



COMMUNITY ADVISORY COMMITTEE MEETING

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

**September 9, 2025
Tuesday, 6 - 7:30 p.m.**

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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 Community Advisory Committee, 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 Committee at the meeting, please provide 17 copies to the Board Clerk.

THIS IS A HYBRID IN-PERSON AND VIRTUAL MEETING.

When attending CAC meetings, please be courteous to those who choose to wear a mask.

To participate in the meeting by phone, call (669) 900-6833 or (253) 215-8782. Enter webinar ID: 822 2338 1610. **To participate in the meeting online**, join the Zoom webinar at <https://us02web.zoom.us/j/82223381610>.

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

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

COMMUNITY ADVISORY COMMITTEE

MEETING AGENDA

Agenda Item / What	How / Action <u>Underlined actions</u> indicate that a vote is needed.	When										
1. Open	<p>Roll Call:</p> <table><tr><td>Norman Bell</td><td>Luna Latimer</td></tr><tr><td>Deborah Dukes</td><td>Ethan Lawton</td></tr><tr><td>Colin Fiske</td><td>Dennis Leonardi</td></tr><tr><td>Benjamin Fordham</td><td>Kit Mann</td></tr><tr><td>Richard Johnson</td><td>Pliny McCovey</td></tr></table> <p>Sarah Schaefer, Board Liaison</p> <p>Remote member participation:</p> <p>Action (if needed): <u>Approve teleconference participation request for this meeting by committee member pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.</u></p> <p>Review meeting agenda and goals.</p>	Norman Bell	Luna Latimer	Deborah Dukes	Ethan Lawton	Colin Fiske	Dennis Leonardi	Benjamin Fordham	Kit Mann	Richard Johnson	Pliny McCovey	6-6:05 p.m. (5 min.)
Norman Bell	Luna Latimer											
Deborah Dukes	Ethan Lawton											
Colin Fiske	Dennis Leonardi											
Benjamin Fordham	Kit Mann											
Richard Johnson	Pliny McCovey											
2. Non-Agenda Item Public Comment	<p>This item is provided for the public to address the Committee on matters not on the agenda. At the end of public comments, the Committee may respond to statements, or refer requests requiring action to the Executive Director or the Board of Directors.</p>	6:05 – 6:10 p.m. (5 min.)										
3. Consent Calendar	<p>All matters on the Consent Calendar are considered to be routine by the CAC 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, CAC members or members of the public can request that an item be removed for separate discussion.</p> <p>Actions:</p> <p>3.1. <u>Approve May 13, 2025, CAC Meeting Minutes.</u></p> <p>3.2. <u>Accept Local Major Projects Staff Notification List – None as of Agenda Publication.</u></p>	6:10 – 6:15 p.m. (5 min.)										

Agenda Item / What	How / Action <u>Underlined actions</u> indicate that a vote is needed.	When
4. Items Removed from Consent Calendar	This time is set aside for discussion of items removed from the Consent Calendar.	6:15 – 6:20 p.m. (5 min.)
5. Input on RCEA's Next Integrated Resource Plan	Action: <u>Provide input on preferred electric portfolio for RCEA's upcoming Integrated Resource Plan.</u>	6:20 – 6:50 p.m. (30 min.)
6. Annual Report on Humboldt Sawmill Company Biomass Use	Action: Information only item. Summary of the CAC's discussion will be presented to the Board.	6:50 – 7:20 p.m. (30 min.)
7. Executive Director's Report	Action: Hear Executive Director's update.	7:20 – 7:25 p.m. (5 min.)
8. Member and Board Liaison Reports	This time is provided for Committee members and the Board Liaison to share information on topics not on the agenda. At the end of member reports, the Executive Director will set requests requiring action to a future agenda or refer requests to staff or the Board. 8.1. Board Liaison 8.2. Committee Members	7:25 – 7:30 p.m. (5 min.)
9. Close & Adjourn		7:30 p.m.

NEXT REGULAR CAC MEETING – Tuesday, November 4, 2025, 6 - 7:30 p.m.
Jefferson Community Center Auditorium, 1000 B Street, Eureka, CA 95501.
(Note: Meeting is one week early due to the Veterans' Day holiday.)

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COMMUNITY ADVISORY COMMITTEE

STAFF REPORT

Agenda Item # 1

AGENDA DATE:	September 9, 2025
TO:	RCEA Community Advisory Committee
FROM:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Member Teleconference Participation

BACKGROUND

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

CAC members 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 the CAC member would like to attend the meeting remotely due to an emergency circumstance, the committee will take action by majority vote to approve the member's remote participation. A vote is not necessary for a request to attend remotely for just cause. A brief description, protecting the member's (or member's family member's) medical privacy, needs to be provided in both cases.

The remotely participating CAC member 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 member, and the general nature of the individual's relationship with the CAC member.

If the CAC member anticipates needing to participate remotely for more than 2 meetings per year or for non-just cause or emergency reasons, staff recommends arranging for a publicly and ADA accessible space with visual and audio meeting capabilities from which to participate in keeping with previous Brown Act teleconference meeting requirements.

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

RECOMMENDED ACTION

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



COMMUNITY ADVISORY COMMITTEE MEETING **DRAFT MINUTES**

May 13, 2025 - Tuesday, 6 - 7:30 p.m.

Chair Ethan Lawton called the hybrid in-person and teleconference meeting to order on the above date at 6 p.m. at the Jefferson Community Center Auditorium, 1000 B Street, Eureka, CA. The meeting agenda was posted on May 9, 2025.

Members present:

Norman Bell (remote, just cause)	Ethan Lawton, Chair
Colin Fiske	Dennis Leonardi, Vice Chair
Benjamin Fordham	Kit Mann
Richard Johnson	Pliny McCovey

Board Liaison present: Sarah Schaefer (non-voting)

Members absent: Deborah Dukes, Luna Latimer

Board-nominee vacancies: Blue Lake Rancheria, Fortuna, Humboldt County seat 2, Rio Dell, Yurok Tribe.

Staff present:

Elizabeth Burks, Executive Director	Lori Taketa, Board Clerk
Richard Engel, Power Resources Director	Eileen Verbeck, Deputy Exec. Director

2. Non-Agenda Item Public Comment

No non-agenda public comment was received at the meeting.

3. Consent Calendar

3.1. Approve March 11, 2025, CAC Meeting Minutes.

There was no public comment on this item.

Motion Leonardi, Second Mann: Approve March 11, 2025, CAC meeting minutes.

The motion passed with the following unanimous, roll call vote: Ayes: Bell, Fiske, Fordham, Johnson, Lawton, Leonardi, Mann, McCovey. Noes: None. Abstain: None. Absent: Dukes, Latimer.

5. CAC Subcommittee Discussion

Executive Director Burks described the CAC subcommittees' work to date, current agency needs, staff support capacity, and upcoming agency work areas.

Staff recommended continuing these CAC subcommittees:

- Bond. The Board is interested in issuing a renewable energy project bond. Staff propose enlisting this subcommittee to investigate what bond issuance entails.
- Customer Program Outreach. Staff would like this committee to provide input on Northern Rural Energy Network programs.

Staff recommended sunsetting these subcommittees:

- Climate Action Plan. Staff will enlist the entire CAC for support as opportunities arise and request subcommittee formation if needed.
- Critical Facilities. The critical facility list will be forwarded to the Bond Subcommittee to help develop a shortlist of potential bond projects.
- McKinleyville – Arcata Major Projects. Staff will engage member agency staff during early project development phases. CAC members may notify RCEA staff of project development that might impact RCEA's Strategic Plan goals.
- Offgrid Cannabis Greenhouse Gas Impact. This committee's objectives do not overlap with RCEA's work and are more appropriately addressed by other agencies.
- Offshore Wind Outreach. The entire CAC will be enlisted for support as opportunities arise.

Staff will need CAC, and possibly subcommittee, support if RCEA adopts a cost-of-service model for calculating electricity rates.

The group expressed a desire for member agency planning departments to understand RCEA strategic plans, which are also County General Plan Energy Element goals. The group asked whether member agency staff could incorporate RePower target alignment assessment in their workflow. The committee encouraged Board members to advocate for RCEA's targets with their respective agency's planning staff. There was no public comment on this item.

6. 100% Local Renewable Portfolio by 2030 Goal

Power Resources Director Engel described difficulties meeting the local requirement

of the RePower Strategic Plan's 100% local, net-zero-carbon-emission renewable source power mix goal. Challenges to local renewable energy development include Humboldt County's antiquated electricity grid, grid interconnection delays, community skepticism toward large-scale renewable energy projects, and changed federal attitudes toward offshore wind development. Local renewable energy procurement is less affordable than procuring energy produced elsewhere. Staff will ask the Board to revise the local portion of the procurement goal prior to the next strategic plan update.

The group discussed how grid upgrade timelines do not allow RCEA to meet state renewable energy procurement requirements with local resources and how the 2019 Strategic Plan revision depended on local offshore wind coming online earlier than possible. Staff clarified they will not ask the Board to change renewable energy and net-zero-carbon-emission portfolio goals. The Committee suggested eliminating the 2030 deadline from the local procurement goal, prioritizing locally produced renewable energy development and procurement to the extent feasible, quantifying how much more expensive local renewable energy procurement is for the Board staff report, and revising the strategic plan more frequently. Members supported local renewable energy development to lessen demand for local gas-generated electricity, and helping developers overcome barriers so the County can become more self-sufficient. There was no public comment on this item.

7. Executive Director's Report

Executive Director Burks announced an upcoming RCEA and Schatz Energy Research Center battery energy storage workshop in Arcata, reported on the Board's recent electricity affordability study session, and on RCEA's solicitation for cost-of-service study providers. Member Fiske stressed the need to target the community's most disadvantaged rate payers to equitably address affordability. There was no public comment on this item.

8. Member and Board Liaison Reports

Board Liaison Schaefer described the Roger's Garage Project near Jacoby Creek School and supported RCEA efforts to engage earlier with jurisdiction staff. Vice Chair Leonardi reminded staff to consider marginalized community members when designing and implementing programs. Chair Lawton encouraged members to review and comment on the McKinleyville Town Center environmental impact report and thanked them for their volunteer service on the CAC.

Chair Lawton adjourned the meeting at 7:30 p.m.

Lori Taketa, Clerk of the Board



**COMMUNITY ADVISORY COMMITTEE
STAFF REPORT
Agenda Item # 3.2**

AGENDA DATE:	September 9, 2025
TO:	RCEA Community Advisory Committee
PREPARED BY:	Eileen Verbeck, Deputy Executive Director
SUBJECT:	Local Major Projects of Interest

SUMMARY

The CAC requested a standing agenda item to discuss local major projects and activities that may have significant impact on RCEA's ability to reach energy goals outlined in the RePower Humboldt Comprehensive Action Plan for Energy. If staff agrees that a project is within RCEA's scope, staff will engage with project developers in early stages or a project-specific CAC ad hoc subcommittee will be formed to develop comments to present to the Board, if the project is in the public comment phase.

The Board clarified guidelines and a process for the CAC to discuss local major projects as follows:

1. If CAC members see a need to comment on or engage with a local project in development in ways that are within RCEA's scope, they notify the RCEA Executive Director.
2. If staff agrees that engaging with project developers is appropriate for RCEA, then staff will follow up or request volunteers for an ad hoc CAC Major Projects Subcommittee specific to a particular project for assistance in drafting comments.
3. If it is unclear whether engagement falls within RCEA's scope, staff will ask the Board for direction.
4. It is more productive for RCEA to engage and provide input early in the development process, rather than when the project is soliciting public comment (e.g. RCEA provided the County with technical input related to Nordic Aquafarms prior to the solicitation for public comments).
5. If RCEA has not been invited to provide input and RePower strategies are not accounted for in project plans, then it is appropriate for RCEA to comment during the public comment phase.

As of the writing of this staff report, there have been no new local major projects identified for the CAC to discuss at this meeting. However, if a CAC member identifies a project they would like to discuss and states how it relates to RCEA's strategic plan goals, this agenda item may be removed from the consent calendar for discussion.

Staff does note that the Humboldt County Planning Commission workshops on the McKinleyville Town Center and the Regional Climate Action Plan were held in August. RCEA continues to engage actively on the Regional Climate Action Plan.

RECOMMENDED ACTION

Accept Local Major Projects Staff Notification List – None as of agenda publication.

ATTACHMENTS

None



STAFF REPORT
Agenda Item # 5

AGENDA DATE:	September 9, 2025
TO:	Community Advisory Committee
PREPARED BY:	Richard Engel, Director of Power Resources
SUBJECT:	Input on RCEA's Next Integrated Resource Plan

BACKGROUND

Load-serving entities such as RCEA are required by the California Public Utilities Commission (CPUC) to periodically submit an integrated resource plan (IRP) that demonstrates how the power provider will meet its customer load while fulfilling state requirements for electric reliability and renewable energy procurement. The next compliance cycle will require RCEA to submit its IRP sometime in late 2025 or early 2026, using a 10-year planning horizon. In 2023, RCEA conducted public engagement through the Humboldt's Electric Future project to inform power portfolio planning for this upcoming IRP. Staff are looking for additional input from the CAC and Board as they prepare to develop and submit the plan.

SUMMARY

For previous IRPs, staff have taken a "top-down" approach to developing the resource portfolio, taking guidance mainly from the resource-specific procurement goals included in RCEA's RePower Humboldt strategic plan, while ensuring all regulatory constraints (e.g. State-mandated renewables portfolio standard and resource adequacy needs) are met. The goals in the RePower plan call for maximizing inclusion of renewable technologies to the extent economically feasible.

For the upcoming IRP, staff plan to instead use a "bottom-up" approach, in which we will first seek to build the lowest cost portfolio while continuing to add long-term contracts for the renewable resources identified in the RePower plan to RCEA's portfolio, and as always ensuring all regulatory requirements are met. This is a more conventional approach, used widely by other load-serving entities, including RCEA's sister community choice aggregators (CCAs). There are several reasons for making this change:

- Major increases in electric utility bills in recent years have brought affordability into focus as a priority, statewide as well as here in Humboldt County. These increases are due largely to wildfire-related infrastructure costs being recovered by the investor-owned utilities through transmission and distribution charges and are not directly under RCEA's control. However, we can make efforts to reduce generation costs by seeking the least expensive renewable resources as a means of ameliorating higher customer bills.

- RCEA is considering adopting a cost-of-service rate-setting model and has retained a consultant to perform a study on this for potential implementation in the next fiscal year. Under cost of service, customer rates directly reflect the cost of power procurement, incentivizing utilities to minimize procurement costs in order to keep rates affordable.
- The Board in June 2025 approved a modification of the RePower strategy, continuing to prioritize local procurement but no longer calling for a strict 100% local procurement target by 2030. With this modification to policy, RCEA has a wider range of resource options, potentially with lower associated cost, to consider in building its portfolio.
- Recent federal changes have been made to clean energy incentives, including the phasing out of tax credits for wind and solar energy while leaving these credits in place for other resources such as geothermal power. These changes likely will alter which resources will be least expensive to procure, while making renewable energy more expensive overall.
- Also due largely to federal policy changes, locally generated offshore wind is likely to no longer be available within the IRP's 10-year planning horizon. Previous RCEA IRPs prominently featured offshore wind with an expected online date around 2030; this capacity will now likely have to be replaced with some non-local renewable resource.
- RCEA's current biomass contract will expire in 2031, well before the end of the IRP planning horizon. It is currently an open question how this portion of RCEA's capacity need will be met after 2031. Again, it could potentially be replaced with a non-local resource.

The starting point for the IRP is reporting which resources are already under contract with RCEA, whether operating or still in the development or construction phase. Table 1 shows the energy resources in RCEA's long-term portfolio. All of these resources will continue to deliver energy to RCEA until after the IRP's 10-year planning horizon, apart from Humboldt Redwood Company biomass (ending in 2031) and Cove Hydroelectric (ending in 2035). The geothermal resources shown are being procured jointly with other CCAs, and the relatively small capacity values shown are RCEA's share of these much larger projects.

RCEA also includes in its IRP resources that provide capacity (a.k.a. resource adequacy) that the California Public Utilities Commission requires electricity sellers to procure. These resources do not provide megawatt-hours of electricity sold to customers so are not part of the resource mix shown on the power content label distributed annually to RCEA customers. See Table 2.

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Table 1. RCEA's Long-Term Contracted and Owned Generation Resources

Project Name	Resource Type	Project Location	Delivery Start	Contract Length	Capacity (MW)	Annual Energy (MWh)
Humboldt Redwood*	Biomass	Scotia, CA	2017	14 Years	18.0	125,000
Cove Hydroelectric	Small Hydro	Montgomery Creek, CA	2020	15 Years	5.5	14,800
Redwood Coast Airport Microgrid*	Hybrid ¹	McKinleyville, CA	2021	N/A	1.8	5,600
North Coast Highway Solar 1*	Solar	Hydesville, CA	2024	20 Years	0.99	2,100
North Coast Highway Solar 2*	Solar	Hydesville, CA	2024	20 Years	0.99	2,100
Sandrini Solar	Solar	Bakersfield, CA	2023	15 Years	100	307,500
Foster Clean Power A*	Hybrid ¹	Arcata, CA	2023	20 Years	3.0	6,900
Fish Lake	Geothermal	Dyer, NV	2024	20 Years	0.4	3,000
Foster Clean Power B*	Hybrid ¹	Arcata, CA	2025	20 Years	4.0	7,900
Ormat Portfolio	Geothermal	CA/NV	2027	20 Years	4.0	34,500

*Indicates local resource

Table 2. RCEA's Long-Term Resource Adequacy Agreements

Project Name	Resource Type	Project Location	Initial Operation Date	Contract Length	Capacity (MW)
Leapfrog	Demand Response	CA statewide	2021	10 Years	5.5
Tierra Buena Energy Storage	Lithium Ion Battery	Tierra Buena, CA	2022	10 Years	2.5
Goal Line Energy Storage	Lithium Ion Battery	Escondido, CA	2025	15 Years	2.0
Tumbleweed Energy Storage	Lithium Ion Battery	Rosamond, CA	2026	15 Years	2.72
Drifter Energy Storage	Lithium Ion Battery	Moorpark, CA	2028	15 Years	50
Sandrini Energy Storage	Lithium Ion Battery	Bakersfield, CA	2025	15 Years	92

Once existing resources and their contribution to meeting RCEA's forecasted load are understood, planning can begin for adding new long-term resources to the mix. In 2023, RCEA conducted the Humboldt's Electric Future process, with the aim of collecting public input on future resource procurement for the next IRP. At the time, the expectation was that this IRP would fall due in 2024 on the CPUC's normal biennial schedule. However, the CPUC ended up delaying the next IRP for at least a year, and as of now the due date for this IRP has not been

¹ Hybrid resources are a combination of energy generators and energy storage systems. In RCEA's case, all of our hybrid resources utilize solar as the energy generation.

set but is expected to be some time this coming winter. It is thus timely to revisit the public input on power portfolio design that came out of the Humboldt Electric Future workshops.

Staff reported to the CAC on the Humboldt Electric Future workshop outcomes in July 2023; the most relevant of these outcomes are briefly recapped here. In the in-person and online workshops, staff presented five example power portfolios for the year 2035 and asked participants to vote on them. Contracts already in place at the time of the workshops would fulfill about 40% of RCEA's expected 2035 energy need, so the example portfolios addressed only the other 60% of RCEA's total portfolio. See Figure 1. Each portfolio had a unique mix of resources and a projected net yearly revenue. All other things being equal, a resource that is less costly to procure results in higher net yearly revenue. Under a cost of service utility model where rates directly reflect procurement costs, the example portfolios with higher net revenue could be expected to allow customer rates to be lower.

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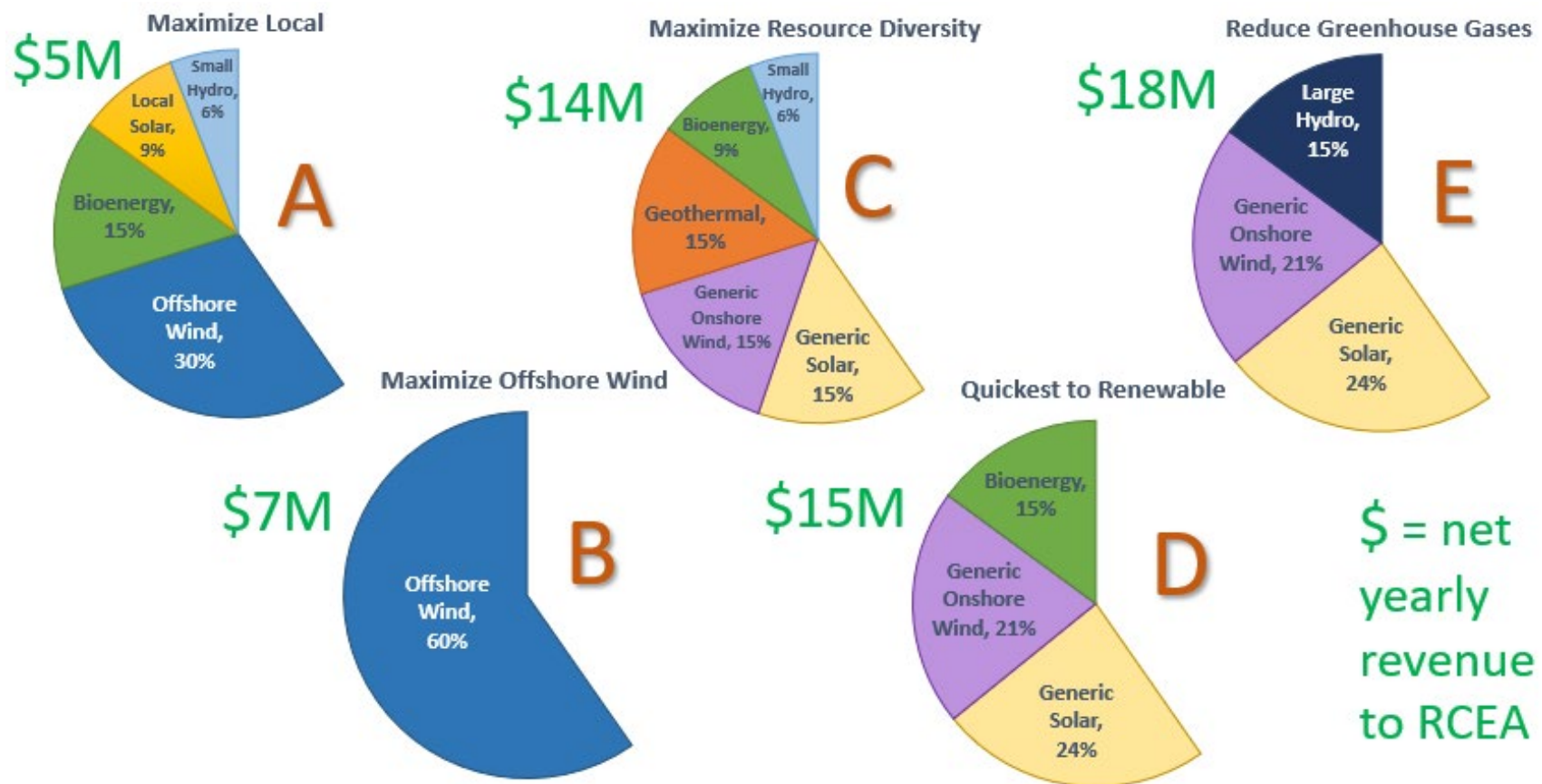


Figure 1. Power portfolios evaluated in 2023 HEF workshops

The key takeaway from the votes cast by workshop participants was that, while the other portfolios received roughly equal vote shares, the “Reduce Greenhouse Gases” portfolio received significantly more votes. This portfolio was designed to achieve zero emissions at lowest cost. The tradeoff for achieving this low cost is that it is the one portfolio that continues to include a non-renewable resource, namely large hydropower, in 2035 (at odds with RCEA’s strategic goal to achieve 100% renewable energy from 2030 onward), and does not include the resource types most likely to be generated locally (i.e., offshore wind and bioenergy). See Figure 2.

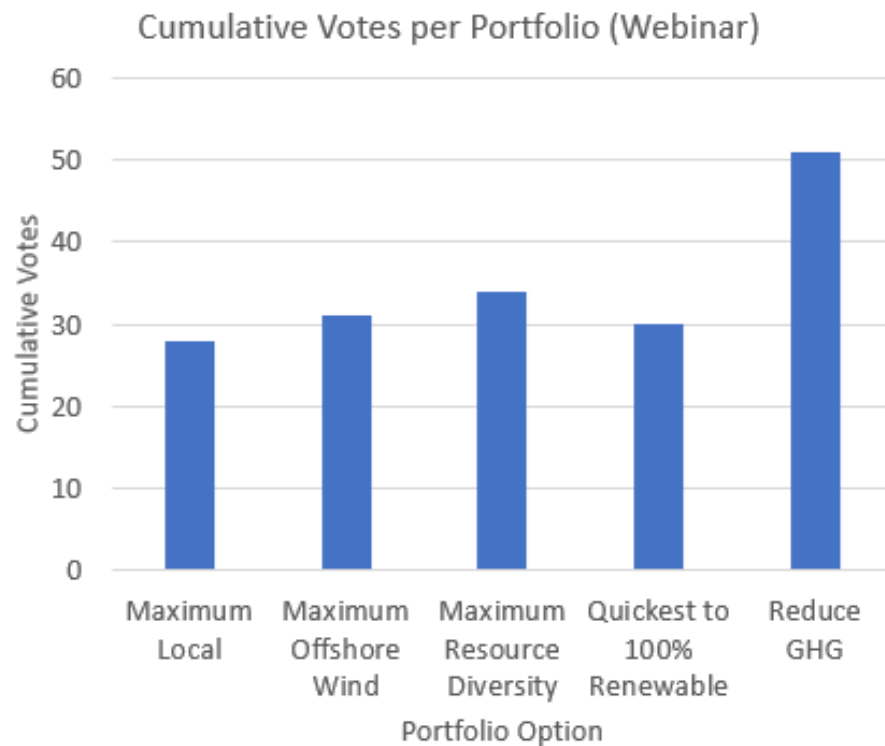
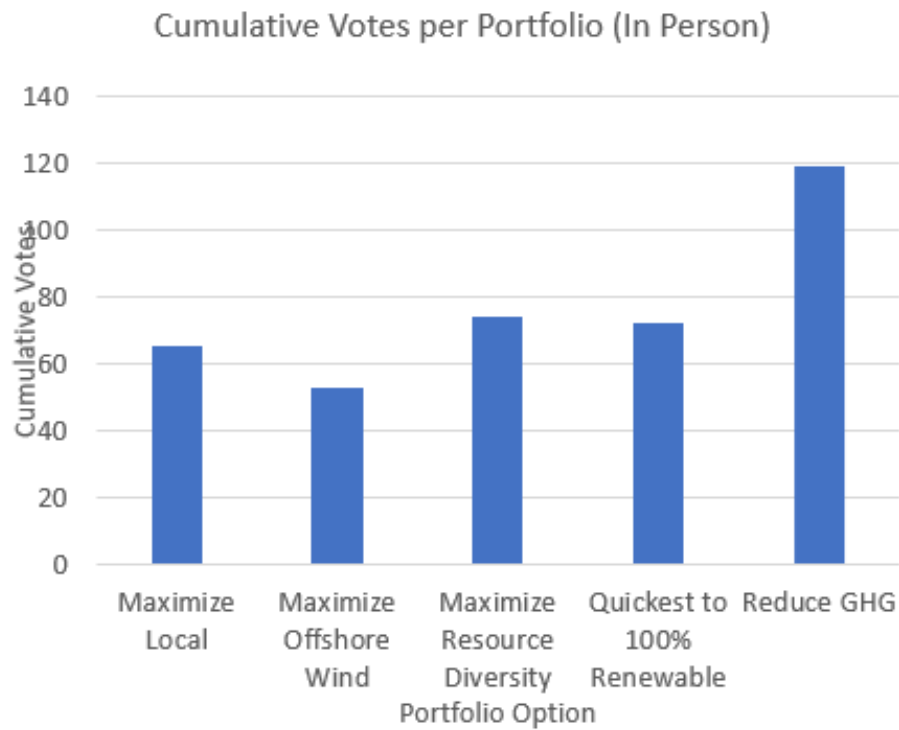


Figure 2. In-person and online workshop participant votes on power portfolios

Staff are particularly interested in CAC input on the importance of including (or not including) the following specific resource types in the currently uncommitted portion of RCEA's future portfolio.

- Offshore wind – RCEA has included a significant amount of offshore wind power in its future portfolios for the last two IRP cycles. RCEA's 2022 IRP anticipated offshore wind being available by 2030. However, offshore wind now faces challenges from the Trump administration, with its future "in more doubt than ever" according to an August 2025 analysis by energy consultant Wood Mackenzie.
 - Locally, the Humboldt Bay Harbor District has recently learned that the administration is canceling the \$426 million federal grant for development of a heavy lift marine terminal needed for North Coast offshore wind deployment.
 - RCEA continues to pursue offshore wind opportunities, actively engaging with the developers of the small, near-shore CADEMO project in State waters off the Vandenberg Space Force Base in Santa Barbara County. This project probably represents the lone opportunity for RCEA to include offshore wind in its portfolio before 2035, though it is likely to be more costly on a per-kilowatt-hour basis than the larger projects planned for California's federal lease areas.
- Clean firm resources – this California Public Utilities Commission-recognized resource category includes generation that can provide round-the-clock baseload renewable power, essential to balance out intermittent resources like solar and wind in a 100% renewable portfolio.
 - Bioenergy – this can include energy generated from forest- or agriculture-derived materials, as well as methane from wastewater treatment, dairies, food waste digesters, or landfills. New-build bioenergy projects are typically more costly than solar or wind projects on a per-kilowatt-hour basis.
 - RCEA's long-term biomass power contract with Humboldt Sawmill Company (HSC) is set to expire in 2031, within the IRP time horizon. RCEA's Board will need to weigh the decision whether to continue to procure from HSC or potentially procure bioenergy in some form from a different resource.
 - RCEA is currently seeking bioenergy offers under the BioMAT program. This CPUC-administered program is an opportunity to procure bioenergy at affordable prices. However, the program is set to close to new contracts at the end of 2025. RCEA and other parties are advocating for the CPUC to extend the program.
 - Geothermal – This is not a locally available resource, but Sonoma Clean Power is pursuing expansion of the Geysers geothermal area to our south. Due to resource availability, development costs, and permitting requirements, most geothermal development being procured for California energy users is currently happening in neighboring states. Like bioenergy, new-build geothermal projects are expensive.

Staff are considering issuing a clean firm resources solicitation for new-build bioenergy or geothermal projects in hopes of including more of these resources in RCEA's portfolio, if they can be contracted at an affordable price. Alternatively, it may prove more cost-effective for RCEA to procure such resources through its participation in California Community Power (CC Power), the nine-member group of CCAs that achieve

economies of scale through joint procurement. However, resources procured through CC Power are less likely to be local to Humboldt.

Staff seek preliminary input from the CAC prior to taking up the IRP with the Board. At this time, no quantitative portfolio analysis has taken place, so staff are only looking for general guidance on a preferred resource mix to fill the open position in RCEA's long-term portfolio. Alternatives of course are not limited to the examples presented at the Humboldt Electric Future workshops. Cost will need to be considered carefully in finalizing the mix, particularly as RCEA considers moving to a cost-of-service rate-making framework in which the organization will need to be highly cost-conscious to meet revenue needs while keeping rates competitive with PG&E's.

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

The integrated resource plan is prepared for compliance with California Public Utilities Commission requirements, and much of its content is dictated by regulations. However, preparation of the IRP presents an opportunity for RCEA's CAC, Board, and staff to consider how best to implement the power procurement strategies in the Energy Generation & Utility Services section of the RePower Humboldt strategic plan over the 10-year planning horizon of the IRP.

EQUITY IMPACTS

Not applicable.

STAFF RECOMMENDATION

Provide input on preferred electric portfolio for RCEA's upcoming integrated resource plan.

ATTACHMENTS

None



STAFF REPORT Agenda Item # 6

AGENDA DATE:	September 9, 2025
TO:	Community Advisory Committee
PREPARED BY:	Richard Engel, Director of Power Resources Forrest Novotny, Power Resources Specialist
SUBJECT:	Annual Report on Humboldt Sawmill Company Biomass Procurement

BACKGROUND

When authorizing extension of RCEA's power purchase agreement (PPA) for biomass energy with Humboldt Sawmill Company (HSC) in April 2021, RCEA's Board directed staff to "periodically review the contract...assessing current alternate biomass uses and other environmental considerations." To create a framework for the requested periodic review, staff negotiated a memorandum of understanding (MOU) between RCEA and HSC, which the RCEA Board adopted in September 2021. One provision of the MOU is as follows:

Annually on or around May 1 and continuing until the termination of the PPA, representatives of the Parties will meet to review the terms of the PPA and to discuss the continued viability of biomass power production by the HSC facility relative to other potential or actual uses of the biomass feedstock by HSC or other entities.

The MOU also calls for HSC to provide data on plant performance on request; types, quantities, and sources of biomass feedstock; and plant emissions. HSC have generally been responsive to specific data requested by RCEA staff under the MOU. Data provided this year in response to a request from RCEA staff included:

- Monthly amounts of biomass feedstock, broken down by geographic origin (inside or outside Humboldt County) and supplier (sourced internally from Humboldt Redwood Company or Mendocino Redwood Company or externally)
- Monthly use of biomass and auxiliary diesel fuel, electric output to RCEA and for onsite use, and thermal energy recovered for industrial use
- Annual total emissions of greenhouse gases (biogenic and non-biogenic) and a number of criteria pollutants
- Notices of violation from North Coast Unified Air Quality Management District (NCUAQMD) and HSC responses
- Boiler test data (opacity, emissions, oxygen)
- Cogen monthly monitoring reports
- Opacity audit reports

- Plant throughputs as reported to North Coast Unified Air Quality Management District
- Title V boiler compliance test report
- An AB 2588 Toxic Hot Spots Program – 2022 Reporting Timeline & Status Summary

As a reminder, the MOU's purpose is not to terminate or otherwise override the terms of the PPA. As the MOU states: "This MOU does not and is not intended to supersede, replace, or subordinate any provisions, representations, covenants, rights, or obligations in the PPA." While the MOU does not allow for early termination of the biomass PPA, it could help form a pathway for alternative use of the biomass plant's feedstock material once the current PPA's term expires.

The fourth of the annual meetings between RCEA and HSC staff per the MOU took place at HSC's Scotia headquarters on May 9, 2025. RCEA staff reviewed the materials provided by HSC and shared them with members of the Biomass Technical Advisory Group (BTAG), then convened a meeting of the BTAG on June 3, 2025, to review and comment on the materials. The materials are available for review on the Energy Sources page of RCEA's website at <https://redwoodenergy.org/about/energy-sources/> under the "Local Biomass Energy" subheading. In addition to the reporting materials provided by HSC, a petition to the EPA submitted by the Environmental Protection Information Center and Humboldt Coalition for Clean Energy objecting to a proposed modification of HSC's Title V air permit that was distributed to BTAG prior to the June 3 meeting is included.

SUMMARY

2025 HSC Data Review by Biomass Technical Advisory Group

Key discussion points in the BTAG review of HSC's reporting materials included:

- Claims that the plant is increasing emissions year over year relative to energy production. The data provided by HSC did not show emissions intensity (expressed in MTCO₂e per MWh) to be increasing with time.
- The amount of electricity and recovered heat produced per unit of fuel appears low compared to industry standards. The group discussed how this might be due to higher moisture levels in local fuels and asked whether measures could be taken to address this, such as keeping more of the fuel covered in the wet season. Material is currently kept inside fuel house for about two weeks before use. A portion of the thermal energy from the plant was once used to heat homes in Scotia, but this steam distribution system was decommissioned years ago.
- The data show less diesel fuel use in recent years (post-2020 vs earlier years). HSC staff said updated controls and new multi- clones for emissions reduction have helped avoid plant shutdowns. Diesel is only used for restarting the plant following shutdowns.
- What role if any RCEA should play in holding HSC to its air quality regulatory requirements. Some in the discussion believe this should be left to the Air Quality District and the state Air Resources Board; others pointed out that RCEA's contract allows for termination in the event HSC is not compliant with regulations and this should be used to hold HSC accountable. Air Quality District staff noted that HSC has cooperated with the Air District and taken needed corrective action in response to notices of violation.

- On the topic of RCEA's air quality monitoring in the vicinity of the HSC plant, there was support for continuing to monitor and share data, but some participants pointed out that the most harmful particulates are below the size detection threshold of the standard air quality monitoring devices being used. There was a request to provide a comparison of the data from the plant-adjacent monitors with monitors elsewhere in the county, and to look for correlations between ambient air quality near the plant and emissions as measured at the plant's stack monitors. Staff are working to complete this analysis and will provide it to BTAG's members once it is available.

HSC's Role in RCEA's Power Portfolio

Baseload resources such as biomass play an important role in helping RCEA achieve its goal of 100% renewable energy by 2030. Plants that operate around the clock can fill gaps during times of day and seasons when clean but intermittent resources such as wind and solar are not sufficient to meet RCEA's load and State reliability mandates.

Affordability is also a concern in biomass power procurement. Prices of energy, resource adequacy, and green energy attributes have been volatile in recent years. Each month staff compare the amount paid under the HSC contract with what these resources would have cost on the open market. Generally, the HSC contract financially outperforms the market by a substantial margin.

At the BTAG meeting, HSC staff gave a brief update on their work on alternative biomass energy conversion. They are continuing to plan for a two-phase project at their Ukiah facility that would combine a small biomass cogeneration plant with a co-located biomass gasification facility capable of producing marketable hydrogen. A final go/no-go decision on the project is pending further economic analysis.

RCEA presents the data from HSC and the summary of the BTAG review to the CAC for transparency and discussion. Staff will summarize CAC discussion of the HSC reporting for presentation to the RCEA Board later this month.

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

RCEA's consultations with HSC in implementing the terms of the MOU are in keeping with the following strategies in the RePower Humboldt plan:

- 4.1.11.3 Investigate the Impacts of Biomass Emissions
- 4.1.11.6 Plan for a Long-Term Transition Away from Direct Combustion of Forest Derived Biomass and Toward Lower-Impact Uses of this Material

Review of HSC's reporting by BTAG is in keeping with the RePower Humboldt plan's direction:
4.1.11.4 Establish a Biomass Technical Advisory Committee

STAFF RECOMMENDATION

Information item only. Summary of the CAC discussion will be presented to the Board.

ATTACHMENTS

Humboldt Sawmill Company Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING BETWEEN REDWOOD COAST ENERGY AUTHORITY AND HUMBOLDT SAWMILL COMPANY REGARDING ALTERNATIVE USES OF MATERIALS USED FOR BIOMASS POWER GENERATION

THIS is a MEMORANDUM OF UNDERSTANDING ("MOU") setting forth the understanding between Redwood Coast Energy Authority ("RCEA") and Humboldt Sawmill Company ("HSC"), regarding the periodic assessment of alternate biomass feedstock uses and other environmental considerations during the term of an existing power purchase agreement between RCEA and HSC.

Background

1. RCEA and HSC (the "Parties") have been parties to power purchase agreements since 2017, under which HSC sells renewable biomass power to supply RCEA's community choice aggregation program for Humboldt County electricity users. The current power purchase agreement is dated April 27, 2017, and was amended on March 1, 2019, May 1, 2021, and June 1, 2021 ("PPA").
2. Renewable biomass power provides a needed and financially viable local means of disposing of residual material produced by Humboldt County's forest products industry.
3. Members of the RCEA Community Advisory Committee (CAC) and members of the public have asked that RCEA consider the environmental and public health impacts of local generation of biomass power and explore alternative, lower impact uses of the feedstock material currently used by the plant.
4. The RCEA Board of Directors (the Board) at its April 22, 2021 meeting approved an amendment to its PPA with HSC, extending its term until May 31, 2031. In approving that extension of the PPA term, the RCEA Board directed staff to "periodically review the contract with Humboldt Sawmill Company, assessing current alternate biomass uses and other environmental considerations."
5. RCEA staff discussed with the CAC at their May 11, 2021 meeting the creation of a memorandum of understanding (MOU) between RCEA and HSC to implement the RCEA Board's direction to staff mentioned above. CAC members proposed that such an MOU should include a commitment from HSC to share feedstock supply and plant operation data helpful in assessing alternative biomass uses, and that the assessment consider both financial and non-financial benefits of such alternative uses, including avoided carbon emissions.

Mutual Understandings

1. Annually on or around May 1 and continuing until the termination of the PPA, representatives of the Parties will meet to review the terms of the PPA and to discuss the continued viability of biomass power production by the HSC facility relative to other

potential or actual uses of the biomass feedstock by HSC or other entities. Such uses to be considered might include but not be limited to those recently analyzed on RCEA's behalf by a consultant and by a team of Humboldt State University engineering students¹:

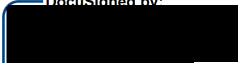
- a. Soil amendments, including compost, mulch, and biochar;
 - b. Energy products, including gasification, torrefied wood, and wood pellets;
 - c. Chemical products, including ethanol, nanocellulose, and bioplastics; and
 - d. Other products, including construction materials, pulp for tissue manufacture, and wastewater treatment media
2. HSC will make available to RCEA upon request current or recent data on the types, quantities, and quality of feedstock material used by the plant, to the extent such data is tracked by HSC; the facility's heat rate expressed in million British Thermal Units of biomass fuel consumed per megawatt-hour of electric power generated; and the associated plant emissions reported to regulatory authorities, to the extent disclosure of such data does not directly place HSC at a competitive disadvantage in its forest products or power sales business activities, or cause HSC to violate confidentiality agreements it may have with its various business partners. Data should be made available showing monthly quantities, and disaggregated to show how material is sourced from within or outside Humboldt County, and whether it is sourced internally from the Humboldt Redwood Company and Mendocino Redwood Company family of companies, or externally from other suppliers.
 3. RCEA and HSC will observe the confidentiality provisions (section 10.6) in the PPA with regard to any data deemed confidential by either party that is exchanged in fulfillment of this MOU.
 4. HSC has engaged a consultant to analyze alternative uses of the biomass residuals produced by the company. This consultant is examining pathways to commercialization for alternative technologies and determining their financial viability. HSC will make the results of the consultant study available to RCEA when it is completed.
 5. This MOU does not and is not intended to supersede, replace, or subordinate any provisions, representations, covenants, rights, or obligations in the PPA.

¹ See https://redwoodenergy.org/wp-content/uploads/2020/07/Biomass-Humboldt-RCEA-1_19-FINAL-1.pdf and <https://redwoodenergy.org/power-resources/> (expand "Read more about Biomass" section and scroll to "Humboldt State University Capstone Class on Alternative Biomass Uses").

Signatories to the Memorandum of Understanding

Humboldt Sawmill Company

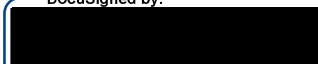
Name: Jim Pelkey

Signature: 
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Date: 9/30/2021

Redwood Coast Energy Authority

Name: Matthew Marshall

Signature: 
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Date: 10/1/2021