit monitoring, and third-party liability coverage associated with electronic data and systems.

Appendix A. Attachments

Number	Attachment
1	• Exhibit A – Firm’s Business Information_kW Engineering
2	• Exhibit B – List of Subcontractors_kW Engineering
3	• Exhibit C – Standard Agreement_kW Engineering Redlined
4	• kW Engineering_Resumes

EXHIBIT A - FIRM'S BUSINESS INFORMATION

Length of time your firm has been in business:	27 Years
Length of time at current location:	27 Years
List types and business license number(s) (if applicable):	N/A
Names and titles of all officers of the firm:	Sunny Devnani, PE - CEO Antonio Huizar, PE - Executive Vice President/Principal Christina Summary - Principal Devan Johnson, PE - Principal Lincoln Harmer, PE - Principal David Gilliland, PE - Principal
Is your firm a sole proprietorship doing business under a different name? If yes, please indicate sole proprietorship name and the name you are doing business under:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please indicate your Federal Tax Number:	8 6 1 1 2 1 8 8 3
Is your firm incorporated?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Name and remittance address that will appear on invoices:	kW Engineering 287 17th St. STE 300 Oakland, CA 94612
Physical Address:	287 17th St. STE 300 Oakland, CA 94612

EXHIBIT B - LIST OF SUBCONTRACTORS

Subcontractor Name: None - kW is responding as the sole firm for RFP-25-603.

Services for which Subcontractor is being used: _____

Subcontractor qualifications: _____

Subcontractor's relevant experience (attach separate page(s), as needed): _____

Subcontractor Name: _____

Services for which Subcontractor is being used: _____

Subcontractor qualifications: _____

Subcontractor's relevant experience (attach separate page(s), as needed): _____

(ATTACH ADDITIONAL SHEETS IF MORE THAN TWO SUBCONTRACTORS ARE REQUIRED)



STAFF REPORT
Agenda Item 4.7

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Patricia Terry, Senior Portfolio Manager Lexie Perez, Senior Contracts and Grants Manager
SUBJECT:	NREN Finance Program Design Services Contract Award

Background

The California Public Utilities Commission (CPUC) issued Decision D.24-09-031, effective September 26, 2024, that approves the Northern California Rural Regional Energy Network (RuralREN North or NREN) to deliver energy efficiency programs to underserved rural customers.

Summary

RCEA, serving as Lead Portfolio Administrator of the Northern Rural Energy Network, issued RFP-25-604, a solicitation for design services for the NREN Finance Equity Program. This Finance Equity Program is a cross-cutting program intended to equitably support North Coast and Sierra Nevada communities through technical assistance and finance products that encourage and accelerate the implementation of energy efficiency projects. Staff sent the request for proposals (RFP) to multiple, qualified firms and posted it publicly on RCEA's website.

On April 30, 2025, RCEA received only one complete, responsive, and responsible bid from Frontier Energy for a not to exceed (NTE) budget of \$98,020 through December 31, 2025.

Frontier Energy is qualified to perform this work, having experience providing technical assistance, program design services, and analysis to other RENs and Community Choice Aggregators that have implemented finance programs in California. Staff recommends authorizing RCEA to enter into an agreement with Frontier Energy to perform the NREN finance program design services. Frontier Energy has indicated a willingness to sign RCEA's standard Professional Services Agreement published with the RFP with no revisions requested.

FINANCIAL IMPACTS

This professional services agreement has a not to exceed budget of \$98,020 through December 31, 2025. These expenses will be recovered through NREN revenue.

EQUITY IMPACTS

RENs in general, and the NREN in particular, are designed to reach customers that otherwise are not being reached by existing ratepayer-funded programs. The NREN finance program will ensure that hard-to-reach, disinvested, disadvantaged, and underserved rural non-residential customers receive the financing products they need from NREN's energy programs and are empowered to better manage their energy use and cost through increased awareness, support resources, a trained workforce and access to financing to improve their homes and businesses.

RECOMMENDED ACTIONS

Award professional services agreement to Frontier Energy to perform design services for the NREN Finance Equity Program for a not to exceed value of \$98,020 through December 31, 2025, and authorize the Executive Director to execute all applicable documents.

ATTACHMENTS

- A. Frontier Energy Response to RFP-25-604



Proposal for:

Finance Program Design Services

RFP-25-604

April 30, 2025



ORIGINAL

Prepared by:
Frontier Energy, Inc.
1075 Serpentine Lane, Suite B
Pleasanton, CA 94566-4809

Prepared for:
Redwood Coast Energy Authority

Table of Contents

Cover Letter	
Company Information.....	1
Qualifications Statement	3
Qualifications and Experience (Firm and Personnel)	3
Availability.....	20
References	21
Project Fee Proposal.....	22
Fee Schedule of Rates and Expenses	22
Personnel Hour Estimate	23
Non-Labor Expenses	23
Additions, Deletions, and Exceptions.....	24

Cover Letter

4/30/2025

Redwood Coast Energy Authority (RCEA)
633 Third Street
Eureka, CA 95501

RE: Proposal for RFP-25-604

Dear Selection Committee,

Frontier Energy, Inc. (Frontier) is pleased to submit this proposal in response to RCEA's request for the design of the Finance Equity Program for the Northern California Rural Regional Energy Network (NREN). RCEA's dedication to North Coast and Sierra Nevada communities through technical assistance and loans that encourage and accelerate the implementation of energy efficiency projects aligns with our commitment to lead the clean energy transition. By supporting RCEA's mission, Frontier aims to amplify RCEA's impact on the communities you serve.

Since 1981, Frontier has been dedicated to delivering innovative programs, services, and tools that promote the intelligent use of energy. Our team of over 200 program consultants, analysts, and engineers bring deep technical expertise and passion for creating sustainable, resilient energy solutions. Frontier brings extensive regional energy network (REN) experience, having played a foundational role in the development and implementation of California's first RENs in 2013, particularly through its leadership in launching and supporting the Bay Area Regional Energy Network (BayREN) and Southern California Regional Energy Network (SoCalREN). This expertise is complemented by our established relationship with RCEA, for whom Frontier has provided comprehensive regulatory reporting support since 2021. Our relationship with RCEA does not constitute a conflict of interest relative to performing the proposed scope of work. Frontier maintains clear internal boundaries and adheres to strict confidentiality and ethical standards to avoid any overlap or undue influence between clients or projects.

Frontier recommends leveraging existing financing mechanisms rather than duplicating efforts. The GoGreen Financing program, administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), offers residential and commercial loans throughout NREN territory. Rather than launching a parallel financing program that may introduce unnecessary administrative complexity and regulatory risk, we suggest partnering with CAEATFA to expand and enhance access to GoGreen Home loans. This approach allows RCEA to deliver improved financing terms to customers while minimizing programmatic overhead and maximizing the impact of well-established lending infrastructure and partner networks.

Frontier does not anticipate the use of subcontractors to complete this scope of work. Should you have any questions regarding this response, please do not hesitate to contact us. We appreciate the opportunity to collaborate with RCEA and look forward to your consideration.

Sincerely,



Jean Krausse
Vice President



Nancy Barba
Director

Company Information

Established in 1981, Frontier Energy (“Frontier” or “the Frontier team”) is an engineering and consulting firm with a strong record of delivering energy efficiency (EE) solutions for commercial, industrial, and residential sectors. The firm’s expertise encompasses demand-side management (DSM), software development, building research and energy consulting, commercial foodservice efficiency, and transportation and power. With offices in California, Minnesota, Texas, and New York, Frontier’s 200 employees provide the highest caliber of EE and engineering services across the United States as shown in Figure 1. Our team applies in-depth knowledge of emerging and established technologies to create exceptional solutions, customized to clients’ needs and local conditions.

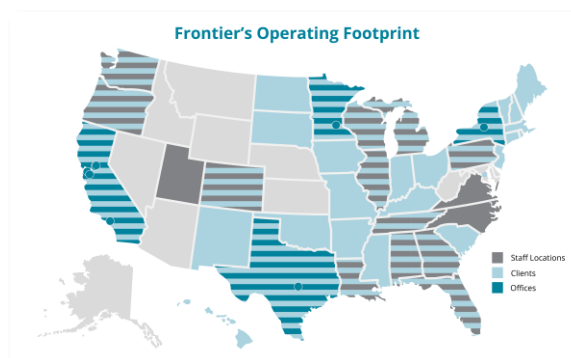


Figure 1. Frontier's operating footprint

Frontier has played a foundational role in the development and implementation of California’s first Regional Energy Networks (RENs), particularly through its leadership in launching and supporting the Bay Area Regional Energy Network (BayREN). We led key initiatives such as the Codes and Standards Program, which coordinated with state and regional agencies to improve code compliance and streamline permitting processes, and the Multifamily Building Enhancements Program, which delivered EE upgrades to over 43,000 units and managed more than \$32.5 million in rebates. Frontier’s technical expertise, outreach capabilities, and program management experience significantly contributed to the success of BayREN and helped shape the broader REN model adopted across the state.

Since 2021, the Frontier team has provided Redwood Coast Energy Authority (RCEA) with comprehensive regulatory reporting support to the California Public Utilities Commission (CPUC), offering strategic guidance on program measure selection and implementation. We participate in all relevant CPUC coordination groups to ensure clients remain current on regulatory requirements and expectations.

For more information about Frontier, see Exhibit A - Firm’s Business Information below.

EXHIBIT A - FIRM'S BUSINESS INFORMATION

Length of time your firm has been in business:	43 years
Length of time at current location:	1 year
List types and business license number(s) (if applicable):	
Names and titles of all officers of the firm:	Adam Walburger, President David Zabrowski, VP Jeremy Springer, CFO Jean Krausse, VP Alea German, VP Matt Haley, VP Amy Martin, VP
Is your firm a sole proprietorship doing business under a different name? If yes, please indicate sole proprietorship name and the name you are doing business under:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please indicate your Federal Tax Number:	94-2802034
Is your firm incorporated?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Name and remittance address that will appear on invoices:	Frontier Energy, Inc. PO Box 74008821 Chicago, IL 60674-8821
Physical Address:	1075 Serpentine Lane, Suite B Pleasanton, CA 94566-4809

Qualifications Statement

Qualifications and Experience (Firm and Personnel)

Expertise and Experience Overview

The Frontier team, and specifically the key personnel proposed for this work, have previous and ongoing experience with all tasks and subtasks requested by RCEA for Rural Regional Energy Network (RREN)-North. Specific elements of our experience that relate to the tasks and subtasks requested in the request for proposal are layered throughout our response. The sections below provide an additional overview of our recent and past experience related to CPUC funded EE programs and portfolios, program and portfolio administration, regulatory compliance, and reporting.

Since 2012, the Frontier team has played a key role in coordinating and assisting REN and Community Choice Aggregator (CCA) technical strategy and positioning within the CPUC's regulatory framework. This work spans filings of business plans for new and existing RENs, advice letters (ALs), program implementation plans, joint cooperation memos (JCMs), and other required regulatory documents for program administrators (PAs), as well as ongoing monthly, quarterly, and annual reporting.

In addition to our prior work for RCEA and interim support for RREN, our REN and CCA clients include Tri-County Regional Energy Network (3C-REN), Inland Regional Energy Network (I-REN), Marin Clean Energy (MCE), San Jose Clean Energy (SJCE), East Bay Community Energy (EBCE [now Ava Community Energy]), California Choice Energy Authority (CalChoice), and previously BayREN, Southern California Regional Energy Network (SoCalREN), and Lancaster Choice Energy (LCE).

Table 11: Frontier regulatory support clients and services

Client	Program Name	EE program development	Implementation Strategy Development	Operating Analysis (T&M analysis, financial flows, etc.)	Edits to Loan Documents	Marketing & Outreach Strategy	Technical Assistance
BayREN	Water Upgrades Save	✓	✓	✓	✓	✓	✓
Energy Solutions	Tariffed On-Bill Investment Pilot	✓	✓	✓	✓		✓
Energy Solutions	Expand REEL Financing and AMF Statewide	✓	✓	✓			✓

Sonoma Clean Power Authority (SCPA)	On-Bill Financing (OBF)	✓			✓		✓
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REN Experience

Every Frontier staff member proposed for this work has experience supporting REN EE program portfolios, with experience spanning broad categories of program and portfolio administration, regulatory compliance, and reporting. Our specific experience matching each task and subtask is layered throughout our response to the scope of work earlier in this proposal.

Past and ongoing projects and key staff involvement include the following:

- NREN: 2024–present
- BayREN: 2013–present
 - Key Staff: Nancy Barba, Casey Carnes, and Margaret Marchant
- 3C-REN: 2017–present
 - Key Staff: Nancy Barba, Casey Carnes, Margaret Marchant, Aaron Jones, and Jesse Farber-Eger
- I-REN: 2019–present
 - Key Staff: Nancy Barba, Casey Carnes, Margaret Marchant, Jesse Farber-Eger, Tara Dufort, and Emily Carter
- SoCalREN: 2013–2017
 - Key Staff: Nancy Barba and Kate Rathbun

RCEA and NREN Experience

Frontier initially began work for RCEA in January 2020 by providing review of the CET submission for their Supplemental AL and 2020 budget filing. This included reviewing for compliance with statewide work papers, reviewing impacts of budget adjustments to cost-effectiveness outputs, and providing suggested revisions to optimize results. Frontier was later engaged to provide broader technical regulatory support. This included:

- Set up data tracking templates and best practices to ensure all necessary inputs captured for CPUC monthly and quarterly reporting.
- Supported 2021 Annual Budget Advice Letter (ABAL) filing through review of measure specifications, measure recommendations for inclusion in forecast, and submission of cost-effectiveness inputs into California Energy Data and Reporting System (CEDARS).
- Performed desktop (quality assurance/quality control [QA/QC] on quarterly claims, providing feedback on corrections needed prior to confirmation in CEDARS.
- Maintained an active list of measures to inform program delivery and claims, checked the electronic technical reference manual (eTRM) monthly for updates. Tracked dispositions, calculator updates, Ex Ante updates and Database for Energy Efficient Resources (DEER) updates that impacted program's measures and offerings. Ensured any changes were reflected in the subsequent quarterly claims.
- Represented RCEA at Renewable Power and Carbon Grid (RPCG) and other relevant stakeholder meetings. Raised items of concern and advocated for CCA interests in these sessions. Provided notes and action items to RCEA.

Frontier provided the above services from July 2020–May 2024. The end of these services coincided with the end of RCEA's 3-year energy transformation account (ETA) cycle.

Frontier also provided interim administrative services to RREN via their contract with RCEA from August 2023–February 2024. This work included:

- Provided coordination and development support for the three separate JCMs between RREN and overlapping PAs.
- Provide draft reviews and consulting support as the RREN staff develop program implementation plans.
- Provide support with budget filing platform and metrics review. These tasks are components of the TUAL.

Key staff for this work included Nancy Barba, Casey Carnes, and Margaret Marchant.

CCA Experience

In addition to our REN work, Frontier has a long history supporting local governments with CCA regulatory strategy and portfolio administration. In the Bay Area, we worked with California's first operating CCA, MCE, on their 10-year business plan aimed at transforming the energy market by decreasing the need for incentives and reducing reliance on subsidies. The Frontier team evaluated EE measures in their existing program and then recommended new measures. We refined their portfolio design to reach CPUC's target of a cost-effectiveness score (TRC) of 1.25, meeting MCE's goals of moving toward a zero-net energy future. We also prepared an evaluation, measurement, and verification (EM&V) plan that included analysis and data collection strategies and market transformation indicators.

Since that time, we have worked with numerous California CCAs, including RCEA, providing regulatory guidance, support with exploring the ETAPA pathway, ongoing regulatory reporting, and portfolio administration support. Nearly every key staff member proposed for our work brings additional regulatory experience from supporting CCAs.

Past and ongoing projects and key staff involvement include the following:

- MCE: 2017–present
 - Nancy Barba, Margaret Marchant, and Jesse Farber-Eger
- CalChoice: 2019–present
 - Nancy Barba, Emily Carter, and Timaree Nelson
- San Francisco Environment (SFE)/CleanPowerSF: 2020–present
 - Nancy Barba, Jesse Farber-Eger, and Timaree Nelson
- SJCE: 2020–present
 - Nancy Barba, Margaret Marchant, and Timaree Nelson
- RCEA: 2020–2024
 - Nancy Barba and Margaret Marchant
- Ava (formerly East Bay) Community Energy: 2021–present
 - Nancy Barba, Margaret Marchant, and Jesse Farber-Eger

Recent Experience

BayREN Water Updates Save (WUSave)

BayREN's WUSave is an innovative, turnkey water efficiency program designed for Bay Area municipal water utilities. The program allows residential and multifamily customers to install water- and energy-saving improvements with little to no upfront cost. Instead of requiring loans or credit checks, customers repay the cost of upgrades through a monthly charge on their water bill, which is designed to be lower than their estimated monthly savings—ensuring they begin saving money immediately. The program covers improvements such as high-efficiency toilets, showerheads, and other water-conserving fixtures.

The program is administered by the Sonoma County Regional Climate Protection Authority (RCPA) in partnership with BayREN and the Association of Bay Area Governments (ABAG). It has been

successfully piloted in jurisdictions such as the Town of Windsor, City of Hayward, and East Bay Municipal Utility District (EBMUD), and is now available to other Bay Area utilities looking to participate.

Frontier has played a significant role in supporting the WUSave program, leveraging our expertise in EE program design, implementation, and stakeholder coordination.

Technology and Equipment for Clean Heating (TECH) Clean California – 8.1 Silicon Valley Clean Energy (SVCE) OBF Pilot

The TECH 8.1 SVCE OBF Pilot was launched as part of its broader effort to accelerate electrification and reduce greenhouse gas emissions across its service territory. The pilot is designed to help residential customers overcome financial barriers by adopting clean energy technologies by allowing them to finance improvements and repay the costs through their utility bills. SVCE has allocated \$5.2 million to this pilot, with the goal of supporting electrification projects for approximately 200 customers. The financing is expected to cover upgrades such as heat pump water heaters, space heating systems, and other energy-efficient electrification measures. By integrating repayment into existing utility bills, the pilot simplifies the financing process and increases accessibility, especially for customers who may not qualify for traditional credit-based lending.

Currently in the design phase, the pilot focuses on developing mechanisms for billing integration and customer enrollment. Once operational, the program will offer a scalable model that SVCE and potentially other clean energy providers could use to expand electrification efforts regionally. The OBF model is intended to align with the TECH Clean California initiative, supporting the state's decarbonization and climate goals through innovative financing and deployment strategies.

Frontier is helping to design the pilot, coordinate with contractors and customers, and ensure the program aligns with broader electrification and decarbonization goals. Our expertise in OBF, customer engagement, and scalable program management makes us a natural partner in ensuring the pilot's success and its potential to expand across other clean energy service areas.

TECH Clean California – 6.1 Project Financing + Collaboration with GoGreen Home (GGH)

The TECH 6.1 Project Financing initiative is part of the broader TECH Clean California program. TECH 6.1 focuses on developing and piloting innovative financing solutions that make it easier for Californians to adopt heat pumps and other clean technologies—particularly in homes where upfront costs are a major barrier. It also aims to support pilot financing programs such as OBF, low-interest loans, or other accessible financial products. These financing mechanisms are being designed in collaboration with financial institutions to ensure they are both practical and scalable. A key emphasis of the initiative is ensuring equitable access, with a strong focus on reaching low- to moderate-income households and underserved communities, aligning with the state's equity and decarbonization goals.

Overall, the TECH 6.1 initiative plays a strategic role in removing one of the primary obstacles to heat pump adoption—financing—by offering solutions that lower upfront costs and support long-term affordability. It contributes directly to California's goal of deploying six million heat pumps by 2030 and achieving carbon neutrality by 2045.

For TECH 6.1, Frontier leads contractor incentive programs, recruiting and managing contractors, and providing them with resources such as training, consumer education, and supply chain engagement. Additionally, Frontier coordinates financing through the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) GGH Energy Financing program, making clean heating technologies more accessible to low-income residents. The initiative also

includes pilot programs, technical assistance, and policy development to address barriers associated with clean space and water heating technologies across California homes.

Sonoma Clean Power OBF Program Administration

As PA, Frontier supported SCPA's OBF program under the Lead Locally initiative, delivering disciplined program management and customer service excellence.

Frontier maintained detailed program records, submitted bi-monthly reports, and facilitated monthly coordination meetings with SCPA and key stakeholders. Participant agreements were developed, issued, and tracked with strict adherence to program requirements, ensuring timely execution or formal termination where necessary. We managed contractor bids, processed change orders, and enforced project completion deadlines, maintaining compliance at every stage.

Final project close-outs included thorough verification of installations, corrections management, and detailed reporting of loan amounts and repayment terms to SCPA. Customer and contractor inquiries were promptly addressed, escalated when needed, and supported by satisfaction surveys to inform ongoing program improvements.

Additionally, we provided critical support for Salesforce system transitions, ensuring uninterrupted program operations and data integrity.

With a budget of \$139,643 to manage an estimated 30 projects per month, our work ensured transparency, operational consistency, and customer-centered service. By delivering these services with precision and accountability, we strengthened SCPA's efforts to expand access to clean energy solutions and enhanced the overall impact of the OBF program.

Nancy Barba

Director/Lead



PROFILE

Nancy Barba joined Frontier Energy in 2010. She brings a rich background in program management, stakeholder engagement, and community outreach to her role of Director with the DSM group. Her effective communication skills and ability to manage diverse priorities contribute to her engaged, results-driven leadership. She directs the delivery of program launch and implementation activities, marketing and outreach, energy analysis, cost-effectiveness, and stakeholder relations. She works closely with utilities, RENs and CCAs leading regulatory and technical support, program design, implementation, marketing and outreach, and financing.

EDUCATION/CERTIFICATIONS/TRAINING

B.S., Business Administration, California State University, Long Beach

LEED AP O+M

Certified Green Building Professional

Certified GreenPoint Advisor

FRONTIER ENERGY EXPERIENCE

Redwood Coast Energy Authority, May 2021 to present

- Provide oversight to monthly, quarterly, and annual reporting support to the CPUC.
- Advise on program measure selection and implementation.
- Attend CPUC Reporting Peer Coordination Group calls, and all reporting subgroups, to keep clients informed of regulatory reporting updates and expectations.

TECH Clean California, June 2021 to present

- Create a California network of skilled contractors (HVAC, plumbers, general, electricians, and builders) that will use TECH Clean California incentives.
- Drive adoption of all-electric space and water heating technologies for existing homes across California to help advance the State's mission to achieve carbon neutrality by 2045.
- Lead development of a marketing and communications plan, stakeholder partnerships, and other strategic channel networks.
- Oversee ongoing contractor engagement to help build trust in the TECH Initiative and serve as a communication channel to trade allies on business model tools and effectiveness.
- Expand, leverage, and layer existing residential and affordable multifamily financing programs to serve all regions throughout the state.

I-REN Codes & Standards Programs, I-REN, February 2023 to Present

- Oversee activities to increase compliance with California Energy Code Title 24 Part 6.
- Support program strategy and implementation of trainings and forums for Codes & Standards curriculum.
- Direct technical assistance and reach code implementation support.

BayREN Codes & Standards Program, BayREN, January 2022 to present

- Oversee activities to increase compliance with California Energy Code Title 24 Part 6.
- Support program strategy and implementation of trainings and forums for Codes & Standards curriculum.

I-REN, Western Riverside Council of Governments, April 2019 to present

- Oversee and consult on regulatory activities; program design and development activities; and associated budgets, metrics, and energy savings.
- Advise on regulatory matters, including proceedings, participation in the California Energy Efficiency Coordinating Committee process, filing comments, and navigating regulatory the complexities of becoming a CPUC-funded REN.

3C-REN, June 2018 to present

- Oversee and coordinate regulatory activities; program design and development activities; and associated budgets, contracts, and reporting.
- Support program design including measure selection and strategic customer engagement for workforce, single family, and multifamily programs.
- Support successful filings of ABALs, program implementation plans, JCMs, and other required regulatory documents for program administrators.

BayREN, May 2021 to present

- Oversee and coordinate regulatory activities; program design and development activities; and associated budgets, contracts, and reporting.
- Support successful filings of ABALs, program implementation plans, JCMs, and other required regulatory documents for program administrators.

Lead Locally, SCP, September 2018 to present

- Oversee development of a suite of marketing and outreach materials, including press release, email blast, website copy and images, and social media.
- Oversee customer engagement and the qualification process to recruit, select, and secure representative demonstration homes to participate in the Lead Locally program.

The Energy Network (SoCalREN), January 2013 – May 2017

- Oversaw the design and implementation of residential and commercial financing programs. Shaped contractor recruitment and engagement by directing resources and services to participating contractors. Activities included contractor account management oversight, systems and procedures management, pipeline design and management, investor relationship management, stakeholder coordination, and reporting oversight.

Margaret R. Marchant

Program Manager



PROFILE

Margaret brings 16 years of experience in the EE industry with expertise in program development and implementation, regulatory support, and strategic funding consulting. With diligent attention to detail and excellent communication skills, she excels in collaborating with clients including CCAs, RENs, utilities, private industry, and government entities.

Since 2008 Margaret has supported and/or provided oversight for implementation of EE programs including residential and commercial rebates, residential new construction, residential multifamily whole building retrofits, and codes and standards programs. This work has encompassed every phase of the EE program lifecycle, beginning with market research and stakeholder outreach to inform program design, followed by development of program collateral, tracking databases, customer forms, required regulatory filings, and program staff procedures. Following the program launch phase, Margaret has supported day-to-day program operations activities such as marketing and outreach, lead intake, rebate application and incentive processing, as well as QA, regulatory reporting, program evaluation, and applying lessons learned for continuous improvement.

In addition to program implementation work, as a member of Frontier's Technical & Regulatory team, Margaret is responsible for analyzing impacts of regulatory guidance and providing recommendations to clients. This work involves extensive research and analysis to inform stakeholders and give context to complex regulatory requirements, before obtaining decisionmaker buy-in and implementing best practices for compliance. In her strategic funding consulting work, Margaret has successfully coordinated and drafted applications and ALs resulting in hundreds of millions of dollars in ratepayer funding awarded to REN and CCA clients for EE programs.

EDUCATION/CERTIFICATIONS/TRAINING

B.A., Liberal Arts Honors Program, the University of Texas at Austin, with Departmental Honors

FRONTIER ENERGY EXPERIENCE

*3C-REN Multifamily Home Energy Savings Program Implementation, June 2021 to present
(under contract to Association for Energy Affordability)*

- Frontier team lead with oversight for education and outreach; lead intake; database development and maintenance; and QA. For program launch in Fall 2021, led the development of program implementation processes in coordination with 3C-REN and program partners. Drafted and implemented internal and customer-facing program documentation and data collection. Ongoing

regulatory support to evolve program design in alignment with CPUC requirements and 3C-REN equity commitments.

I-REN Codes & Standards (C&S) Programs, March 2023 to present

- Project oversight for implementation of C&S training and technical assistance programs, including day to day program operations, stakeholder engagement, and reporting on program participation and benefits.

I-REN Portfolio Implementation, March 2022 to present

- Project Manager for REN program portfolio development, implementation, and regulatory consulting to actualize the strategic interventions from their approved business plan and comply with CPUC requirements. Leadership for quick start tasks including development of program implementation plans and performance metrics for public sector, codes and standards, and workforce programs.
- Ongoing support and oversight for implementation of I-REN's program portfolio and adherence to CPUC requirements in alignment with the REN's commitments to expanding equitable EE opportunities to hard-to-reach, underserved, and disadvantaged communities. Ongoing support includes AL development; coordination with utilities and other RENs; developing and delivering presentations to committees of elected officials; stakeholder group participation; responses to CPUC evaluator and intervenor data requests; regulatory strategy guidance and contributions to CPUC pleadings, comments filings, and testimony; and other regulatory consulting for program launches and implementation.

CCA Elect to Administer EE Program Plans and ALs, 2020 – 2021

- Clients have included Ava Community Energy (2021), SJCE (2020-2021), and Clean Power San Francisco (2020). Responsible for collaborating with stakeholders for program ideation, developing written content, compiling and editing content, integration of program cost-effectiveness test results and documentation, managing project timelines and deliverables, and adhering to CPUC requirements.

Will Wright

Program Consultant



PROFILE

Will Wright brings financial, analytical, and program design expertise to regional energy and water efficiency initiatives. Since joining Frontier Energy in April 2024, Will has supported capital planning and regulatory strategy for TECH Clean California's financing programs, developed financial QC processes, and contributed to loan documentation for emerging financing pilots. In parallel, he leads design and implementation efforts for BayREN's Water Upgrades Save program, including launching a new outdoor offering, refining utility recruitment tools, and guiding expansion into multifamily and commercial sectors.

EDUCATION

B.A., Public Policy, University of Michigan

Focus on Energy and Environmental Policy

FRONTIER ENERGY EXPERIENCE

April 2024 to present

Water Upgrades Save, BayREN, April 2024 to present

- Designed and launched an outdoor water efficiency offering for single-family residential customers under the Turnkey On-Bill (TOB) program.
- Prepared and reviewed monthly financing reconciliation reports to ensure accuracy and transparency.
- Redesigned the Utility Scorecard tool to enhance partner engagement and streamline utility recruitment.
- Advised on marketing strategies to boost customer participation and support expansion into multifamily and commercial sectors.

TECH Clean California, Energy Solutions, April 2024 to present

- Forecasted Loan Loss Reserve (LLR) usage for the financing partnership between TECH and CAEATFA to inform capital planning and program timelines
- Conducted data analysis to evaluate the performance of the LLR within the CAEATFA/TECH partnership.
- Supported the development of loan documentation for Silicon Valley Clean Energy's TOB Pilot
- Created and implemented a financial QC process to track and verify program fund utilization
- Monitored regulatory developments to inform program design and compliance strategies

Bay Area Multifamily Building Enhancement Program, BayREN, August 2024 to present

- Manage applications for multifamily EE and decarbonization programs by means of conducting outreach to and assessing the needs of property owners and managers. Review participating projects for accuracy and alignment with program criteria.
- Continuously improve and update policies and procedures for program implementation through streamlined coordination and communication efforts as well as technical database management.
- Undertake monthly and quarterly reporting, billing, and projection efforts as well as yearly contract review to support holistic program implementation.

PRIOR EXPERIENCE

Financial Analyst, E&S Ring Management, Los Angeles, CA, March 2023 – April 2024

- Oversaw financial reporting and budgeting processes for 30+ multifamily properties representing nearly \$1b in assets.
- Evaluated capital projects monthly to optimize capitalization strategy.
- Utilized advanced Excel functions (Pivot Tables, X/V-Lookups, etc.) for automated financial analyses and key performance indicator (KPI) reporting.
- Automated cash management system to reduce risk, to ensure timely AP processing, and to maximize investment returns.

Operations and Finance Analyst, Integrare Group, Los Angeles, CA, August 2021 – August 2022

- Oversaw A/P and A/R with Sage and Yardi for \$36m worth of multi-family construction to ensure project's finances were handled timely and lien-free.
- Generated ad-hoc analyses to facilitate informed decision-making by senior management.
- Produced monthly financial reports for 3 developments totaling approximately \$30m in accounts receivable and \$1m in operating revenue, in collaboration with vendors and subcontractors.

Operations Manager, FlyawayHomes, Los Angeles, CA, October 2019 – August 2022

- Led the financial modeling for 2 developments totaling \$45m and 88 units of permanent supportive housing (PSH).
- Conducted thorough analysis of more than 3,000 potential properties, resulting in the identification and successful acquisition of 2 suitable development sites.
- Collaborated with CEO to raise \$600,000 from individual investors in a debt fund, enabling the completion of a new 17-unit PSH apartment building.
- Wrote two loan applications that were awarded a total of \$25m, completing the capital stacks of both projects.

Emily Carter

Program Consultant



PROFILE

Emily Carter brings technical knowledge of building science and energy modeling to support Frontier clients' EE initiatives. Her expertise lies in thermal envelopes, renewable energy, and HVAC systems for single family, multifamily, and commercial buildings. Emily utilizes this knowledge to address gaps in achieving EE measures including Title 24 Part 6 code compliance, Energy Star, and Department of Energy's Zero Energy Ready programs. Emily has also participated in various solar rebate and tax programs including Self-Generation Incentive

Program (SGIP) and utility incentives. At Frontier, Emily supports the I-REN by providing technical assistance for the energy code, tracking equity and market segment indicators, and developing an EM&V plan for I-REN's three sectors. Emily also supports RENs by drafting public comments for code cycles and ensuring they stay informed about relevant rulemakings that impact their programs.

EDUCATION/CERTIFICATIONS/TRAININGS

M.S., Environmental Policy and Management, University of Denver

B.S., Biology, University of California at Los Angeles

Home Energy Rating System (HERS) Energy Modeler Certification

FRONTIER ENERGY EXPERIENCE

I-REN, Codes & Standards Program, January 2024 to present

- Provide technical support for reach codes development and code assistance.
- Track equity and market support segment indicators.
- Support planning for trainings and forums; develop and teach trainings.
- Create and implement education and outreach strategies.
- Assist with stakeholder engagement and materials development.

I-REN, EM&V Studies, February 2024 to present

- Develop an EM&V plan for all three of I-REN's sectors.
- Plan individual EM&V studies for each of I-REN's sectors.
- Propose budgets and implementation plans for each EM&V study.

Code and Regulations Support, February 2024 to present

- Monitor California Energy Commission (CEC) and air quality management district (AQMD) rulemakings for REN program impacts.
- Draft public comments on behalf of RENs for code cycles.

Derek Diffenderfer

Program Consultant



PROFILE

Derek Diffenderfer brings energy efficiency, DSM, and marketing knowledge developed from experience in electric and gas utilities to Frontier Energy. Here, he drives marketing, outreach, and education strategies for multiple EE and decarbonization programs, including statewide incentive and financing offerings. Derek specializes in print, digital, and event marketing; direct outreach; engagement strategies; workforce education and training; customer service; and reporting.

EDUCATION/CERTIFICATIONS/TRAININGS

B.S., Business Administration, Marketing, University of Colorado Denver

FRONTIER ENERGY EXPERIENCE

February 2022 to present

TECH Clean California Initiative, Energy Solutions, February 2022 to present

- Develop marketing strategies to recruit, engage, and educate skilled contractors (HVAC, plumbers, general, electricians, and builders) that will drive the adoption of all-electric space and water heating technologies.
- Nurture contractor and stakeholder partnerships, plus other strategic channel networks.
- Drive contractor-facing marketing, education, and outreach for enrolled companies and leads, including messaging, events, partnerships, collateral, resources, and strategy.
- Support contractor account management and call center functions. Ensure Salesforce data is complete and adequate guidance is provided for contractor's success in TECH.
- Manage database implementation, including data uploads, administrative functions, reporting, procedure manuals, and staff training.

ETP Emerging Technologies Program, April 2023 to present

- Support securing event space and organizing support for multiple emerging technology partners on behalf of GTI Energy.
- Develop email messaging, virtual and in person support, and program materials.

BayREN, Water Bill Savings OBF Program, July 2022 to present

- Overhauled utility scorecard for more informed utility recruitment.
- Led informational meetings on Leak detection with the City of Sacramento to showcase collaborative efforts to collaborate, with the goal of expanding our product offerings.
- Oversee the development of the program's landscape irrigation measure offering and AquaMizers, including measure assessment, local government policy, case studies and testimonials, and updates to a water conservation calculator.

3C-REN, February 2022 – September 2023

- Conduct outreach to community-based organizations, community colleges, and workforce trainers to develop a Bureau of Instructor to lead zero-net energy and electrification training to disadvantaged workers in the tri-county area.
- Develop email messaging, targeted calling campaigns, virtual events, and program materials.

GoGreen Financing Programs Universal Contractor Management, CAEATFA, California State Treasury, February – May 2022

- Provided support for all aspects of contractor-facing marketing for GoGreen Financing programs, including the development and execution of communication and marketing plans, accurate metrics and reporting, leveraging all available distribution channels.
- Developed partnerships and outreach opportunities with key industry entities in the residential and commercial sectors, investor-owned utility departments, builders' exchanges, and associations.
- Supported development of monthly contractor-facing newsletters to inform on program updates, events, education, and training opportunities.
- Supported contractor account management and call center functions. Ensured Salesforce data is complete and adequate guidance is provided for contractor's success in TECH.
- Managed database implementation, including data uploads, administrative functions, reporting, procedure manuals, and staff training.

XCEL ENERGY EXPERIENCE

January 2021 to January 2022

- Maintained and streamlined Minnesota Energy Efficient Buildings and Energy Design Assistance processes.
- Supported higher level planning, rebate operations, and invoicing with architects and sustainability consultants.
- Responsible for HVAC efficiency projects and tasks, which include Engineering Assisted Studies, digital and mail collateral, custom and prescriptive projects, and organizing meeting agendas.
- Built and maintained customer relationships as the first point of contact in acquiring and assisting new HVAC+R trade partners and vendors.
- Organized trade events for HVAC+R and assisted in the Energy Efficiency Partner Awards event planning and organization.

Timaree Nelson

Program Consultant



PROFILE

Timaree Nelson has a background in sustainability and green business certification. She brings first-hand experience working with businesses as they transition operations and procurement practices toward zero-waste, electrification, higher efficiency, and compliance with local ordinances. She has developed and managed stakeholder relations with companies, utilities, and local agencies and has created content for outreach materials and social media. At Frontier, she is supporting regional energy networks, including with 3C-REN's and SJCE's programs.

EDUCATION/CERTIFICATIONS/TRAINING

Masters of the Environment, University of Colorado at Boulder
B.S., Environmental Systems, University of California at San Diego
TRUE Zero Waste Advisor Certificate, Green Business Certification Inc.

FRONTIER ENERGY EXPERIENCE

February 2024 to present

3C-REN

- Research on evaluation, measurement, and verification case studies.
- Ad hoc assistance with reporting, technical & regulatory support.
- Support and represent clients in the California Energy Efficiency Coordinating Committee working group.

SJCE

- Annual reporting to the CPUC
- Invoicing and program tracking

PRIOR EXPERIENCE

Sustainability Consultant, Environmental Innovations, October 2019 – February 2024

- Program Director in a client-facing role, coordinating the Carlsbad Green Business Program.
- Provided technical assistance for small to mid-sized businesses in the areas of energy, pollution prevention, solid waste, transportation, water, and community audit categories using science-based metrics, including greenhouse gas emissions reduced and natural resources preserved.
- Supported businesses in client-facing consulting role as they transition their operations and procurement practices toward zero-waste, electrification, and higher efficiency and to comply with local ordinances.
- Managed two consultants and administered an annual program budget with yearly benchmarking goals, as well as administering rebates for over 175 certified businesses in a single year from CalEPA grant funding.

- Developed stakeholder relationships with companies, utilities, and local agencies.
- Created content for the statewide network (authoring and designing newsletters, articles, blog posts, social media, and marketing materials) and wrote grants.

Graduate Sustainability Consultant, Danone North America, February 2022 – December 2022

- Conducted a Supply Chain Sustainability Assessment with Danone North America for a capstone project.
- Analyzed company data and materiality assessment and designed a risk-assessment tool to identify and evaluate the social and environmental risks associated with material ingredients in their supply chain.
- Engaged other departments within the company to further understand the value chain and identify feasible changes.
- Developed risk-mitigation process and strategy, along with a report that identified gaps and pathways to address the risks – all while supporting sustainable sourcing and procurement.

Recycling Department Intern, County of San Diego, August 2017 – September 2019

- Processed quarterly facility tonnage reports for waste haulers, transfer stations, and landfills for CalRecycle reporting.
- Tracked diversion rates, trends, and deposit refunds for large C&D projects.
- Assisted with large-venue event recycling planning for events with over 2,000 attendees and implementation of school recycling programs, positively impacting diversion rates within the County.

Project Organizational and Staffing Chart

Director **Nancy Barba** will lead the Frontier team, with no subcontractors required for project completion. Drawing from her extensive background in program management, stakeholder engagement, and community outreach, Nancy provides engaged, results driven leadership in her role of Director of the DSM group. Her exceptional communication skills and ability to manage diverse priorities enhance her effectiveness in directing program launches, implementation activities, marketing and outreach efforts, energy analysis, cost-effectiveness evaluation, and stakeholder relations. Nancy collaborates closely with utilities, RENs, and CCAs, providing regulatory and technical support, program design, implementation guidance, marketing strategy, and financing expertise.

Since 2013, Nancy has worked with RENs to coordinate EE and sustainability efforts across multiple jurisdictions. She is proud to support these partnerships between governments, utilities, businesses, and community organizations, as they tackle regional energy challenges.

Additionally, Nancy and her team are actively supporting I-REN and BayREN's Codes and Standards Programs, while providing regulatory support for I-REN, BayREN, and 3C-REN.

Nancy will be supported by her team of program managers, consultants, and coordinators with additional assistance available for the entire Frontier team. Frontier's leadership has ensured that additional staff members are able to provide comprehensive support.

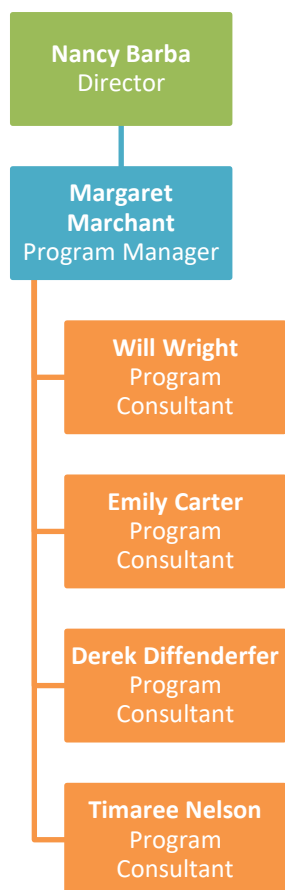


Figure 2. Frontier project organizational and staffing chart

Availability

Performing Services in a Consistent and Timely Manner

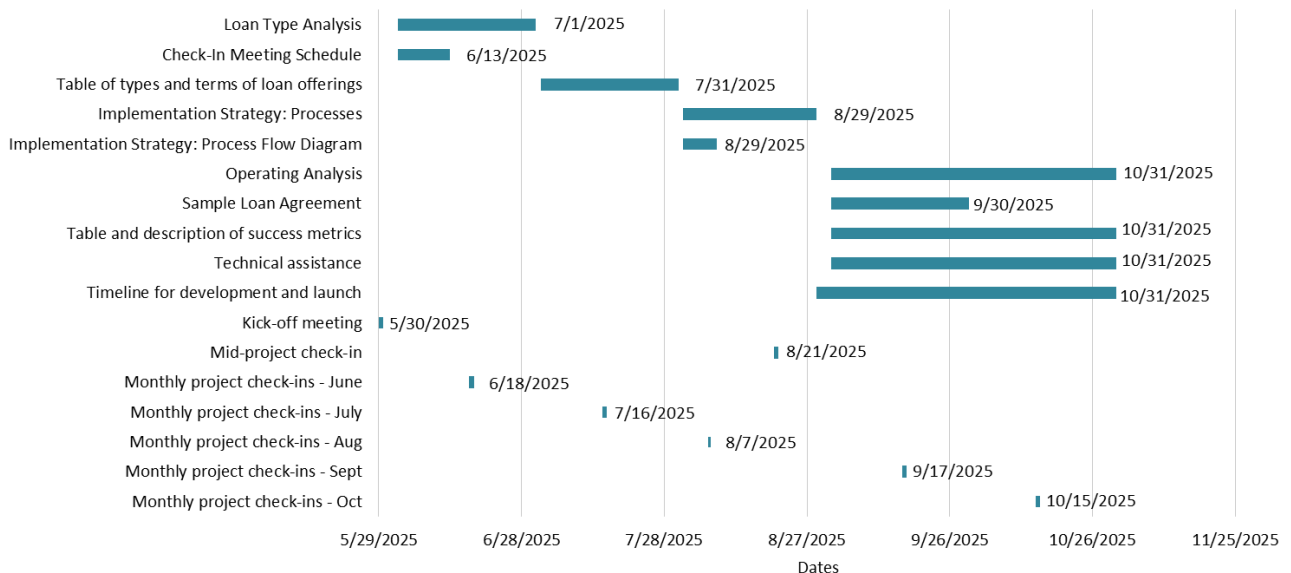
Frontier delivers consistent and timely results through a robust project management framework and dedicated team of experienced professionals. With a proven track record of meeting regulatory deadlines and quality standards, we implement comprehensive QC protocols to ensure deliverable accuracy and reliability. Our strategic staffing approach maintains appropriate resource allocation across all projects, while our established communication systems facilitate prompt response times and regular progress updates. We pride ourselves on our adaptability to changing priorities and requirements, consistently demonstrating our commitment to excellence through on-time delivery and thorough attention to detail in all service engagements.

A fairly recent and highly relevant example is our work with TECH Clean California supporting the Project Financing and Collaboration with GGH and SVCE OBF Pilot. Leveraging multiple team members across multiple years (2021–Present), we were able to develop key elements of the program design for both programs, all while performing our work on time and within budget.

Similarly, with BayREN’s WUSave program that we have been providing program design, implementation, and marketing services since 2018, our total actual spend has been consistently lower than our total budget for those years, despite changes to the scope and project team. For instance, in 2024, we took on new scope to develop program offerings, provide support for utility enrollment, and supervise the marketing subcontractors, and delivered our work on time and below budget.

Project Schedule

Project schedule below assumes contract award and execution by May 23rd, and kick-off meeting date of May 30th.



References

Reference 1	
Project Name	BayREN WUSave
Project Description	Providing implementation and marketing services to administer a Tariff-on-Bill program aimed at achieving water savings in the Bay Area.
Completion Dates	2018–Present
Approximate Cost	\$4.9 million
Contact Information	<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>

Reference 2	
Project Name	TECH Initiative
Project Description	\$120 million statewide program designed to drive market adoption of low-emissions space and water heating technologies for existing single and multifamily homes across California.
Completion Dates	2021–Present
Approximate Cost	\$4.8 million
Contact Information	<div> <div></div> <div></div> <div></div> <div></div> </div>

Reference 3	
Project Name	3C-REN
Project Description	Frontier has worked with 3C-REN since 2017. Since then, we have supported 3C-REN's Multifamily Home Energy Savings; Codes and Standards; and Workforce, Education, and Training programs. In addition, Frontier has supported the creation of 3C-REN's 2019 Business Plan.
Completion Dates	2017 –Present
Approximate Cost	\$4.2 million
Contact Information	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>

Project Fee Proposal

Fee Schedule of Rates and Expenses

Frontier has produced a comprehensive year-by-year budget proposal that takes into account our billing rates for each year from 2025–2026 as established by our corporate office. Those rates are shown below and included in our detailed personnel-hour estimates.

Notes:

- Materials, supplies, and travel expenses are billed at actual cost without markup.
- Mileage is billable at the allowable IRS rate.

Rates apply to employee categories named rather than individual staff.

Table 2. Frontier Energy rates (US\$), 2025–2026

Category	2025	2026
President		
Vice President		
Sr. Director		
Director / Principal Consultant		
Sr. Manager / Engineering Manager		
Manager		
Sr. Engineer / Sr. Program Manager		
Engineer / Program Manager		
Sr. Program Consultant / Sr. Analyst		
Program Consultant / Analyst		
Sr. Program Coordinator / Sr. Technician		
Program Coordinator / Technician		
Program Associate / Direct Install Technician		
Administrative		

Personnel Hour Estimate

Table 3. Frontier estimated hours per classification

Personnel Hours Per Classification	Classification Rate (\$)	Estimated Dollars	Estimated Hours	Hour Breakdown by Task		
Classification	2025			Task 1	Task 2	Task 3
President	\$ █	-	-	-	-	-
Vice President	\$ █	-	-	-	-	-
Sr. Director	\$ █	-	-	-	-	-
Director / Principal Consultant	\$ █	█	█	9	19	4
Sr. Manager / Engineering Manager	\$ █	-	-	-	-	-
Manager	\$ █	-	-	-	-	-
Sr. Engineer / Sr. Program Manager	\$ █	-	-	-	-	-
Engineer / Program Manager	\$ █	█	█	16	27	4
Sr. Program Consultant / Sr. Analyst	\$ █	█	█	-	20	-
Program Consultant / Analyst	\$ █	█	█	150	305	10
Sr. Program Coordinator / Sr. Technician	\$ █	█	█	30	-	20
Program Coordinator / Technician	\$ █	-	-	-	-	-
Program Associate	\$ █	-	-	-	-	-
Administrative	\$ █	-	-	-	-	-
Totals		98,020.00	614			

Non-Labor Expenses

Frontier does not foresee any non-labor costs at this time. However, if they arise, they will be billed at cost with no additional markup.

Additions, Deletions, and Exceptions

There are none.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 4.8

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Mike Avcollie, Senior Manager
SUBJECT:	Rural Electric Vehicle Charging CEC Grant Equipment Purchase

BACKGROUND

On December 14, 2021, the California Energy Commission (CEC) released a Grant Solicitation entitled “Rural Electric Vehicle (REV) Charging” under the Clean Transportation Program. This grant solicitation was an offer to demonstrate replicable and scalable business and technology models for deployment of public electric vehicle (EV) charging infrastructure capable of maximizing access and electric vehicle (EV) travel for rural residents.

In September 2022, RCEA received a Notice of Proposed Award, and the contract was fully executed with Board approval in March 2023. The goal of this project is to install 16 dual-port Level 2 electric vehicle charging stations at 10 sites at strategic community hub locations around Humboldt County. The project started in April 2023, with a deadline of March 2028.

SUMMARY

In November 2023, the Board approved the purchase of the ChargePoint CP 6000 charging station equipment, including concrete mounting bases, bodies, cables, and cable management kits from local vendor, Campton Electric. As our contractors near project completion and get closer to station energization, staff is requesting approval to purchase the CP6000 “head units” which include all the station electronics, controls, and payment processing equipment. Staff have received a quote from Campton Electric of \$71,177.40 which includes sales tax and shipping.

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

By expanding our existing EV charging network and enabling future resiliency work at locations across the county, this project contributes to these Strategic Plan goals:

- 2.1.5 *Integrate Distributed Energy Resources*
- 3.2.2 *Promote Advanced Fuels*
- 3.2.3 *Support Electric Vehicle Adoption*
- 3.3.1 *Develop Transportation Electrification Infrastructure*
- 3.3.4 *Promote Vehicle-to-Grid Connection*

EQUITY IMPACTS

The grant solicitation required that at least 50% of project budget be spent on low-income or disadvantaged communities or both. RCEA's "North Coast Plug-In Electric Vehicle Charging Network Phase 2" project will support switching from gasoline vehicles to EVs and reduce criteria air pollutants and greenhouse gas emissions in California. All project sites are within the AB 1550 Low-Income Communities designated area, and an August 2022 California Energy Commission staff report, "Localized Health Impacts Report," lists our project sites as meeting one or more Environmental Justice indicators for age, poverty, or unemployment.

FINANCIAL IMPACT

The total project budget is \$875,000 and includes \$700,000 in CEC grant funds and \$175,000 in RCEA matching funds. The CEC grant has \$297,426 left in reimbursable funds and \$75,753 in RCEA match funds remaining. This equipment purchase will be spread across these two categories.

The new charging stations will be capital assets owned and operated by RCEA and will generate revenue from the sale of electricity to EV drivers to help offset operations and maintenance expenses.

STAFF RECOMMENDATION

Authorize the purchase of ChargePoint electric vehicle CP6000 "head units" from Campton Electric at a price not to exceed \$71,177.40 and authorize Executive Director to execute all applicable documents in fulfillment of CEC Rural Electric Vehicle Charging Grant requirements.

ATTACHMENTS

None.



STAFF REPORT
Agenda Item # 4.9

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Eileen Verbeck, Deputy Executive Director Kristy Siino, HR Manager
SUBJECT:	Amend Agreement with Gallagher Benefit Services to Include Organizational Assessment

BACKGROUND

In April 2024, RCEA Board members expressed interest in having RCEA contract for a formal classification and compensation study. The Board requested this study be included in the fiscal year 2024-2025 budget.

Staff reached out to three firms that specialized in classification and compensation studies and received quotes. Based on the quotes received, RCEA hired Gallagher Benefit Services, Inc. to conduct the study. The contract amount was within the Executive Director's spending authority and was not brought before the Board for approval. The agreement was for a not to exceed amount of \$49,500 and included the following services:

- Classification and compensation study for 39 full-time employees in twelve classifications using 10 comparators.
- Collection and Review of position description questionnaires
- Employee surveys
- Classification description development
- Markey survey (including 10 comparators and up to 12 benchmark classifications)
- Development of recommendations.

RCEA began the study in February 2025 which is expected to be completed in September. Since launching the classification and compensation study the Director of Infrastructure and Planning announced his retirement (effective the end of June 2025). Additionally, RCEA has experienced growth with the addition of 12 new full-time positions since 2021. With the retirement of a key position and rapid growth, staff

recommend RCEA undergo an organizational assessment which includes an analysis of the organization's structure including RCEA departments and reporting relationships.

SUMMARY

Gallagher Benefit Services can amend the existing contract to include an organizational assessment. Utilizing the same consultant as the class and comp study allows them to utilize the position description questionnaires that staff have already submitted resulting in cost and time savings and a reduced burden on staff time.

The proposed scope of work for the organizational assessment includes:

- A review of RCEA's current organizational structure and documentation on workplans, mission and vision statements, standard operating procedures, etc.
- Analysis of position description questionnaires (PDQs) submitted by employees and management as part of the Classification Study.
- Interviews with leadership which includes directors and managers (depending on the reporting relationship of each) to discuss the operations of their functional areas of responsibility. These interviews will be conducted in conjunction with the Classification Study interviews to make the best use of RCEA staff's time.
- Analysis and summary of observations along with recommendations on the organizational structure of RCEA departments and reporting relationships.
- Draft and final reports, and presentation to RCEA stakeholders if desired.

The proposal from Gallagher for the organizational assessment is not to exceed \$34,100. This would increase the total agreement with Gallagher from \$49,500 to \$83,600. Because the total agreement amount exceeds the Executive Director's spending authority (\$50,000), Board approval of the amendment is requested.

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

A review of RCEA's organizational structure combined with the classification and compensation study and implementation of the results are aimed at improved efficiency, enhanced communication, clearer roles and responsibilities, and better employee engagement. This will improve RCEA's ability to deliver on our strategic planning goals.

EQUITY IMPACTS

N/A

FINANCIAL IMPACT

The amended professional services agreement will have a not-to-exceed budget of

\$83,600. These expenses have been included in the current fiscal year for work completed through June 30, 2025, and the remainder has been included in the draft fiscal year 2025-26 budget.

STAFF RECOMMENDATION

Approve amendment to the professional services agreement with Gallagher Benefit Services to include the addition of an organizational assessment for a total not-to-exceed value of \$83,600 and authorize the Executive Director to execute all applicable documents.

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Redwood Coast Energy Authority

ORGANIZATIONAL STUDY COST QUOTE

May 16, 2025

Gallagher Benefit Services, Inc.

GEORG S. KRAMMER

Managing Director, Compensation and Rewards Consulting

2121 N. California Boulevard, Suite 350
Walnut Creek, CA 94596

georg_krammer@ajg.com
Tel: 510.658.5633
Fax: 510.652.5633



Gallagher

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May 16, 2025

Elizabeth Burks
Executive Director
633 3rd Street
Eureka, CA 95501

Dear Ms. Burks:

Thank you for the opportunity to provide a cost proposal for an Organizational Study for the Redwood Coast Energy Authority ("Authority"). We are most interested in assisting RCEA with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with cities, counties, special districts, joint-powers associations, and other public agencies.

Gallagher's ("Gallagher") Public Sector Human Resources and Recruitment Services Practice was formerly known as Koff & Associates and consists of an experienced team of consultants that has been providing predominantly organizational effectiveness, classification, compensation, and recruiting services to cities, counties, special districts, courts, educational institutions, and other public agencies for over 40 years. Our team has achieved a reputation for working successfully with management, employees, employee representation, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort.

Gallagher ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Gallagher, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Walnut Creek address and the phone number listed on the cover page. My email is georg_krammer@ajg.com.

This proposal will remain valid for at least 90 days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the Redwood Coast Energy Authority.

Sincerely,

Georg S. Krammer
Managing Director, Compensation and Rewards Consulting

Scope of Work

The scope of work for the Organizational Assessment will include:

- A review of RCEA's current organizational structure and documentation on workplans, mission and vision statements, SOPs, etc.
- Analysis of position description questionnaires (PDQs) submitted by employees and management as part of the Classification Study.
- Interviews with leadership which includes directors and managers (depending on the reporting relationship of each) to discuss the operations of their functional areas of responsibility. These interviews will be conducted in conjunction with the Classification Study interviews to make the best use of RCEA staff's time.
 - Optional component: anonymous employee survey to solicit information from entire workforce regarding current organizational and operational pain points such as staffing levels, workload, etc.
- Analysis and summary of observations along with recommendations on the organizational structure of RCEA departments, reporting relationships, staff size, etc.
- Draft and final reports, and presentation to RCEA stakeholders if desired.

Time Requirements

The most efficient way to conduct an Organizational Assessment is to conduct the Assessment concurrently with the Classification and Compensation Studies that we are in the process of performing for RCEA. This is also the least disruptive to RCEA staff schedules. Accordingly, we propose commencing the project in May and completing by September to run alongside the work we are doing for the Classification and Compensation Study.

The following is a suggested timeline (which can be modified based on RCEA's needs):

MILESTONES	ORGANIZATIONAL ASSESSMENT	COMPLETION BY
A.	Initial Documentation Review/Meeting with Project Team (concurrent with the Classification Study)	Weeks 1-2
B.	PDQ Verification and Employee/Supervisory/ Management Focus Groups/Interviews (concurrent with the Classification Study) <ul style="list-style-type: none"> Optional component: anonymous online employee survey 	Weeks 2-4 Weeks 2-6
E.	Recommendations for Organizational and Operational Changes	Weeks 4-15
F.	Discussion and Revision of Findings and Interim and Final Reports	Weeks 15-16

Cost Proposal

Our cost proposal assumes that all meetings and presentations will be conducted virtually/remotely and no onsite travel to Authority offices will occur. Should RCEA desire onsite meetings, we will be happy to provide our per diem cost for onsite meetings based on travel time and market rate travel cost at the time.

The cost proposal includes two options depending on scope of work to provide RCEA with a cost comparison. The first option will be for an internal survey only and the second option will also include a study of external agencies. Of course, RCEA may select any combination thereof and we are open to negotiating another option if it better serves RCEA. We hope to negotiate a scope of work and cost option that best serves RCEA needs.

<div>MILESTONES</div>	<div>ORGANIZATIONAL ASSESSMENT</div>	<div>BILLING STRUCTURE</div>
A.	Initial Documentation Review/PDQ Review/Interviews with Management (concurrent with Classification Study)	<div>\$4,400</div> <div>Invoice #1 – Upon Execution \$8,525</div>
B.	Internal Organization Review (Analyze staffing, operations, spans of control, workflows)	<div>\$14,300</div> <div>Invoice #2 – \$8,525</div>
C.	Analysis and Recommendations for Organizational and Operational Changes	<div>\$8,800</div> <div>Invoice #3 – \$8,525</div>
D.	Discussion and Revision of Findings and Interim and Final Reports	<div>\$6,600</div> <div>Invoice #4 – \$8,525</div>
Total for Organizational Assessment		\$34,100
Optional Anonymous Employee Survey <i>An anonymous employee survey can be added on to whatever option RCEA selects.</i>		<div>\$6,600</div>

Our cost proposal does not include time to support RCEA during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.

Contractual Considerations

We will be pleased to sign RCEA's professional services agreement for a Compensation Study. We respectfully request that RCEA will allow for a period of negotiation of certain terms in the professional services contract related to liability, indemnity, insurance, and other terms. We have found that we have always come to an agreement with all our clients in the past and appreciate RCEA's flexibility in reviewing certain terms in a collaborative fashion between our legal counsels.

It is our practice to provide the coverage below in lieu of RCEA contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows:

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;
- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.



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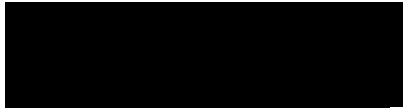
Signature Page

Gallagher Benefit Services, Inc., intends to adhere to all of the provisions described above.

This proposal is valid for 90 days.

Respectfully submitted,

By: **GALLAGHER BENEFIT SERVICES, INC.,**
State of California



Georg S. Krammer
Managing Director, Compensation and Rewards Consulting

May 16, 2025



Gallagher

Insurance | Risk Management | Consulting



STAFF REPORT
Agenda Item # 4.10

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Patricia Terry, Senior Portfolio Manager Lexie Perez, Senior Contracts and Grants Manager
SUBJECT:	Amendment No.3 to Professional Service Agreements with Sierra Business Council for NREN Startup Services

Background

The California Public Utilities Commission (CPUC) issued Decision D.24-09-031 (Decision), effective September 26, 2024, that approves the Northern California Rural Regional Energy Network (RuralREN North or NREN) to deliver energy efficiency programs to underserved rural customers located within 17 specified counties.

In December 2024, the Board approved adjustments to the RCEA Fiscal Year 24-25 budget to accommodate anticipated NREN pre-launch costs. The approved budget adjustments included funds to cover the additional costs included in the proposed contract amendment.

In January 2025, the Board approved Amendment No. 1 the Professional Services Agreement with Sierra Business Council to cover activities through March 31, 2025.

In April 2025, the Board approved Amendment No.2 to extend funding for activities through May 31, 2025.

Summary

RCEA, serving as Lead Portfolio Administrator, entered into Professional Services Agreements (Startup Agreement) with Sierra Business Council (SBC), Lake Area Planning Commission (LAPC), and Mendocino Council of Governments (MCOG) to perform startup services leading up to the implementation phase of the NREN programs. Under these agreements, partner activities include strategic portfolio planning, program design, marketing and branding, and reporting to the CPUC. The funds have also helped with supporting existing staff and bringing on and training new staff that will implement NREN programs. These agreements and subsequent amendments covered services and associated budgets through May 31, 2025, when staff anticipated the implementation agreements would be in place.

Staff now anticipates that the implementation agreements will be in place by the end of June, so an extension and additional funds are needed for services through the month of June. Extension amendments for the LAPC and MCOG agreements fall within the Executive Director's approval limits. Staff requests that the Board approves an amendment to extend the term of the Professional Services Agreement with SBC for one more month and increase the agreement budgets for additional work past the current May 31, 2025, term end.

FINANCIAL IMPACTS

The amendment to the Startup Agreement with SBC includes an addition of \$120,000 to the contract budget. These expenses will be recovered through NREN revenue.

EQUITY IMPACTS

RENs in general, and the NREN in particular, are designed to reach customers that otherwise are not being reached by existing ratepayer-funded programs. The NREN programs will ensure that hard-to-reach, disinvested, disadvantaged, and underserved rural customers are provided an equitable level of CPUC energy program service and support and are empowered to better manage their energy use and cost through increased awareness, support resources, a trained workforce and access to financing to improve their homes and businesses.

RECOMMENDED ACTIONS

Approve Amendment No.3 to the Professional Services Agreement with Sierra Business Council in the amount of \$120,000 for RuralREN North startup activities and authorize the Executive Director to execute all applicable documents.

ATTACHMENT

None.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 6.1

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning and Finance Director
SUBJECT:	Financial Audit for Fiscal Years Ending June 30, 2023 & 2022

SUMMARY

RCEA has engaged Baker Tilly US, LLP to prepare audited financial statements for the fiscal years ending June 30, 2022, and 2023, as well as a Report on Federal Awards for 2022. Baker Tilly staff completed field work in January and have recently presented RCEA staff with the final Financial Statements and accompanying auditor's reports. Bethany Ryers, Partner in Baker Tilly's Energy & Utilities division will present the statements and findings to the RCEA Board.

RECOMMENDED ACTION

Accept and Approve Redwood Coast Energy Authority Financial Statements June 30, 2023 and 2022, Associated Independent Auditors' Report, and Report on Federal Awards by Baker Tilly US, LLP.

ATTACHMENTS

1. Reporting and Insights from 2023 and 2022 Audit: Redwood Coast Energy Authority, June 30, 2023, and 2022
2. Redwood Coast Energy Authority Financial Statements: June 30, 2023, and 2022
3. Redwood Coast Energy Authority Report on Federal Awards: June 30, 2022

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Reporting and insights from 2023 and 2022 audit:

**Redwood Coast Energy
Authority**

June 30, 2023 and 2022

Executive summary

April 21, 2025

To the Board of Directors
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

We have completed our audit of the financial statements of Redwood Coast Energy Authority (the Authority) for the years ended June 30, 2023 and 2022, and have issued our report thereon dated April 21, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of the Authority's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas Redwood Coast Energy Authority should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Bethany Ryers, Principal: bethany.ryers@bakertilly.com or +1 (608) 240 2382
- Ryan Theiler, Manager: ryan.theiler@bakertilly.com or +1 (608) 240 2571

Sincerely,

Baker Tilly US, LLP



Bethany Ryers, CPA
Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED COPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Authority's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Board of Directors:
 - Are free from material misstatement.
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America.
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*.
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements.
- Forming and expressing an opinion based on our audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) about the entity's compliance with requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs.
- Our audit does not relieve management or the Board of Directors of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Board of Directors, including:

- Internal control matters
- Qualitative aspects of the Authority's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Authority and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Authority's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion
Potential for inaccurate billing data from Pacific Gas & Electric (PG&E)	Review Calpine SOC report and perform walkthrough to assess the procedures established to validate the data	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Financial reporting and required disclosures	Long-term debt
Capital assets including infrastructure	Net position calculations	

Internal control matters

We considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Financial statement close process**
Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the preparation of financial statements and footnotes, adjusting journal entries identified by the auditors, and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles. In addition, we recommend the Authority set up a process and control to ensure account reconciliations are performed and journal entries are approved.

Other comments and recommendations

Policy for Allowance of Doubtful Accounts

During our testing, it was noted that RCEA does not have a formal policy for their allowance for doubtful accounts. RCEA's informal policy was to write off 0.30% of electricity sales. This was updated to 2% of electricity sales in 2021. However, upon inquiry with management, it was determined that 3% of sales is a more accurate estimate for uncollectible accounts. As RCEA collects more historical data for the collectability of customers, we recommend that RCEA implements a policy that allows the utility to systematically write off an estimated percentage of outstanding accounts receivables deemed uncollectible on an annual basis. In addition, the estimate for the allowance for doubtful accounts should be periodically reviewed in comparison with the accounts receivable aging report to ensure it aligns with the older accounts receivable balances that are less likely to be collected. This policy should be reviewed periodically to ensure it aligns with the actual collectability from customers.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2023 and 2022. We noted no transactions entered into by the Authority during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Unbilled revenue	Evaluate the July Calpine monthly usage report and calculation of the estimated portion related to June	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Estimated at 3% of electricity sales	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Authority or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule within the attachments summarizes the material corrected misstatements, that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

We will issue a separate document which contains the results of our audit procedures to comply with the Uniform Guidance.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Authority's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Authority that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Authority's related parties.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/page/audit-committee-resource-center>.

Management representation letter



REDWOOD COAST Energy Authority

Arcata | Blue Lake | Blue Lake Rancheria | County of Humboldt | Eureka | Ferndale | Fortuna | Humboldt Bay Municipal Water District | Rio Dell | Trinidad | Yurok Tribe

April 21, 2025

Baker Tilly US, LLP
4807 Innovation Lane
P.O. Box 7398
Madison WI 53711

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of Redwood Coast Energy Authority (RCEA) as of June 30, 2023 and 2022 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Redwood Coast Energy Authority and the respective changes in financial position and cash flows, in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 19, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the RCEA required by accounting principles generally accepted in the United States of America. to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America. require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal and state awards.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the appropriate accounts.
- 9) There are no known or possible litigation, claims and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- 10) Guarantees, whether written or oral, under which the RCEA is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of RCEA or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 21) RCEA has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- 22) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no:
- a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.

- b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
- 24) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
- a) Financial statement preparation
 - b) Adjusting journal entries
 - c) Accounting assistance
- 25) None of these nonattest services constitute an audit under generally accepted auditing standards, including Government Auditing Standards.
- 26) Redwood Coast Energy Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) Redwood Coast Energy Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 30) Redwood Coast Energy Authority has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.
- 31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 32) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 33) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 34) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 35) We have appropriately disclosed RCEA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were

properly recognized under the policy.

- 36) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 37) We have implemented GASB 87, Leases, and GASB 96, Subscription-Based IT Arrangements, and determined the impact to be immaterial to the financial statements.
- 38) We have reviewed our long term debt agreements and believe that all terms related to significant events of default with finance related consequences, termination events with finance related consequences and subjective acceleration clauses have been properly identified and disclosed.
- 39) Unused lines of credit, collateral pledged to secure debt and direct borrowings and private placements have been properly identified and disclosed.
- 40) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.
- 41) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of the Single Audit Act Amendments of 1996, OMB Circular A 133, Audits of States, Local Governments, and Non Profit Organizations, including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b) We acknowledge our responsibility for preparing and presenting the SEFA and related disclosures in accordance with the requirements of OMB Circular A 133 §310.b and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A 133 §310.b . The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditors' report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A 133 and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food

commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are administering our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control over compliance or other factors to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass through entities relevant to the programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the OMB Compliance Supplement relating to federal awards.
- j) We have disclosed any communications from grantors and pass through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A 87, Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to the compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

- o) We are not aware of any instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass through entity, as applicable.
- s) We have charged costs to federal awards in accordance with applicable cost principles.
- t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A 133 and we have provided you with all information on the status of the follow up on prior audit findings by federal awarding agencies and pass through entities, including all management decisions.
- u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A 133.

Sincerely,

Redwood Coast Energy Authority

Signed: _____

Beth Burks, Executive Director

Signed: _____

Lori Biondini, Director of Business Planning and Finance

Client service team



Bethany Ryers, CPA
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Accounting changes relevant to Redwood Coast Energy Authority

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
99	Omnibus 2022		6/30/2024
100	Accounting Changes and Error Corrections		6/30/2024
101	Compensated Absences	✓	6/30/2025
102	Certain Risk Disclosures	✓	6/30/2025
103	Financial Reporting Model Improvements	✓	6/30/2026
104	Disclosure of Certain Capital Assets		6/30/2025

Further information on upcoming [GASB pronouncements](#).

Updated accounting and reporting for compensated absences

The Governmental Accounting Standards Board (GASB) issued its Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered. GASB 101 is effective for fiscal years beginning after December 15, 2023 (i.e., June 30, 2025 for the Authority).

GASB 101 more appropriately reflects a liability *when* a government incurs an obligation for compensated absences, and will improve comparability of reporting between governments that offer different types of leave. It requires that liabilities be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled-up via non-cash means. Compensated absences is defined as leave for which employees may receive one or more of the following:

- Cash payments when the leave is used for time off;
- Other cash payments, such as payment for unused leave upon termination of employment, or;
- Noncash settlements, such as conversion to defined benefit postemployment benefits.

Examples of compensated absences provided in GASB 101 include vacation, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave. Payment or settlement of compensated absences could occur during employment, or upon termination of employment. GASB 101 does not apply to benefits that are within the scope of GASB 47, *Accounting for Termination Benefits*.

GASB 101 requires that a liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered;
- The leave accumulates, and;

- The leave is "more likely than not" (i.e., likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means (101 provides factors to assess this criteria). (This differs from GASB 16, which required payment to be "probable" to be recognized).

Under GASB 101, the Authority will now need to accrue for time that has accumulated and is likely to be used, even if the employee is not eligible for a payout upon termination. This was not a requirement under GASB 16, and thus may result in a higher compensated absence liability.

GASB 101 requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus equal to the amount of leave that has not yet been used and leave that has been used but not yet paid or settled.

Other changes in financial statement disclosures include the change in compensated absences liability can now be disclosed as a net change, rather than gross increases/decreases in the liability. Also, governments are no longer required to disclose which fund has typically liquidated the liability.

We recommend that governments begin to review the guidance contained in GASB 101 within the context of your existing compensated absences policies and accounting practices, in order to be better informed in terms of the information that you will need for this implementation.

New guidance on disclosure of certain risks

The requirements in GASB Statement No. 102, *Certain Risk Disclosures* is meant to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

- (a) The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources - for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue.
- (b) The Statement defines a constraint as a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority - such as a voter-approved property tax cap or a state-imposed debt limit.

Concentrations and constraints may limit a government's ability to acquire resources or control spending.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met:

- (a) The concentration or constraint is *known* to the government prior to issuing the financial statements.
- (b) The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- (c) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

Material corrected misstatements

Redwood Coast Energy Authority

Year End: June 30, 2023

Normal adjusting journal entries

Date: 7/1/2021 To 6/30/2023

Account No: 23A01 To 23A06

311

Associate	Sr. Associate	Manager
Partner Review	IR/CDR	RT18036 2/15/2025
BR10327 3/20/2025		

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
23A01	6/30/2023	Contracts - Program Related Ser	8410 EF	KK.101		75,000.00	
23A01	6/30/2023	Interest Expense	9100 EF	KK.101			75,000.00
		To record the MCE early termination of a contract for \$75,000 from interest expense to an operating expense account.					
23A02	6/30/2023	Accounts Receivable-Other	1103 EF	C.102			8,821.76
23A02	6/30/2023	Electricity Sales	5510 EF	C.102		8,821.76	
		To true-up the accounts receivable balance for 2023 to the Calpine AR aging report.					
23A03	6/30/2023	NEM Escrow Liability	2011 EF	C.102			51,549.04
23A03	6/30/2023	NEM Rebates	5512 EF	C.102		51,549.04	
		To true-up the NEM Escrow Liability to the amount on the Calpine AR aging report.					
23A04	6/30/2023	Allowance for Doubtful Accounts	1101 EF	C.910			754,071.44
23A04	6/30/2023	Uncollectable Accounts	5580 EF	C.910		754,071.44	
		To accrue additional amount in order to bring the total allowance amount equal to 3% of the total revenues, per the existing policy.					
23A05	6/30/2023	Construction in Progress - ACV	1501 EF	U.300		110,800.00	
23A05	6/30/2023	HSU-SPF	5429 EF	U.300			110,800.00
		To record a capital contributions for refund from PG&E through the Community Microgrid Enablement Program (CMEP).					
23A06	6/30/2023	Commercial leases	1530 EF	LL.102		286,411.81	
23A06	6/30/2023	Commercial leases	1530 EF	LL.102			372,775.36
23A06	6/30/2023	Lease Accumulated Amortization	1531 EF	LL.102		99,917.81	
23A06	6/30/2023	Accumulated depreciation	1600 EF	LL.102			73,131.33
23A06	6/30/2023	Accumulated depreciation	1600 EF	LL.102		73,131.33	
23A06	6/30/2023	Lease liability - current	2215 EF	LL.102		21,001.55	
23A06	6/30/2023	Commercial leases	2231 EF	LL.102			305,804.97
23A06	6/30/2023	Commercial leases	2231 EF	LL.102			
23A06	6/30/2023	Commercial leases	2231 EF	LL.102		266,734.06	
23A06	6/30/2023	Office Lease	8111 EF	LL.102			
23A06	6/30/2023	Office Lease	8111 EF	LL.102		106,041.30	
23A06	6/30/2023	Lease Interest	8134 EF	LL.102			1,608.39
23A06	6/30/2023	Lease Amortization	8135 EF	LL.102			99,917.81
23A06	6/30/2023	Depreciation expense	8139 EF	LL.102		73,131.33	
23A06	6/30/2023	Depreciation expense	8139 EF	LL.102			73,131.33
		To remove the implementation of GASB 87 for 2022.					
						1,926,611.43	1,926,611.43

Net Income (Loss) 15,465,965.75

Redwood Coast Energy Authority

Year End: June 30, 2023

Normal adjusting journal entries

Date: 7/1/2021 To 6/30/2023

Account No: 22A01 To 22A06

310

Associate	Sr. Associate	Manager
Partner Review	IR/CDR	RT18036 2/15/2025
BR10327 3/20/2025		

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit
22A01	6/30/2022	NEM Escrow Liability	2011 EF			34,254.13	
22A01	6/30/2022	Fund Balance	3900 EF				34,254.13
		Prior year entry 20A01 that was booked incorrectly.					
22A02	6/30/2022	Fund Balance	3900 EF	QQ.101		978.24	
22A02	6/30/2022	Employee Benefits-Insurance	7240 EF	QQ.101			978.24
		To reverse the late entry that RCEA made a few months after the TB for the 2020/2021 audits were received where the health savings checks were never deposited. They following entry trues up the equity to the prior year TB, which agrees to the PY financial statements.					
22A03	6/30/2022	Accounts Receivable-Other	1103 EF	C.102.1			180,624.39
22A03	6/30/2022	Electricity Sales	5510 EF	C.102.1		180,624.39	
		To true-up the accounts receivable balance for 2022 to the Calpine AR aging report.					
22A04	6/30/2022	NEM Escrow Liability	2011 EF	C.102.1			13,956.98
22A04	6/30/2022	NEM Rebates	5512 EF	C.102.1		13,956.98	
		To true-up the NEM Escrow Liability to the amount on the Calpine AR aging report.					
22A05	6/30/2022	Allowance for Doubtful Accounts	1101 EF	C.910			493,668.24
22A05	6/30/2022	Uncollectable Accounts	5580 EF	C.910		493,668.24	
		To accrue additional amount in order to bring the total allowance amount equal to 3% of the total revenues, per the existing policy.					
22A06	6/30/2022	Commercial leases	1530 EF	LL.102			288,427.20
22A06	6/30/2022	Commercial leases	1530 EF	LL.102			167,450.30
22A06	6/30/2022	Lease Accumulated Amortization	1531 EF	LL.102		92,720.85	
22A06	6/30/2022	Accumulated depreciation	1600 EF	LL.102			67,196.40
22A06	6/30/2022	Accumulated depreciation	1600 EF	LL.102		67,196.40	
22A06	6/30/2022	Lease liability - current	2215 EF	LL.102		83,090.31	
22A06	6/30/2022	Lease liability - current	2215 EF	LL.102			83,090.31
22A06	6/30/2022	Lease liability - current	2215 EF	LL.102		96,414.46	
22A06	6/30/2022	Commercial leases	2231 EF	LL.102		205,336.89	
22A06	6/30/2022	Commercial leases	2231 EF	LL.102		84,964.00	
22A06	6/30/2022	Commercial leases	2231 EF	LL.102			96,414.46
22A06	6/30/2022	Commercial leases	2231 EF	LL.102		82,486.30	
22A06	6/30/2022	Office Lease	8111 EF	LL.102		84,964.00	
22A06	6/30/2022	Lease Interest	8134 EF	LL.102			1,873.69
22A06	6/30/2022	Lease Amortization	8135 EF	LL.102			92,720.85
22A06	6/30/2022	Depreciation expense	8139 EF	LL.102		67,196.40	
22A06	6/30/2022	Depreciation expense	8139 EF	LL.102			67,196.40
		To remove the implementation of GASB 87 for 2022.					
						1,587,851.59	1,587,851.59

Net Income (Loss) 15,465,965.75

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Authority will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of April-June, and sometimes early in July. Our final financial fieldwork is scheduled during the summer to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Redwood Coast Energy Authority

Financial Statements

June 30, 2023 and 2022

Redwood Coast Energy Authority

Table of Contents
June 30, 2023 and 2022

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statements of Cash Flows	5
Notes to the Financial Statements	7
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	16
Independent Auditors' Report on Compliance With Aspects of Contractual Agreements and Regulatory Requirements for Electric Borrowers	18
Schedule of Findings and Responses	20

Independent Auditors' Report

To the Board of Directors of
Redwood Coast Energy Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Redwood Coast Energy Authority (RCEA), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the RCEA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of RCEA as of June 30, 2023 and 2022, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RCEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the RCEA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RCEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RCEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025 on our consideration of RCEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RCEA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RCEA's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
April 21, 2025

Redwood Coast Energy Authority

Statements of Net Position

June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,587,820	\$ 3,570,809
Accounts receivable, net of allowance	6,947,556	6,843,531
Unbilled revenue	3,036,544	2,799,564
Other receivable	76,709	85,050
Prepaid expenses	20,905	20,214
Inventory	19,163	19,484
Deposits	4,154,596	4,391,667
Total current assets	26,843,293	17,730,319
Noncurrent Assets		
Restricted assets:		
Reserve fund	478,068	478,068
Plant in service	409,922	379,519
Accumulated depreciation	(256,376)	(195,533)
Construction work in progress	8,916,246	8,687,976
Total noncurrent assets	9,547,860	9,350,030
Total assets	\$ 36,391,153	\$ 27,080,349
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ 795,011	\$ 453,525
Accrued cost of electricity	2,322,322	3,145,654
Accrued wages	127,741	124,459
Accrued compensation	157,950	150,594
Security deposits	1,521,045	4,283,635
Current portion of notes payable	-	2,000,000
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	207,283	69,094
Total current liabilities	5,131,352	10,226,961
Noncurrent Liabilities		
Revenue bonds	6,011,215	6,218,498
Advances from grantors	136,075	988,348
Total noncurrent liabilities	6,147,290	7,206,846
Total liabilities	11,278,642	17,433,807
Net Position		
Net investment in capital assets	2,851,294	2,584,370
Restricted for:		
Debt service	478,068	478,068
Unrestricted	21,783,149	6,584,104
Total net position	25,112,511	9,646,542
Total liabilities and net position	\$ 36,391,153	\$ 27,080,349

See notes to basic financial statements

Redwood Coast Energy Authority

Statements of Revenues, Expenses and Change in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Charges for service	\$ 72,842,383	\$ 47,717,826
Grant revenue	1,250,742	899,725
Total operating revenues	74,093,125	48,617,551
Operating Expenses		
Purchased power	50,162,041	48,231,623
Operation and maintenance	8,415,015	7,049,812
Depreciation	60,844	56,176
Total operating expenses	58,637,900	55,337,611
Operating income	15,455,225	(6,720,060)
Nonoperating Revenues (Expenses)		
Miscellaneous revenues	59,917	39,792
Investment income	1,807	36
Interest expense	(161,780)	(131,983)
Nonoperating revenues	(100,056)	(92,155)
Income before contributions	15,355,169	(6,812,215)
Capital Contributions	110,800	903,581
Change in net position	15,465,969	(5,908,634)
Net Position, Beginning	9,646,542	15,555,176
Net Position, Ending	<u>\$ 25,112,511</u>	<u>\$ 9,646,542</u>

See notes to basic financial statements

Redwood Coast Energy Authority

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Received from customers	\$ 69,807,046	\$ 48,486,595
Received from grants	398,469	347,114
Paid to suppliers for goods and services	(55,164,371)	(51,637,939)
Paid to employees for operating payroll	(3,647,193)	(2,964,542)
Net cash flows from operating activities	<u>11,393,951</u>	<u>(5,768,772)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(258,673)	(3,894,866)
Proceeds from debt issued	-	6,287,592
Capital contributions received	110,800	903,581
Debt retired	(69,094)	-
Interest paid	(118,803)	(81,004)
Net cash flows from capital and related financing activities	<u>(335,770)</u>	<u>3,215,303</u>
Cash Flows From Noncapital and Related Financing Activities		
Interest paid	(42,977)	(50,979)
Proceeds of debt issued	-	2,000,000
Debt retired	(2,000,000)	-
Net cash flows from noncapital and related financing activities	<u>(2,042,977)</u>	<u>1,949,021</u>
Cash Flows From Investing Activities		
Interest income	<u>1,807</u>	<u>36</u>
Net cash flows from investing activities	<u>1,807</u>	<u>36</u>
Net change in cash and cash equivalents	9,017,011	(604,412)
Cash and Cash Equivalents, Beginning	<u>4,048,877</u>	<u>4,653,289</u>
Cash and Cash Equivalents, Ending	<u>\$ 13,065,888</u>	<u>\$ 4,048,877</u>

See notes to basic financial statements

Redwood Coast Energy Authority

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 15,455,225	\$ (6,720,060)
Nonoperating revenue (expense)	59,917	39,792
Noncash items in operating income:		
Depreciation	60,844	56,176
Changes in assets and liabilities:		
Accounts receivable	(104,025)	(2,356,804)
Unbilled revenue	(236,980)	(1,032,838)
Other receivables	8,341	15,824
Advances from grantors	(852,273)	(552,611)
Inventory	321	2,799
Deposits	237,071	(98,035)
Prepaid expenses	(691)	(6,022)
Accounts payable	341,485	(94,531)
Accrued cost of electricity	(820,050)	825,990
Accrued compensation and wages	7,356	48,753
Security deposits	(2,762,590)	4,102,795
Net cash flows from operating activities	<u>\$ 11,393,951</u>	<u>\$ (5,768,772)</u>
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Cash and cash equivalents	\$ 12,587,820	\$ 3,570,809
Reserve fund	<u>478,068</u>	<u>478,068</u>
	<u>\$ 13,065,888</u>	<u>\$ 4,048,877</u>

See notes to basic financial statements

1. Summary of Significant Accounting Policies

Reporting Entity

The Redwood Coast Energy Authority (RCEA) is a joint powers authority formed in 2003 under California Government Code Section 6500 to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency and advance the use of clean, efficient and renewable resources available in the Humboldt County region of California. The member agencies of RCEA are the County of Humboldt, the Humboldt Bay Municipal Water District, the cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad. RCEA is governed by a Board of Directors comprised of representatives of the member agencies.

RCEA began the delivery of electricity in May 2017. RCEA provides electric service to retail customers as a Community Choice Aggregation Program (CCA) under the California Public Utilities Code Section 366.2. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by the California Independent System Operator and PG&E.

Basis of Accounting

RCEA's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

RCEA's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting - similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

When both restricted and unrestricted resources are available for use, it is RCEA's policy to use restricted resources first, then unrestricted resources as they are needed.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, RCEA has defined cash and cash equivalents to include cash on hand, demand deposits and short-term investments with an original maturity of three months or less.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The restricted assets included relate to the debt service for the

Redwood Coast Energy Authority

Notes to Financial Statements

June 30, 2023 and 2022

Accounts Receivable

Accounts receivable represent program revenues which have been earned for which the related cash has not been received. Accounts receivable was as follows:

	<u>2023</u>	<u>2022</u>
Accounts receivable from customers	\$ 15,062,459	\$ 12,696,043
Allowance for uncollectible accounts	<u>(8,114,903)</u>	<u>(5,852,512)</u>
Total	<u>\$ 6,947,556</u>	<u>\$ 6,843,531</u>

The majority of account collections occur within the first few months following customer invoicing. RCEA estimates that a portion of the billed amounts will not be collected. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years.

Unbilled Revenue

RCEA records an estimate for unbilled revenues earned from the dates its customers were last billed to the end of the fiscal year. On June 30, 2023 and 2022, unbilled revenues were \$3,036,544 and \$2,799,564, respectively.

Inventory

Inventory is generally used for construction, operation and maintenance work, not for resale. Inventory is valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Deposits

Various energy contracts entered into by RCEA require RCEA to provide a supplier with a security deposit. These deposits are generally held for the term of the contract. Deposits are classified as current or noncurrent depending on the length of the time the deposits are expected to be held.

Capital Assets and Depreciation

Capital assets are generally defined by RCEA as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year.

Capital assets of RCEA are recorded at cost or the estimated acquisition value at the time of contribution to RCEA. Major outlays for capital assets are capitalized as projects are constructed. Depreciation is computed according to the straight-line method over estimated useful lives of five to ten years for equipment. Leasehold improvements are depreciated over the shorter of 1) the useful life of the leasehold improvement or 2) the remaining years of the lease.

Advances From Grantor

RCEA received grant funding from various grantors. The amount in this category represents funds received by RCEA, but not yet expended to carry out specific goals as required by the terms and conditions of the grant agreement. Grant revenue will be recognized as the objectives of the grant agreement are carried out.

Long-Term Obligations and Accrued Wages

Long-term debt and other obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Accrued Compensation

RCEA pays employees bi-weekly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. RCEA is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. RCEA provides compensated time off, and the related liability is recorded in these financial statements.

Security Deposits

Various energy contracts entered into by RCEA require the supplier to provide RCEA with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

Net Position

Net position is presented in the following components:

Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and is reduced by outstanding borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - This component of net position consists of net assets subject to external constraints on their use imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted".

Revenue and Expenses

RCEA distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with RCEA's principal ongoing operations. The principal operating revenues of RCEA include revenues derived from the provision of electricity to retail customers. Electricity sales are reported net of changes to the allowance for uncollectable accounts. Operating expenses for RCEA include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenue Recognition

RCEA recognizes revenue on an accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded. RCEA's methodology used to calculate the allowance for doubtful accounts considers the impacts of the recession and the suspension of customer electricity disconnections.

Grant Revenue

The California Public Utilities Commission (CPUC) and the Local Government Commission (LGC), a California not-for-profit membership organization, have undertaken a pilot project to encourage the formation of regional organizations such as RCEA to promote energy efficiency, conservation and increased local self-reliance. The CPUC has made funds available to the LGC to help local governments establish and operate agencies such as RCEA. Funds are collected from rate payers by Pacific Gas and Electric (PG&E) and distributed to RCEA in accordance with the objectives of this project.

Capital Contributions

Cash and capital assets are contributed to the RCEA from customers or external parties. The value of property contributed to the RCEA are reported as revenue on the statements of revenues, expenses and changes in net position.

Electrical Power Purchased

During the normal course of business, RCEA purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as wholesale sales and generation credits, and load and other charges arising from RCEA's participation in the CAISO's centralized market. The cost of electricity and capacity is recognized as "Purchased Power" in the Statements of Revenues, Expenses and Changes in Net Position.

Income Taxes

RCEA is a joint powers authority under the provisions of the California Government Code and is not subject to federal or state income or franchise taxes.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

GASB has approved GASB Statement No. 99, *Omnibus 2022*; GASB Statement No 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*; GASB Statement No. 101, *Compensated Absences*; GASB Statement No. 102, *Certain Risk Disclosures*; GASB Statement No. 102, *Financial Reporting Model Improvements*; GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may result in restating of these financial statements. Management is evaluating the effects of these new pronouncements.

Redwood Coast Energy Authority

Notes to Financial Statements

June 30, 2023 and 2022

2. Cash and Cash Equivalents

As of June 30, 2023 and 2022, RCEA maintains its cash in both interest-earning and noninterest-earning bank accounts with Umpqua Bank.

California Government Code Section 16521 requires banks to collateralize amounts of public funds in excess of the FDIC limit of \$250,000 in an amount equal to 110% of deposit balances.

As of June 30, 2023 and 2022, RCEA maintains \$0 and \$21,325 of its cash in the Humboldt County Treasury, respectively. The County pools these funds with those of other governmental entities in the County and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The Humboldt County Treasury had no investments in derivatives.

Investment Policy

RCEA has adopted an investment policy. That policy follows state statutes for allowable investments.

3. Capital Assets

A summary of changes in capital assets for 2023 follows:

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Construction work in progress	\$ 8,687,976	\$ 228,270	\$ -	\$ 8,916,246
Capital assets being depreciated:				
Leasehold improvements	45,972	-	-	45,972
Equipment	333,547	30,403	-	363,950
Total capital assets being depreciated	379,519	116,767	-	409,922
Less accumulated depreciation:				
Leasehold improvements	(18,225)	(2,298)	-	(20,523)
Equipment	(177,308)	(58,545)	-	(235,853)
Total accumulated depreciation	(195,533)	(60,843)	-	(256,376)
Capital assets, net	\$ 8,871,962	\$ 197,830	\$ -	\$ 9,069,792

Redwood Coast Energy Authority

Notes to Financial Statements
June 30, 2023 and 2022

A summary of changes in capital assets for 2022 follows:

	Balances July 1, 2021	Increases	Decreases	Balances June 30, 2022
Construction work in progress	\$ 5,236,593	\$ 3,477,495	\$ 26,112	\$ 8,687,976
Capital assets being depreciated:				
Leasehold improvements	45,972	-	-	45,972
Equipment	283,562	49,985	-	333,547
Total capital assets being depreciated	329,534	49,985	-	379,519
Less accumulated depreciation:				
Leasehold improvements	(15,926)	(2,298)	-	(18,225)
Equipment	(123,431)	(53,877)	-	(177,308)
Total accumulated depreciation	(139,357)	(56,176)	-	(195,533)
Capital assets, net	\$ 5,426,770	\$ 3,471,304	\$ 26,112	\$ 8,871,962

4. Long-Term Obligations

The following bonds have been issued:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 6/30/2023	Outstanding Amount 6/30/2022
6/1/2021	To finance the construction of electric distribution facilities, United States Department of Agriculture (USDA), Rural Utilities Service (RUS)	1/2/2046	1.79%	\$ 6,287,592	\$ 6,218,498	\$ 6,287,592*
2/8/2022	Blue Lake Rancheria	8/25/2022	8.00%	2,000,000	-	2,000,000*

* The debt noted is directly placed with a third party.

Redwood Coast Energy Authority

Notes to Financial Statements

June 30, 2023 and 2022

Revenue bonds debt service requirements to maturity follows:

	Principal	Interest	Total
Years ending June 30:			
2024	\$ 207,283	\$ 83,530	\$ 290,813
2025	345,472	131,396	476,868
2026	276,378	99,998	376,376
2027	276,378	95,030	371,408
2028	276,378	90,195	366,573
2029-2033	1,381,889	375,713	1,757,602
2034-2038	1,381,889	251,615	1,633,504
2039-2043	1,381,889	127,408	1,509,297
2044-2046	690,942	17,136	708,078
Total	\$ 6,218,498	\$ 1,272,021	\$ 7,490,519

All RCEA revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 and 2022 were \$187,897 and \$81,004, respectively. Total customer gross revenues as defined for the same periods were \$74,094,931 and \$48,617,587. Annual principal and interest payments are expected to require 0.4% and 0.7% of gross revenues on average, respectively.

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses must exceed 1.25 times the annual debt service of the bonds in 2023 and 2022. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2023 and not met in 2022.

Long-Term Obligation Summary

Long-term obligation activity for the year ended June 30, 2023 is as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Notes payable	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -
Revenue bonds	6,287,592	-	69,094	6,218,498	207,283
Advances from grantors	988,348	-	852,273	136,075	-
Total	\$ 9,275,940	\$ -	\$ 2,921,367	\$ 6,354,573	\$ 207,283

Long-term obligation activity for the year ended June 30, 2022 is as follows:

	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Notes payable	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000
Revenue bonds	-	6,287,592	-	6,287,592	69,094
Advances from grantors	1,540,959	-	552,611	988,348	-
Total	\$ 1,540,959	\$ 8,287,592	\$ 552,611	\$ 9,275,940	\$ 2,069,094

5. Grants

RCEA administers various grants from the California Public Utilities Commission (CPUC), California Energy Commission and other sources. Grant revenues are recognized when a corresponding eligible expense is incurred.

RCEA also administered a grant from the California Arrearage Payment Program (CAPP) that offers financial assistance for California energy utility customers to help reduce past due energy account balances that increased during the COVID-19 pandemic. RCEA received \$0 and \$1,458,590 in 2023 and 2022, respectively, which reduced accounts receivable outstanding.

6. Retirement Plan

RCEA has established a Savings Incentive Match Plan for employees (a Simple IRA) where RCEA and employees make contributions to individual retirement accounts (IRAs). Under the Simple IRA, RCEA must make contributions matching participating employee contributions, up to a maximum of 3% of an employee's gross salary per year. Employees may contribute up to the maximum federally allowed amount. All regular employees of RCEA are eligible to participate in the Simple IRA plan. Plan contributions by RCEA for the years ended June 30, 2023 and 2022 were \$175,915 and \$152,347, respectively.

7. Risk Management

RCEA is covered for general business, liability, automobile and errors and omissions through the Special Districts Risk Management Authority (SDRMA), a public entity risk pool. As a member of a public entity risk pool, RCEA is responsible for appointing an employee as a liaison between RCEA and SDRMA, implementing all policies of the SDRMA and promptly paying all contributions. SDRMA is responsible for providing insurance coverage as agreed upon, assisting RCEA with implementation, providing claims adjusting and defending any civil action brought against an officer of RCEA.

RCEA is exposed to various insurable risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions. During the year, RCEA purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions and property damage. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

On July 12, 2018, RCEA's Board adopted the Energy Risk Management Policy (ERMP). The ERMP establishes RCEA's Energy Risk Program and applies it to all power procurements and related business activities that may impact the risk profile of RCEA. The ERMP documents the framework by which RCEA staff and consultants will identify and quantify risk, develop and execute procurement strategies, develop controls and oversight and monitor and measure and report on the effectiveness of the ERMP. Risks covered by the ERMP include market price risk, credit risk, volumetric risk, operational risk, opt-out risk, legislative and regulatory risk and other risks arising from operating as a Community Choice Aggregation and participating in California energy markets. The Board approved updates to the ERMP in July 2019, July 2020 and July 2021.

RCEA maintains other risk management policies, procedures and systems that help mitigate and manage credit, liquidity, financial, regulatory and other risks not covered by the ERMP.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, RCEA enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counterparties.

8. Purchase Commitments

Construction

On June 30, 2023, RCEA had open construction contracts for \$7,493,473. As of year-end, \$7,126,878 has been expended.

Power and Electric Capacity

In the ordinary course of business, RCEA enters into various power purchase and energy storage agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and hydro-electric facilities.

RCEA enters into power purchase and energy storage agreements in order to comply with state law and elective targets for renewable and greenhouse gas (GHG) free products and to ensure stable and competitive electric rates for its customer.

The following table represents the expected, undiscounted, contractual commitments for energy storage, power and electric capacity outstanding as of June 30, 2023:

Years ending June 30:

2024	\$ 8,991,555
2025	8,991,555
2026	8,991,555
2027	8,991,555
2028	8,991,555
2029 - 2031	<u>28,791,123</u>
Total	<u>\$ 73,748,898</u>

9. Subsequent Events

RCEA evaluated subsequent events through the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

Grant Agreement

In September 2024, the CPUC approved the Northern California Rural Regional Energy Network (NREN), with RCEA named as the lead administrator. The NREN programs will deliver energy efficiency programs to underserved rural customers located within 17 counties. RCEA's total 2024-2027 budget in the CPUC Decision for NREN is \$32,178,044.

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
Redwood Coast Energy Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and 7 CFR Part 1773, Policy on Audits of Rural Utility Service (RUS) Borrowers, the financial statements of Redwood Coast Energy Authority (the RCEA), which comprise the RCEA's statement of financial position as of June 30, 2023 and 2022, and the related revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the RCEA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the RCEA's internal control. Accordingly, we do not express an opinion on the effectiveness of the RCEA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001/2023-001, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the RCEA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
April 21, 2025

**Independent Auditors' Report on Compliance
With Aspects of Contractual Agreements and
Regulatory Requirements for Electric Borrowers**

To the Board of Directors of
Redwood Coast Energy Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Redwood Coast Energy Authority, as of June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the Redwood Coast Energy Authority's financial statements as listed in the table of contents and have issued our report thereon dated April 21, 2025. In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of RCEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above have been furnished to management.

In connection with our audit, other than the item noted below, nothing came to our attention that caused us to believe that RCEA failed to comply with the terms, covenants, provisions or conditions of their loan, grant and security instruments as set forth in 7 CFR Part 1773, Policy on Audits of Rural Utilities Service Borrowers, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the RCEA's noncompliance with the above-referenced terms, covenants, provisions or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, other than the item noted below, we noted no matters regarding RCEA's accounting and records to indicate that RCEA did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material and overhead costs and the distribution of these costs to construction, retirement and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;
- Record and properly price the retirement of plant;
- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material or scrap;
- Maintain adequate control over materials and supplies;

- Prepare accurate and timely Financial and Operating Reports;
 - See findings 2022-001/2023-001, 2022-002/2023-002, 2022-003/2023-003 and 2022-004/2023-004
- Obtain written RUS approval to enter into any contract for the management, operation or maintenance of the borrowers' system if the contract concerns all or substantially all of the electric system;
- Disclose material related-party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and
- Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the Board of Directors, management and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Baker Tilly US, LLP

Madison, Wisconsin
April 21, 2025

Redwood Coast Energy Authority

Schedule of Findings and Responses June 30, 2023 and 2022

Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2022-001/2023-001: Material Weakness - Internal Control Over Financial Reporting

Criteria: Auditing Standards AU-C 265 requires us to report a material weakness if any of these factors are relevant for RCEA: 1) Material journal entries are detected as part of the financial audit and 2) The auditor prepares the annual financial statements and footnotes.

Condition: We, as your auditors, prepared RCEA's financial statements. In addition, adjusting entries were proposed as part of the audit.

Cause: RCEA does not have sufficient resources to complete RCEA's financial statements.

Effect: Without adequate internal control over financial reporting, the financial statements may not contain all the required disclosures.

Recommendation: We recommend that RCEA evaluate if resources would be available to prepare and review a complete set of financial statements. Additional levels of review may be necessary over the year end general ledger balances and the schedule of expenditures of federal awards to reduce the likelihood of material adjustments during the audit.

Management's Response: RCEA's Finance Manager prepares monthly budget to actual reports for Department managers. The Director of Business Planning and Finance prepares monthly financial reports for the RCEA Board of Directors, including a year-to-date actual report compared to budget. The Director of Business Planning and Finance also prepares a quarterly Budget Update Report that includes a summary of revenues and expenditures and calls out any significant deviations. The Board takes action to approve the financial and budget reports at its monthly meeting. Due to staffing constraints, we anticipate continued assistance from RCEA's auditors to prepare the complete annual financial statements based on information provided by RCEA staff.

Finding 2022-002/2023-002: RUS Written Statement

Criteria: In accordance with 7 CFR Part 1773, Policy on Audits of Rural Utility Service (RUS) Borrowers, the Borrower shall deliver to RUS a written statement signed by its General Manager, stating that during such year the Borrower has fulfilled all of its obligations under the Loan Documents within 90 days after the close of each calendar year.

Condition: During testing, it was noted that a written statement to RUS was not submitted.

Cause: RCEA does not have an established timeline or process to ensure timely submittal.

Effect: Without adequate processes and controls, the written statement would not be submitted and RCEA may not be aware of whether they are not fulfilling its obligations.

Recommendation: We recommend that RCEA develops processes and controls surrounding the preparation and review of the of the written statement to ensure timely submittal.

Management's Response: The Director of Business Planning and Finance will develop a procedure to ensure preparation, review and timely submittal of an annual written statement to RUS signed by RCEA's Executive Director.

Redwood Coast Energy Authority

Schedule of Findings and Responses June 30, 2023 and 2022

Finding 2022-003/2023-003: RUS Annual Audits

Criteria: In accordance with Section 1773.3 (c) for Annual Audits of 7 CFR Part 1773, Policy on Audits of Rural Utility Service (RUS) Borrowers, the auditee must furnish a reporting package to RUS within 120 days of the audit date.

Condition: During testing, it was noted that the financial statements as of and for the years ended June 30, 2023 and June 30, 2022 were not submitted by the deadline.

Cause: Without proper review of the RUS requirements, the deadlines will not be met.

Effect: Without the development of an audit timeline, the reporting package may not be submitted on time.

Recommendation: We recommend that RCEA reviews the RUS requirements and develops a timeline and works with their external auditors to ensure that the audit is being completed and the reporting package is submitted on a timely basis.

Management's Response: The Director of Business Planning and Finance will work with RCEA's external auditors to develop an audit timeline to ensure the reporting package is submitted on a timely basis from now on.

Finding 2022-004/2023-004: RUS Auditor Selection

Criteria: In accordance with Section 1773.7 for the Borrower Responsibilities of 7 CFR Part 1773, Policy on Audits of Rural Utility Service (RUS) Borrowers, when the initial selection or subsequent change of an auditor has been made, the auditee must notify RUS, in writing via email, at least 90 days prior to the audit date. Changes in the name of an auditor are considered to be a change in the auditor.

Condition: During testing, it was noted that Baker Tilly US, LLP was engaged to complete the 2021 to 2023 engagement on January 19, 2023. As this was after the initial advance of October 13, 2021, RCEA was required to submit a notice yet failed to do so.

Cause: Without proper review of the RUS requirements, the deadlines will not be met.

Effect: Without adequate processes and controls around the RUS requirements, the notification to RUS on the change in auditors may not occur.

Recommendation: We recommend that RCEA reviews the RUS requirements and ensure the proper notices are being made to the RUS to ensure compliance with the requirements.

Management's Response: Staff will continue to regularly review the RUS Loan Documents and ensure proper notices are being made to the RUS to ensure compliance with Auditor Selection and all other requirements.

Redwood Coast Energy Authority

Report on Federal Awards

June 30, 2022

Redwood Coast Energy Authority

Table of Contents
June 30, 2022

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

To the Board of Directors of
Redwood Coast Energy Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Redwood Coast Energy Authority (the Authority), which comprise the Authority's statement of financial position as of June 30, 2022, and the related statements of changes in financial position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Madison, Wisconsin
April 21, 2025

**Report on Compliance
for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of
Redwood Coast Energy Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Redwood Coast Energy Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2022, and have issued our report thereon dated April 21, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
April 21, 2025

Redwood Coast Energy Authority

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor / Program Title / Pass-Through Entity	Assistance Listing Number	Award Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Treasury					
<i>Coronavirus State and Local Fiscal Recovery Funds (CSLFR)</i>					
COVID-19 California Arrearage Payment Program (CAPP)					
Pass-through from California Department of Community Services and Development (CSD)	21.027	68-0283471	00001013	\$ 1,458,590	\$ -
Total U.S. Department of Treasury				1,458,590	-
U.S. Department of Agriculture					
<i>Rural Utilities Service (RUS)</i>					
Rural Electrification Loan and Loan Guarantee	10.850	CLSS00000066182	N/A	6,287,592	-
Total U.S. Department of Agriculture				6,287,592	-
Total expenditures of federal awards				\$ 7,746,182	\$ -

See notes to the schedule of expenditures of federal awards

Redwood Coast Energy Authority

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Redwood Coast Energy Authority (the Authority) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of RCEA, it is not intended to and does not present the financial position, changes in financial position or cash flows of RCEA.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

RCEA has not elected to use the 10% de minimis indirect cost rate.

4. Loan and Loan Guarantee Programs

On June 1, 2021, RCEA secured a guaranteed loan to finance construction of electric generation facilities through the U.S. Department of Agriculture (USDA) Rural Utilities Service program totaling \$6,600,000. The amounts reflected in the Schedule of Expenditures of Federal Awards represent expenditures incurred during the year ended June 30, 2022. The following table contains information about these notes.

Loan	Assistance Listing Number	Interest Rate	Term-Annual Maturities Through	Outstanding Loan Balance at June 30, 2022		
USDA Rural Utilities Service Program	10.850	1.79%	January 2, 2046	\$6,287,592		
	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within One Year	
USDA Rural Utilities Service Program	\$ -	\$ 6,287,592	\$ -	\$ 6,287,592	\$ 69,094	

Redwood Coast Energy Authority

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X yes

 no

Significant deficiency(ies) identified?

 yes

 X none reported

Noncompliance material to financial statements noted?

 yes

 X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 yes

 X no

Significant deficiency(ies) identified?

 yes

 X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

 yes

 X no

Auditee qualified as low-risk auditee?

 yes

 X no

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Identification of major federal programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

10.850

Rural Electrification Loan and Loan Guarantee

21.027

Coronavirus State and Local Fiscal
Recovery Funds (CSLFRF)

Redwood Coast Energy Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

Finding 2022-001: Internal Control Over Financial Reporting

Criteria: Auditing Standards AU-C 265 requires us to report a material weakness if any of these factors are relevant for RCEA: 1) Material journal entries are detected as part of the financial audit and 2) The auditor prepares the annual financial statements and footnotes.

Condition: We, as your auditors, prepared RCEA's financial statements. In addition, adjusting entries were proposed as part of the audit.

Cause: RCEA does not have sufficient resources to complete RCEA's financial statements.

Effect: Without adequate internal control over financial reporting, the financial statements may not contain all the required disclosures.

Recommendation: We recommend that RCEA evaluate if resources would be available to prepare and review a complete set of financial statements. Additional levels of review may be necessary over the year end general ledger balances and the schedule of expenditures of federal awards to reduce the likelihood of material adjustments during the audit.

Management's Response: RCEA's Finance Manager prepares monthly budget to actual reports for Department managers. The Director of Business Planning and Finance prepares monthly financial reports for the RCEA Board of Directors, including a year-to-date actual report compared to budget. The Director of Business Planning and Finance also prepares a quarterly Budget Update Report that includes a summary of revenues and expenditures and calls out any significant deviations. The Board takes action to approve the financial and budget reports at its monthly meeting. Due to staffing constraints, we anticipate continued assistance from RCEA's auditors to prepare the complete annual financial statements based on information provided by RCEA staff.

Section III - Federal Awards Findings and Questioned Costs

No findings were reported.



Redwood Coast Energy Authority

2023 & 2022 Financial Statement Audit

Auditor's Report to Governing Body

May 22, 2025



AGENDA

- **Audit Results**
- **Required Communication to Governing Body**
- **Impact of Future Standards**
- **Discussion**

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the basic financial statements, whether due to fraud or error. Included in that assessment is a consideration of RCEA's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of the Board of Directors:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards
- Considering internal control over compliance with requirements that could have a direct and material effect on major federal programs to design tests of both controls and compliance with identified requirements
- Forming and expressing an opinion based on our audit in accordance with OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) about the entity's compliance with requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of its major federal programs.
- Our audit of the basic financial statements does not relieve management or the Board of Directors of their responsibilities.



Planned scope and timing

Audit focus

Based on our understanding of RCEA and the environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about RCEA's current year results.

Key areas of focus and significant findings

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Financial reporting and required disclosures	Long-term debt
Capital assets	Net position calculations	



Audit approach and results

Audit performed in accordance with *Generally Accepted Auditing Standards* and *Government Auditing Standards*

Audit objective – reasonable assurance that financial statements are free from material misstatement

Financial statements of RCEA received an *Unmodified Opinion*

There were one material weakness related to the financial statement close process

Report on Internal Control over Financial Reporting and Report on Compliance

Auditor communication to those charged with governance

**Auditor
responsibility &
independence**

**Board
responsibility**

**Accounting
policies and
estimates**

**Baker Tilly agrees with RCEA's
accounting policies and disclosures**

Audit adjustments

No other audit findings or concerns

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts you	Effective Date
99	Omnibus 2022		6/30/2024
100	Accounting Changes and Error Corrections		6/30/2025
101	Compensated Absences	✓	6/30/2025
102	Certain Risk Disclosures	✓	6/30/2025
103	Financial Reporting Model Improvements	✓	6/30/2025
104	Disclosure of Certain Capital Assets		6/30/2026

Discussion...



Client Service Team



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REDWOOD COAST EnergyAuthority

STAFF REPORT Agenda Item # 7.1

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources Lori Biondini, Director of Business Planning and Finance Jaclyn Harr, TEA Account Director – California
SUBJECT:	Energy Risk Management Semi-Annual Report

BACKGROUND

The RCEA Board of Directors adopted an Energy Risk Management Policy in December 2016, most recently revised in December 2024 (<https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Energy-Risk-Management-Policy.pdf>), to establish functions and procedures to manage the risks associated with the Community Choice Energy (CCE) program's power procurement activities. In accordance with this policy, staff presents updates at minimum twice yearly on activities and projected financial performance to the Board during business meetings.

SUMMARY

RCEA staff and the Energy Authority (TEA) California Account Director Jaclyn Harr will provide an energy risk management update.

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

Not applicable.

EQUITY IMPACTS

Not applicable.

RECOMMENDED ACTION

Accept Energy Risk Management Semi-Annual Report.

ATTACHMENTS

Energy Risk Management Semi-Annual Report slides will be presented at the meeting.

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RCEA Energy Risk Management Semi-Annual Report

May 2025 Board Meeting



REDWOOD COAST
EnergyAuthority

TEA
THE
EnergyAuthority

Financial Update

Overview of Financial Drivers*

Legend

Green = improved since FY budget revision Feb '25

Red = worse since FY budget revision Feb '25

CCE Revenues:

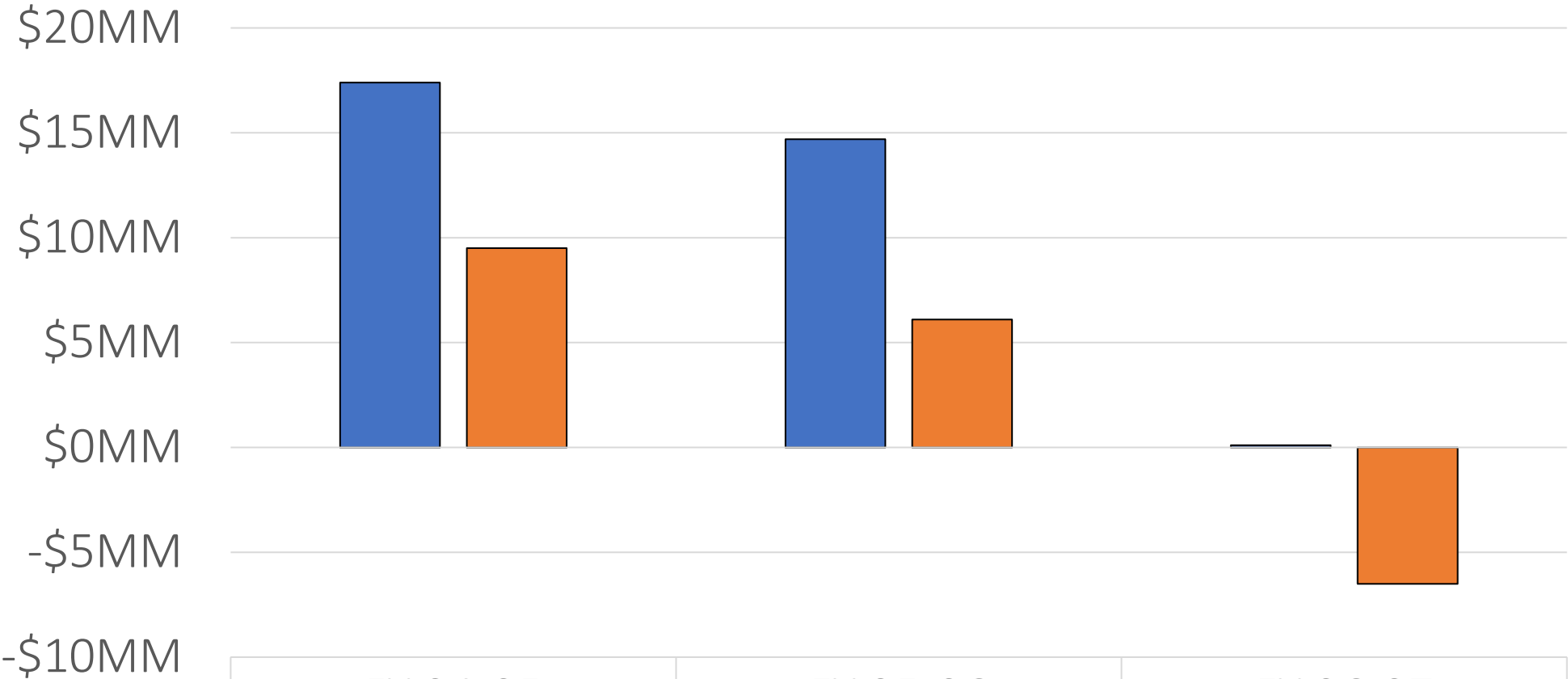
- Fiscal Year 24-25 electricity sales revenue lower than budgeted
 - Updated load forecast for 2025+
- Calendar year 2026 and 2027 PG&E rate forecast updated
(2026: per May ERRR, 2027: per NewGen)
 - -\$12.3MM in FY 25-26, -\$11.9MM in FY 26-27

Net Power Costs:

- Forward energy price changes over forecast horizon:
 - Calendar year 2025 costs up 7% (100% hedged)
 - Calendar years 2026 and 2027 costs up 11% (average hedged: ~95%) and 10% (average hedged: ~70%), respectively
- Decreased prices for environmental products (RECs & Carbon-Free) and capacity products (RA)

**Per Financial Models dated 2/11/25 and 5/6/25.*

Fiscal Year Net CCE Revenue Forecast



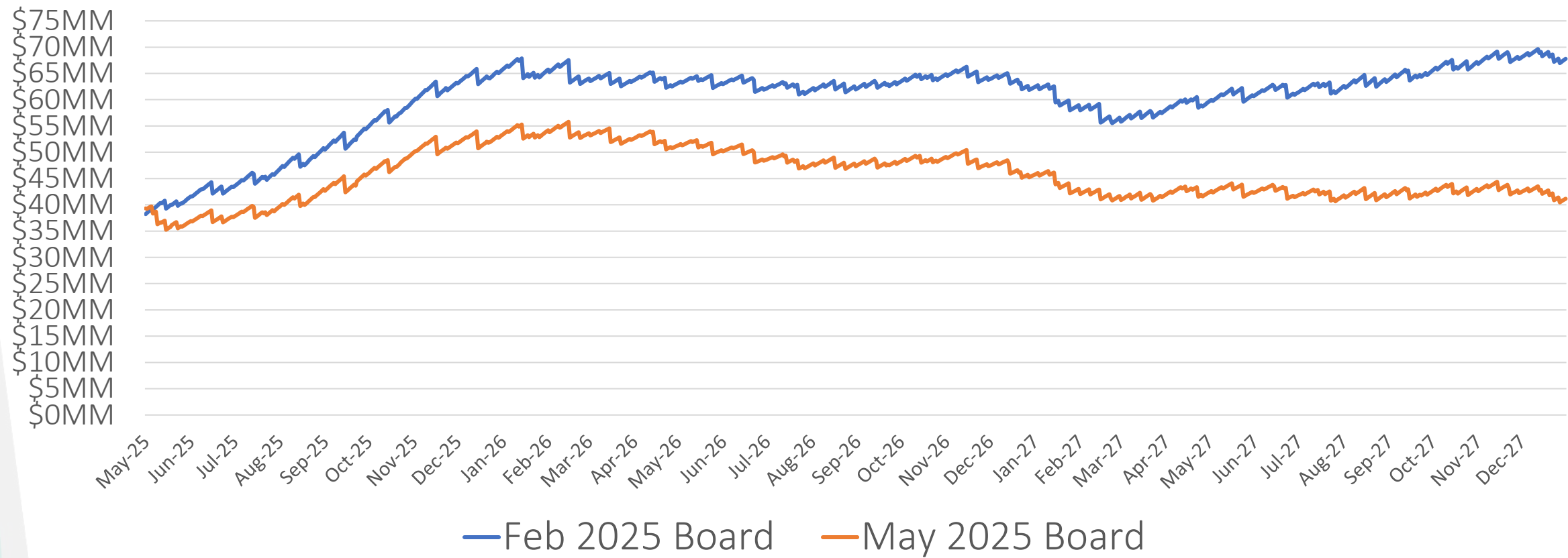
	FY 24-25	FY 25-26	FY 26-27
Feb 2025 Board	\$17,400,000	\$14,700,000	\$100,000
May 2025 Board	\$9,500,000	\$6,100,000	\$(6,500,000)

Calendar Year Net CCE Revenue Forecast

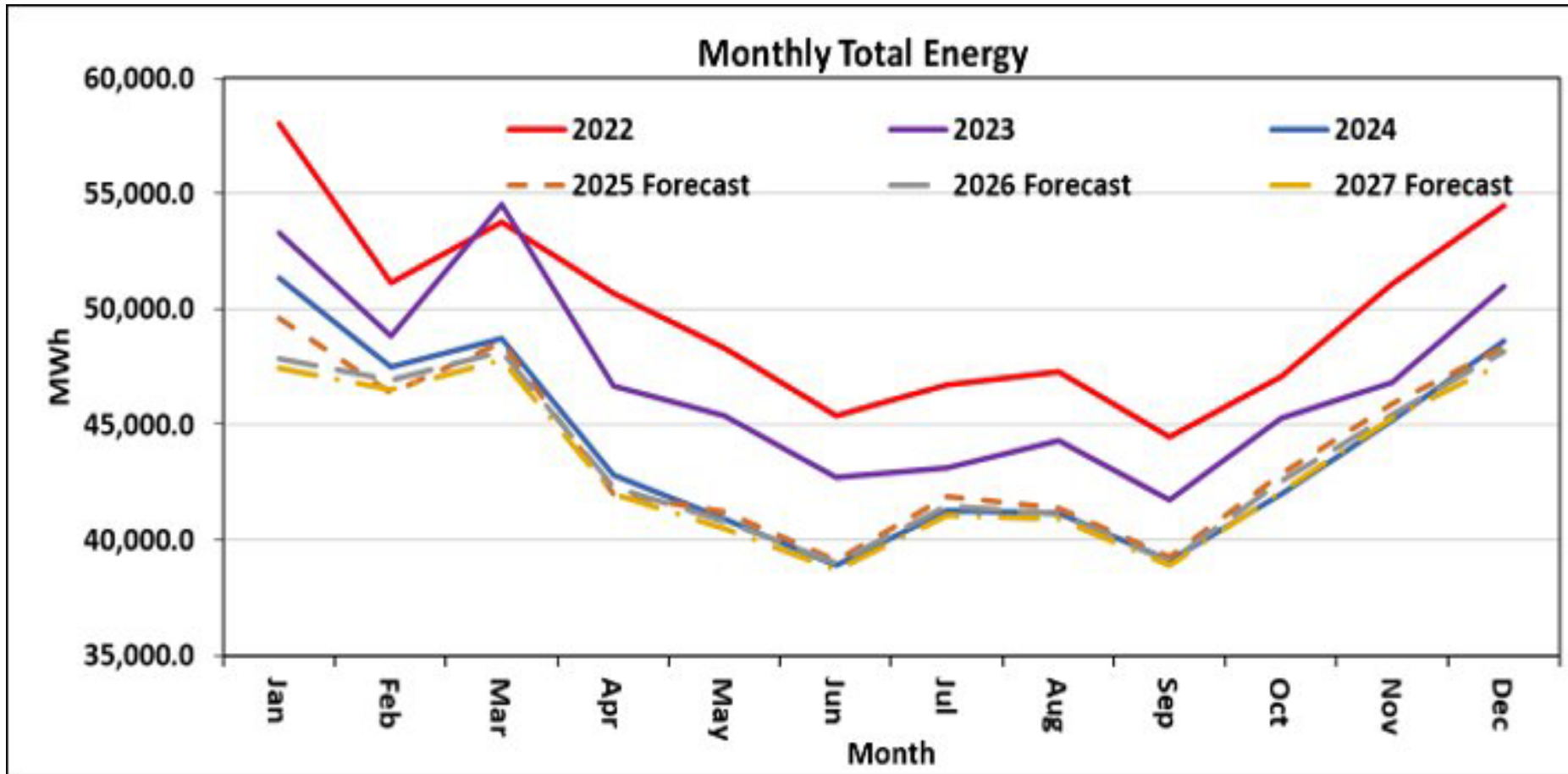


Two-Year Cash Projection based on CCE Net Revenues

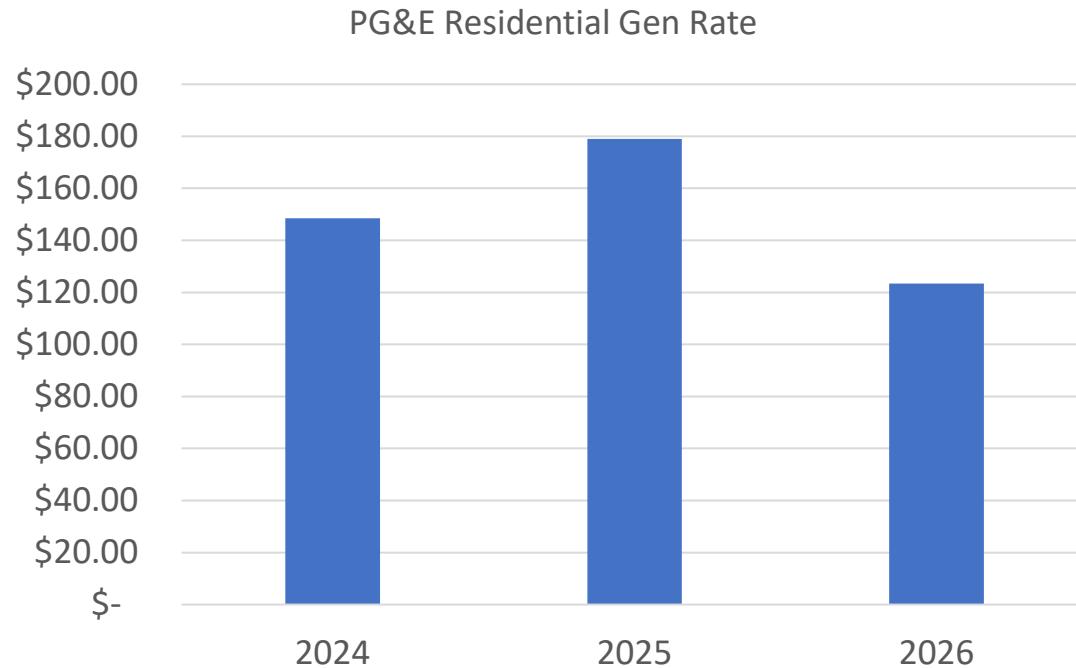
	May - Dec 2025			CY 2026			Jan - Dec 2027		
	Min	Avg	Ending	Min	Avg	Ending	Min	Avg	Ending
Feb 2025 Board	\$38.2M	\$51.5M	\$65.5M	\$61.0M	\$63.8M	\$62.3M	\$55.5M	\$62.5M	\$67.8M
May 2025 Board	\$35.2M	\$43.7M	\$53.2M	\$45.2M	\$50.2M	\$45.6M	\$40.5M	\$42.5M	\$41.2M



Historical vs. Forecast RCEA Usage



Year-over-Year PG&E Rates & RCEA PCIA



2024 Gen

\$148.50

2025 Gen

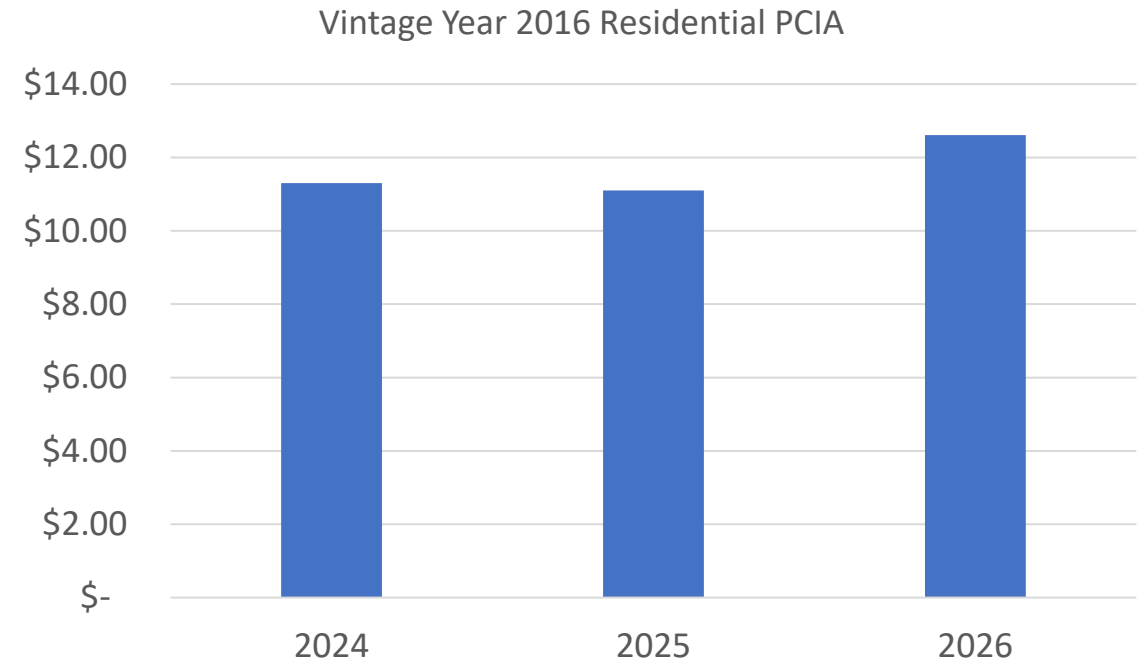
\$178.96

20.51%

2026 Gen

\$123.34

-31.08%



2024 PCIA

\$11.30

2025 PCIA

\$11.10

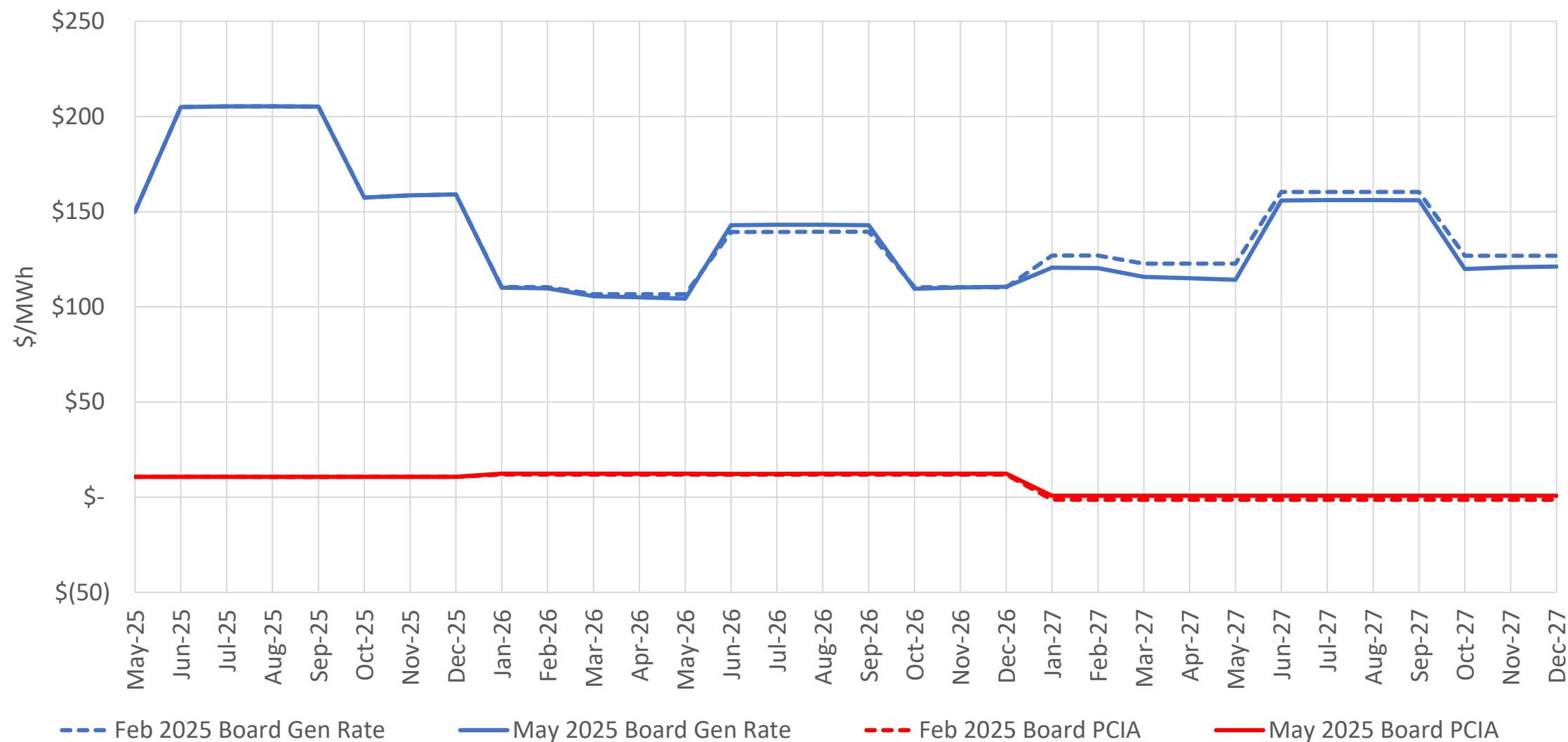
-1.77%

2026 PCIA

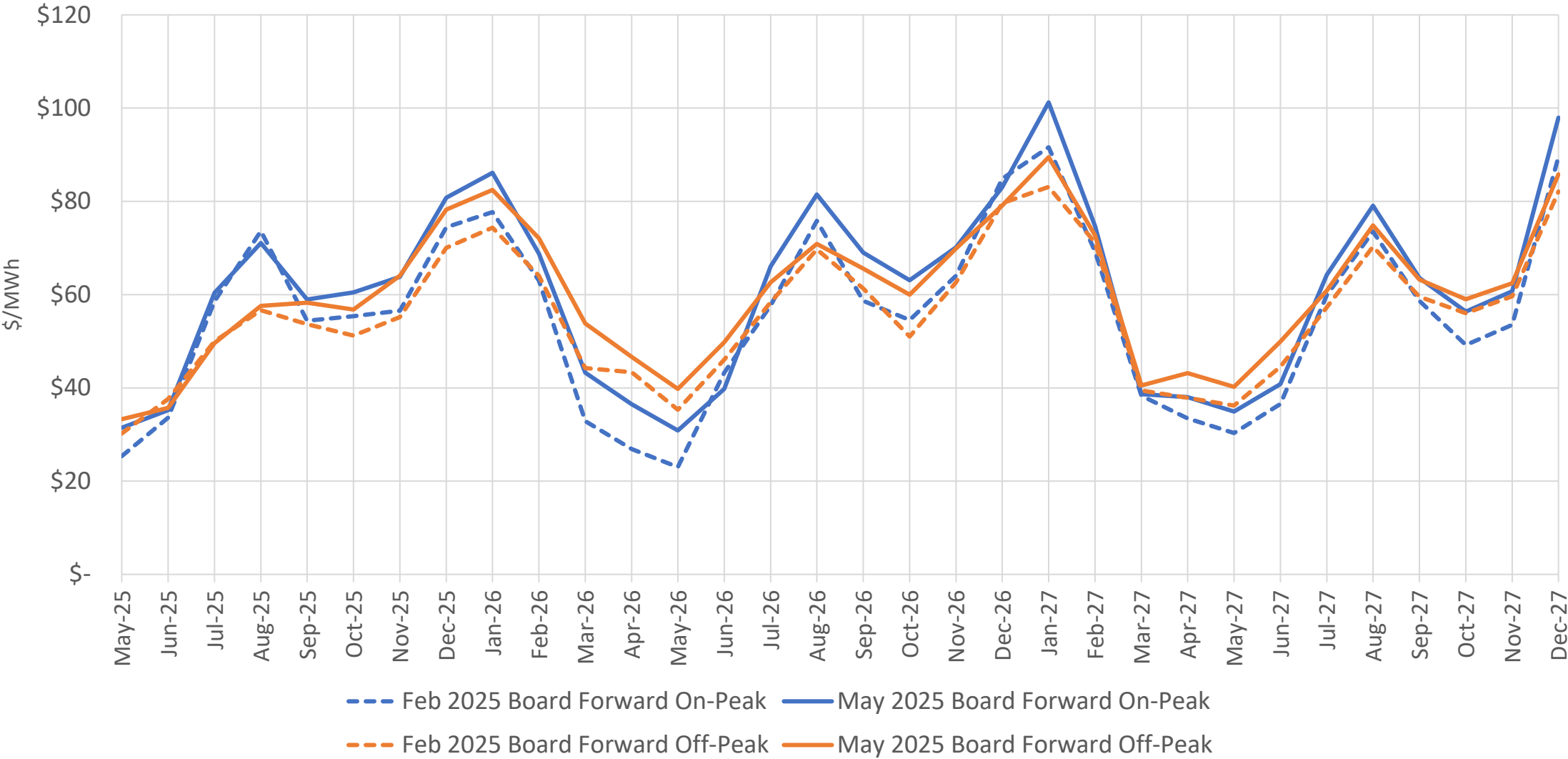
\$12.61

13.60%

Forecasted PG&E Generation Rate & PCIA



Forward Energy Prices for RCEA





REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Elizabeth Burks, Executive Director Eileen Verbeck, Deputy Executive Director
SUBJECT:	Approve CCA Funded Programs for FY 2025-2026

BACKGROUND

RCEA's adopted Board Operating Guidelines specify the types of items considered to be CCA program related and therefore limited to CCA voting members. One such item is approval of CCA-funded program allocations. In preparing the draft FY 2025-2026 budget, staff identified several programs that will be funded in part or completely through revenue generated from electricity sales (CCA funded). Staff seeks approval for the following proposed CCA-funded programs for fiscal year 2025-2026. The programs listed below do not include programs completely funded through funding sources outside of the CCA generated revenue.

SUMMARY

Staff is proposing the following programs funded by revenue generated from electricity sales for fiscal year 2025-2026.

Program	Description	Amount Proposed in FY 25-26 Budget
Transportation – Operate electric vehicle network (REVNet)	Includes operations and maintenance costs for existing electric vehicle charging network. (Note: A portion of these costs are offset by revenue generated by customers utilizing the charging stations. The amount proposed is the amount not offset by revenue generation).	\$30,000

Program	Description	Amount Proposed in FY 25-26 Budget
Transportation – Install 16 additional charging stations (NCRCN grant)	RCEA received multi-year CEC grant funds (\$700,000) that require match (\$175,000). The match funds include staff time and construction costs.	\$57,000 in match funds
Transportation – Electric Vehicle and E-bike incentives	Customer incentives to purchase electric forms of transportation and staff time.	\$100,000 in direct incentives to customers plus staff time
Transportation – Fleet Electrification Technical Assistance	Staff time to provide technical assistance to state, Tribal and local government fleets subject to Advanced Clean Fleets regulations to transition to zero-emission vehicles.	Staff time only
Match for Caltrans Wayfinding Program	RCEA proposes installing signs directing drivers to EV chargers. Caltrans has a match program for the installation of signs on highways. Costs include signs and staff time.	\$10,000 plus staff time
Energy Lending Library	Offer lending library including induction cook tops for the public to try before committing to purchase. Costs include equipment and staff time.	\$2,500 plus staff time
Resiliency – Tribal Energy Resilience and Sovereignty Program	RCEA is the awardee of a Department of Energy funding allocation of \$88M to develop four Tribally-owned microgrids. The DOE has delayed the execution of the contract. This is providing staff time and consulting costs to negotiate a final award and draft partner contracts.	\$50,000 in legal and accounting plus staff time
Generation – Net Energy Metering (NEM)	Provide an annual cash out to rooftop solar customers that generate	The amount is calculated annually based on

Program	Description	Amount Proposed in FY 25-26 Budget
	excess power. RCEA credits the retail generation rate plus an additional \$0.01/kWh bonus.	customer generation and use
Generation – Bioenergy Market Adjusting Tariff (BioMAT) and Feed-in-Tariff (FIT)	FIT is a program to encourage local renewable energy production by offering above-market pricing for local projects. BioMAT is a program to encourage small bioenergy sources of power that also offers above-market pricing. Budget includes staff time and outreach.	\$30,000 in professional services and staff time
Generation – Redwood Coast Airport Microgrid	A solar and battery storage system owned and operated by RCEA. Budget includes maintenance and staff time. (Note: RCAM generates income to offset this cost, but it is aggregated in our electricity sale revenue. Exact RCAM revenues cannot be calculated at this time. Budgeted amount does not include revenue offsets.)	\$169,000 operations and maintenance plus staff time.
Strategic Planning and Outreach	Funds allocated for staff time and resources to engage in regional coordination, increase community engagement, and energy planning	\$276,000 in professional services and communications and outreach plus staff time

The estimated costs of the above-mentioned programs are less than 2% of the total annual revenue generated by electricity sales. The programs listed above have been included in the draft budget to be presented at this meeting. Staff requests approval of the programs and the direction to include these items in the final budget. The budget will be approved by the full Board at the June meeting.

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

The proposed programs support the following sections of RCEA's RePower Humboldt strategic plan goals.

- 1.1.1 Regional Energy Planning & Coordination – Attract Energy-related Business.
- 1.4.3 Planning – Assist with Climate Action Planning
- 1.4.4 Planning – Support Countywide Strategic Energy Planning
- 1.5.4 Education – Provide Energy Efficiency, Conservation and Electrification Education and Training.
- 2.1.1 Support Member Agency and Local Government Energy Management
- 2.1.5 Integrate Distributed Energy Resources.
- 2.1.7 Support and Deploy Microgrids
- 2.2.2 Support Electrification
- 2.4.1 Support Customer Installation of Distributed Generation
- 3.2.1 Support Local Vehicle Fleet Owners Leading by Example
- 3.2.3 Support Electric Vehicle Adoption
- 3.3.1 Develop Transportation Electrification Infrastructure
- 4.1.1 Maximize the Use of Local Renewable Energy to the Extent Technically and Economically Feasible and Prudent.
- 4.1.7 Power Resources: Distributed Generation
- 4.1.8 Power Resources: Solar
- 4.1.11 Power Resources: Bioenergy
- 4.3.2 Provide Electricity Buyback from Self Generators
- 4.3.4 Provide Match Funding for State, Federal and Foundation Energy Grants.

EQUITY IMPACTS

RCEA continues to develop programs that serve all members of our community. Funds included in the strategic planning and outreach will be used to better develop strategies and tools to reach hard-to-reach, disinvested, disadvantaged, and underserved rural customers.

Additionally, RCEA's engagement in the TERAS Project furthers the following RCEA Racial Justice Plan initiatives:

External Partnerships and Programs

- 1. Tribal Engagement:
 - b) RCEA staff will continue and expand efforts to identify opportunities to collaborate with local Tribes as partners on sustainable energy initiatives.
- 3. Energy justice in power procurement and energy resource development:
 - a) RCEA staff will incorporate energy justice best practices and affordability into renewable development and power purchase solicitations and resource planning.

- b) RCEA will continue to include project location and community benefit in its evaluation criteria for power solicitations, to contract for projects that benefit racially diverse communities and to avoid projects that are detrimental to those communities.

FINANCIAL IMPACT

The estimated annual cost to fund these programs for fiscal year 2025-26 is \$724,500 plus associated staff time. Staff time to implement these programs utilize existing staff. No additional positions are being requested at this time.

STAFF RECOMMENDATION

Approve the proposed programs funded by revenue generated from electricity sales and direct staff to include the programs in the fiscal year 2025-2026 budget for full Board adoption.

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CCA-Funded Programs

- CCA-Funded Programs are programs funded in part or completely through revenue generated from electricity sales.
- Following programs are proposed for FY 25-26
- These programs are included in the draft FY 25-26 budget presented later.
- Board Operating Guidelines specify that CCE voting members must approve CCA-funded program allocations.



REDWOOD COAST
EnergyAuthority

Transportation Programs

- Redwood Electric Vehicle Network (REVNet)
- North Coast Resilient Charging Network (NCRCN)
- Electric Vehicle and E-Bike Incentives
- Fleet Electrification Technical Assistance
- Caltrans Wayfinding Match Program



REDWOOD COAST
EnergyAuthority

Energy Efficiency Programs

- Energy Lending Library

Resiliency Programs

- Tribal Energy Resilience and Sovereignty Program (TERAS)



REDWOOD COAST
EnergyAuthority

Generation Programs

- Net Energy Metering (NEM)
- Bioenergy Market Adjusting Tariff (BioMAT)
- Feed-in-Tariff (FIT)
- Redwood Coast Airport Microgrid



REDWOOD COAST
EnergyAuthority

Strategic Planning and Outreach

- Allocate resources to engage in regional coordination for activities associated with:
 - Regional Climate Action Plan
 - Offshore Wind
 - Transmission Planning Process
 - Increase community engagement.
-



REDWOOD COAST
EnergyAuthority

Programs Funded with External Funds

- Northern Rural Energy Network (NREN)
- Local Government Partnership (LGP)
- Regional Resilience Grant Program (RRGP)



REDWOOD COAST
EnergyAuthority



STAFF REPORT
Agenda Item # 10.1

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
PREPARED BY:	Elizabeth Burks, Executive Director Eileen Verbeck, Deputy Executive Director Lori Biondini, Director of Business Planning and Finance
SUBJECT:	Proposed Budget for Fiscal Year 2025-26

SUMMARY

Attached is the proposed budget for fiscal year 2025-2026 (FY25-26) for the Board's consideration. Electricity sales revenue and power costs are forecasted to be reduced due to decreased customer load in Humboldt County. Funds for the Northern Rural Energy Network (NREN) customer programs are flowing to RCEA and comprise a large portion of the non-electricity sales revenue and operating expenses in the proposed budget.

RCEA Work Goals for Fiscal Year 2025-2026

Fiscal Year 2025-2026 will be the first full year with newly appointed Executive Director Elizabeth Burks. In drafting the budget, the Executive Director received input from each Department on upcoming work goals for the new fiscal year. In receiving that input the following focus areas were identified as top priorities.

1. Internal Operational Effectiveness, Financial Position, and Team Cohesiveness. RCEA has experienced growth and staff turnover in the last several years. Nearly half of the current staff have been with RCEA for three years or less. RCEA programs have also grown during this time, most notably through the Northern Rural Energy Network, which has 12 full-time equivalent staff and millions of dollars in passthrough funds and local programs. RCEA has also matured as a community choice energy aggregator (CCA), and it is time to stabilize our financial position.

We want to make sure that we are working with the right organizational structure, with technology and internal processes that support us to do the best work we can. We are prioritizing funding cash reserves to improve our financial position and create opportunities for savings and investments. We want to build on the team culture that fosters inclusiveness, collaboration, and an openness to continuous improvement.

Proposed efforts that are included in the draft budget:

- Hiring a third party to do organizational assessment
- Procuring advanced accounting and payroll software, moving internal file access to SharePoint, adopting project management tools such as Monday.com
- Progress towards reserve goals and investing cash reserves
- Internal process improvements to streamline operations
- Internal mentorship programs and professional development opportunities

2. Excellence in Delivery of Existing Programs.

RCEA has a long history of delivering meaningful programs to benefit our community and the climate. This year we have a full suite of programs to deliver that will promote equity, efficiency, affordability, and resiliency. Through our CCA we'll be working towards a power portfolio of 100% renewable and carbon free energy.

Proposed efforts that are included in the draft budget:

- Full launch and implementation of the NREN programs. As the portfolio manager, we will maintain a high level of transparency, accountability and trust with the NREN partners.
- Continue support of the Tribal Energy Resilience and Sovereignty (TERAS) project.
- Continue the Regional Resilience Grant Program (RRGP)
- Continue the Local Government Program
- Continue to operate and expand the Redwood Electric Vehicle Charging Network (REVNet)
- Offer another round of electric vehicle and e-bike rebates
- Continue to offer Net Energy Metering to electricity customers, the Feed-in Tariff and Bioenergy Market Adjusting Tariff (BioMat) to small renewable energy generators, and operate the Redwood Coast Airport Microgrid
- Continue procurement of local battery energy storage

3. Engagement with Our Community and Planning for the Future.

This year we want to elevate awareness of RCEA and encourage engagement in our planning efforts, participation in our programs, and regional collaboration. We'll be considering big decisions that will steer the future of RCEA such as changing to a cost-of-service rate setting model and want to make sure we have wide participation in this decision making. We want our programs to be equitable and succeed in meeting needs identified by our community, including Tribal Nations and government partners. Along with evaluating cost of service ratemaking, we will begin to plan for a comprehensive update to the RCEA strategic plan which will take place in the following fiscal year.

Proposed efforts that are included in the draft budget:

- Cost of Service Rate Setting Analysis
- Elevated awareness of RCEA, our mission, programs, and engagement opportunities
- Preparing the Integrated Resource Plan (Spring 2026)
- Collaboration with regional partners on offshore wind and Regional Climate Action Plan implementation
- Continued engagement with CalCCA and CCPower
- Preparation for RCEA strategic plan update and Humboldt's Electric Future (power portfolio planning) FY 26-27

BUDGET ASSUMPTIONS

Forecasted electricity sales and wholesale power costs are based on modeling provided by The Energy Authority dated May 5, 2025, which assumes maintaining retail generation rates at 0.5% below Pacific Gas & Electric Company (PG&E) retail generation rates.

Last May, the Board approved pausing RCEA's goal of procuring 100% renewable and carbon-free energy by calendar year 2025 due to anticipated negative net-revenue for the fiscal year. The forecast had greatly improved by mid-year and this budget assumes resuming the 100% clean and renewable goal in calendar year 2026.

REVENUES

- **State Contracts \$1,634,000:** Revenue in this category includes funding from the California Energy Commission North Coast Resilient Charging Network (NCRCN) for constructing electric vehicle resilience hubs around the County, as well as funds from the Governor's Office of Planning and Research, Regional Resilience Grant Program (RRGP) for Energy-Resilient Fire Services in High-Threat Communities. This project will design and install solar + storage at rural fire stations. Grant funds will be used to cover staff time for project management and pass-through funds for engineering, design, and construction services.
- **REVNet Sales \$77,000:** Revenue in this category includes funding from the use of the RCEA owned electric vehicle charging network.
- **Non-Government Agencies \$9,993,607:** Revenue in this category includes funding from PG&E's Local Government Partnership Program for implementing the public agency energy efficiency program and funding from PG&E for Northern Rural Energy Network (NREN) for residential and commercial energy efficiency programs.
- **Electricity Sales \$71,539,945:** This line item includes anticipated electricity sales revenue. This total assumes \$2,212,576 (3% of projected electricity sales) to be uncollectable due to customer non-payment. This line item has a degree of uncertainty and, it is hoped, represents a conservative forecast.

EXPENSES

- **Wholesale Power Supply \$57,612,586:** Power supply costs continue to be RCEA's largest expense. Energy costs for the fiscal year represent what has already been procured through RCEA's previously approved hedging strategy, existing power purchase agreement cost estimates, day-ahead energy costs, renewable and carbon-free procurement, and all other required energy products such as resource adequacy and grid management/congestion charges.
- **Personnel \$6,404,096:** This item maintains all positions on the current adopted organization chart (no new positions), and includes staff training and travel, and funds to support Board member travel.

The proposed budget for personnel costs is 20% more than the 2024-25 fiscal year personnel budget. External funding covers \$2.2M of these costs.

The increase is due to the following factors:

- The fiscal year 2024-25 budget accounted for the Executive Director position being vacant for 6 months (\$145,000)
 - Medical premium costs increased 9% (\$63,000)
 - Four full-time positions were frozen and vacant for 6 months (\$555,000)
 - A proposed Cost of Living Adjustment (COLA) of 6% for all staff (\$300,000, see below section on COLA for more details).
- **Facilities and Operations \$2,171,607:** This line item is for operation costs associated with the RCEA offices, information technology, dues and memberships, and costs associated with RCEA-owned or managed assets. NREN funds will cover \$577,720 of these costs for database development, software and memberships. We have also included \$60,000 for upgrading financial software.

Staff received several quotes for architectural design and engineering of the planned new construction office building and determined that these services would cost about \$1.2M. Staff recommend allocating funds to hire a consultant to look at the long-term financial feasibility of new construction versus purchasing or leasing a more permanent office location (\$445,829).

- **Communications and Outreach \$363,250:** This item includes funds for community events, advertising, and required CCE customer mailings. Funds have also been included to research RCEA's community brand awareness and begin a campaign to increase community knowledge of RCEA and our programs. NREN will fund \$40,000 of this line item.
- **Professional and Program Services \$9,936,158:** This line item includes contracted services for energy scheduling coordination, energy procurement credit fees, data management, legal services, accounting services, regulatory services, as well as grant-specific professional services, including electric vehicle charging station design engineering and installation. Funds have also been budgeted for participation in California Community Power joint actions, a pathway to joint procurement from new renewable energy projects. Funds have been allocated to conduct the Cost-of-Service rate making study.

This line item also includes \$5.1 million of passthrough funding to NREN partners.

- **Incentives and Rebates \$1,622,655:** This line item is for direct incentives and rebates paid out to CCE and NREN customers and includes \$100,000 to continue providing electric vehicle and e-bike rebates. NREN will fund \$1.5 million of the total amount, which will include residential and commercial energy efficiency rebates and incentives.

COST OF LIVING ADJUSTMENT (COLA)

Per RCEA's Board adopted Compensation Policy, staff is directed to prepare a biennial salary survey utilizing labor market agencies and benchmark classifications. In early 2025, RCEA staff, with Board direction, engaged Gallagher Consulting to perform a full classification and compensation study. Staff have delayed the internal biennial salary study pending the results of the third-party classification and compensation study, which is anticipated to be completed by September 2025. Staff proposes to present the results and recommendations to the Board along with the mid-year budget review in early 2026 so that the Board may act on the results of the study with the budget outlook in mind.

In recognition that RCEA salaries have not increased since 2023, Staff recommends a COLA salary adjustment of 6% for all staff, effective July 1, 2025. Staff reviewed the Bureau of Labor Statistics' Consumer Price Index – All Urban Consumers, West Region (CPI-W) and the Social Security Administration total cost-of-living adjustment (COLA) for 2024 and 2025. The CPI-W increased 5.1% (2.9% in 2024 and 2.2% in 2025), and the Social Security Administration increased 5.6%. (2.5% in 2024 and 2.6% in 2025). The Cities of Arcata and Eureka provided 5%, 3% and 3% wage increases for 2024, 2025 and 2026 respectively, which indicate that a 6% increase is appropriate.

The Board may also extend this COLA to the Executive Director's salary schedule. The COLA will be accounted for and reflected in the final class and compensation study results presented to the Board.

SUMMARY OF RESERVES

RCEA's CCE program guidelines set the cash reserve target at \$35M by the end of year five under projected market conditions and a minimum of at least \$10M under adverse market conditions. These amounts were meant to reflect cumulative net revenue, considering the other launch goals, including providing customer rate savings and customer-serving programs, and procuring local and renewable energy. The 2021 and 2022 market conditions greatly affected RCEA's ability to meet these goals.

The Board adopted a reserve policy in January 2025 that defines reserves as RCEA's unrestricted cash position, and sets a reserve target of 180 days cash on hand based on forecasted annual CCE operating expenses. The target amount must then be maintained over a 12-month period, prior to exploring options for utilizing excess funds. Based on the proposed budget, the current reserve goal is approximately \$33.1M.

As of May 9, 2025, RCEA has a cash balance of \$37M. However, this amount includes a total of \$10.2M in restricted funds leaving a balance of \$23.4M of unrestricted cash (reserves).

The financial model projects that RCEA will have negative net revenue for fiscal years 2026-27 and 2027-28 (-\$3.4M and -\$3.5M respectively). Energy markets and forecasted retail rates can change drastically during the fiscal year and may change the net revenue projections. However, building cash reserves is crucial to stabilizing rates and continuing operations in the event of actual negative net revenue in the future. To this end, the proposed budget includes allocating \$5M net revenue as reserves.

The preliminary draft budget presented at the meeting has been shared with the Board's Finance Subcommittee and they have made no changes to the proposal.

STAFF RECOMMENDATION

Provide direction to staff on the draft Fiscal Year 2025-2026 budget.

ATTACHMENTS

1. Draft Fiscal Year 2025-26 RCEA Budget

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	POWER RESOURCES		INFRASTRUCTURE PLANNING and TRANSPORTATION (IP&T)				
	Community Choice Energy	Biomat/FIT	REVNet	NCRCN	RRPG	Proposed New Programs	RCAM
Revenue							
State Contracts				277,661	1,245,149		
REVNet Sales & LCFS Credits			77,000				
Non-government Contracts							1,887
Electricity Sales	73,752,521						
Uncollectable Accounts	(2,212,576)						
Total	71,539,945	-	77,000	277,661	1,245,149	-	1,887
Expense							
WHOLESALE POWER SUPPLY							
CAISO/Market Participation Costs							
Total							
Bilateral Costs							
Resource Adequacy	9,544,859						5,000
PPA Costs	26,180,427						
PPA Revenues	(16,027,860)						
PCC1 RECs	1,826,772						
PCC3 RECs	704,000						
Carbon Free Energy	464,406						
Total							
Sub-total	57,612,586	-	-	-	-	-	5,000
PERSONNEL EXPENSES							
Payroll							
Full-time Salaries	655,230	20,076	15,082	29,865	155,124	150,693	60,242
Part-time Salaries	31,483	-	16,570	-	-	14,913	-
Employee Benefits-Insurance	174,925	5,107	4,740	12,278	37,716	48,609	14,570
Paryoll Taxes	58,371	1,706	2,690	2,539	13,186	14,077	5,121
Worker's Comp	3,983	116	184	173	900	961	349
PTO							
Total							
Other Personnel Costs							
Safety		-	-	-	-		4,500
Staff Training, Development & Related Travel	30,000					10,000	7,500
Local Mileage	200		200	500	750	100	400
Recruitment & Screening							
Administrative Service Fees/Bus Passes							
Total							
Sub-total	954,191	27,005	39,465	45,355	207,675	239,352	92,682
FACILITIES AND OPERATIONS							
Offices/Workstations							
Office Supplies							
Furniture & Equipment							
IT Hardware & Supplies							
Software	2,500						400
IT Subcontractors							
Office Lease and BOD/CAC Space Rental							
Office Utilities & Mobile Phones/Hotspots							
Office Maintenance Supplies							
Office Maintenance Services							
Total							
Major Capital Assets							
Operations & Maintenance			62,800				167,894
Capital Contributions			5,000				-
Total							
Property & Liability Insurance							
Dues & Memberships	252,744						815
Sub-total	255,244	-	67,800	-	-	-	169,109

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	POWER RESOURCES		INFRASTRUCTURE PLANNING and TRANSPORTATION (IP&T)				
	Community Choice Energy	Biomat/FIT	REVNet	NCRCN	RRPG	Proposed New Programs	RCAM
COMMUNICATIONS AND OUTREACH							
CCA Account Services							
Printing, postage & delivery	90,000						
General Events	1,000	1,500		5,000			
Outside Professional Services							
Sponsorships and Community Support							
Advertising & Media	-		-			10,000	
Sub-total	91,000	1,500	-	5,000	-	10,000	-
PROFESSIONAL & PROGRAM SERVICES							
Regulatory	95,000						
Program Related Professional Services		30,000		280,000	1,037,474		
CC Power - special projects	390,632						
CalCCA - special projects	15,000						
NREN Partner Pass-thru							
Accounting	100,000						
Legal	40,000			4,000			
Wholesale Services - TEA	896,946						
Procurement Credit - TEA	572,390						
Data Management - Calpine	808,002						
Customer Billing - PG&E	256,634						
Sub-total	3,174,604	30,000	-	284,000	1,037,474	-	-
INCENTIVES & REBATES							
Developer Fund/Grant Fund Match	-					10,000	
EV/EVSE/E-bike Incentives to Customers		-	-	-	-	100,000	
Residential Equipment Efficiency		-	-	-	-		
Commercial Equipment Efficiency		-	-	-	-		
Lending Library							
Sub-total	-	-	-	-	-	110,000	-
NON OPERATING COSTS							
Sub-total	6,000	-	-	-	-	-	120,000
Total Expense	62,093,625	58,505	107,265	334,355	1,245,149	359,352	386,791
Net Income	9,446,320	(58,505)	(30,265)	(56,694)	0	(359,352)	(384,904)
Reserves / Rate Stabilization	5,000,000						

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	DEMAND-SIDE MANAGEMENT (DSM)				
	NREN Implementation	NREN EMV	NREN Marketing	PG&E Local Government Partnership Program	Efficiency Lending Library
Revenue					
State Contracts					
REVNet Sales & LCFS Credits					
Non-government Contracts	7,374,328	163,898	474,799	296,099	
Electricity Sales					
Uncollectable Accounts					
Total	7,374,328	163,898	474,799	296,099	-
Expense					
WHOLESALE POWER SUPPLY					
CAISO/Market Participation Costs					
Total					
Bilateral Costs					
Resource Adequacy					
PPA Costs					
PPA Revenues					
PCC1 RECs					
PCC3 RECs					
Carbon Free Energy					
Total					
Sub-total	-	-	-	-	-
PERSONNEL EXPENSES					
Payroll					
Full-time Salaries	722,550	4,675	17,256	216,632	13,927
Part-time Salaries	145,268	-	8,029	-	-
Employee Benefits-Insurance	204,900	1,297	4,501	54,583	4,854
Payroll Taxes	73,765	397	2,149	18,414	1,184
Worker's Comp	5,033	27	147	1,256	81
PTO					
Total					
Other Personnel Costs					
Safety					
Staff Training, Development & Related Travel	22,000			3,213	
Local Mileage	2,000			2,000	
Recruitment & Screening					
Administrative Service Fees/Bus Passes					
Total					
Sub-total	1,175,516	6,397	32,081	296,098	20,046
FACILITIES AND OPERATIONS					
Offices/Workstations					
Office Supplies		500			
Furniture & Equipment					
IT Hardware & Supplies					
Software					
IT Subcontractors	400,000				
Office Lease and BOD/CAC Space Rental					
Office Utilities & Mobile Phones/Hotspots					
Office Maintenance Supplies					
Office Maintenance Services					
Total					
Major Capital Assets					
Operations & Maintenance					
Capital Contributions					
Total					
Property & Liability Insurance					
Dues & Memberships	130,000				
Sub-total	530,000	500	-	-	-

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	DEMAND-SIDE MANAGEMENT (DSM)				
	NREN Implementation	NREN EMV	NREN Marketing	PG&E Local Government Partnership Program	Efficiency Lending Library
COMMUNICATIONS AND OUTREACH					
CCA Account Services					
Printing, postage & delivery					
General Events					
Outside Professional Services					
Sponsorships and Community Support					
Advertising & Media	10,000		30,000		
Sub-total	10,000	-	30,000	-	-
PROFESSIONAL & PROGRAM SERVICES					
Regulatory					
Program Related Professional Services	1,147,706	157,000	320,000		
CC Power - special projects					
CalCCA - special projects					
NREN Partner Pass-thru	3,000,951		92,718		
Accounting					
Legal					
Wholesale Services - TEA					
Procurement Credit - TEA					
Data Management - Calpine					
Customer Billing - PG&E					
Sub-total	4,148,657	157,000	412,718	-	-
INCENTIVES & REBATES					
Developer Fund/Grant Fund Match					
EV/EVSE/E-bike Incentives to Customers					
Residential Equipment Efficiency	949,446				
Commercial Equipment Efficiency	560,709				
Lending Library					2,500
Sub-total	1,510,155	-	-	-	2,500
NON OPERATING COSTS					
Sub-total	-	-	-	-	-
Total Expense	7,374,328	163,897	474,799	296,098	22,546
Net Income	0	0	0	0	(22,546)
Reserves / Rate Stabilization					

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	STRATEGIC PLANNING CAPE/unfunded energy planning & regional coordination	PROGRAM ADMIN		COMMUNITY STRATEGIES	GENERAL & ADMIN	FISCAL YEAR 2025-2026 BUDGET
		NREN PA	TERAS			
Revenue						
State Contracts					111,190	1,634,000
REVNet Sales & LCFS Credits					-	77,000
Non-government Contracts		851,139			831,458	9,993,607
Electricity Sales					-	73,752,521
Uncollectable Accounts					-	(2,212,576)
Total	-	851,139	-	-	942,648	83,244,552
Expense						
WHOLESALE POWER SUPPLY						
CAISO/Market Participation Costs						
Total						34,919,982
Bilateral Costs						
Resource Adequacy						9,549,859
PPA Costs						26,180,427
PPA Revenues						(16,027,860)
PCC1 RECs						1,826,772
PCC3 RECs						704,000
Carbon Free Energy						464,406
Total						22,697,604
Sub-total	-	-	-	-	-	57,617,586
PERSONNEL EXPENSES						
Payroll						
Full-time Salaries	130,209	288,183	98,989		1,077,174	3,655,907
Part-time Salaries	12,455	-	-		52,040	280,757
Employee Benefits-Insurance	34,622	78,662	30,389		490,938	1,202,690
Paryoll Taxes	12,126	24,496	8,414		144,470	383,103
Worker's Comp	827	1,671	574		9,858	26,141
PTO					570,434	570,434
Total						6,119,033
Other Personnel Costs						
Safety					5,000	9,500
Staff Training, Development & Related Travel		17,200		4,500	60,000	154,413
Local Mileage					500	6,650
Recruitment & Screening					64,000	64,000
Administrative Service Fees/Bus Passes					50,500	50,500
Total						285,063
Sub-total	190,239	410,212	138,366	4,500	2,524,915	6,404,096
FACILITIES AND OPERATIONS						
Offices/Workstations						
Office Supplies		1,000			15,300	16,800
Furniture & Equipment					13,000	13,000
IT Hardware & Supplies					55,000	55,000
Software		46,220		16,993	119,612	185,725
IT Subcontractors					76,000	476,000
Office Lease and BOD/CAC Space Rental					135,000	135,000
Office Utilities & Mobile Phones/Hotspots					81,000	81,000
Office Maintenance Supplies					8,000	8,000
Office Maintenance Services					17,000	17,000
Total						987,525
Major Capital Assets						
Operations & Maintenance						230,694
Capital Contributions					445,829	450,829
Total						681,523
Property & Liability Insurance					105,000	105,000
Dues & Memberships	6,000				8,000	397,559
Sub-total	6,000	47,220	-	16,993	1,078,741	2,171,607

Redwood Coast Energy Authority Fiscal Year 2025-2026 Proposed Budget

	STRATEGIC PLANNING CAPE/unfunded energy planning & regional coordination	PROGRAM ADMIN		COMMUNITY STRATEGIES	GENERAL & ADMIN	FISCAL YEAR 2025-2026 BUDGET
		NREN PA	TERAS			
COMMUNICATIONS AND OUTREACH						
CCA Account Services						90,000
Printing, postage & delivery						24,750
General Events				17,250		105,500
Outside Professional Services				105,500		28,000
Sponsorships and Community Support				28,000		65,000
Advertising & Media				65,000		
Sub-total	-	-	-	215,750	-	363,250
PROFESSIONAL & PROGRAM SERVICES						
Regulatory	55,000					150,000
Program Related Professional Services		247,904				3,220,084
CC Power - special projects						390,632
CalCCA - special projects						15,000
NREN Partner Pass-thru		55,802				3,149,471
Accounting			25,000		103,000	228,000
Legal		90,000	25,000		90,000	249,000
Wholesale Services - TEA						896,946
Procurement Credit - TEA						572,390
Data Management - Calpine						808,002
Customer Billing - PG&E						256,634
Sub-total	55,000	393,706	50,000	-	193,000	9,936,158
INCENTIVES & REBATES						
Developer Fund/Grant Fund Match						10,000
EV/EVSE/E-bike Incentives to Customers			-	-	-	100,000
Residential Equipment Efficiency			-	-	-	949,446
Commercial Equipment Efficiency			-	-	-	560,709
Lending Library						2,500
Sub-total	-	-	-	-	-	1,622,655
NON OPERATING COSTS						
Sub-total	-	-	-	-	3,200	129,200
Total Expense	251,239	851,138	188,366	237,243	3,799,856	78,244,552
Net Income	(251,239)	0	(188,366)	(237,243)	(2,857,208)	
Reserves / Rate Stabilization						5,000,000
						-

Fiscal Year 2025-26 Draft Budget

RCEA Annual Work Goals



Efficient
Internal
Operations



Excellent
Program
Delivery



Community
Engagement
& Planning



Summary

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Revenue	\$95.4M	\$83.2M
Expense	\$81.6M	\$78.2M
Projected Net Revenue/ Addition to Cash Reserves	\$13.8M	\$5M

Revenue

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Electricity Sales	\$80.4M	\$71.5M
Grants and Contracts	\$9M	\$11.7M
Program Related Service Fees (REVNet sales, project delay damages)	\$5.9M	\$77,000

Expense

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Wholesale Power Supply	\$64.8M	\$57.6M
Personnel	\$5.4M	\$6.4M
Facilities and Operations	\$1.2M	\$2.2M
Communications and Outreach	\$276,200	\$363,250
Professional and Program Services	\$8.9M	\$9.9M
Incentives and Rebates	\$965,605	\$1.6M
Non-Operating Costs	\$129,000	\$129,200

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Electricity Sales	\$80.4M	\$71.5M
Wholesale Power Supply	\$64.8M	\$57.6M

- Includes maintaining 0.5% retail rate discount from PG&E
- Based on financial modeling from May 5, 2025
- Includes reinstating renewable energy targets for 2026
- TEA recently adjusted their financial modeling, resulting in more accurate load forecasting which decreased RCEA's expected energy revenue and wholesale power expense

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Personnel	\$5.4M	\$6.4M

- External funding covers \$2.2M of personnel costs
- No new positions are being requested
- Amount includes staff training and professional development including Board travel (\$154K)
- Includes the remaining amount for the class and comp study (\$50,000)
- The result is a 20% increase from last year (\$1M)
 - COLA increase of 6% - \$300K
 - Executive Director position was vacant 6 months - \$145K
 - Medical premiums increased 9% - \$63K
 - Four vacant positions unfrozen in February - \$555,000

Personnel - COLA

	2024	2025	Total
All Urban Consumers, West Region	2.9%	2.2%	5.1%
Social Security Administration	2.5%	2.6%	5.6%

- RCEA's compensation policy includes a biennial salary survey that would be due this year;
- However, RCEA hired a consultant to perform a full Classification and Compensation study expected to be complete in Sept. 2025
 - Results and recommendations will be presented to Board with mid-year budget review
- In recognition that salaries haven't increased since 2023, Staff propose a cost-of-living (COLA) adjustment for 2024 and 2025, effective July 1 with adoption of the budget.

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Facilities and Operations	\$1.2M	\$2.17M

- External funding covers \$577,720 of operations (database, other software, memberships)
- Amount includes new financial software (\$60,000)
- Includes part of CalCCA and CC Power membership costs (\$252,744)
- Includes some consultation/design costs for office building (\$445,829)

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Communication and Outreach	\$276,200	\$363,250

- External funds cover \$40,000 of the total
- Includes:
 - Events
 - Advertising
 - Required CCE customer mailings
 - Research and brand awareness
 - Sponsorships of local events

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Professional and Program Services	\$8.9M	\$9.9M

- External funding covers \$6.4M of the total
 - NREN contracts (\$5.1M)
 - Regional Resilience Grant Program (RRGP) contracts (\$1.03M)
 - California Energy Commission North Coast Resilient Charging Network (NCRCN) contracts (\$284,000)
- Includes 2024 and 2025 financial audits (\$103,000)
- Special projects through CalCCA and CC Power (\$320,000)
- Includes \$100,000 for Cost of Service Rate Making Analysis
- Data management/metering, billing, and day-ahead energy procurements/scheduling (TEA) services (\$2.5M)

	FY 24-25 Adopted Budget	FY 25-26 Draft Budget
Incentives and Rebates	\$965,605	\$1.6M

- External funding covers \$1.5M of the total
 - NREN incentives and rebates for Humboldt residential and commercial customers
- Electric Vehicle (EV), residential EV charging equipment, and E-bike rebates (\$100,000)
- Caltrans Wayfinding Match funds (\$10,000)

Net Revenue Summary

- The proposed budget includes putting all net revenue into Reserves (\$5M)
- Reserve Policy – 180 days cash on hand (\$33.1M proposed)
- As of May 9, 2025, the cash balance is \$37M.
 - This includes \$6.3M for CCE operations cash flow,
 - \$700K for non-CCE operations cash flow,
 - \$6.6M of pre-paid NREN funding
 - Leaves \$23.4M of completely unrestricted cash

Looking Forward

- The May 5, 2025 financial model shows negative net revenue for fiscal years 2026-27 and 2027-28 (-\$3.4M and -\$3.5M respectively)
- Building cash reserves is crucial to stabilizing rates and increasing RCEA's creditworthiness



STAFF REPORT
Agenda Item # 11.1

AGENDA DATE:	May 22, 2025
TO:	Board of Directors
FROM:	Elizabeth Burks, Executive Director
SUBJECT:	Executive Director's Report

SUMMARY

Executive Director Elizabeth Burks will provide updates on topics as needed.

RECOMMENDED ACTION

None. (Information only.)

ATTACHMENT

None.

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