



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING MINUTES

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

**May 25, 2023
Thursday, 3:30 p.m.**

Chair Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m. Notice of this meeting was posted on May 19, 2023.

PRESENT: Natalie Arroyo (just cause teleconference participation due to illness, with no one 18 years of age or older present at this remote location), Scott Bauer (arrived 3:54 p.m.), Skip Jorgensen, Kris Mobley, Elise Scafani, Vice Chair Sarah Schaefer, Jack Tuttle, Frank Wilson, Chair Sheri Woo. ABSENT: Frankie Myers.

STAFF AND OTHERS PRESENT: General Counsel Nancy Diamond (remote); Power Resources Director Richard Engel; Sharon Kramer (H.T. Harvey & Associates Principal); Executive Director Matthew Marshall; HR Manager Kristy Siino; Community Strategies Manager Nancy Stephenson; Board Clerk Lori Taketa (remote); Deputy Executive Director Eileen Verbeck.

REPORTS FROM MEMBER ENTITIES / ORAL COMMUNICATIONS

Director Mobley reported that the Community Advisory Committee formed ad hoc committees to review the McKinleyville Town Center and Arcata Gateway projects and to support the Humboldt's Electric Future community input process. CAC Chair Leonardi called attention to Turlock Irrigation District's deployment of solar arrays on aqueducts.

Member of the public Jesse Noell submitted two written comments: 1) regarding liability for ship damages from offshore wind turbines, and 2) in support of CARE-level NEM rooftop solar panel and battery storage deployment.

CONSENT CALENDAR

- 4.1 Approve Minutes of April 27, 2023, Board Meeting.
- 4.2 Approve Disbursements Report.
- 4.3 Accept Financial Reports.
- 4.4 Accept Fiscal Year 22-23 Budget Update and Quarterly Budget Report through Q3.

No director nor member of the public requested items be removed from the consent calendar.

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

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

NEW BUSINESS

**6.1 Hear a Presentation by Sharon Kramer, H.T. Harvey & Associates, on CStories:
A Department of Energy-Funded Offshore Wind Community Engagement Project
(Information only)**

H. T. Harvey & Associates Principal Sharon Kramer described her company's decade-long engagement in offshore wind, wave and other renewable energy study in preparation for regional energy development. Dr. Harvey reported on the development of a user-friendly application that the public can use to find understandable data about offshore wind. The [Cstories application](#), currently available in its beta development version, will also help the community express priorities and concerns to policy makers. The application includes features requested by the public, including the ability to:

- Access digestible information on a smart phone,
- Ask questions and receive answers via chat,
- Access curated news and information about local offshore wind events from various sources on one site, and
- Make comments on offshore wind development.

Community concerns expressed so far about offshore wind development include:

- Wildlife and environmental impacts and
- Wanting to make sure all the energy produced locally is not sent out of the area.

Phase one of the app development is complete. The company is seeking grant funding and funding partners to build a full-scale, commercialized application. The directors supported staff discussion with H. T. Harvey and Associates about possible RCEA financial support for this project. There was no public comment on this agenda item.

Chair Woo confirmed a quorum was present to conduct CCE business.

NEW CCE BUSINESS

8.1 2023-2025 Power Portfolio Procurement Options

Power Resources Director Engel described the impacts of the Sandrini Sol 1 Solar Project's construction delays and the extremely competitive short-term renewable energy market on RCEA's financial outlook. Director Engel presented multiple 2023 power procurement scenarios including versions where no further renewable energy is procured this year, where procurement would meet the State target for the year but not meet the Board's renewable energy targets, where the Board's renewable targets are met, and more ambitious versions where 100% renewable energy or renewable and large hydropower energy, the Board's 2025 target, is procured. Due to impacts on the agency's revenue and reserve building, staff recommended meeting the State's renewable procurement targets for the year with a procurement plan that falls short of the Board's renewable targets.

The directors discussed:

- Risks of meeting future state renewable energy targets should the Sandrini Solar Project not be completed.
- The existential risks of inadequate reserves and charging more than PG&E for electricity.
- CPUC treatment of CCAs that do not meet mandated targets.
- How RCEA's renewable goals meet the state's goals 20 years ahead of schedule.

- The merits of and drawbacks of aggressively creating demand for renewable energy, a fundamental purpose of Community Choice Aggregation.
- How money not spent on inflated short-term renewable power procurement could be used for local renewable project development, customer programs, reserve building or reduced rates.
- The local reliance on Humboldt Bay Generating Station for actual electrons used and reliable power supply.
- The role of local renewable energy development in decreasing local fossil fuel energy generation.

Director Scafani characterized the option of not procuring additional renewable energy for 2023 as a vote for developing renewable energy locally. There was no public comment on this agenda item.

M/S: Schaefer, Bauer: Approve a reduced renewable procurement target of 41% for 2023 with the option to backfill the 8% reduction with carbon-free energy at staff's discretion depending on market availability.

The motion passed with the following roll call vote: Ayes: Arroyo, Bauer, Jorgensen, Mobley, Schaefer, Tuttle, Wilson. Noes: Scafani. Absent: Myers. Non-Voting: Woo.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

NEW BUSINESS

10.1 Salary and Benefit Schedule Update

Deputy Executive Director Verbeck reviewed proposed salary and benefit updates and recommendations received from the Finance Subcommittee after their review of staff-proposed changes. The Finance Subcommittee recommended a 14% salary increase, changes to the agency's non-PERS retirement plan, and surveying staff to determine what kinds of compensation and benefit changes were important. The recommended changes included flat-rate longevity incentives and an additional, across-the-board \$4,000 annual retirement plan contribution by the agency to equally benefit lower- and higher-paid staff. The group discussed:

- The competitive post-pandemic employment market where skilled staff can work remotely for CCAs in other parts of the state.
- Concerns over financial impacts of increasing the personnel budget while trying to meet agency reserve goals in a highly volatile energy market.
- How the increases align with similar agency pay and benefit increases.

No public comment was received for this agenda item.

M/S: Mobley, Arroyo: Approve the following:

1. **Update to the RCEA salary schedule including a 14% salary adjustment effective July 1, 2023,**

2. Addition of a 401(a) retirement plan and authorize the Executive Director to execute all applicable documents,
3. Increase of RCEA's contribution to eligible employees' retirement by \$4,000/year effective July 1, 2023.
4. Adoption of a longevity incentive payable once per calendar year of \$1,000 per year for employees with 5-9 years of service, \$2,500 per year for employees with 10-14 years of service, and \$3,500 per year for employees with 15 or more years of service effective July 1, 2023.
5. Addition of Juneteenth to the paid holidays provided to RCEA staff, effective June 19, 2023.

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

10.2 Fiscal Year 2023-24 Preliminary Draft Budget and Addition of Staff Positions

Executive Director Marshall reported on the draft 2023-2024 budget, which included the just-approved salary and benefit increases and additional staff positions, and which was based on The Energy Authority's May 5 forecast's assumption of Sandrini Solar Project operation beginning in April 2024. Some of the new staff positions are contingent upon CPUC approval and funding of the Rural REN program, for which RCEA would be the statewide administrator. The budget also includes \$500,000 for new office building development and \$200,000 to gather independent local grid information to aid in analysis of solutions. Since the CCE program's start, RCEA customers have saved a total of over \$6 million on their electricity bills. The directors thanked the Finance Subcommittee for their budget review. There was no public comment on the proposed budget or staff positions at this meeting.

M/S: Jorgensen, Schaefer: Approve:

1. Addition of a Finance Specialist,
2. Addition of a Customer Service Associate,
3. Addition of a Rural REN Manager (starting October 2023),
4. Addition of a Rural REN Specialist (starting January 2024), and
5. Addition of an Infrastructure Program Manager (starting January 2024).

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

STAFF REPORTS

10.1 Executive Director's Report (Information only)

Executive Director Marshall reported that RCEA's microgrid was recognized twice at recent statewide and national conferences: as Microgrid of the Year at the Microgrid Knowledge Conference in Anaheim, then as a CCA Impact Resilience Award winner at the CalCCA annual conference. The directors commended staff for their work. There was no public comment on this item.

Chair Woo adjourned the meeting at 6:10 p.m.

Lori Taketa
Clerk of the Board