

Redwood Coast Energy Authority

Fiscal Year 2025-2026 Budget

Table of Contents

Introduction	2
Fiscal Year 2025-2026 Budget Calendar	4
Budget Summary	5
RCEA Structure.....	6
Power Resources.....	6
Infrastructure Planning & Transportation	7
Demand-Side Management	9
Executive Departments.....	10
Executive Director.....	10
Deputy Executive Director	10
Business Planning and Finance Director	10
General & Administrative.....	12
Debt Service and Cash Reserves	13

Introduction

Redwood Coast Energy Authority's mission and purposes as established through the formation of the Joint Powers Agency 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.”

This mission continues to drive our work and motivate our team.

This 2025-2026 fiscal year budget has been developed with the following focus areas in mind in an effort to best advance our mission.

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.

Tasks included in this budget:

- Complete an organizational assessment and implement changes to organizational structure
- Procure 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.

Tasks included in this 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 to support the Tribal Energy Resilience and Sovereignty (TERAS) project
- Continue the Regional Resilience Grant Program (RRGP)
- Continue the Local Government Program (LGP)
- Continue to operate and expand the Redwood Electric Vehicle Charging Network (REVNet)
- Continue to offer 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 the RCEA team will elevate awareness of RCEA and our programs throughout our community. We want to bring new customers to the CCA, encourage participation in NREN services and CCA programs, as well as improve engagement in our planning efforts. 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. These planning efforts will benefit from increased awareness of RCEA. Additionally, engagement with regional partners will help RCEA succeed in meeting needs identified by our community, including Tribal Nations and local government partners.

Tasks included in this 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 CC Power

- Preparation for RCEA strategic plan update and Humboldt's Electric Future (power portfolio planning) in Fiscal Year 2026-27.

Fiscal Year 2025-2026 Budget Calendar

- May 12, 2025** RCEA Board of Directors Standing Finance Subcommittee review draft Fiscal Year 2025-2026 Budget and provide feedback to staff.
- May 22, 2025** RCEA Board of Directors review draft Fiscal Year 2025-2026 Budget, with input from Standing Finance Committee incorporated, and provide feedback to staff.
- June 26, 2025** RCEA Board of Directors adopts Final Budget for Fiscal Year 2025-2026.

Budget Summary

TABLE 1: BUDGET SUMMARY

Revenue		
	State Contracts	1,634,000
	REVNet Sales & LCFS Credits	77,000
	Non-Government Contracts	9,993,607
	Electricity Sales	73,752,521
	Uncollectable Accounts	(2,212,576)
Total		83,244,552
Expense		
WHOLESALE POWER SUPPLY		
	CAISO/Market Participation Costs	34,919,982
	Bilateral Costs	22,697,604
Sub-total		57,617,586
PERSONNEL		
	Payroll	6,119,033
	Other Personnel Costs	285,063
Sub-total		6,404,096
FACILITIES AND OPERATIONS		
	Offices/Workstations	987,525
	Major Capital Assets O&M	766,894
	Property & Liability Insurance	105,000
	Dues & Memberships	397,559
Sub-total		2,256,978
COMMUNICATIONS AND OUTREACH		363,250
PROFESSIONAL & PROGRAM SERVICES		
	Regulatory	150,000
	Program Related Professional Services	3,220,084
	CC Power - special projects	305,261
	CalCCA - special projects	15,000
	NREN Partner Pass-through	3,149,471
	Accounting	228,000
	Legal	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		9,850,787
INCENTIVES & REBATES		1,622,655
NON-OPERATING COSTS		129,200
Total		78,244,552
Net Income/Reserves Contribution		5,000,000

RCEA Structure

RCEA has three departments responsible for implementing RCEA programs (Power Resources, Demand Side Management, and Infrastructure Planning and Transportation), each with a director. Additionally, there are three executive departments (Business Planning and Finance, the offices of the Deputy Executive Director and the Executive Director) that each supervise a team that works to support the overall functions of the organization and take on special projects.

Power Resources

The Power Resources department includes six full-time employees and one part-time employee who oversee the power purchasing and electricity account services functions, key components of RCEA's CCA service.

Forecasted electricity sales and power costs are based on modeling provided by The Energy Authority, RCEA's power manager, dated May 5, 2025, and assumes maintaining retail generation rates at 0.5% below Pacific Gas & Electric Company (PG&E) retail generation rates. The budget also assumes procuring all renewable and carbon-free energy for calendar year 2026.

The Bioenergy Market Adjusting Tariff (BioMat) and Feed-in-Tariff (FIT) offer above-market pricing for local renewable energy. The budget includes dedicating staff time and funding professional services to assist with any interest in the tariff programs.

TABLE 2: POWER RESOURCES

		Community Choice Energy	BioMat/FIT
Revenue			
	Electricity Sales	73,752,521	
	Uncollectable Accounts	(2,212,576)	
Total		71,539,945	-
Expense			
WHOLESALE POWER SUPPLY		57,612,586	
PERSONNEL		954,191	27,005
FACILITIES AND OPERATIONS			
	Dues & Memberships	252,744	
COMMUNICATIONS AND OUTREACH		91,000	1,500
PROFESSIONAL & PROGRAM SERVICES			
	Regulatory	95,000	
	Program Related Professional Services		30,000
	CC Power - special projects	305,261	
	CalCCA - special projects	15,000	
	Accounting	100,000	
	Legal	40,000	
	Wholesale Services - TEA	896,946	
	Procurement Credit - TEA	572,390	
	Data Management - Calpine	808,002	
	Customer Billing - PG&E	256,634	
Sub-total		3,089,233	30,000
NON-OPERATING COSTS			
	Annual Account Fee - FSR	6,000	-
Total Expense		62,008,254	58,505

Infrastructure Planning & Transportation

The budget for RCEA's Infrastructure Planning and Transportation department includes four full-time and one part-time employee. They are focused on infrastructure projects that RCEA will continue to own and operate (Redwood Coast Airport Microgrid, vehicle charging network), clean transportation focused rebates and technical assistance, and efforts to promote resilient critical infrastructure. This department receives funding from the California Energy Commission for construction of the North Coast Resilient Charging Network (NCRCN) of electric vehicle resilience hubs around the County, and from the Governor's Office of Land Use and Climate Innovation, Regional Resilience Grant Program (RRGP) for construction of solar plus battery storage energy systems at several remote fire stations. The RCEA-owned electric vehicle charging network, REVNet, collects fees that help offset associated operations and maintenance. The RCEA-owned Redwood Coast Airport Microgrid (RCAM) operations and maintenance

expense is currently included in this department's budget but will be moved to Power Resources in the future. Additionally, this year's budget includes clean transportation rebates and fleet technical assistance funded through CCA revenues.

TABLE 3: INFRASTRUCTURE PLANNING & TRANSPORTATION

		REVNet	NCRCN	RRPG	Rebates, Match & Tech Assist	RCAM
Revenue						
	State Contracts		277,661	1,245,149		
	REVNet Sales	77,000				
	Non-Government Contracts					1,887
Total		77,000	277,661	1,245,149		1,887
Expense						
WHOLESALE POWER SUPPLY						5,000
PERSONNEL		39,465	45,355	207,675	239,352	92,682
FACILITIES AND OPERATIONS						
	Major Capital Assets	67,800				167,894
	Dues & Memberships					815
Sub-total		67,800				169,109
COMMUNICATION AND OUTREACH			5,000		10,000	
PROFESSIONAL & PROGRAM SERVICES						
	Program Services		280,000	1,037,474		
	Legal		4,000			
Sub-total			284,000	1,037,474		
INCENTIVES & REBATES					100,000	
NON-OPERATING COSTS						120,000
Total Expense		107,265	334,355	1,245,149	349,352	386,791

Demand-Side Management

The Demand-Side Management department budget includes 10 full-time staff and four part-time staff working on the implementation of the Northern Rural Energy Network (NREN) programs, which focus on increasing energy efficiency in residences and businesses in 17 California counties. This department also receives contract funding from PG&E to increase energy efficiency at public agencies through their Local Government Partnership (LGP) program. A small amount of CCA revenue is allocated to department staff time and materials for maintaining RCEA's Efficiency Lending Library.

TABLE 4: DEMAND-SIDE MANAGEMENT

		NREN Implementation	NREN EMV	NREN Marketing	PG&E Local Government Partnership Program	Efficiency Lending Library
Revenue						
	Non-Government Contracts	7,374,328	163,898	474,799	296,099	
Expense						
PERSONNEL		1,175,516	6,397	32,081	296,098	20,046
FACILITIES AND OPERATIONS						
	IT Subcontractors & Supplies	400,000	500			
	Dues & Memberships	130,000				
Sub-total		530,000	500			
COMMUNICATION AND OUTREACH	Advertising & Media	10,000		30,000		
PROFESSIONAL & PROGRAM SERVICES						
	Program Related Professional Services	1,147,706	157,000	320,000		
	NREN Partner Pass-through	3,000,951		92,718		
Sub-total		4,148,657	157,000	412,718		
INCENTIVES & REBATES						
	Residential Equipment Efficiency	949,446				
	Commercial Equipment Efficiency	560,709				2,500
Sub-total	Lending Library	1,510,155				2,500
Total Expense		7,374,328	163,897	474,799	296,098	22,546

Executive Departments

The executive departments, comprised of the offices of the Executive Director, Deputy Executive Director, and the Business Planning and Finance Director, work closely together and with all departments and are responsible for supporting the strategic direction of the organization, policy and legislative tracking and engagement, community messaging, outreach, and engagement, budget, accounting, risk management, human resources, staff retention and professional development, and administrative functions of the organization. Budget for these efforts is from NREN funding and CCA revenue.

Executive Director

The Executive Director leads the organization and provides direct supervision and support to each RCEA director. Additionally, the executive director supervises the Community Strategies Manager, the NREN portfolio Manager and the Regulatory and Legislative Policy Manager. There are 7 staff members and a temporary intern on these teams.

Deputy Executive Director

The Deputy Executive Director handles human resources, information technology, data security, facilities, clerk of the Board, and special projects, including the TERAS project. There are 4 staff members on this team.

Business Planning and Finance Director

The Business Planning and Finance Director oversees accounts payable/accounts receivable, grants and contracts management functions, as well as audit support and special projects such as the Cost of Service Rate Analysis. There are 4 staff members and a vacant position on this team.

TABLE 5: EXECUTIVE DEPARTMENTS (NON-GENERAL AND ADMINISTRATIVE)

		Strategic Planning	NREN PA	TERAS	Community Strategies
Revenue					
	Non-Government Contracts		851,139		
Expense					
PERSONNEL		190,239	410,212	138,366	4,500
FACILITIES AND OPERATIONS					
	Office Supplies		1,000		
	Software		46,220		16,993
	Dues & Memberships	6,000			
Sub-total		6,000	47,220		16,993
COMMUNICATIONS AND OUTREACH					
	General Events				17,250
	Outside Professional Services				105,500
	Sponsorships and Community Support				28,000
	Advertising & Media				65,000
Sub-total					215,750
PROFESSIONAL & PROGRAM SERVICES					
	Regulatory	55,000			
	Professional Services		247,904		
	NREN Partner Pass-thru		55,802		
	Accounting			25,000	
	Legal		90,000	25,000	
Sub-total		55,000	393,706	50,000	
Total Expense		251,239	851,138	188,366	237,243

General & Administrative

RCEA's General and Administrative (G&A) functions include information technology, human resources, executive assistance/Board clerk tasks, finance/accounting, and grants and contracts management functions. The budgeted revenue for G&A is a percentage of State grants and NREN funding in addition to CCA revenues. The amount budgeted for G&A Capital Contributions is specifically for RCEA office design consultation.

TABLE 6: GENERAL & ADMINISTRATIVE

		G&A
Revenue		
	State Contracts	111,190
	Non-Government Contracts	831,458
Total		942,648
Expense		
PERSONNEL EXPENSES		2,524,915
FACILITIES AND OPERATIONS		
	Offices/Workstations	519,912
	Major Capital Assets	
	Capital Contributions	445,829
	Property & Liability Insurance	105,000
	Dues & Memberships	8,000
Sub-total		1,078,741
PROFESSIONAL & PROGRAM SERVICES		
	Accounting	103,000
	Legal	90,000
Sub-total		193,000
Total Expense		3,799,856

Debt Service and Cash Reserves

RCEA maintains a loan from the Federal Financing Bank, granted through the Rural Utilities Service for the construction of the Redwood Coast Airport Microgrid. The annual debt service for this loan totals \$386,338.88 for principal and interest. Interest expense is included in this budget as a non-operating cost.

The Board adopted a policy in January 2025 that defines cash reserves as RCEA's unrestricted cash position and sets the reserve target at 180 days cash on hand based on forecasted annual CCA operating expenses. The target is approximately \$33.1 million for this fiscal year's budget. This budget includes adding \$5 million to RCEA's unrestricted cash to continue building towards the target cash on hand balance. Energy markets and forecasted retail rates can change drastically during the fiscal year and may change the net revenue projections. Building cash reserves is crucial to stabilizing rates and continuing operations in the event of actual negative net revenue in the future. Having a healthy reserve has the added benefit of improving RCEA's creditworthiness, which in turn reduces operating costs associated with maintaining credit and posting security deposits.