Board of Directors Regular Meeting Agenda

Wharfinger Building, Bay Room (downstairs)
1 Marina Way, Eureka, CA 95501

Thursday, January 22 2026
3:30 PM

Meeting Information

Meeting Reports and Comments

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 Board's meeting, will be made available to the public at redwoodenergy.org.

Speakers wishing to distribute materials to the Board at the meeting must provide 13 copies to the Board Clerk.

How to Participate

This is a hybrid in-person and virtual meeting. As a courtesy, the public may participate remotely through the Zoom platform. RCEA cannot guarantee uninterrupted teleconference access. When technical difficulties arise, the meeting will continue unless otherwise required by law, such as when a Board member attends the meeting remotely pursuant to certain Brown Act provisions. The only way to guarantee that the Board receives your comment is to attend the meeting in person or submit your comment in writing before the meeting.

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.

Accessibility

Need help with accessibility? 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.

Open Session (Call to Order)

1. Roll Call | Remote Director Participation

2. Board Appointments

2.1. Election of Officers and Community Advisory Committee Liaison Appointments

Select the RCEA Board Chair and Vice Chair to serve through January 2027 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2027.

2.2. Board Finance Committee Member Assignment

Determine whether the standing Finance Committee should continue its work.

Appoint up to five Directors to serve on the standing Finance Committee for one-year terms ending on February 28, 2027.

3. Reports from Member Entities

4. Oral & 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.

5. Consent Calendar

All matters in the Consent Calendar section are considered 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.

5.1. Approve Minutes of November 24, 2025, Board Meeting.

5.2. Approve Disbursement Reports for October and November 2025, and Financial Reports for this Fiscal Year Through November 2025.

5.3. Receive Federal Activity Report.

5.4. Approve the 2026 RCEA Board of Directors Meeting Calendar.

5.5. Provide Suggestions for This and Future Policy Platform Updates, and Accept 2026 RCEA Policy Platform.

6. Items Removed from Consent Calendar

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

7. Staff Reports

7.1. Executive Director's Report (Information only)

Community Choice Energy (CCE) Business

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.

8. CCE Business Consent Calendar

All matters in the Community Choice Energy Business Consent Calendar section are considered routine by the CCE-participating jurisdiction Board members 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 section and considered separately. At the end of the reading of the CCE Business Consent Calendar, any Board member or members of the public can request that an item be removed for separate discussion.

8.1. Adopt Resolution 2026-1 Adopting the Updated Energy Risk Management Policy.

9. Items Removed from CCE Business Calendar

10. Old CCE Business

10.1. Power Charge Indifference Adjustment Update (Information only)

10.2. Energy Risk Management Semi-Annual Report

Accept Energy Risk Management Semi-Annual Report and provide feedback to staff on information presented to inform any further analysis or future Board actions.

11. New CCE Business – None.

End of CCE Business | Resume RCEA General Business

12. Old Business

12.1. Community Advisory Committee Member Appointments and Recruitment

Reappoint Ethan Lawton, Benjamin Fordham, and Dennis Leonardi to the Community Advisory Committee for Two-Year Terms Ending on March 31, 2028.

Recruit up to 5 members for an ad hoc CAC at-large subcommittee to review applications and nominate candidates at the February 26, 2026, RCEA Board meeting.

13. New Business

13.1. Presentation on Northern Rural Energy Network 2028-31 Business Plan

Approve submission of the 2028-2031 Northern Rural Energy Network Business Plan Application to the California Public Utilities Commission.

13.2. Baker Tilly engagement for tax credit for RCAM and EV charging stations

1. Approve an amendment to Baker Tilly Advisory Group, LP Master Service Agreement to increase the not-to-exceed amount by $31,000 for a total not-to-exceed of $80,500.
2. Approve scope of work 2 with Baker Tilly for the preparation and filing of Investment Tax Credit documents for the Redwood Coast Airport Microgrid project

13.3. PG&E Local Government Partnership Contract to Provide Energy Efficiency Services Change Order

Approve a Change Order to the PG&E Local Government Partnership Contract to extend the term through 2027, increase the budget by $799,992, and make amendments to the program design and authorize the Executive Director to execute all applicable documents after review and approval of RCEA General Counsel.

13.4. Discuss Regional Climate Action Plan Implementation

Discuss Regional Climate Action Plan implementation and provide direction to staff to further explore RCEA serving as the Regional Climate Committee and adding a position for a Regional Climate Manager.

14. Future Agenda Items

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

15. Closed Session

15.1. Real Property Negotiations Pursuant to Government Code § 54956.8 in re: APN 001-135-007; RCEA negotiator: Executive Director; Owner's negotiating party: Wells Commercial; Under negotiation: price and terms.

15.2. Conference with Legal Counsel: Deciding whether to initiate litigation, pursuant to Government Code Section 54956.9(d)(4).

15.3. Public Employee Performance Evaluation, pursuant to Government Code § 54957: Executive Director.

15.4. Conference with Labor Negotiator, pursuant to Government Code § 54956.7. RCEA designated representative, Board Chair; Unrepresented employee, Executive Director.

16. Reconvene to Open Session

17. Closed Session Report

18. Adjournment

Next Regular Meeting

Thursday, February 26, 2026 | 3:30 PM

Wharfinger Building Bay Room (downstairs), 1 Marina Way, Eureka, CA 95501
Online and phone participation is available via Zoom.

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 1.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Eileen Verbeck, Deputy Executive Director
Subject	Revised Member Teleconference Participation Rules

Background

When 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 via teleconference using the Zoom platform with no physical, public meeting location. Since the pandemic, the Brown Act has been amended to codify modern teleconference meeting practices both during and outside of declared states of emergency. SB 707 (Durazo, 2025) sets out the latest Brown Act revisions which were signed into law on October 3, 3025.

Summary

RCEA Board Directors may attend up to two meetings per year from a remote location <u>without</u> making the location accessible to the public for the following, revised, “just cause” reasons:

1. Childcare or caregiving to child, parent, grandparent, grandchild, sibling, spouse, domestic partner;
2. Contagious illness that prevents in person attendance;
3. Mental or physical need not subject to reasonable accommodation provisions;
4. Travel while on official business of RCEA or another state or local agency;
5. Immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation;
6. Physical or family medical emergency; or
7. Military service obligations.

A vote is not necessary to request remote attendance for just cause, including for medical emergency remote attendance per SB 707 revisions. A brief description, protecting the Director’s (or family member’s) medical privacy, must be provided and the Director must publicly disclose whether anyone 18 years of age or older is present in the room at the remote location, and the general nature of the individual’s relationship with the Director.

In February, staff will recommend Board adoption of a revised Teleconferencing Policy capturing the latest Brown Act revisions and provide the Board an opportunity to pass a resolution enabling remote meeting participation for members who must travel at least 20 miles to the Wharfinger Building.

Staff Recommendation

None. Information only.

Required Distribution Information

The **Revised** Ralph M. Brown Act

Link to California Government Code Sections 54950 - 54963[1], revised October 3, 2025, by SB 707 (Durazo, 2025).

Redwood Coast Energy Authority List of Physical Meeting Locations

Body	Date	Time	Location
Board of Directors	4th Thursday of each month	3:30 p.m.	Wharfinger Building, 1 Marina Way, Eureka, CA 95501
Community Advisory Committee	2nd Tuesday of odd-numbered months	6 p.m.	Jefferson Community Center Auditorium, 1000 B Street, Eureka, CA 95501
Finance Committee	As needed, dates TBD	TBD	RCEA Offices, 633 Third Street, Eureka, CA 95501

[1] The Revised Ralph M. Brown Act, California Code, GOV 54950.5 - 54963: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=9.&article=

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 2.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Lori Taketa, Clerk of the Board
Subject	Election of Officers and Community Advisory Committee Liaison Appointments

Background

Election of Officers

Following its Operating Guidelines, the RCEA Board selects a Chair and Vice Chair annually at its January meeting by simple majority vote. The Chair's responsibilities include:

- Conducting monthly and special meetings
- Attending monthly agenda review meetings
- Check signing and disbursement authority, including electronic funds disbursement.

The Vice Chair assumes these responsibilities when the Chair is unable to perform them.

Both Chair and Vice Chair are asked to complete the appropriate signature forms for RCEA's banking institution soon after the January meeting, and to be available to sign checks periodically when authorized staff are not available.

Community Advisory Committee Liaison Appointment

RCEA's Community Advisory Committee (CAC) was established by the Board to support RCEA public engagement efforts and provide the Board with decision-making support and input.

The Board's Operating Guidelines state that the Board will appoint at least one RCEA Board member as a CAC liaison that will attend CAC meetings but will not vote. The role of the Board liaison as outlined in the CAC Charter is to:

- Contribute content knowledge and Board perspective at CAC meetings,
- Encourage participation and help create a civil, collaborative environment,
- Communicate committee recommendations and perspectives to the Board, and
- Participate as a non-voting member.

Director Sarah Schaefer was the 2025 Board liaison. Director Natalie Arroyo served as alternate Board liaison last year.

Staff Recommendation

Select the RCEA Board Chair and Vice Chair to serve through January 2027 and authorize them as signers on RCEA bank accounts.

Appoint a Board Liaison, and an alternate liaison if desired, to the Community Advisory Committee to serve through January 2027.

Attachments

None.

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item #2.2

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Eileen Verbeck, Deputy Executive Director
Subject	Board Finance Committee Member Assignment

Summary

The first Board meeting of the year presents an opportunity to review the Board's standing Committee and appoint members as needed. As part of any committee discussion and review, the Board may choose to disband the body if it is no longer needed.

Finance Committee (standing)

In January 2019, the Board created a standing Finance Committee to meet as needed to work with staff and advise the Board on matters relating to audit, finance and the budget. This body met twice in 2025 to review draft fiscal year budget and mid-year budget adjustments. Because this is a standing committee it is subject to all Brown Act open meeting requirements.

The Board Finance Committee is comprised of up to five (5) Board Directors. Current Finance Committee members are Committee Chair Michael Gerace, Scott Bauer, Skip Jorgensen, Jason Ramos and Frank Wilson. Member terms are for one year ending on February 28 to allow for mid-year budget adjustment consideration.

Staff Recommendation

Determine whether the standing Finance Committee should continue its work.

Appoint up to five Directors to serve on the standing Finance Committee for one-year terms ending on February 28, 2027.

Attachments

None.

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Board of Directors Meeting Draft Minutes

Wharfinger Building, Bay Room (downstairs)
1 Marina Way, Eureka, CA 95501

Monday, November 24 2025
3:30 PM

Attendance

Present

Natalie Arroyo	Scott Bauer, Chair	Skip Jorgensen
Elise Scafani	Sarah Schaefer	Frank Wilson
Sheri Woo, Vice Chair		

Absent

Carlos Diaz	Michael Gerace
Jason Ramos	Jack Tuttle

Staff and Others Present

Name	Title
Ken Beals	IT Technician
Lori Biondini	Business Planning & Finance Director
Elizabeth Burks	Executive Director
Brytann Busick	Community Strategies Manager
Faith Carlson	Regulatory & Legislative Policy Manager
Ronnie Chaussé	Interim Finance Manager, Acting Board Clerk
Nancy Diamond	RCEA Legal Counsel
Richard Engel	Power Resources Director
Kristy Siino	Human Resources Manager
Eileen Verbeck	Deputy Executive Director

Staff and Others Present (continued)

Nathan Hightower	Ignite Energy, California Condor, LLC (project company)
Tyler Noble	Managing Director, Municipal Capital Markets Group, Inc.
Blake Sweeney	Sr. Research Manager, ReconMR
Christian Riepe	Sr. Vice President, Insights & Analytics, ReconMR

Open Session

Chair Bauer called a meeting of the Board of Directors of the Redwood Coast Energy Authority to order at the above location and date at 3:34 p.m. Notice of this meeting was posted on November 21, 2025.

Consent Calendar

4.1. Approve Minutes of October 23, 2025, Board Meeting.
4.2. Accept Disbursement Report for September 2025, and Financial Reports for This Fiscal Year Through September 2025.
4.3. Receive Federal Activity Report.
4.4. Approve Task Order Services Through December 2026 with each Northern Rural Energy Network Implementing Partner Under Their Respective NREN Program Implementation Agreements and Authorize the Executive Director to Execute All Applicable Documents for the Following Not-to-Exceed Amounts:
4.5. $1,000,000 with Lake Area Planning Council
4.6. $1,000,000 with Mendocino Council of Governments
4.7. $5,700,000 with Sierra Business Council.
4.8. Cancel the Regular RCEA Board Meeting of December 22, 2025, at 3:30 p.m.
4.9. Authorize the Executive Director to Select the Energy Efficiency Kit Service Vendor(s) that Best Meet the Needs of RCEA and NREN for Service Contract(s) for a Not to Exceed Value of $290,000 and, Upon the Review and Approval by RCEA Legal Counsel, Authorize the Executive Director to Execute All Applicable Documents.

Director Wilson requested item 4.5 be removed from the Consent Calendar for clarification.

M/S: Arroyo, Jorgenson: Approve all Consent Calendar items except 4.5.

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

Staff provided clarifying details for the December Board meeting cancellation.

M/S: Wilson, Woo: Approve Consent Calendar item 4.5.

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

Old Business

9.1. Diablo Canyon Power Plant Nuclear Allocation for 2026

Director Engel reported on the Board's request to reconsider whether RCEA should accept another year's worth of carbon-free credits from continued operation of the Diablo Canyon nuclear power plant. All California load-serving entity customers are required to help pay for the plant's operation, which was extended due to growing energy demand and lagging renewable energy development to supply that demand. The directors verified that the Energy Risk Management Policy reflects a prohibition on procuring energy from nuclear power plants, and that it had been revised to say the Board will reconsider accepting the carbon free credits from Diablo Canyon each year they are offered to RCEA. The RCEA Policy Platform also includes opposition to policies extending the life of the Diablo Canyon Nuclear Power Plant. RCEA's financial position is more positive than when the Board first considered accepting the allocation last year. The directors will consider potential uses for last year's carbon-free attribute credits at a future meeting. Some directors expressed opposition to Diablo Canyon's continued operation given the spent fuel's extremely long-lived hazardousness and the geological risk of the waste storage location. Staff will report on opportunities for the Board to comment on the facility's license renewal at a future meeting. There was no public comment on this item.

M/S: Arroyo, Scafani: Accept the 2026 nuclear allocation, making a short-term exception to the RCEA Energy Risk Management Policy's prohibition on nuclear power procurement, as allowed for in the Energy Risk Management Policy.

The motion passed with a show of hands vote. Ayes: Arroyo, Jorgensen, Scafani, Wilson, Woo. Noes: Bauer, Schaefer. Absent: Diaz, Gerace, Ramos, Tuttle. Abstain: None.

New Business

10.1. Flycatcher Local Distributed Energy Resources Energy Storage Services Agreements Located at the Site of the Formerly Operational Fairhaven Biomass Plant

Power Resources Director Engel described the Flycatcher battery storage project. The project was one of two shortlisted respondents to the Local Distributed Energy Storage request for offers issued in 2024 to increase local grid reliability and capacity. The directors discussed the potential to expand the project's storage capacity, the short construction timeframe to take advantage of disappearing federal energy storage incentives, and capacity at the project's substation to put energy on the grid. There was no public comment on this item.

M/S: Schaefer, Scafani: Approve Resolution 2025-7 Approving the Form of and Authorizing Execution of the Energy Storage Service Agreements with California Condor, LLC.

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

10.2. Northern Rural Energy Network 2028 Business Cycle Implementation Plan – Inclusion of Yolo County

Executive Director Burks reported on customer program work performed to date by the fledgling NREN program across rural Northern California. Yolo County expressed interest in joining NREN. NREN's governing partners proposed requesting additional funds for the 2028-2031 business cycle to cover Yolo County Sustainability Office staff implementing NREN programs in their service area as well as RCEA's corresponding administrative costs. The directors discussed how the California Public Utilities Commission is favoring consolidation of Regional Energy Networks (RENs) over creation of new RENs and how the NREN's budget could include outreach to entities in other parts of rural Northern California about joining NREN. There was no public comment on this item.

M/S: Jorgenson, Arroyo: Approve the Inclusion of Yolo County as a Participant in the NREN 2028-2031 Business Plan.

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

10.3. RCEA and Desert Community Energy Joint Pre-Payment of Power Purchase Agreement Advisory Service

Municipal Capital Markets Group Managing Director Tyler Noble described how municipal utility districts and Community Choice Aggregators can take advantage of their ability to pay in advance for existing power purchase agreements with tax-exempt municipal bonds, partner with taxable investment companies, and gain electricity cost savings for their customers from the difference in interest rates for taxable corporate and tax-exempt municipal debt. The directors clarified safeguards for RCEA ratepayer funds and expressed concern over using CCA governmental status to create profit for large corporations and their shareholders. Mr. Noble explained that the impetus behind the enabling legislation was to provide some relief to CCA and municipal utility district customers facing high energy bills. The group considered how governmental bonds offer some stability to investor portfolios. There was no public comment on this item.

M/S: Arroyo, Wilson: Authorize Executive Director to take necessary steps to pursue an energy pre-payment transaction including:

1. **Develop and execute an agreement with John Norman and Tyler Noble of Municipal Capital Markets Group, Inc. jointly with Desert Community Energy for advisory and related services in support of an energy prepayment transaction for the two CCAs at a total shared cost not to exceed $350,000, and**

2. **Select and negotiate an agreement with Project Participant Legal Counsel at a total shared cost not to exceed $300,000, all contingent upon successful execution of an energy pre-payment transaction.**

The motion passed with the following vote. Ayes: Arroyo, Jorgensen, Scafani, Wilson, Woo, Bauer. Noes: Schaefer. Absent: Diaz, Gerace, Ramos, Tuttle. Abstain: None.

10.4. ReconMR Presentation on RCEA Brand Awareness Survey Results

Executive Director Burks described staff's motivation for undertaking a brand awareness survey. The survey's results can give RCEA's staff and Board a more comprehensive understanding of customer needs and priorities to better focus programs and policy decision making. ReconMR Senior Research Manager Blake Sweeney presented the brand awareness survey's high-response rate results. The general community had relatively low awareness of what RCEA is, but relatively high regard for the agency among those who are aware of RCEA. Customer priorities are electricity reliability and lower cost first, followed by values aligning with RCEA's mission: local, renewable energy generation and use. Staff will consider the survey's results when planning outreach efforts, programs and messaging . There were no public comments on this agenda item.

Staff Reports

11.1. Executive Director's Report

Executive Director Burks described staff outreach efforts for the past and coming months. Six Regional Resilience Planning and Implementation Grant-funded battery trailers were delivered and distributed to remote Humboldt County fire stations. The CADEMO offshore wind project loan funds have not yet been disbursed but the loan committee was scheduled to meet soon. Executive Director Burks anticipated a lengthy January Board meeting due to the December meeting cancellation.

Closed Session

There were no public comments on the closed session items. The RCEA Board of Directors convened in closed session at 5:34 p.m.

13.1. Real Property Negotiations Pursuant to Government Code § 54956.8 in re: APN 001-135-007; RCEA negotiator: Executive Director; Owner's negotiating party: Wells Commercial; Under negotiation: price and terms.

13.2 Public Employee Performance Evaluation, pursuant to Government Code § 54957: Executive Director.

Reconvene Open Session

The Board of Directors reconvened in open session at 6:50 p.m. Chair Bauer stated that there was nothing to report from the closed session.

Adjournment

Chair Bauer adjourned the meeting at 6:50 p.m.

Ronnie Chaussé
Acting Board Clerk

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REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 5.2

Information

Agenda Date	January 22, 2026
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.

Financial Impact

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

Staff Recommendation

Approve Disbursement Reports for October and November 2025, and Financial Reports for This Fiscal Year Through November 2025.

Attachments

1. Disbursements Report for October 1 through October 31, 2025
2. Profit & Loss Budget vs. Actual Report, July 2025 through October 2025
3. Balance Sheet as of October 31, 2025
4. Disbursements Report for November 1 through November 30, 2025
5. Profit & Loss Budget vs. Actual Report, July 2025 through November 2025
6. Balance Sheet as of November 30, 2025

Accrual Basis

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	10/06/2025	ACH	The Energy Authority	CISO100125-SEPT25	-128,174.79
Liability Check	10/10/2025	ACH	Ascensus	10/10/25 Payroll	-15,182.53
Liability Check	10/10/2025	ACH	Ascensus	10/10/25 Payroll	-13,352.78
Liability Check	10/10/2025	ACH	EDD	10/10/25 Payroll	-9,163.25
Liability Check	10/10/2025	ACH	Internal Revenue Service	10/10/25 Payroll	-39,663.33
Bill Pmt -Check	10/10/2025	ACH	CA Community Power	FY 2025-26 Phase 2 Projects	-137,389.20
Bill Pmt -Check	10/10/2025	ACH	CalCCA	Operational Member dues Q2 FY 25/26	-32,958.75
Bill Pmt -Check	10/10/2025	ACH	Leapfrog Power, Inc	Sept 2025 RA Invoice	-36,740.00
Bill Pmt -Check	10/10/2025	ACH	PG&E Voluntary Allocation	May 2025 Forecast Price- VA	-140,841.48
Bill Pmt -Check	10/10/2025	ACH	Sonoma Clean Power Authority	Sept 2025 Flex RA sale - Monthly	-261,000.00
Bill Pmt -Check	10/10/2025	ACH	Valley Clean Energy Alliance	Sept 2025 MTR RA Swap	-24,991.00
Bill Pmt -Check	10/10/2025	ACH	Viridity Energy Solutions, Inc.	Sept 2025 Tierra Buena RA	-16,172.00
Bill Pmt -Check	10/10/2025	ACH	Tesla Motors	Final Payment - RCAM EPC contract	-376,938.53
Check	10/10/2025	21474	NEM Customer	NEM Transistional Cash Out 2025	-372.27
Check	10/10/2025	21475	CCE Customer	CCE EV Rebate EV65	-2,000.00
Check	10/10/2025	21476	NREN Customer	NREN Equipment Res Rebate 250826-3043	-100.00
Check	10/10/2025	21477	NREN Customer	NREN Equipment Res Rebate 250902-3061	-100.00
Check	10/10/2025	21478	NREN Customer	NREN Equipment Res Rebate 250902-3058	-100.00
Check	10/10/2025	21479	NREN Customer	NREN Equipment Res Rebate 250820-3015	-700.00
Check	10/10/2025	21480	NREN Customer	NREN Equipment Res Rebate 250831-3056	-550.00
Check	10/10/2025	21481	NREN Customer	NREN Equipment Res Rebate	-850.00
Bill Pmt -Check	10/10/2025	21482	Arcata Chamber of Commerce	Membership dues 2025	-440.00
Bill Pmt -Check	10/10/2025	21483	Arcata Police Department	Livescan screening: Rolling Fee x 1	-35.00
Bill Pmt -Check	10/10/2025	21484	AT&T	RCAM Internet Router/Data	-812.97
Bill Pmt -Check	10/10/2025	21485	AT&T Long Distance	Phone charges 09/25 - 10/24/2025	-97.51
Bill Pmt -Check	10/10/2025	21486	Baker Tilly US, LLP	VOID: services - period ending 09/30/25	0.00
Bill Pmt -Check	10/10/2025	21487	Bidwell Consulting Services, Inc.	Deferred Compensation Plan Management	-400.00
Bill Pmt -Check	10/10/2025	21488	Bohn, Juliette	Sept 2025 Reimbursement & Mileage	-114.59
Bill Pmt -Check	10/10/2025	21489	Braun Blaising & Wynne, P.C.	Aug 2025 Regulatory & Legal Services	-8,374.12
Bill Pmt -Check	10/10/2025	21490	Burks, E.	Per Diem x 2	-242.00
Bill Pmt -Check	10/10/2025	21491	Busick, B.	Sept 2025 Mileage & Purchase Reimb	-145.11
Bill Pmt -Check	10/10/2025	21492	California Air Resources Board	AB 32 Fee FY 2022-2023	-1,921.00
Bill Pmt -Check	10/10/2025	21493	City of Eureka-Water	917 & 633 3rd. St. 07/28/25-08/26/25	-417.48
Bill Pmt -Check	10/10/2025	21494	CPH Sponsored Programs Foundation	RCAM Task Orders	-10,368.00
Bill Pmt -Check	10/10/2025	21495	Developed Employment Services, LLC.	805 3rd St. Yard work	-117.50
Bill Pmt -Check	10/10/2025	21496	Donald Dame	CCE Consulting services- Sept 2025	-407.75
Bill Pmt -Check	10/10/2025	21497	Donnelly, S.	Per Diem Meals: NREN Mtg Truckee	-110.00
Bill Pmt -Check	10/10/2025	21498	EAN Services, LLC	Car rental Sept 2025:CalCCA Leg Com Fall Mtg	-110.12
Bill Pmt -Check	10/10/2025	21499	Energy Resources Integration, LLC	Sept 2025 NREN Commercial Needs Assesment	-29,057.75
Bill Pmt -Check	10/10/2025	21500	Engel, R.	Per Diem Meals: CC Power Forum R. Engel	-132.00
Bill Pmt -Check	10/10/2025	21501	Humboldt Bay Coffee Co.	Sept Coffee 917 & 633 3rd St.	-93.65
Bill Pmt -Check	10/10/2025	21502	Humboldt HyCycle	Oct 2025: 5 E-Bike Vouchers	-2,200.00
Bill Pmt -Check	10/10/2025	21503	Hunter Rayl	Foster Solar Ribbon Cutting Event Photography	-500.00
Bill Pmt -Check	10/10/2025	21504	Kullmann, S.	Per Diem Meals: NREN Mtg Truckee	-110.00
Bill Pmt -Check	10/10/2025	21505	Law Offices of Nancy Diamond	Sept 2025 Legal Services	-10,276.00
Bill Pmt -Check	10/10/2025	21506	Mission Linen & Uniform Service	Sept & Oct 2025 Janitorial supplies	-158.98
Bill Pmt -Check	10/10/2025	21507	North Coast Cleaning Services, Inc.	Sept 2025 Office Cleaning Services	-1,090.00
Bill Pmt -Check	10/10/2025	21508	Optimum Business-633	633 3rd St: Phone & Internet 09/28-010/27/2025	-1,101.77

Accrual Basis

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	10/10/2025	21509	Reider, S	Mileage Reimbursement-Sept/Oct 2025	-54.18
Bill Pmt -Check	10/10/2025	21510	Revolution Bicycles, Inc.	Oct 2025: 1 E-Bike Voucher	-400.00
Bill Pmt -Check	10/10/2025	21511	Scrapper's Edge	24x36" corrugated plastic sign	-44.65
Bill Pmt -Check	10/10/2025	21512	Shred Aware	Shredding services - Sept 2025	-68.95
Bill Pmt -Check	10/10/2025	21513	Smith, S.	Per Diem Meals: NREN Mtg Truckee	-110.00
Bill Pmt -Check	10/10/2025	21514	Special District Risk Managment P&L	Additional Insured Certs and added property	-269.56
Bill Pmt -Check	10/10/2025	21515	Sport & Cycle	VOID: Sept 2025 E-Bike Voucher	0.00
Bill Pmt -Check	10/10/2025	21516	Terry, P.	Per Diem Meals: NREN Mtg Truckee	-110.00
Bill Pmt -Check	10/10/2025	21517	Times Printing Company	CCE Customer Late Notices	-710.67
Bill Pmt -Check	10/10/2025	21518	Ubeo Business Services	633+ 917 3rd St Printer Charges: 09/06-10/05/25	-266.33
Bill Pmt -Check	10/10/2025	21519	Yakovleva, Vera A.	Reimbursement: CalCCA Leg Com Fall Mtg	-59.09
Bill Pmt -Check	10/10/2025	21520	Baker Tilly US, LLP	Accounting Services - period ending 09/30/25	-36,120.00
Bill Pmt -Check	10/10/2025	21521	Sport & Cycle	Sept 2025 E-Bike Voucher	-600.00
Paycheck	10/10/2025	ACH	Employees	Payroll	-95,905.62
Bill Pmt -Check	10/14/2025	ACH	The Energy Authority	CISO100825	-111,258.44
Bill Pmt -Check	10/15/2025	ACH	The Energy Authority	Monthly TEA Invoice #TEA92025 Sept 2025	-390,592.81
Bill Pmt -Check	10/17/2025	ACH	Mendocino Council of Governments	NREN Quarterly Payment	-104,483.02
Check	10/17/2025	ACH	VISA- Commercial Card	Statement Date 9/30/25	-16,643.78
Bill Pmt -Check	10/20/2025	ACH	The Energy Authority	CISO101525	-36,661.90
Check	10/21/2025	Debit	Columbia Bank	Service Charge	-248.12
Check	10/21/2025	Debit	Columbia Bank	Service Charge	-245.11
Liability Check	10/24/2025	ACH	Ascensus	10/24/25 Payroll	-14,793.34
Liability Check	10/24/2025	ACH	CICCS Coalition for Controlling Insurance	Nov 2025 Premiums	-66.98
Liability Check	10/24/2025	ACH	EDD	10/24/25 Payroll	-8,995.46
Liability Check	10/24/2025	ACH	Internal Revenue Service	10/24/25 Premiums	-38,887.33
Liability Check	10/24/2025	ACH	Keenan	Nov 2025 Premiums	-50,033.79
Liability Check	10/24/2025	ACH	Principal Life Insurance Company	Nov 2025 Premiums	-129.88
Liability Check	10/24/2025	ACH	Ascensus	10/24/25 Payroll	-13,163.97
Bill Pmt -Check	10/24/2025	ACH	CalPine Corporation	Sept 2025 Data Management Costs	-68,146.44
Bill Pmt -Check	10/24/2025	ACH	Dynapower Company LLC	Replacement air filters for RCAM	-740.17
Bill Pmt -Check	10/24/2025	ACH	EDPR CA Solar Park LLC II	Sept 2025 Contract Energy	-334,720.83
Bill Pmt -Check	10/24/2025	ACH	Humboldt Sawmill Co.	Sept 2025 Electricity Generation	-831,970.47
Liability Check	10/24/2025	21522	Ameritas Life Insurance Corp. - Dental	Nov 2025 Premiums	-2,878.04
Liability Check	10/24/2025	21523	Ameritas Life Insurance Corp.- Vision	Nov 2025 Premiums	-511.92
Bill Pmt -Check	10/24/2025	21524	AM Conservation Group, Inc.	NREN Res Kits: Various addresses Qty 34	-3,556.19
Bill Pmt -Check	10/24/2025	21525	Amazon.com	Monthly billing - Oct 2025	-821.39
Bill Pmt -Check	10/24/2025	21526	Arcata Technology Center	Site Host Reimbursement 07/01-09/30/2025	-516.15
Bill Pmt -Check	10/24/2025	21527	AT&T	RCAM 10/07-11/06/25 data backup	-331.95
Bill Pmt -Check	10/24/2025	21528	Bithell, M.	Mileage Reimbursement-Sept/Oct 2025	-126.08
Bill Pmt -Check	10/24/2025	21529	Blue Lake Rancheria	Site Host Reimbursement 07/01-09/30/2025	-2,461.36
Bill Pmt -Check	10/24/2025	21530	Carter Properties	917 3rd Street Office Lease - NOV 2025	-2,450.00
Bill Pmt -Check	10/24/2025	21531	City of Arcata	Site Host Reimbursement 07/01-09/30/2025	-1,815.76
Bill Pmt -Check	10/24/2025	21532	City of Blue Lake	Site Host Reimbursement 07/01-09/30/2025	-870.08
Bill Pmt -Check	10/24/2025	21533	City of Eureka - REVNet	Site Host Reimbursement 07/01-09/30/2025	-1,231.51
Bill Pmt -Check	10/24/2025	21534	City of Trinidad	Site Host Reimbursement 07/01-09/30/2025	-970.03
Bill Pmt -Check	10/24/2025	21535	CPH Sponsored Programs Foundation	RCAM Task Orders	-6,558.00
Bill Pmt -Check	10/24/2025	21536	CSDA	2026 Membership Dues	-2,381.00
Bill Pmt -Check	10/24/2025	21537	Department of Justice	Customer 165251, Fingerprinting Fee	-49.00

Accrual Basis

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	10/24/2025	21538	Humboldt Bay Coffee Co.	Office Coffee- 633 3rd St.	-59.10
Bill Pmt -Check	10/24/2025	21539	Humboldt HyCycle	Oct 2025: 5 E-Bike Vouchers	-3,200.00
Bill Pmt -Check	10/24/2025	21540	Mission Linen & Uniform Service	Oct. 2025 Janitorial Services	-159.16
Bill Pmt -Check	10/24/2025	21541	North Coast Unified Air Quality	Site Host Reimbursement 07/01-09/30/2025	-807.41
Bill Pmt -Check	10/24/2025	21542	NYLEX.net, Inc.	Onsite network support services - Nov 2025	-5,759.00
Bill Pmt -Check	10/24/2025	21543	Open Door Community Health Center	Site Host Reimbursement 07/01-09/30/2025	-509.29
Bill Pmt -Check	10/24/2025	21544	Pacific Paper Company	Office supplies	-66.01
Bill Pmt -Check	10/24/2025	21545	PG&E- EV	Sept 2025 EV Accounts	-1,981.17
Bill Pmt -Check	10/24/2025	21642	PG&E-Office Utility	09/05-10/03/2025 utilities for 917 3rd Street	-288.21
Bill Pmt -Check	10/24/2025	21643	Premier Financial Group, Inc.	Advisory Fee for Q4 2025	-7,119.85
Bill Pmt -Check	10/24/2025	21644	Ramirez, M.	Per Diem Meals: Customer Connections Conf.	-218.00
Bill Pmt -Check	10/24/2025	21645	Rise Energy	Electrical maintenance of RCAM site	-1,875.00
Bill Pmt -Check	10/24/2025	21646	Rodriguez, Louis	Mileage reimbursement - Sept 2025	-53.20
Bill Pmt -Check	10/24/2025	21647	St. Joseph Hospital, Eureka	Site Host Reimbursement 07/01-09/30/2025	-6,293.36
Bill Pmt -Check	10/24/2025	21648	Terry, P.	Per Diem Meals: CalREN In-Person Mtg	-227.00
Bill Pmt -Check	10/24/2025	21649	Times Printing Company	Oct. 2025 CCE Customer mailers	-3,111.29
Bill Pmt -Check	10/24/2025	21650	Westside Community Improvement Assn.	Venue Rental: 9/9/25 CAC mtgs	-225.00
Bill Pmt -Check	10/24/2025	21651	Wex Health, Inc	Monthly COBRA Payment	-23.88
Bill Pmt -Check	10/24/2025	21652	John Winzler	Office Lease - 633 3rd St.	-8,144.97
Check	10/24/2025	21653	NREN Customer	NREN Equip Rebate -Res 250825-3039	-350.00
Check	10/24/2025	21654	NREN Customer	NREN Equip Rebate -Res 2250818-3003	-600.00
Check	10/24/2025	21655	NREN Customer	NREN Equip Rebate -Res 250930-3178	-100.00
Check	10/24/2025	21656	NREN Customer	NREN Equip Rebate -Res 250912-3096	-50.00
Check	10/24/2025	21657	NREN Customer	NREN Equip Rebate -Res 251016-3243	-450.00
Check	10/24/2025	21658	NREN Customer	NREN Equip Rebate -Res 250911-3094	-400.00
Check	10/24/2025	21659	NREN Customer	NREN Equip Rebate -Res 250902-3059	-250.00
Check	10/24/2025	21660	NREN Customer	NREN Equip Rebate -Res 251007-3208	-100.00
Check	10/24/2025	21661	NREN Customer	NREN Heat Pump Rebate -Res 250930-3176	-576.00
Check	10/24/2025	21662	NREN Customer	NREN Heat Pump Rebate -Res 250908-3069	-800.00
Check	10/24/2025	21663	CCE Customer	CCE EV Rebate- EV75	-2,000.00
Check	10/24/2025	21664	CCE Customer	CCE EV Rebate- EV74	-2,000.00
Check	10/24/2025	21665	CCE Customer	CCE EV Rebate- EV71	-2,000.00
Check	10/24/2025	21666	NEM Customer	NEM Transitional Payout 2025	-429.52
Check	10/24/2025	21667	NEM Customer	NEM Transitional Payout 2025	-299.78
Check	10/24/2025	21668-707	NEM Customers	NEM Cash Outs 2025	-14,809.27
Paycheck	10/24/2025	ACH	Employees	Payroll	-94,034.99
Bill Pmt -Check	10/27/2025	ACH	CA Dept. of Tax & Fee Administration	Electrical Energy Surcharge Return Q3 2025	-37,081.00
Liability Check	10/31/2025	ACH	Colonial Life	Oct 2025 Premums	-3,134.52
TOTAL					**-3,689,788.54**

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

	Jul - Oct 25	Budget	% of Budget
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	4,481,233.17	11,331,517.00	39.55%
Total 5100 · Revenue - program related	451,666.48	77,000.00	586.58%
Total 5300 · Revenue - Interest Earned	403,299.56		
Total 5400 · Revenue-nongovernment agencies	177,551.39	296,090.00	59.97%
Total 5500 · Revenue - Electricity Sales	24,509,841.25	71,539,945.00	34.26%
Total 5 REVENUE EARNED	30,023,591.85	83,244,552.00	36.07%
Total Income	30,023,591.85	83,244,552.00	36.07%
Gross Profit	30,023,591.85	83,244,552.00	36.07%
Expense			
Total 6 WHOLESALE POWER SUPPLY	14,751,388.99	57,617,586.00	25.6%
Total 7 PERSONNEL EXPENSES	1,617,781.85	6,404,096.00	25.26%
Total 8.1 FACILITIES AND OPERATIONS	585,729.50	2,171,607.00	26.97%
Total 8.2 COMMUNICATIONS AND OUTREACH	102,662.10	363,250.00	28.26%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	57,950.14	150,000.00	38.63%
Total 8410 · Contracts - Program Related Ser	2,563,449.53	3,610,716.00	71.0%
8420 · Accounting	106,083.36	228,000.00	46.53%
8430 · Legal	120,336.37	249,000.00	48.33%
8450 · Wholesale Services - TEA	307,951.44	896,946.00	34.33%
8460 · Procurement Credit - TEA	45,391.43	572,390.00	7.93%
8470 · Data Management - Calpine	272,998.21	808,002.00	33.79%
8480 · Customer Billing - PG&E	87,466.05	256,634.00	34.08%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	3,561,626.53	6,771,688.00	52.6%
Total 8.6 INCENTIVES & REBATES	120,205.45	1,622,655.00	7.41%
Total 9 NON OPERATING COSTS	27,088.52	129,200.00	20.97%
Total Expense	20,766,482.94	75,080,082.00	27.66%
Net Ordinary Income	9,257,108.91	8,164,470.00	113.38%
Net Income	**9,257,108.91**	**8,164,470.00**	**113.38%**

Redwood Coast Energy Authority

Balance Sheet

As of October 31, 2025

	Oct 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	14,009.85
1071 · Umpqua Deposit Cntrol Acct 8215	5,325,099.20
1075 · Umpqua Reserve Account 2300	25,071,464.55
1077 · JP Morgan Chase Act 74999	399,967.48
1078 · CA CLASS Reserve Fund 0001	13,150,319.14
Total Checking/Savings	43,961,160.22
Total Accounts Receivable	2,749,690.21
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-9,001,745.57
1103 · Electricity Receivable	18,111,793.85
1120 · Inventory Asset	21,822.24
1205 · Prepaid Insurance	6,007.82
1210 · Retentions Receivable	80,090.51
Total Other Current Assets	9,217,968.85
Total Current Assets	55,928,819.28
Total Fixed Assets	10,530,172.03
Total Other Assets	795,144.36
TOTAL ASSETS	**67,254,135.67**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	5,743,892.53
Credit Cards	
Total 2009 · Umpqua CC BL Acct 1901	13,030.68
Total Credit Cards	13,030.68
Other Current Liabilities	
2002 · Deposits Refundable	1,049,170.01
2011 · NEM Escrow Liability	416,197.33
2013 · Unearned Revenue	5,030,325.63
Total 2100 · Payroll Liabilities	208,800.82
Total 2200 · Accrued Expenses	13,156.59
Total Other Current Liabilities	6,717,650.38
Total Current Liabilities	12,474,573.59
Total Long Term Liabilities	5,792,647.80
Total Liabilities	18,267,221.39
Equity	
3900 · Fund Balance	39,729,805.37
Net Income	9,257,108.91
Total Equity	48,986,914.28
TOTAL LIABILITIES & EQUITY	**67,254,135.67**

Accrual Basis

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/03/2025	ACH	The Energy Authority	CISO102925-OCT25	-33,429.38
Bill Pmt -Check	11/05/2025	WIRE	PG&E Voluntary Allocation	June 2025 Forecast Price- VA	-151,242.52
Liability Check	11/07/2025	ACH	Ascensus	11/07/2025 Payroll	-14,814.89
Liability Check	11/07/2025	ACH	Ascensus	11/07/2025 Payroll	-13,183.70
Liability Check	11/07/2025	ACH	EDD	11/07/2025 Payroll	-8,957.57
Liability Check	11/07/2025	ACH	Internal Revenue Service	11/07/2025 Payroll	-38,716.53
Bill Pmt -Check	11/07/2025	ACH	PG&E-Office Utility	09/13-10/11/2025 utilities for 633 3rd Street	-1,058.23
Bill Pmt -Check	11/07/2025	ACH	Sol Systems LLC	CA PCC3 2025-Qty 80,000	-700,000.00
Bill Pmt -Check	11/07/2025	ACH	Sonoma Clean Power Authority	Oct 2025 - Flex RA	-261,000.00
Bill Pmt -Check	11/07/2025	ACH	Valley Clean Energy Alliance	MTR RA Swap Oct 2025	-24,991.00
Bill Pmt -Check	11/07/2025	ACH	Viridity Energy Solutions, Inc.	Tierra Buena RA - Oct 2025	-16,224.00
Bill Pmt -Check	11/07/2025	WIRE	PG&E Voluntary Allocation	July 2025 Forecast Price- VA	-157,867.84
Bill Pmt -Check	11/07/2025	WIRE	Sierra Business Council	NREN Q3 & Q4 2025 payment	-649,662.17
Check	11/07/2025	21708	CCE Customer	Rebate CCE EV- EV82	-2,000.00
Check	11/07/2025	21709	CCE Customer	Rebate CCE EV- EV53	-2,000.00
Check	11/07/2025	21710	CCE Customer	Rebate CCE EV- EV81	-2,000.00
Check	11/07/2025	21711	CCE Customer	Rebate CCE EV- EV77	-2,000.00
Check	11/07/2025	21712	CCE Customer	VOID: Rebate CCE EV- EV78	0.00
Check	11/07/2025	21713	CCE Customer	Rebate CCE EV- EV69	-2,000.00
Check	11/07/2025	21714	NREN Customer	Rebate NREN Equip Res x 2	-450.00
Check	11/07/2025	21715	NREN Customer	Rebate NREN Equip Res	-100.00
Check	11/07/2025	21716	NREN Customer	Rebate NREN Equip Res	-550.00
Check	11/07/2025	21717	NREN Customer	Rebate NREN Equip Res	-250.00
Check	11/07/2025	21718	NREN Customer	Rebate NREN Equip Res	-350.00
Check	11/07/2025	21719	NREN Customer	Rebate NREN Equip Res	-400.00
Check	11/07/2025	21720	NREN Customer	Rebate NREN Equip Res	-400.00
Check	11/07/2025	21721	NREN Customer	Rebate NREN Equip Res	-450.00
Check	11/07/2025	21722	NREN Customer	Rebate NREN Equip Res	-150.00
Check	11/07/2025	21723	NREN Customer	Rebate NREN Equip Res	-50.00
Check	11/07/2025	21724	NREN Customer	Rebate NREN Equip Res	-450.00
Bill Pmt -Check	11/07/2025	21725	American Public Power Association	CCA Associate Membership 12/9/25-12/8/26	-1,625.00
Bill Pmt -Check	11/07/2025	21726	Ascensus	07/01/2024-09/30/2025 Recordkeeping Fee	-1,139.50
Bill Pmt -Check	11/07/2025	21727	Braun Blaising & Wynne, P.C.	Regulatory and Legal Services -Sept 2025	-7,724.82
Bill Pmt -Check	11/07/2025	21728	City of Arcata	Sept 2025 Excessive Electricity Use Tax	-1,271.18
Bill Pmt -Check	11/07/2025	21729	CPH Sponsored Programs Foundation	Sept 2025 RCAM Task Orders	-8,708.00
Bill Pmt -Check	11/07/2025	21730	Adventures Edge	Oct 2025 E-Bike Vouchers	-1,200.00
Bill Pmt -Check	11/07/2025	21731	AT&T	RCAM Router 09/19-10/18/25	-163.00
Bill Pmt -Check	11/07/2025	21732	Burks, E.	VOID: CA Planning Per Diem & NREN Mtg Reimb.	0.00
Bill Pmt -Check	11/07/2025	21733	Busick, B.	Oct 2025 Mileage Reimb	-261.31
Bill Pmt -Check	11/07/2025	21734	Chargepoint	Qty 32, Commercial cloud plans- 11/2027	-21,920.00
Bill Pmt -Check	11/07/2025	21735	City of Arcata	Sept 2025 Utility User Tax	-15,470.45
Bill Pmt -Check	11/07/2025	21736	City of Eureka - Wharfinger&NEM	Venue Rental: staff mtg 12/04/2025	-370.00
Bill Pmt -Check	11/07/2025	21737	Donald Dame	CCE Consulting services- Oct 2025	-218.75
Bill Pmt -Check	11/07/2025	21738	Donnelly, S.	Reimbursement NREN Mtg Truckee	-241.06
Bill Pmt -Check	11/07/2025	21739	EAN Services, LLC	Car rental- various	-498.39
Bill Pmt -Check	11/07/2025	21740	Engel, R.	Reimbursement- Fuel: CC Power Forum	-111.01
Bill Pmt -Check	11/07/2025	21741	Frontier Energy, Inc.	Sept 2025 NREN Admin Services	-28,508.25
Bill Pmt -Check	11/07/2025	21742	Gwynn, J.	Per Diem Meals: CalCCA Procurement Mtg	-161.00

Accrual Basis

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/07/2025	21743	Humboldt Fence Co.	Gate repair- RCAM Baasgaard Ave	-885.00
Bill Pmt -Check	11/07/2025	21744	iPROMOTEu.com, Inc	Oct 2025 Marketing Materials	-1,218.60
Bill Pmt -Check	11/07/2025	21745	Kilowatt Engineering, Inc.	NMEC Program Support Services -Sept 2025	-2,230.00
Bill Pmt -Check	11/07/2025	21746	Kullmann, S.	Mileage Reimbursement: NREN Mtg Truckee	-136.08
Bill Pmt -Check	11/07/2025	21747	NewGen Strategies and Solutions, LLC	Cost of Service & Rate Design thru 10/15/25	-13,255.00
Bill Pmt -Check	11/07/2025	21748	Newport Group	Participant Fees Deferred Comp 10/01/25-12/31/25	-1,105.42
Bill Pmt -Check	11/07/2025	21749	North Coast Cleaning Services, Inc.	Oct 2025 Office Janitorial Services	-1,090.00
Bill Pmt -Check	11/07/2025	21750	NYLEX.net, Inc.	HPE Networking Instant On Switch & Labor	-2,956.65
Bill Pmt -Check	11/07/2025	21751	ReconMR	RCEA Brand Awareness Research Services	-25,000.00
Bill Pmt -Check	11/07/2025	21752	Revolution Bicycles, Inc.	Oct 2025 E-Bike Vouchers	-800.00
Bill Pmt -Check	11/07/2025	21753	Rodriguez, Louis	Mileage reimbursement - Oct 2025	-40.60
Bill Pmt -Check	11/07/2025	21754	Stephens Electrical, Inc	Sept & Oct 2025 RRGP Design-Build Svcs	-104,500.00
Bill Pmt -Check	11/07/2025	21755	Taketa, L.	Reimbursment - various- L. Taketa	-52.77
Bill Pmt -Check	11/07/2025	21756	TELUS Health (US) Ltd.	Cust #: 420995 Contract #: 420995-C-421011	-2,324.56
Bill Pmt -Check	11/07/2025	21757	Terry, P.	Reimbursement: Lodging CalREN In-Person Mtg	-520.25
Bill Pmt -Check	11/07/2025	21758	Wired Impact, LLC	Amplify Plan for 12 months	-3,948.00
Bill Pmt -Check	11/07/2025	21759	Woodley Island Ship Shop	Oct 2025 E-Bike vouchers	-1,350.00
Bill Pmt -Check	11/07/2025	21760	Yakovleva, Vera A.	Per Diem- CalCCA Procurement Mtg	-161.00
Bill Pmt -Check	11/07/2025	21761	AM Conservation Group, Inc.	Drop-ship RES kits for NREN	-6,759.50
Bill Pmt -Check	11/07/2025	21762	Burks, E.	Reimbursement: Lodging CC PowerForum	-596.64
Check	11/07/2025	21763	CCE Customer	Rebate CCE EV- EV78	-2,000.00
Paycheck	11/07/2025	ACH	Employees	Payroll	-93,471.28
Bill Pmt -Check	11/10/2025	ACH	The Energy Authority	CISO110525	-57,661.08
Bill Pmt -Check	11/12/2025	21764	Fidelity National Title	Initial Deposit 718 Third St. Eureka, CA 95501	-38,000.00
Bill Pmt -Check	11/17/2025	ACH	The Energy Authority	CISO111225-OCT25	-63,751.83
Bill Pmt -Check	11/17/2025	ACH	The Energy Authority	Monthly TEA Invoice #TEA102025 Oct 2025	-2,304,274.97
Check	11/17/2025	ACH	VISA- Commercial Card	Statement Date 10/30/25 BL Acct 1901	-13,030.68
Bill Pmt -Check	11/19/2025	21765	RDS Solar Pumps	Final pmt 6 Sun Titan L-30 Power Trailers	-150,816.96
Check	11/20/2025	Debit	Columbia Bank	Service Charge	-168.27
Check	11/20/2025	Debit	Columbia Bank	Service Charge	-278.30
Liability Check	11/21/2025	ACH	Ascensus	11/21/25 Payroll	-14,787.12
Liability Check	11/21/2025	ACH	CICCS Coalition for Controlling Insurance	Dec 2025 Premiums	-66.98
Liability Check	11/21/2025	ACH	EDD	11/21/25 Payroll	-8,685.02
Liability Check	11/21/2025	ACH	Internal Revenue Service	11/21/25 Payroll	-38,372.31
Liability Check	11/21/2025	ACH	Keenan	December 2025 Premiums	-50,033.79
Liability Check	11/21/2025	ACH	Principal Life Insurance Company	11/21/25 Payroll	-129.88
Liability Check	11/21/2025	ACH	Ascensus	11/21/25 Payroll	-16,113.79
Bill Pmt -Check	11/21/2025	ACH	CalPine Corporation	Oct 2025 Data Management Costs	-68,316.52
Bill Pmt -Check	11/21/2025	ACH	EDPR CA Solar Park LLC II	Oct 2025-Contract Energy	-707,941.93
Bill Pmt -Check	11/21/2025	ACH	Humboldt Sawmill Co.	Oct 2025 Electricity Generation	-602,335.36
Bill Pmt -Check	11/21/2025	ACH	Leapfrog Power, Inc	Oct 2025 RA Invoice	-36,740.00
Liability Check	11/21/2025	ACH	Colonial Life	Nov 2025 Premiums	-3,268.60
Liability Check	11/21/2025	21766	Ameritas Life Insurance Corp. - Dental	December 2025 Premiums	-2,878.04
Liability Check	11/21/2025	21767	Ameritas Life Insurance Corp.- Vision	December 2025 Premiums	-511.92
Check	11/21/2025	21768-89	NEM Customers	NEM Closeout 2025	-5,609.54
Check	11/21/2025	21790	NEM Customer	VOID: NEM Closeout 2025	0.00
Check	11/21/2025	21791	NEM Customer	NEM Closeout 2025	-321.28
Check	11/21/2025	21792	CCE Customer	CCE EV Rebate: EV69	-2,000.00

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2025

Type	Date	Num	Name	Memo	Amount
Check	11/21/2025	21793	CCE Customer	CCE EV Rebate: EV83	-2,000.00
Check	11/21/2025	21794	CCE Customer	CCE EV Rebate: EV72	-2,000.00
Check	11/21/2025	21795	CCE Customer	CCE EV Rebate: EV76	-2,000.00
Check	11/21/2025	21796	CCE Customer	CCE EV Rebate: EV80	-2,000.00
Check	11/21/2025	21797	NREN Customer	Rebate NREN Equipment Res	-100.00
Check	11/21/2025	21798	NREN Customer	Rebate NREN Equipment Res	-150.00
Check	11/21/2025	21799	NREN Customer	Rebate NREN Equipment Res	-450.00
Check	11/21/2025	21800	NREN Customer	Rebate NREN Equipment Res	-100.00
Check	11/21/2025	21801	NREN Customer	Rebate NREN Equipment Res	-150.00
Check	11/21/2025	21802	NREN Customer	Rebate NREN Equipment Res	-250.00
Check	11/21/2025	21803	NREN Customer	Rebate NREN Equipment Res	-450.00
Check	11/21/2025	21804	NREN Customer	Rebate NREN Equipment Res	-450.00
Check	11/21/2025	21805	NREN Customer	Rebate NREN Equipment Res	-100.00
Check	11/21/2025	21806	NREN Customer	Rebate NREN Equipment Res	-500.00
Check	11/21/2025	21807	NREN Customer	Rebate NREN Equipment Res	-50.00
Check	11/21/2025	21808	NREN Customer	Rebate NREN Equipment Res	-250.00
Check	11/21/2025	21809	NEM Customer	NEM Closeout 2025	-204.91
Bill Pmt -Check	11/21/2025	21810	Adventures Edge	Nov 2025 E-Bike rebate Invoices	-2,000.00
Bill Pmt -Check	11/21/2025	21811	AM Conservation Group, Inc.	Nov 2025 RES Kits	-1,673.51
Bill Pmt -Check	11/21/2025	21812	Amazon.com	Monthly billing - Nov 2025	-928.63
Bill Pmt -Check	11/21/2025	21813	AT&T	RCAM Internet/Data charges	-991.96
Bill Pmt -Check	11/21/2025	21814	AT&T Long Distance	Phone charges 10/25 - 11/24/2025	-111.85
Bill Pmt -Check	11/21/2025	21815	Atkins Drafting	Proposed Office Design & Construction Asst.	-2,920.00
Bill Pmt -Check	11/21/2025	21816	Bidwell Consulting Services, Inc.	Annual administration for 2025	-1,000.00
Bill Pmt -Check	11/21/2025	21817	Bohn, Juliette	Oct 2025 Mileage	-54.88
Bill Pmt -Check	11/21/2025	21818	Carter Properties	917 3rd Street Office Lease - Dec 2025	-2,450.00
Bill Pmt -Check	11/21/2025	21819	City of Arcata	VOID: August 2025	0.00
Bill Pmt -Check	11/21/2025	21820	City of Eureka-Other	BCL Training: Biondini, Burks, Verbeck	-4,200.00
Bill Pmt -Check	11/21/2025	21821	City of Eureka-Water	917 & 633 3rd. St. 09/28/25-10/26/25	-473.16
Bill Pmt -Check	11/21/2025	21822	Dell USA	Office Supplies	-2,373.25
Bill Pmt -Check	11/21/2025	21823	Developed Employment Services, LLC.	805 3rd St. Yard work	-83.18
Bill Pmt -Check	11/21/2025	21824	Energy Resources Integration, LLC	NREN Commercial Needs Assess	-41,723.50
Bill Pmt -Check	11/21/2025	21825	Humboldt Bay Coffee Co.	Office Coffee- 633 3rd St.	-59.10
Bill Pmt -Check	11/21/2025	21826	Humboldt HyCycle	Nov 2025: 4 E-Bike Vouchers	-1,800.00
Bill Pmt -Check	11/21/2025	21827	Kilowatt Engineering, Inc.	NMEC Program Support Services Oct 2025	-5,457.50
Bill Pmt -Check	11/21/2025	21828	Kullmann, S.	Purchase Reimbursement	-84.79
Bill Pmt -Check	11/21/2025	21829	Lake County/City Area Planning Council	NREN Advanced Payment: Task Orders 1-7	-153,030.86
Bill Pmt -Check	11/21/2025	21830	Law Offices of Nancy Diamond	Oct 2025 Legal Services	-13,974.25
Bill Pmt -Check	11/21/2025	21831	Mission Linen & Uniform Service	Nov 2025 Office Janitorial Services	-238.18
Bill Pmt -Check	11/21/2025	21832	NYLEX.net, Inc.	Onsite network support - Dec 2025	-4,909.00
Bill Pmt -Check	11/21/2025	21833	Optimum Business-633	633 3rd St: Phone & Internet 11/1/25-11/30/25	-1,210.41
Bill Pmt -Check	11/21/2025	21834	Pacific Paper Company	Office supplies	-52.91
Bill Pmt -Check	11/21/2025	21835	PG&E- EV	Oct 2025 EV Usage	-2,009.38
Bill Pmt -Check	11/21/2025	21836	PG&E-Office Utility	10/05-11/03/2025 utilities for 917 3rd Street	-469.59
Bill Pmt -Check	11/21/2025	21837	PG&E - ACV- 6674-0	ACV site utilities 09/01/25- 10/31/25	-584.50
Bill Pmt -Check	11/21/2025	21838	PG&E CCA	Sept 2025 CCE Charges	-21,828.87
Bill Pmt -Check	11/21/2025	21839	Ramirez, M.	Reimbursement: Customer Connections Conf.	-53.46
Bill Pmt -Check	11/21/2025	21840	Reider, S	Mileage Reimbursement-Nov 2025	-19.74

Redwood Coast Energy Authority
Disbursements Report
As of November 30, 2025

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	11/21/2025	21841	Sharepoint Maven, Inc.	Sharepoint Config. Phase 1 50% final payment	-2,800.00
Bill Pmt -Check	11/21/2025	21842	Times Printing Company	Nov 2025 CCE Customer mailers	-1,314.68
Bill Pmt -Check	11/21/2025	21843	Ubeo Business Services	633+ 917 3rd St Printer Charges: 10/06-11/05/25	-329.27
Bill Pmt -Check	11/21/2025	21844	USDN	LGSEC Membership 11/1/25-10/31/26	-3,090.00
Bill Pmt -Check	11/21/2025	21845	Wex Health, Inc	Monthly COBRA Payment	-23.88
Bill Pmt -Check	11/21/2025	21846	John Winzler	Office Lease - 633 3rd St.	-8,144.97
Bill Pmt -Check	11/21/2025	21847	City of Arcata	Aug 2025 Utility User Tax	-14,320.39
Bill Pmt -Check	11/21/2025	21848	City of Arcata	Aug 2025 Excessive Electricity Use Tax	-1,020.72
Paycheck	11/21/2025	ACH	Employees	Payroll	-91,693.00
Bill Pmt -Check	11/24/2025	ACH	The Energy Authority	CISO111925	-3,994.83
TOTAL					**-7,029,538.18**

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

	Jul - Nov 25	Budget	% of Budget
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	4,481,233.17	11,331,517.00	39.55%
Total 5100 · Revenue - program related	460,899.17	77,000.00	598.57%
Total 5300 · Revenue - Interest Earned	515,236.74		
Total 5400 · Revenue-nongovernment agencies	230,193.89	296,090.00	77.75%
Total 5500 · Revenue - Electricity Sales	29,737,667.05	71,539,945.00	41.57%
Total 5 REVENUE EARNED	35,425,230.02	83,244,552.00	42.56%
Total Income	35,425,230.02	83,244,552.00	42.56%
Gross Profit	35,425,230.02	83,244,552.00	42.56%
Expense			
Total 6 WHOLESALE POWER SUPPLY	19,540,598.57	57,617,586.00	33.91%
Total 7 PERSONNEL EXPENSES	2,031,106.00	6,404,096.00	31.72%
Total 8.1 FACILITIES AND OPERATIONS	648,756.96	2,171,607.00	29.88%
Total 8.2 COMMUNICATIONS AND OUTREACH	140,576.16	363,250.00	38.7%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	58,805.14	150,000.00	39.2%
Total 8410 · Contracts - Program Related Ser	2,991,459.08	3,610,716.00	82.85%
8420 · Accounting	114,037.11	228,000.00	50.02%
8430 · Legal	128,631.26	249,000.00	51.66%
8450 · Wholesale Services - TEA	429,555.29	896,946.00	47.89%
8460 · Procurement Credit - TEA	55,357.64	572,390.00	9.67%
8470 · Data Management - Calpine	341,143.59	808,002.00	42.22%
8480 · Customer Billing - PG&E	109,290.16	256,634.00	42.59%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	4,228,279.27	6,771,688.00	62.44%
Total 8.6 INCENTIVES & REBATES	155,487.53	1,622,655.00	9.58%
Total 9 NON OPERATING COSTS	27,535.09	129,200.00	21.31%
Total Expense	26,772,339.58	75,080,082.00	35.66%
Net Ordinary Income	8,652,890.44	8,164,470.00	105.98%
Net Income	**8,652,890.44**	**8,164,470.00**	**105.98%**

Redwood Coast Energy Authority
Balance Sheet
As of November 30, 2025

	Nov 30, 25
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	300.00
1060 · Umpqua Checking Acct 0560	1,827,084.33
1071 · Umpqua Deposit Cntrol Acct 8215	3,100,899.77
1075 · Umpqua Reserve Account 2300	26,068,168.65
1077 · JP Morgan Chase Act 74999	386,207.84
1078 · CA CLASS Reserve Fund 0001	13,193,965.58
Total Checking/Savings	44,576,626.17
Total Accounts Receivable	208,403.27
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-9,054,791.85
1103 · Electricity Receivable	18,651,764.50
1120 · Inventory Asset	21,822.24
1205 · Prepaid Insurance	4,301.31
1210 · Retentions Receivable	80,090.51
Total Other Current Assets	9,703,186.71
Total Current Assets	54,488,216.15
Total Fixed Assets	10,592,590.63
Total Other Assets	795,217.98
TOTAL ASSETS	**65,876,024.76**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	4,963,773.02
Total Credit Cards	13,854.69
Other Current Liabilities	
2002 · Deposits Refundable	1,049,170.01
2011 · NEM Escrow Liability	410,061.60
2013 · Unearned Revenue	5,030,325.63
Total 2100 · Payroll Liabilities	208,800.82
Total 2200 · Accrued Expenses	24,695.38
Total Other Current Liabilities	6,723,053.44
Total Current Liabilities	11,700,681.15
Total Long Term Liabilities	5,792,647.80
Total Liabilities	17,493,328.95
Equity	
3900 · Fund Balance	39,729,805.37
Net Income	8,652,890.44
Total Equity	48,382,695.81
TOTAL LIABILITIES & EQUITY	**65,876,024.76**

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 5.3

Information

Agenda Date	January 22, 2026
To	RCEA Board of Directors
Prepared by	Kyle Groben, Regulatory and Legislative Policy Intern
Subject	Federal Activity Update

Summary

After considering several options for effective federal level engagement, RCEA recently became a member of Local Energy Aggregation Network (LEAN Energy). LEAN is a non-profit organization founded in 2011 that focuses on the success and advancement of CCA programs across the nation through support, resources, and expertise. Their core services consist of outreach, CCA market analysis, regulatory and legislative affairs, federal engagement, and market development.

RCEA staff are using LEAN's CCA Monthly Federal Report to prepare Federal Activity Updates beginning with this month's update. LEAN's monthly reports increase staff capacity and reduce redundant work across CCAs.

The attached report covers the calendar month of December, rather than the period between Board meetings like past staff-generated reports. The report has been edited slightly by staff to remove any information that is now out-of-date and to include summaries of LEAN filings.

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

LEAN Annual Membership is $15,000. Additional options to enhance federal engagement were assessed and LEAN was determined to be the most fiscally prudent of all options.

Staff Recommendation

Receive federal activity report.

Attachments

LEAN CCA Monthly Federal Report

REDWOOD COAST
EnergyAuthority

Agenda Item # 5.3 – Attachment 1

Summary

Congress spent the first three weeks of December engaged in a full legislative schedule with several developments relevant to Community Choice Aggregators (CCAs). The House held two weeks of floor action on permitting reform, where they passed measures that could directly impact permitting timeline certainty for energy infrastructure projects from which CCAs procure power: the SPEED Act, ePermit Act, and PERMIT Act.

The Senate had worked towards a five bill "minibus" containing funding for Defense, Labor, Commerce, Interior, Transportation, and associated agencies, but failed to bring it up for a vote before the holiday recess, leaving the funding levels unresolved. Congress returned in January with just one month before the Jan. 30 deadline to fund the government, including key energy efficiency programs of interest to CCAs. Funding was passed January 15.

The Administration took significant action against wind power by pausing permits for five different east coast offshore wind projects, creating potential uncertainty for power procurement and long-term resource planning for CCAs. The Department of Health and Human Services also released LIHEAP funds that had been delayed due to the government shutdown, providing critical support for customer affordability programs that many CCA communities rely on to serve vulnerable populations. Beyond this, FERC issued their first orders on co-location of large loads, a growing issue with implications for grid reliability, resource adequacy, and energy affordability relevant to CCAs.

LEAN Federal Advocacy Highlights

On Dec. 5, LEAN filed reply comments to the Federal Energy Regulatory Commission's proceeding on Interconnection of Large Loads to the Interstate Transmission System. LEAN's comments explain what CCAs are and express CCA's interest in the proceeding, and stating that a beneficial approach that carefully considers the appropriate role of federal standards could result in data centers reducing system costs, adding flexibility and capacity, and enhancing the overall grid, while missing the full scope of this opportunity could result in additional grid strain, increasing costs, and reliability impacts.

On Dec. 19, LEAN filed comments to the Sustainable Energy and Environment Coalition (SEEC) Thriving Economy Project Request for Information (RFI). LEAN's response outlines the barriers to delivering reliable, clean, and affordable energy, priority areas for Congress to accelerate grid modernization, ways for communities to play a larger role in energy development, and ways to improve energy financing.

Congressional Actions

House Passes the SPEED Act After Late Changes

On Dec. 18, the House passed the "Standardizing Permitting and Expediting Economic Development (SPEED) Act" (H.R. 4776) by a vote of 221-196, with 11 Democrats joining nearly all Republicans in voting for the bill. The bipartisan vote came after changes were made to the bill's permit certainty language, following objections raised by Freedom Caucus Members. House GOP leaders altered the procedural rule to uphold project cancellations made during the Trump administration—an amendment that had been expected to fail on the floor. The House Rules Committee had originally provided for votes on three amendments to the bill which would a) remove the compromise "permitting certainty" language that restricts the president from revoking approved permits from energy projects, b) exempt offshore wind from the expedited permitting process outlined in the bill, and c) exempt projects the government has already paused or remanded from the benefits of the bill, all of which were rejected during the floor vote.

Additional Permitting Reform Bills Pass the House

The House considered several additional permitting reform bills in December. On Dec. 9, the House approved the “ePermit Act” (H.R. 4503) and the “Studying NEPA’s Impact on Projects Act” (H.R. 573). H.R. 4503 creates requirements for digitizing environmental reviews conducted under the National Environmental Policy Act (NEPA) in order to reduce the processing time for federal permitting. H.R. 573 would require the White House Council on Environmental Quality to publish an annual report outlining NEPA project litigation, as well as its impact on the paperwork burden and wait times for infrastructure projects. Another bill, the “Promoting Efficient Review for Modern Infrastructure Today (PERMIT) Act” (H.R. 3898) was approved on Dec. 11. This bill eases permitting under the Clean Water Act by limiting state authority to block projects, would add limits for environmental lawsuits and would restrict the Environmental Protection Agency's ability to veto Army Corps of Engineers permits.

House Passes Power Plant Reliability Act

On Dec. 16, the House passed the “Power Plant Reliability Act” (H.R. 3632), which aims to keep coal-fired power plants running past their scheduled retirement date. The bill, sponsored by Rep. Morgan Griffith (R-VA), would grant the Federal Energy Regulatory Commission (FERC) authority to require utilities to keep coal-fired power plants operating for up to ten years past their retirement date and exempt them from environmental regulations if their retirement poses a threat to grid reliability. H.R. 3632 would also require utilities to provide at least 5 years’ notice to FERC before retiring a power plant. The bill passed the House 222-202, with some moderate Democrats joining Republicans.

Permitting Reform Stalled in the Senate

Permitting reform talks have stalled in the Senate following President Trump’s pause on wind projects currently under construction, leaving the future of comprehensive permitting reform uncertain as Congress returns in 2026. Sens. Sheldon Whitehouse (D-RI) and Martin Heinrich (D-NM), ranking members of the Environment and Public Works Committee and Energy and Natural Resources Committees, respectively, released a joint statement saying the “attacks on renewable energy projects must stop” if bipartisan talks on permitting reform are to continue. This follows reports from early December that indicated bipartisan permitting reform negotiations led by Senate Environment and Public Works (EPW) Committee Chairwoman Shelley Moore Capito (R-WV) and Ranking Member Sheldon Whitehouse (D-RI), had slowed due to disagreements over transmission language, among other things.

Administrative Actions

LIHEAP Funding Released

The Department of Health and Human Services (HHS) released funding for the Low Income Home Energy Assistance Program (LIHEAP) on Nov. 28. LIHEAP, which provides low-income and senior households with financial assistance for paying energy bills, saw $3.7 billion released, representing about 90% of last year’s total LIHEAP funding for the period through Jan. 20. Both House and Senate FY26 proposals would provide more than $4 billion. Although HHS has released the funds, states must have their plan approved before they receive funds. According to a spokesperson at HHS, funds are expected to be available shortly after they are processed; however, utilities may not be reimbursed for a couple of months.

Trump Signs Executive Order on State AI Laws

On Dec. 11, President Trump signed an executive order aimed at impeding state legislation that regulates artificial intelligence (AI). The order would establish an “AI Litigation Taskforce” in the Justice Department to challenge state AI laws, and it directs Commerce Secretary Howard Lutnick to evaluate state AI laws and specify conditions of funding under the Broadband Equity Access and Deployment program. It also orders David Sacks, Trump’s AI and crypto czar, and Michael Kratsios, the Assistant to the Director of the Office of Science and Technology Policy, to create a legislative recommendation for a uniform federal AI policy that would preempt state laws. The order is likely to be challenged in court.

FERC Issues Co-Location Orders for PJM

On Dec. 18, the Federal Energy Regulatory Commission (FERC) unanimously ordered PJM Interconnection to establish rules facilitating service to large load customers that are co-located with generating facilities. FERC directed PJM to revise its tariff, offering several pathways to safely and reliably co-locate large loads and power generators. One such pathway is to prevent generators from removing power from the grid to supply large load customers, unless the generator and the large load customers finance transmission upgrades that will allow replacement power to be brought from distant sources. The order also describes a pathway for “interim, non-firm transmission service” that would allow a large load to connect to a co-located power plant before reliability upgrades are made, if the large load customer accepts load flexibility terms for when the grid is strained. The order is the first indication of the leanings of new Commissioners on the data center issue and comes as FERC weighs broader principles on large load integration proposed by Energy Secretary Chris Wright.

Trump Administration Pauses Wind Projects

On Dec. 22, the Trump administration ordered a halt to five offshore wind projects currently under construction. The Interior Department stated that the project pauses are necessary due to national security concerns identified by the Department of War in classified reports. This pause applies to the Vineyard Wind 1, Revolution Wind, Coastal Virginia Offshore Wind, Sunrise Wind and Empire Wind 1 projects, which were set to be completed in the next two years. Following the freeze order, Dominion Energy filed a lawsuit asking the federal court to block the Administration order; a hearing on the case has been set for Jan. 16. The developers of Revolution Wind and Empire Wind have since filed a lawsuit to block Administration’s order; however, hearings have not yet been set.

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item #5.4

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Lori Taketa, Clerk of the Board
Subject	2026 Board Meeting Calendar

Summary

In November 2018, the RCEA Board agreed to meet on the fourth Thursday of each month at 3:30 p.m. The attached proposed 2026 meeting calendar follows this meeting schedule.

The proposed November and December 2026 meetings are on the **third Thursday** to adjust for holidays.

Staff Recommendation

Approve the 2026 RCEA Board of Directors meeting calendar.

Attachments

1. Proposed 2026 RCEA Board of Directors meeting calendar

Redwood Coast Energy Authority

Board of Directors

2026 REGULAR MEETING SCHEDULE

Meetings begin at 3:30 p.m. at the Wharfinger Building downstairs Bay Room, 1 Marina Way, Eureka, CA 95501.

February 26	(4th Thursday)
March 26	(4th Thursday)
April 23	(4th Thursday)
May 28	(4th Thursday)
June 25	(4th Thursday)
July 23	(4th Thursday)
August 27	(4th Thursday)
September 24	(4th Thursday)
October 22	(4th Thursday)
<u>November 19</u>	(<u>3rd Thursday</u>, due to the holiday)
<u>December 17</u>	(<u>3rd Thursday</u>, due to the holiday)
January 28, 2027	(4th Thursday)

RCEA Board of Directors meetings are conducted in-person and online via Zoom pending any declared States of Emergency preventing the safe, in-person meeting of the Board and public. Meeting recordings are also aired on Access Humboldt/Optimum Cable Channel 10 on Saturdays and Sundays at 2 p.m. and archived on Internet Archive, https://archive.org/.

Staff Report

Agenda Item # 5.5

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Faith Carlson, Regulatory and Legislative Policy Manager Kyle Groben, Regulatory and Legislative Policy Intern
Subject	2026 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 (typically annually) 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 be nimbler in adopting positions on regulatory and legislative matters in a timely manner without full Board approval if the position is aligned with the Board-approved platform. This Platform also helps inform RCEA's regulatory activities to ensure staff engagement aligns with the Board's priorities and RCEA's goals.

The 2025 Policy Platform and Draft 2026 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 reliable energy service and programming;
- To support community resilience;
- To increase the utilization of energy resources that mitigate climate change and support climate adaptation plans;
- To support the development of local renewable 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 that preserve Board approved programs.

Summary

RCEA staff reviewed the 2025 Policy Platform and suggested revisions which are redlined in the attached document.

Below are the substantive changes:

Location in Document	Summary of Change
Throughout document	Syntax changes removing Support/Oppose Policy to describe final outcome of policy.
Procedures	Combined Regulatory and Legislative procedures into one item. Recent changes to Policy Platform removed requirements for Board approval for Legislative items. Language added related to RCEA's Racial Justice Plan.
1. Local Governance and Statutory Authority	Addition of language surrounding local resource development. Consolidated with former Local Economic Development and Environmental Objectives Section.
2. Restructuring the Electricity Utility Sector	Combination of item related to agency and IOU collaboration and item related to data access.
3. Reliability	Language surrounding outages broadened to cover a broader range of outage types.
4. Community Resilience	Language surrounding funding for community resilience broadened to cover a larger range of events. Language related to local resource development removed and relocated to section related to Governance and Statutory Authority.
5. Climate Action	No Change.
6. Energy Generation Sources	Language related to local resource development and CCA procurement removed and relocated to section related to Governance and Statutory Authority. Section related to wind energy moved from former Local Economic Development and Environmental Objectives Section.
7. Environmental Justice and Equity	RCEA's Racial Justice Plan moved to Procedures section. Section related to disaster response removed and added as a subsection to this portion.
8. Programs	Bullets slightly rearranged for readability.

Based on feedback from the CAC, staff has included additional changes related to consistency of language around tribal governments, as well as footnotes with additional context for selected items where necessary.

Alignment with RCEA's Strategic Plan

The Platform was developed to allow RCEA to efficiently engage in regulatory and legislative development that will support RCEA's ability to implement strategies in RePower Humboldt 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 time, legal expenses and Cal CCA membership dues.

Staff Recommendation

1. Provide suggestions for this and future Policy Platform updates.
2. Approve 2026 RCEA Policy Platform.

Attachments

1. Redwood Coast Energy Authority Draft 2026 Policy Platform redlined.
2. Redwood Coast Energy Authority Draft 2026 Policy Platform clean

REDWOOD COAST ENERGY AUTHORITY
2026 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 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

RCEA regulatory and legislative engagement 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, RCEA's Racial Justice Plan, and any applicable RCEA plans and policies.

Issues not addressed in the platform will continue to be brought to the Board on a case-by-case basis. To keep the Board apprised of advocacy activities, staff will notify the full Board of positions taken by RCEA through periodic reports to the Board summarizing policy engagement. This platform will be brought to the RCEA Board on an annual basis for review and input.

Policy Priorities

1. **Local Governance and Statutory Authority**
    a. Ensure jurisdictions and tribal governments can form or become members of a CCA or REN.
    b. Protect local governments and CCA rate-setting, programming, or procurement autonomy.
    c. Empower CCA and REN ability to effectively and affordably serve their customers.
    d. Support CCA and REN customer engagement and operational transparency.
    e. Enable CCAs and RENs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.
    f. Support the development of energy generation projects that align with Board-adopted strategic plan goals and RCEA's 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 local communities including but not limited to tribal governments.

2. **Restructuring the Electricity Utility Sector**
    a. Reduce reliance on Investor-Owned Utilities ("IOUs"):
        i. Support governments' ability to fund or own electric infrastructure, including transmission and distribution infrastructure.
        ii. 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:
        i. Reform the utility regulatory and business model to transform IOUs into entities that solely provide transmission and distribution services.
        ii. Discourage new gas infrastructure and retire or repurpose existing gas infrastructure, while recognizing and addressing social inequities that retirement of such infrastructure may cause.[1]
        iii. Reform the utility regulatory and business model to ensure IOUs deliver effective service to ratepayers, increase safety and reliability, and reduce costs.
        iv. Foster greater collaboration and data sharing among CCAs, RENs, tribes, state and local governments, and IOUs, particularly in local planning efforts related to energy resources, load planning, and programs.
    c. Oppose direct access electric service expansion.[2]

3. **Reliability**
    a. Outage Events
        i. Reduce duration and frequency of power outages and improve grid reliability.
        ii. Increase transparency surrounding outage events.

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[1] For instance, low income households that utilize gas appliances may be disproportionally disadvantaged by gas infrastructure retirement due to appliance replacement and operating costs.
[2] https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/community-choice-aggregation-and-direct-access-/direct-access

iii. Create standards and thresholds for outage events.[3]
iv. Support equitable treatment of non-utility owned generation during shutoff events and during related island operation of sections of the grid.

b. Resource Adequacy ("RA")
   i. Reform the RA program to improve system reliability cost-effectively.
   ii. Remove barriers to demand response, microgrids, and behind the meter resources to provide RA or other demand-reduction value.

c. Allow for reliable customer access to the grid and connection of new resources and loads through transmission and distribution development and maintenance

4. Community Resilience

a. Support funding programs to increase community resilience to electric service disruptions.
b. Increase the development of community-level resources distributed energy resources that reduce the need for new transmission and distribution infrastructure.

5. Climate Action

a. Increase resources for climate change mitigation and adaptation and support initiatives that will strengthen climate change mitigation and adaptation efforts.

6. Energy Generation Sources

a. Support 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.
b. Advocate for permanent waste solutions for nuclear plants and oppose policies that extend the life of Diablo Canyon Nuclear Power Plant.

7. Environmental Justice and Equity

a. Engage in policy developments that impact the ability of rural, low-income, and underserved communities to have affordable, reliable, and clean energy.
b. 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.
c. Advocate for metrics and cost effectiveness rules that do not create a disadvantage in serving equity customers.
d. Support and advocate for policies that allow tribal governments 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.
e. Oppose the shifting of marginal costs of interconnecting and serving large new industrial or commercial loads such as data centers to other rate classes such as residential and small commercial customers.
f. Alleviate residential and commercial financial hardship caused by public health emergencies or

[3] For example, RCEA has proposed equity metrics for outage frequencies and impacts.

natural disasters.

8. **Programs**
   a. Protect CCA and REN autonomy to administer Board approved 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. Avoid interruptions, gaps, or reductions in program funding.
   c. Protect Public Purpose Program support for energy efficiency and equity programs.[4]
   d. Treat non-regulated fuels, such as propane and firewood, comparably with natural gas in allowing for electrification incentives.

[4] Public Purpose Program covers CARE, ESA, FERA, and more programs. https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2024/03/Item-09b_Joint-IOU-Presentation-Programs-Update_PPP-Surcharge.pdf

REDWOOD COAST ENERGY AUTHORITY 2026 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.

~~Regulatory Engagement:~~ PROCEDURES

RCEA regulatory and legislative 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, RCEA's Racial Justice Plan, and any applicable RCEA plans and 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. To keep the Board apprised of advocacy activities, staff will notify the full Board of positions taken by RCEA through periodic reports to the Board summarizing policy engagement. This platform will be brought to the RCEA Board on an annual basis for review and input.

Policy Priorities

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

~~ISSUE AREAS~~

1. **Local Governance and Statutory Authority ~~RCEA will:~~**
   a. ~~Oppose policies that limit~~Ensure jurisdictions and tribal governments can form or become members of a CCA or REN.
   ~~a.~~b. Protect local governments ~~or~~and CCA rate-setting, programming, or procurement autonomy.
   ~~b.~~c. ~~Oppose policies that limit~~Empower CCA and REN ability to effectively and affordably serve their customers.
   d. Support ~~policies that allow~~CCA and REN customer engagement and operational transparency.
   ~~c.~~e. Enable CCAs and RENs to ~~engage~~collaborate with their ~~customers and promote transparency in their operations.~~ member jurisdictions on local energy resources and projects to advance environmental objectives.
   ~~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.~~
   f. Support the development of energy generation projects that align with Board-adopted strategic plan goals and RCEA's 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 local communities including but not limited to tribal governments.

2. **Restructuring the Electricity Utility Sector ~~RCEA will:~~**
   a. ~~Support policies that reduce~~Reduce reliance on Investor-Owned Utilities ("IOUs~~"), such as~~"):
      i. ~~Polices that support~~Support governments' ability to fund or own electric infrastructure, including transmission and distribution infrastructure.
      ii. ~~Policies that stabilize~~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~~Reform the utility regulatory and business model to transform IOUs into entities that solely provide transmission and distribution services.

ii. ~~Efforts to discourage~~Discourage new gas infrastructure and retire or repurpose existing gas infrastructure~~.~~, while recognizing and addressing social inequities that retirement of such infrastructure may cause.[1]

iii. ~~Reforms to~~Reform the utility regulatory and business model to ensure IOUs deliver effective service to ratepayers, increase safety and reliability, and reduce costs.

iv. ~~Greater~~Foster greater collaboration ~~to occur between~~and data sharing among CCAs, RENs, tribes, state and 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~~.~~ electric service expansion.[2]

3. Reliability ~~RCEA will:~~

~~a. Support policies that reduce~~a. Outage Events

~~a.~~ Reduce duration and frequency of power outages and improve grid

i. 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.~~

ii. ~~iii. Support policies that call for~~ Increase transparency surrounding outage events.

iii. Create standards and thresholds for outage events.[3]

iv. Support equitable treatment of non-utility owned generation during ~~PSPS~~shutoff events and during related ~~islanded~~island operation of sections of the grid. ~~b.~~

b. Resource Adequacy ("RA")

i. ~~Support reforms to~~Reform the RA program to improve system reliability ~~at a reasonable~~ cost ~~to ratepayers.~~ effectively.

ii. ~~Advocate for and support efforts to remove~~Remove barriers to demand response, microgrids, and behind the meter resources to provide RA or other ~~demandreduction~~demand-reduction value.

c. ~~c. Advocate for transmission and distribution development and maintenance to allow~~Allow for reliable customer access to the grid and connection of new resources and loads~~.~~ through transmission and distribution development and maintenance

[1] For instance, low income households that utilize gas appliances may be disproportionally disadvantaged by gas infrastructure retirement due to appliance replacement and operating costs.

[2] https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/community-choice-aggregation-and-direct-access-/direct-access

[3] For example, RCEA has proposed equity metrics for outage frequencies and impacts.

~~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.~~4. Community Resilience ~~RCEA will:~~

a. ~~Advocate for and support~~ Support funding ~~for~~ programs ~~implemented by local governments, CCAs, and RENs~~ to increase community resilience to ~~wildfires, PSPS events and other potential~~electric 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.~~b. ~~Support policies that increase~~Increase the development of community-level resources ~~and~~ distributed energy resources that reduce the need for new transmission and distribution infrastructure.

~~6.~~5. Climate Action ~~RCEA will:~~

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

~~7.~~6. 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.~~

a. Support 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.~~b. Advocate for permanent waste solutions for nuclear plants and oppose policies that extend the life of Diablo Canyon Nuclear Power Plant.

~~8.~~7. Environmental Justice ~~RCEA will:~~ and Equity

~~a. Advocate for policies that align with RCEA's Racial Justice Plan.~~

~~b.~~a. Engage in policy developments that ~~directly or indirectly~~ impact the ability of rural, ~~lowincome~~low-income, and underserved communities to have affordable, reliable, and clean energy.

~~c.~~b. ~~Support policies that enable~~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.~~c. Advocate for metrics and cost effectiveness rules that do not create a disadvantage in serving equity customers.

~~e.~~d. Support and advocate for policies that allow ~~T~~tribal ~~Nations~~ governments 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.

e. ~~**RCEA**~~ Oppose the shifting of marginal costs of interconnecting and serving large new industrial or commercial loads such as data centers to other rate classes such as residential and small commercial customers.

f. Alleviate residential and commercial financial hardship caused by public health emergencies or natural disasters.

~~9.~~8. Programs

~~RCEA will support policies that:~~

a. ~~a.~~ Protect CCA and REN autonomy to administer Board approved 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. Avoid interruptions, gaps, or reductions in program funding.

~~a.~~c. Protect Public Purpose Program support for energy efficiency and equity programs.[4]

~~b.~~d. Treat non-regulated fuels, such as propane and firewood, comparably with natural gas in allowing for electrification incentives.

[4] Public Purpose Program covers CARE, ESA, FERA, and more programs. https://liob.cpuc.ca.gov/wp-content/uploads/sites/14/2024/03/Item-09b_Joint-IOU-Presentation-Programs-Update_PPP-Surcharge.pdf

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 7.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Elizabeth Burks, Executive Director
Subject	Executive Director's Report

Summary

Executive Director Elizabeth Burks will provide updates on topics as needed. These updates include but are not limited to the following.

RCEA Updates

GRID Alternatives Electric Vehicle Discounted Charing Pilot

RCEA is partnering with the non-profit Grid Alternatives, to implement a pilot program for discounted charging rates at RCEA's public charging stations. GRID Alternatives is providing approximately $20,000 for this pilot. The program will provide discounted charging rates at public charging stations on our Renewable Energy Vehicle Network (REVNet). Income-qualified EV drivers with an active RCEA residential electric account (in good standing) will receive a 40% discount rate on all REVNet stations. This pilot is intended to address the lack of charging infrastructure available at multifamily rental housing and pass on savings that would otherwise be realized through home charging at discounted rates (through CARE/FERA) to eligible drivers charging at a REVNet charging station.

CADEMO Offshore Wind Project

In December, with approval of the ad hoc subcommittee for the CADEMO loan agreement, RCEA made a loan to the CADEMO project. This loan has already been repaid in full, including payments for interest and associated administrative fees. The CADEMO team has expressed deep gratitude for the assistance.

Supporting our Community Program Marketing Initiative

The Supporting Our Community Program is a community engagement and marketing initiative that can provide sponsorships for specific community events when they increase awareness of RCEA programs and customer services. In RCEA's FY 2025-26 budget $25,000 was approved for this purpose. The goal is to strategically invest these dollars where they create visibility, improve brand recognition, and educate community members about RCEA's services, programs, and energy-related resources.

Priorities for sponsorships would be given to efforts aligned with RCEA's mission and those that help us connect with hard-to-reach or underserved segments of our community. Considerations for sponsorships would include efforts that:

- Advance STEM education and workforce development, particularly in the trades, clean energy, and environmental sciences.
- Accelerate greenhouse gas reduction and climate solutions.
- Host key community events in Humboldt County, especially those that provide RCEA opportunities to educate residents about energy services and community programs.
- Promote basic needs and community resilience

2025 Call Log Summary

In 2025 RCEA answered more than 1,300 calls from CCA customers. The following are the highest call volume categories that made up 60% of total calls for the year:

- Collections (17%)
- Billing Inquiry (16%)
- Net Energy Metering (NEM) (15%)
- Opt Out Inquiry (12%)

Opt out Inquiries were at their highest volume in January but weren't the top category in any single month. Over the year we received 156 opt out inquiries. After speaking with RCEA staff, only half of those ultimately opted out. February saw the highest volume of opt outs submitted (13).

Community Activity Summary

See attached.

Board Member Travel Opportunities

Board members are encouraged to participate in the upcoming conferences where there will be a chance to gain deeper understanding of the issues and opportunities related to RCEA business. Upcoming opportunities include:

- CalCCA Conference May 12-14, 2026 in Sacramento, CA
- CivicWell Policymakers Conference March 12-15, 2026, in Yosemite National Park (RCEA has one complimentary registration for this conference.)
- CCEC Forum June 24-25, 2026 in Los Angeles, CA

PG&E Base Services Charge

PG&E will implement the Base Services Charge (this was formally referred to as graduated fixed income charge) on customer bills beginning March 2026, as mandated by Assembly Bill 205 and approved by the CPUC. This is not a new fee but a restructuring that separates certain costs into a distinct line item on PG&E's portion of the bill. It will not appear on RCEA's portion.

The Base Services Charge is intended to transparently allocate costs related to grid access, metering, public purpose programs, and customer service/billing. Customer communications from PG&E are underway: on bill messaging began December 1, 2025, PG&E's web portal banner will run for about 90 days, and PG&E is sending physical mailers to customers beginning this month.

Customers who don't qualify for CARE or FERA and are low-energy users may be negatively impacted. For instance, these low-usage customers could see a significant increase in their bills—from $75 to $91, a 21% jump—because this fee is fixed rather than based on usage.

There are three tiers:

- Tier 1 – $6/month: Residential customers enrolled in CARE.
- Tier 2 – $12/month: Residential customers enrolled in FERA or living in deed restricted affordable housing (DHR) as listed by the California Housing Partnership (CHP).
- Tier 3 – $24/month: All other residential customers.

Reduced charges for CARE and FERA customers are designed to allocate costs more equitably among customers.

Staff Recommendation

None. Information only.

Attachments

1. November – December 2025 Community Outreach and Events Summary

COMMUNITY OUTREACH & EVENT SUMMARY

January 2026

1 **Community Events**

Staffed a table at the Rio Dell Community Resource Center where participants appreciated receiving information and program handouts.

4 **Presentations**

Presentations were conducted at the Healy Senior Center, Trinidad Chamber of Commerce, Rotary Club of Eureka, and the Rotary Club of SW Eureka.

66 **2025 Summary of Events & Presentations**

A total of 37 presentations were conducted, 26 events were staffed, and 3 workshops were held were held in 14 communities in the county. There were over 2,700 interactive engagements with the community.

REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 8.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Richard Engel, Director of Power Resources
Subject	Energy Risk Management Policy Update

Background

Section 8 of RCEA's Energy Risk Management Policy (ERMP) directs the RCEA Risk Management Team to review the policy at least annually and submit any proposed amendments to the Board for approval. It also directs staff to notify the Board when appendices to the ERMP are being updated. The policy was initially adopted by the Board in December 2016 and was last revised in December 2024. An addendum to the ERMP was approved by the Board in June 2025.

Summary

The attached draft of the ERMP has been updated by staff in consultation with The Energy Authority and includes the following notable changes:

- Section 1.1 – clarifies which CCA policies are subject to full Board vote.
- Section 2.1 – references RCEA's Reserve Policy objectives.
- Section 2.2 – standardizes wording across the different risk types and updates mitigation measures.
- Section 3.10 – clarifies authority to terminate long-term contracts; addresses PPA prepayment transactions.
- Section 3.4 – removes the New Transaction Approval Form (Appendix B) and adds the risk assessment called for in the form to the body of the policy.
- Section 4.3 – incorporates addendum 2025-A that adjusted the staff makeup of the Risk Management Team; clarifies additional process in the event the Executive Director exercises their veto power.
- Section 4.4.3 – adds invoicing and settlements to the Power Manager's back-office responsibilities.
- Section 5 – clarifies that authority to terminate transactions is subject to the same delegation of authority as executing transactions; updates policy list that procurement must align with.
- Appendix D – adjusts fixed price energy hedging targets according to recent pricing trends in CA reflective of increased solar and battery adoption; references RCEA's Reserve Policy objectives;

revises clean energy procurement goals consistent with Board actions; clarifies discussion on Portfolio Content Category 2 and 3 renewables.

The Risk Management Team has approved the updated policy and recommends adoption by the Board]

Equity Impacts

Not applicable.

Alignment with RCEA's Strategic Plan

Not applicable. The Energy Risk Management Policy is an operational document.

Financial Impact

RCEA's Energy Risk Management Policy protects the organization from financial risk that could be incurred through its CCE program. The proposed changes promote best practices that mitigate financial risk to the organization inherent in participating in energy markets as a load-serving entity.

Staff Recommendation

Adopt Resolution 2026-1 Adopting the Updated Energy Risk Management Policy.

Attachments

1. Resolution 2026 – 1 Adopting the Updated Energy Risk Management Policy
2. Exhibit A: Redlined RCEA Energy Risk Management Policy

RESOLUTION NO. 2026-1
OF THE BOARD OF DIRECTORS
OF THE REDWOOD COAST ENERGY AUTHORITY
ADOPTING THE UPDATED ENERGY RISK MANAGEMENT POLICY

WHEREAS, the Redwood Coast Energy Authority (RCEA) operates a community choice energy program on behalf of participating jurisdictions in Humboldt County; and

WHEREAS, the Board of RCEA adopted an Energy Risk Management Policy (Risk Policy) in December 2016 to establish rigorous risk management practices in power procurement and to increase the likelihood of achieving its community choice energy program goals by specifying management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to properly identify and manage RCEA's exposure to risk; and

WHEREAS, the Risk Policy calls for RCEA's Risk Management Team to annually review the policy and recommend any needed Risk Policy updates to the RCEA Board of Directors for adoption; and

WHEREAS, certain updates to the Risk Management Policy are needed to address market, regulatory and other changes that have taken place since the last Policy update.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Redwood Coast Energy Authority hereby adopts an updated Energy Risk Management Policy as set forth in Exhibit A with deletion of language as shown by strike through and addition of language as shown by underlining, attached hereto and incorporated herein.

Adopted this 22nd day of January 2026.

ATTEST:

______________________________	______________________________
RCEA Board Chair	Clerk of the Board, RCEA
Date: ____________________	Date: ____________________

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2026-1 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the 22nd day of January 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

____

Clerk of the Board, Redwood Coast Energy Authority

EXHIBIT A

REDWOOD COAST ENERGY AUTHORITY
REDLINED ENERGY RISK MANAGEMENT POLICY

Energy Risk Management Policy

Adopted December 12, 2016, Resolution 2016-6
Last Revised ~~December 17, 2024~~January 22, 2026, Resolution ~~2024-14~~2026-1

Table of Contents

Section 1: POLICY OVERVIEW

1.1 Background and Purpose

The Redwood Coast Energy Authority (“RCEA”) is a public joint powers agency located within the geographic boundaries of Humboldt County. Member agencies of RCEA include the seven (7) incorporated cities located in Humboldt County, the County of Humboldt, the Yurok Tribe, the Blue Lake Rancheria, and the Humboldt Bay Municipal Water District. RCEA members enumerated below administer and participate in a community choice aggregation (“CCA,” also sometimes referred to as community choice energy or “CCE”) program. The CCA program allows its members to ~~procure~~ exert local control over the electricity ~~supplies and utilize ratepayer revenue to implement local programs that meet the goals of~~ portfolio made available to the community. Electricity procured to serve customers continues to be delivered over Pacific Gas & Electric Company’s (“PG&~~E’s~~E”) transmission and distribution system.

Presently, RCEA’s CCA Members[1] include the following local government entities:

- Unincorporated Humboldt County
- City of Arcata
- City of Blue Lake
- City of Eureka
- City of Ferndale
- City of Fortuna
- City of Trinidad
- City of Rio Dell

Providing retail electric generation service to customers enrolled in the CCA program exposes RCEA to risks such as retail load uncertainty (due to weather, customer opt-out, and other factors), energy market price, counterparty credit, PG&E generation and Power Charge Indifference Adjustment (“PCIA”) rate competitiveness and other regulatory risks.

This Energy Risk Management Policy (“Policy”) establishes RCEA’s Energy Risk Management Program (“Risk Program”) including functions and procedures to manage the risks associated with power procurement activities.

[1] The Humboldt Bay Municipal Water District, the Yurok Tribe, and the Blue Lake Rancheria do not participate in CCA governance, per California Public Utilities Code Section 331.1 that limits CCA formation to counties and cities. However, in June 2025 the RCEA Board of Directors approved changes to their operating guidelines (https://redwoodenergy.org/wp-content/uploads/sites/850/2025/07/Board-Operating-Guidelines-250626.pdf) to make the following CCA-related topics subject to full Board vote, given their potential impact on the organization as a whole: setting of CCA program objectives, determination of CCA power content targets, and CCA procurement strategy and procedures. Previously these topics were voted on only by the RCEA Board members representing the County and the cities.

To help RCEA increase the likelihood of achieving its goals, the purpose of this Policy is to specify management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to identify and manage RCEA's exposure to risk.

The RCEA Board of Directors ("Board") approves wholesale power procurement risk related policies, including delegations of authority and limits to the Executive Director, RCEA staff and, as warranted, third-party service providers. The Board understands and acknowledges that energy trading activities necessarily involve risk, and a key Board objective is to quantify and balance value and risk within RCEA's resource portfolio without engaging in speculative trading activity. Within the guidelines of this policy, the Board recognizes that expertise must be employed in managing RCEA's resource portfolio, so staff and third-party service providers may exercise reasonable discretion in making commercial trading decisions.

1.2 Scope

Unless otherwise explicitly stated in this Policy, or other policies approved by the Board, this Policy applies to all power procurement and related business activities that may impact RCEA's risk profile. RCEA's Procurement Policy[2], which broadly directs RCEA's procurement activities, explicitly states that power procurement to serve RCEA's electric customers is governed by this Energy Risk Management Policy. This Policy documents the framework for staff and The Energy Authority[3] ("TEA") to:

- Identify and quantify risk
- Develop and execute procurement strategies
- Create a framework of controls and oversight
- Monitor, measure, and report on the effectiveness of the Risk Program

To ensure successful operation of the CCA, RCEA partners with experienced contractors to provide energy-related services. For power procurement, RCEA partners with TEA, who currently executes the preponderance of front- (transacting), middle- (monitoring) and back-office (settlement) related activities on RCEA's behalf. In providing these services, TEA observes the policies outlined in this document. TEA maintains its own risk policies and procedures, following industry practices of segregation of duties, which will also govern activities executed on RCEA's behalf.

1.3 Energy Risk Management Objective

The objective of the Energy Risk Management Policy is to provide a framework for conducting procurement activities that maximize the probability of RCEA meeting its Policy goals listed in Section 2.1.

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[2] https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Purchasing-and-Procurement-Policy.~~pdf~~pdfhttps://redwoodenergy.org/wp-content/uploads/2024/10/RCEA-Purchasing-and-Procurement-Policy-1.pdf

[3] The Energy Authority is RCEA's current portfolio manager and scheduling coordinator for its load and ~~long-term~~wholesale power contracts.

Pursuant to this Policy, RCEA will identify and measure the magnitude of the known risks to which it is exposed and that contribute to the potential for not meeting identified goals, and manage them accordingly.

1.4 Policy Administration

This Policy document is reviewed and approved by the RCEA Board of Directors ("Board"). The Risk Management Team ("RMT") and Board must approve amendments to this Policy, except for the appendices, which may be amended with approval of only the RMT. The RMT must give notice to the Board of any amendment it makes to an appendix or a reference policy or procedure document.

Section 2: GOALS AND RISK EXPOSURES

2.1 Policy Goals

To help ensure long term viability for the CCA, RCEA outlines the following Policy goals with respect to its Risk Program. These goals establish metrics for modeling and measuring risk exposures of the CCA.

- RCEA targets to fund financial reserves with the following objectives as set forth by its Reserve Policy[4]:
    - ~~Establish~~Maintain long-term ~~business sustainability~~RCEA financial independence and rate stability,
    - ~~Build collateral for power procurement activities~~
    - ~~Establish and maintain an investment grade~~ Meet RCEA strategic objectives,
    - Secure favorable commercial terms with vendors and power providers,
    - Support RCEA's pursuit of, and maintenance upon receiving, a credit rating,
    - ~~Develop~~Provide a source of funds for ~~investment in power resources~~unanticipated expenditures, and
    - Make cash available for other ~~local programs~~operational needs as approved by the Board.
    - ~~Stabilize retail electricity rates and dampen year-to-year variability in procurement costs~~
    - ~~Reduce the fee for the credit facility provided by TEA as part of the services it delivers to RCEA~~
- RCEA aims to meet its strategic objectives as found in the RePower Humboldt Comprehensive Action Plan for Energy[5]

The goals outlined above are incorporated into RCEA's financial and analytic models used to evaluate risk exposures. The goals listed above are not intended to be a comprehensive list of goals for the CCA.

[4] https://redwoodenergy.org/wp-content/uploads/sites/850/2025/01/Reserve-Policy.pdf

[5] https://redwoodenergy.org/wp-content/uploads/sites/850/~~2024/12/RePower-Humboldt-CAPE~~2025/09/REpower-2019-Strategic-Plan-~~Update~~250919.pdf

Rather, the above reflect a subset of Risk Program goals that are critical to long-term business viability for the CCA.

For the purpose of this Policy, risk exposure is assessed on all transactions (energy, environmental attributes, capacity, etc.) executed by TEA on behalf of RCEA, or by RCEA on its own behalf, as well as the risk exposure of open positions and the impacts of these uncertainties on the CCA's load and financial obligations.

2.2 Risk Exposures

The CCA program faces a range of risks including:

- Customer opt-out risk
- Market risk
- Regulatory risk
- Volumetric risk
- Model risk
- Operational risk
- Counterparty credit risk
- Reputation risk

2.2.1 Customer Opt-Out Risk

Customer opt-out risk is a significant CCA risk. It includes any conditions or events that create uncertainty in the CCA's customer base, thereby increasing the potential for the CCA to not meet its Policy goals. Opt-out risk can take the form of individual customers leaving the program, or entire member communities choosing to no longer participate. In addition, RCEA can lose customers by choosing to return them to bundled PG&E service if they repeatedly fail to pay their bills. This Policy addresses this risk and other risk types listed below. These risks are not all inclusive but are identified as the risk factors driving the success of the CCA.

~~The most relevant measures of the success of this Policy in mitigating~~RCEA manages opt-out risk ~~include~~by:

- ~~Retail~~Maintaining retail rate competitiveness with PG&E;[6]
- ~~Financial reserve level for retail rate stabilization;~~
- ~~Percentage~~Providing outstanding customer service;
- Operating a key account management program and maintaining relationships with the local community;

[6] Since CCA program launch, RCEA has set its retail generation rates as a set percentage discount below the corresponding PG&E generation rates. The amount of this percentage discount has been adjusted on some occasions by the RCEA Board as financial conditions have changed. To maintain this rate discount as PG&E generation rates are changed on short notice multiple times a year, the Board has authorized staff to adjust rates in response to PG&E rate changes without needing to seek Board approval in each instance.

- Maintaining financial reserves compliant with RCEA's Reserve Policy to stabilize retail rates as needed;
- Tracking percentage of customer opt-outs by customer count and by load;
- ~~Percentage~~Tracking percentage of customers and ~~customer~~ load returned to PG&E for non-payment.

~~Mitigation measures for customer opt-out risk are included under Section 2.2.4 Volumetric Risk.~~

2.2.2 Market Risk

Market risk is the uncertainty of RCEA's financial performance due to variable commodity market prices (market price risk) and uncertain price relationships (basis risk). Variability in market prices creates uncertainty in RCEA's procurement costs and can materially impact RCEA's financial position. ~~Market risk is managed by regular measurement, execution of approved procurement, and Congestion Revenue Right (CRR) strategies and the limit structure set forth in this Policy, as well as~~RCEA manages market risk by:

- ~~Routinely monitor and report~~Adhering to the energy hedging strategy described in Appendix C of this Policy and regularly reviewing and adapting the strategy to changing market conditions;
- Routine monitoring and reporting of actual and projected financial results including probability-based and stressed financial results assuming a range of market and retail rate scenarios (both RCEA and PG&E);
- ~~Structure procurement strategies with the objective function to maintain a favorable retail rate savings relative to PG&E.~~
- Procuring contracts with positive net present value to the extent possible.

2.2.3 Regulatory Risk

Although CCAs hold a significant share of retail customer load in the state of California, they remain a comparatively new legal entity and are subject to an evolving legal and regulatory landscape. Additionally, CCAs are in direct competition with California's Investor-Owned Utilities ("IOUs"), which are able to recover costs of stranded investments: generation assets and power purchase agreements previously procured to serve loads that subsequently depart the IOU and obtain generation through a CCA. The stranded costs of these legacy power supplies are allocated to departing CCA loads through regulatory proceedings at the California Public Utilities Commission ("CPUC") which are not always transparent to ~~the CCA community~~CCAs and their customers. The service model and regulatory landscape results in retail rate competitiveness risks that are unique to CCAs. In addition, CCAs are subject to many of the same state-level regulatory policies that govern other load-serving entities, including the Renewable Portfolio Standard, Resource Adequacy Program, and Integrated Resource Planning process and procurement mandates.

~~To manage~~RCEA manages regulatory risk~~, RCEA~~ by:

- ~~Regularly monitors, analyzes~~Regular monitoring, analysis, and ~~engages~~engagement in legislative and regulatory rulemakings and proceedings impacting CCAs, either directly or through the California Community Choice Association ("CalCCA");

- ~~Ensures~~Ensuring timely submission of regulatory filings, compliance filings and data request responses, and tracking changing requirements associated with these submissions;
- ~~Ensures~~Ensuring timely procurement and project progress reporting, and to the extent feasible and prudent, conducting ~~proactive~~timely procurement~~,~~ in response to procurement mandates;
- ~~Engages~~Engaging subject matter expertise as needed to ensure ~~it~~RCEA is conducting business in a manner consistent with State regulations and industry best practices.

2.2.4 Volumetric Risk

Volumetric risk is the uncertainty of RCEA's financial performance due to variability in 1) the quantity of retail load served by RCEA, 2) the bill payments actually collected from customers, and 3) generation from RCEA's contracted power resources. Retail load and customer debt uncertainty results from unanticipated large customer additions or departures, customer opt-outs, weather deviation from normal, unforeseen increased adoption of behind the meter generation, as well as local, state and national socioeconomic conditions. Volumetric risks can also occur on the wholesale procurement side, including risk of curtailed variable energy resources under contract to RCEA, unplanned disconnection of generating resources under contract to RCEA during utility maintenance or islanding of the local grid in response to Public Safety Power Shutoff events, and the unknown volumetric delivery of resources procured through PG&E's various PCIA Allocation processes. ~~Volumetric~~RCEA manages volumetric risk ~~is managed~~ by ~~taking steps to~~:

- ~~Forecast~~Utilizing tools to forecast PG&E generation and PCIA rates, and variability therein;
- ~~Quantify variability in procurement timing and costs;~~
- ~~Develop~~Developing risk-adjustment metrics for forecasted loads and forecasted delivered volumes to support future procurement decisions;
- ~~Monitor~~Monitoring and ~~adjust~~adjusting for non-regulatory factors driving volumetric uncertainty (e.g. weather);
- ~~Adopt a formal~~ Adhering to the energy ~~risk~~ hedging strategy ~~(included as an appendix to~~ described in Appendix C of this Policy~~);~~
- ~~Implement a key accounts program~~ and ~~maintain strong relationships with the local community~~regularly reviewing and adapting the strategy to changing market conditions;
- ~~Monitor~~Monitoring trends in customer onsite generation, local, regional, and national economic shifts, and other factors that affect electricity customer volume and composition;
- ~~Track~~Tracking and ~~attempt~~attempting to collect customer debt, and ~~return~~returning uncollectable accounts back to PG&E, pursuant to RCEA's Community Choice Energy Terms and Conditions[7];
- ~~Pursue~~Pursuing strategies to minimize or mitigate generation disconnections and curtailments, including co-locating storage with variable renewable energy resources and working with PG&E toward management of planned transmission outages and accommodation of third-party generators while the local grid is operated in island mode;

[7] https://redwoodenergy.org/~~wp-content/uploads/sites/850/2024/12/CCE-Terms-and-Conditions.pdf~~service-terms-conditions/

- ~~Engage~~Engaging PG&E, CAISO and the ~~IOU~~CPUC to conduct transmission and distribution updates and technical advances to better interconnect emerging distributed generation resources and new customer loads;
- ~~Explore~~Exploring strategies for serving direct access loads.

2.2.5 Model Risk

Model risk is the uncertainty of RCEA's financial performance due to potentially inaccurate or incomplete characterization of a transaction or power supply portfolio elements due to fundamental deficiencies in models, inputs, and/or information systems. ~~Model~~RCEA manages model risk ~~management includes::~~by:

- TEA's Risk Management Committee ~~approves~~approving, and RCEA's RMT ~~ratifies~~ratifying, financial and risk models;
- ~~Ongoing review of~~Reviewing model inputs and outputs ~~as part of controls framework~~on a regular basis, including ~~scheduled~~recurring true-ups of data actuals and data cross-validation between RCEA and TEA;
- ~~Comparison between~~Comparing multiple independent data sources as available and ~~valuable~~relevant;
- Ongoing RCEA and TEA staff education and participation in CCA industry forums;
- Ongoing update and improvement of models as additional information and expertise is acquired.

2.2.6 Operational Risk

Operational risk is the uncertainty of RCEA's financial performance due to weaknesses in the quality, scope, content, or execution of human resources, technical resources, and/or operating procedures within RCEA. Operational risk can also be exacerbated by fraudulent actions by employees or third parties, inadequate or ineffective controls, or unforeseen changes in our relationship with ~~the incumbent utility. Operational risk is managed through~~PG&E. RCEA manages operational risk by:

- ~~The~~ Adhering to the controls set forth in this Policy;
- The RMT ~~oversight of~~overseeing procurement activity;
- Timely and effective management reporting;
- ~~Staff resources, expertise~~Hiring competent staff and~~/or~~ consultants and providing adequate training resources, reinforcing a culture of compliance;
- ~~Ongoing~~Conducting recurring and timely internal and external financial and operational audits;
- ~~Enforcement of~~Enforcing RCEA's ~~CCA terms~~CCE Terms and ~~conditions~~Conditions, including customer debt collection;
- Adhering to data security requirements in RCEA's ~~Information Security~~Customer Confidentiality Policy[8] and the CPUC's Customer Data Privacy Decision 12-08-045.

[8] https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Customer-Confidentiality-Policy.pdf

2.2.7 Counterparty Credit Risk

Counterparty credit risk is the potential that a ~~Counterparty~~counterparty will fail to perform or meet its obligations in accordance with terms agreed to under contract. ~~To control exposure to~~RCEA manages counterparty credit risk ~~RCEA~~by:

- ~~Adheres~~Adhering to the limit controls set forth in the Credit Policy described in Section 6;
- ~~Requires~~Assessing credit risk of potential counterparties in the process of selecting offers to shortlist in response to RCEA's power procurement solicitations;
- Requiring counterparties to post performance assurance in an acceptable form as part of long-term agreements;
- ~~Ensures~~Ensuring terms under which the performance assurance is drawn on, retained or returned to the counterparty are clearly defined and adhered to.

2.2.8 Reputation Risk

Reputation risk is the potential that ~~the CCA's~~RCEA's reputation is harmed, causing customers to opt~~-~~out of ~~the CCA's~~CCA service and ~~migrate back~~return to PG&E. ~~To manage~~RCEA manages reputational risk ~~RCEA~~by:

- ~~Implements~~Implementing and ~~adheres~~adhering to this ~~Energy Risk Management~~ Policy;
- ~~Establishes and adheres~~Adhering to industry best practices ~~including both those adopted by other~~and implementing lessons learned relevant to CCAs~~, as well as those adopted by~~ and traditional municipal electric utilities;
- ~~Maintains~~Maintaining a Community Advisory Committee (CAC) to support RCEA's public engagement efforts and to provide decision-making support and input to the RCEA Board;
- ~~Consults~~Consulting with general counsel and ~~outside~~ expert legal counsel on procurement processes and best practices as a public agency with respect to transparency and public participation;
- ~~Conducts~~Conducting marketing and outreach activities that enhance RCEA's reputation in the community, including monitoring and responding constructively to discussion of RCEA in traditional media and social media~~.~~;
- Conducting periodic brand awareness studies to learn how the community perceives RCEA and what misconceptions they may have that need to be addressed.

2.3 Risk Measurement Methodology

A vital element in RCEA's Energy Risk Management Policy is to routinely identify, measure, and communicate risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with RCEA's procurement-related business activities and performance relative to goals.

Risk measurement of RCEA's position uses a method that calculates projected procurement costs and portfolio value on an annual basis at various probabilities and that further provides a comparison of projected RCEA retail rates to those of PG&E. The rate comparison will be adjusted for actual and projected PCIA and Franchise Fee charges. Risk measurement methodologies will be re-evaluated on a periodic basis to ensure RCEA and TEA adjust their methods to reflect the evolving regulatory and ~~competitive~~market landscape. The implementation of these methods will be overseen and validated by TEA and ratified by the RMT.

Section 3: BUSINESS PRACTICES

3.1 General Conduct

It is the policy of RCEA that all personnel, including the Board, management, and agents, adhere to standards of integrity, ethics, conflicts of interest, compliance with statutory law and regulations and other applicable RCEA standards of personal conduct while employed by or affiliated with RCEA.

3.2 Trading for Personal Accounts

All RCEA Directors, management, employees, and agents participating in any transaction or activity within the coverage of this Policy are obligated to give notice in writing to RCEA of any interest such person has in any counterparty that seeks to do business with RCEA, and to identify any real or potential conflict of interest such person has or may have with regard to any contract or transaction with RCEA. Further, all such persons are prohibited from personally participating in any transaction or similar activity that is within the coverage of this Policy and that is directly or indirectly related to the trading of electricity, capacity and/or environmental attributes as a commodity. The Risk Management Team voting members are further required by RCEA’s Conflict of Interest ~~Code~~Policy[9] to file a Fair Political Practices Commission Statement of Economic Interests form disclosing personal energy- and agency-related financial holdings annually.

If there is any doubt as to whether a prohibited condition exists, then it is the employee’s responsibility to discuss the possible prohibited condition with ~~her/his~~their manager or supervisor.

3.3 Adherence to Statutory Requirements

Compliance ~~is required~~ with rules promulgated by the state of California, ~~California Public Utilities Commission~~CPUC, California Energy Commission, California Air Resources Board, California Independent System Operator, Federal Energy Regulatory Commission ~~(~~(“FERC~~),~~”), Commodity Futures Trading Commission ~~(~~(“CFTC~~),~~”), Federal Trade Commission, and other regulatory agencies is required.

Congress, FERC and CFTC have enacted laws, regulations and rules that prohibit, among other things, any action or course of conduct that actually or potentially operates as a fraud or deceit upon any person in connection with the purchase or sale of electric energy or transmission services. These laws also prohibit any person or entity from making any untrue statement of fact or omitting to state a material fact where the omission would make a statement misleading. Violation of these laws can lead to both civil and criminal actions against the individual involved, as well as RCEA. This Policy is intended to comply with these laws, regulations, and rules and to avoid improper conduct on the part of anyone

9 https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Conflict-of-Interest-Code-2024.pdf

employed by RCEA. These procedures may be modified from time to time by legal requirements, auditor recommendations, RMT requests, and other considerations.

In the event of an investigation or inquiry by a regulatory agency, RCEA will provide legal counsel to employees. However, RCEA will not appoint legal counsel to an employee if RCEA's General Counsel and Executive Director determine that the employee was not acting in good faith within the scope of employment.

RCEA employees are prohibited from working for another power supplier, CCA, or utility in a related position while they are simultaneously employed by RCEA unless an exception is authorized by the Board. For clarity, this prohibition is not intended to prevent RCEA staff from performing non-CCA activities on behalf of RCEA in the normal course of its business~~.~~ or participating in joint procurement activities with other CCAs. Participation by RCEA staff in power procurement activities of the California Community Power (CC Power) joint powers agency is permitted, as this procurement is done for the ultimate benefit of RCEA and CC Power's other participating CCAs.

In addition, power purchase agreements and materials submitted in response to RCEA solicitations will be subject to disclosure in accordance with the California Public Records Act (Ca. Government Code section 6250 et seq.) and language reflecting this requirement will be included in RCEA solicitations and agreements. RCEA will withhold from public disclosure only those portions of solicitation materials and agreements which are exempt from disclosure under state law.

3.4 Transaction Type, Regions and Markets

Authorized transaction types, regions and markets are listed in Appendix A to this Policy. These transaction types, regions and markets are and shall continue to be focused on supporting RCEA's financial policies, including the approved ~~procurement~~energy hedging strategy in Appendix ~~D~~C. New or non-standard transaction types may provide RCEA with additional flexibility and opportunity but may also introduce new risks. Therefore, transaction types, regions, and markets not included in Appendix A, or transactions within already approved transaction types that are substantially different from any prior transaction executed by RCEA, must be approved by the RMT prior to execution using the process defined below.

When seeking approval for a new or non-standard transaction type, region, and/or market, ~~a New Transaction Approval Form, as shown in Appendix B, should be drafted describing~~the RMT shall discuss all known significant elements of the proposed transaction and ~~addressing~~address all items listed ~~in that form.~~ below. The discussion shall be captured in meeting minutes and if approved, the transaction type shall be added to Appendix A upon the next revision of this Policy.

- Product description, including the purpose, function, expected impact on net revenues and/or benefit to RCEA.
- Identification of the in-house or external expertise that will be relied upon to manage and support the new or non-standard transaction, including Middle Office workflows.
- Assessment of the transaction's risks, including material legal, tax or regulatory issues, and how these risks will be managed by the limit structure.

- Proposed valuation and accounting methodologies.
- Proposed reporting requirements, including any changes to existing procedures necessary to support the new product.

It is the responsibility of TEA's Front Office to ensure that relevant departments have reviewed the proposed transaction and that material issues are resolved prior to submittal to the RMT for approval. If approved, Appendix A to the Policy will be updated to reflect the new transaction type.

3.5 Counterparty Suitability

TEA's counterparty credit limits and approval processes will govern counterparty suitability for all transactions executed by TEA on behalf of RCEA. TEA will provide a credit review and recommendation, consistent with the credit policies described in Section 6, for any counterparty with whom RCEA contracts directly.

3.6 System of Record

TEA's Middle Office will maintain a set of records for all transactions executed in association with RCEA procurement activities. The records will be maintained in US dollars and transactions will be separately recorded and categorized by type of transaction. This system of record shall be auditable.

3.7 Transaction Valuation

Transaction valuation and reporting of positions shall be based on objective, market-observed prices. Open positions should be valued (marked-to-market) daily, based on consistent valuation methods, and data sources. Whenever possible, mark-to-market valuations should be based on independent, publicly available market information and data sources.

3.8 Stress Testing

In addition to limiting and measuring risk using the methods described herein, stress testing shall also be used to examine performance of the RCEA portfolio under adverse conditions. Stress testing is used to understand the potential variability in RCEA's projected procurement costs, retail rates and resulting ~~retail rate~~reserve impacts and competitive positioning, associated with low probability events. The TEA Middle Office will perform stress-testing of the portfolio as needed and distribute results. ~~The Risk Management Team will provide guidance to TEA~~TEA will consult with the RMT and RCEA staff as needed regarding what parameters should be stress tested and to what degree.

3.9 Trading Practices

The approved scope of market participation by RCEA is limited to those activities required to capture reasonably expected value and cost stability from RCEA's resource portfolio without engaging in speculative or unauthorized trading activities. Staff and TEA may exercise some discretion on trade timing and volumes subject to exigent conditions (such as unusual weather, periods of illiquidity, load/generation deviations, and/or power system circumstances). RCEA procurement practices are intended to prohibit the acquisition of unwarranted or additional exposure to price and volume risk beyond that ~~projected and associated~~modeled within ~~the efficient utilization and optimization of~~ RCEA's optimized resource portfolio. If any questions arise as to whether a particular transaction constitutes speculation, the RMT shall review the transaction(s) to determine whether the transaction would constitute speculation and document its finding in the meeting minutes.

3.10 Long-Term Transactions

Procurement of products to be delivered for a term of 10 years or longer will normally be conducted by RCEA staff with advisory support from TEA, and result in direct bilateral contracts between RCEA and the seller. Such procurement will typically be performed competitively, by issuing solicitations with RCEA Board approval and using transparent and consistent evaluation criteria to select preferred offers for shortlisting and contract negotiation. Any contracts negotiated through this process will be taken to the RCEA Board for review and approval~~.~~, in accordance with Section 5 of this Policy. Similarly, termination of any long-term agreement in accordance with the contractual terms therein shall be subject to RCEA Board approval.

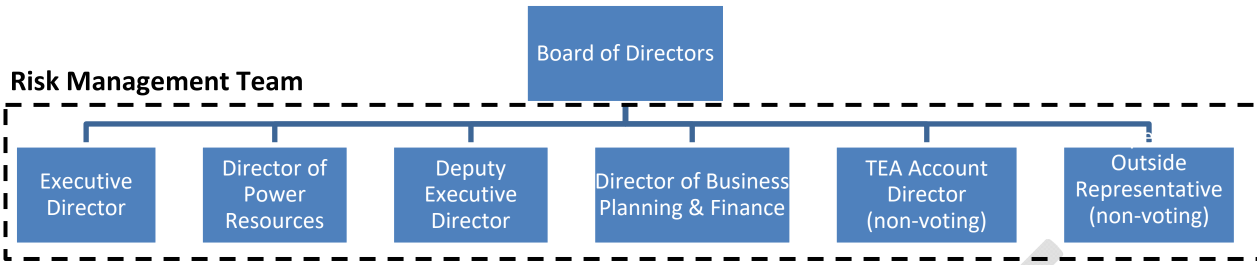
At times long-term procurement needs to be completed quickly for regulatory compliance purposes and normal competitive procurement cannot be performed in a timely manner. Examples of circumstances where this might occur include seller termination of existing contracts needed for compliance, previously contracted projects failing to meet development milestones, opportunities arising to procure products needed for compliance through amendment of existing contracts, or regulators issuing procurement orders that create a tight market where procurement options for compliance are very limited. In such instances, RCEA staff may in consultation with RCEA's general counsel enter into direct bilateral negotiations with a seller identified as offering a product that meets the compliance need at a reasonable price. RCEA staff will consult with TEA staff to determine whether the offered price is consistent with market prices for said product, or negotiate as needed with the seller to arrive at such a price. RCEA Board approval will be required for such bilaterally procured long-term contracts, with staff providing a written explanation of the procurement method that was utilized.

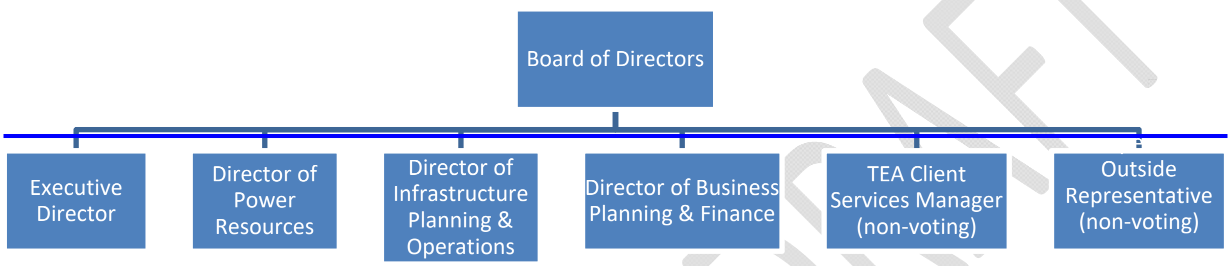
RCEA may from time to time enter into agreements to restructure or prepay selected long-term power purchase agreements in order to achieve cost savings. Such arrangements will be subject to the delegation of authority limits identified in Section 5 of this policy.

Section 4: ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

4.1 Risk Management Organizational Structure

Below is a high-level organization chart describing RCEA's risk management governance.





4.2 Board of Directors

The RCEA Board of Directors has the responsibility to review and approve this Policy, including the composition of the Risk Management Team. With this approval, the Board assumes responsibility for understanding the risks RCEA is exposed to due to CCA program activity and how the policies outlined in this document help RCEA manage the associated risks. The Board~~ of Directors~~ is also responsible for:

- Determining RCEA's strategic direction
- Understanding the procurement strategy employed
- Approving risk exposures beyond the RMT's authority

4.3 Risk Management Team (RMT)

The RMT is responsible for implementing, maintaining and overseeing compliance ~~of~~with this Policy. The voting members of the RMT shall be RCEA staff members as outlined in this Policy. Additionally, an independent outside third-party representative, and TEA's account director assigned to RCEA, will serve as non-voting members. Each voting member will be assigned one vote. The current voting members of the RMT are:

- Executive Director
- Deputy Executive Director
- Director of Power Resources
- ~~Director of Infrastructure Planning and Operations~~
- Director of Business Planning and Finance

The primary goal of the RMT is to ensure that the procurement activities of RCEA are executed within the guidelines of this Policy and are consistent with Board directives. The RMT is also responsible to consider and propose recommendations to this Policy when conditions dictate.

Pursuant to direction from the Board of Directors and the limitations specified by this Policy, the RMT and the Executive Director maintain full authority over all procurement activities for RCEA. This authority includes, but is not limited to, taking any or all actions necessary to ensure compliance with this Policy.

The RMT is responsible for overseeing implementation of this Policy, procurement strategies, and the adoption of new product types. The RMT is also responsible for ensuring procurement strategies are consistent with RCEA's strategic objectives and for reviewing financial results. The RMT shall meet at least quarterly and record business in meeting minutes that will be approved by the RMT. No decision of the RMT is valid unless a majority of voting members has stated approval with a quorum of voting members participating in the vote, including the Executive Director. A quorum consists of a simple majority of RMT voting members, i.e. three of the four voting members. All decisions by the RMT, other than those made by common consent, shall be made by simple majority vote of the RMT members with the Executive Director having veto authority. Any Executive Director veto of a decision approved by the other three voting RMT members shall be presented to the RCEA Board of Directors at the Board's next scheduled meeting. When urgency requires, the RMT can review and vote by email on procurement decisions outside of its regular scheduled meetings, with the non-voting RMT members kept informed of the vote and any discussion preceding it.

The RMT maintains the authority and responsibility to:

- Approve and ensure that all procurement strategies are consistent with this Policy;
- Determine if changes in procurement strategies are warranted;
- Approve new transaction types, regions, markets and delivery points;
- Understand financial and risk models used by TEA;
- Understand counterparty credit review models and methods for setting and monitoring credit limits;
- Receive and review reports as described in this Policy;
- Meet to review actual and projected financial results and potential risks;
- Authorize individual transactions that exceed the Executive Director's authority as indicated in Section 5 below;
- Escalate to the Board of Directors ~~with~~ any risks beyond the RMT's authority;
- Review summaries of limit violations (see Section 5.1);
- Review the effectiveness of RCEA's energy risk measurement methods;
- Maintain this Policy;
- Monitor regulatory and legislative activities.

4.4 Power Manager

RCEA has partnered with TEA as its Power Manager. TEA, as outlined in ~~its Risk~~this Policy, maintains a strong segregation of duties, also referred to as "separation of function" that is fundamental to manage and control the risks outlined in this Policy. The Power Manager will provide education to the RMT on the risk and credit models, methods, and processes that it uses to fulfill its obligations under this Policy. Individuals responsible for legally binding RCEA to a transaction will not also perform confirmation, or settlement functions. With this in mind, TEA’s responsibilities are divided into front-middle-back office activities, as described below.

4.4.1 Power Manager - Front Office

The Power Manager’s Front Office has overall responsibility for (1) managing all commodity and transmission activities related to procuring and delivering resources needed to serve RCEA's load, (2) the analysis of fundamentals affecting load and supply factors that determine RCEA's net position, and (3) transacting within the limits of this Policy, and associated policies, to balance loads and resources, and maximize the value of RCEA's assets through the exercise of approved optimization strategies. Other duties associated with the Power Manager’s Front Office include:

a. Assist in the development and analysis of risk management hedging products and strategies, and bring recommendations to the RMT
b. Prepare each month ~~a monthly~~an operating plan for the prompt months that gives direction to the day-ahead and real-time trading and scheduling staff regarding the bidding and scheduling of RCEA's resource portfolio in the CAISO market
c. Develop, price, negotiate and execute all approved transactions within TEA’s delegation of authority
d. Forecast day-ahead and monitor / forecast same-day loads
e. Keep accurate records of all executed transactions

4.4.2 Power Manager – Middle/Back Office

The Power Manager Middle Office provides independent market and credit risk oversight. The Power Manager Middle Office is functionally and organizationally separate from the Front Office. The Power Manager Back Office provides support with a wide range of administrative activities necessary to execute and settle transactions and to support the risk control efforts (e.g. transaction entry and/or checking, data collection, billing, etc.) consistent with this Policy. The Power Manager Back Office is also functionally and organizationally separate from the Front Office.

The Power Manager’s Middle and Back Offices have primary responsibility for trading control and for ensuring agreement with counterparties regarding the terms of all trades, including forward trading. The Power Manager’s Middle and Back Offices have the primary responsibility to:

a. Estimate and publish daily forward monthly power and natural gas price curves for a minimum of the balance of the current year through the next calendar year
b. Calculate and maintain the net forward power positions of RCEA
c. Ensure that RCEA adheres to all risk policies and procedures of both RCEA and the Power Manager in letter and in intent
d. Maintain the overall financial security of transactions undertaken by the Power Manager on behalf of RCEA
e. Implement and enforce credit policies and limits
f. Handle confirmation of all transactions and reconciling differences with the trading counterparties

g. Review trade tickets for adherence to approved limits

h. Ensure all trades have been entered into the appropriate system of record

i. Ensure that both pre-schedule and actual delivery volumes and prices are entered into the physical database

j. Carry out month-end checkout of all transactions each month

k. Review models and methodologies and recommending RMT approval

l. Provide supporting documentation for power supply audits

m. Prepare and issue invoices for review and payment by RCEA

n. Validate PPA settlement data from counterparties for invoicing

Section 5: DELEGATION OF AUTHORITY

By adopting this Policy, the RCEA Board is explicitly delegating operational control and oversight to the RMT and Power Manager, as outlined through this Policy. Specifically, to facilitate daily operations of the CCA, the Board is delegating transaction execution and termination authorities shown in the table below.

Position	Maturity Limit	Term Limit	Energy Transaction Volume Limit (MWh)	Capacity Transaction Value Limit
RCEA Board of Directors	Any transaction that exceeds the Risk Management Team limits			
Risk Management Team	42 Months	36 Months	500,000	$18,000,000
Executive Director	39 Months	30 Months	375,000	$12,000,000
TEA	36 months	24 Months	250,000	$6,000,000

These authorities will be applied to wholesale power activity executed outside of the California Independent System Operator ("CAISO") markets. These limits provide both RCEA and TEA needed authorities to manage risks as they arise. Transactions falling outside the delegations above require Board approval prior to execution~~.~~ or termination. Activity within CAISO markets is excluded from this table due to the nature of the markets, where prices for activity may not be known until after transactions are committed.

In the event that the Executive Director assigns a designee to whom to delegate Executive Director level authority, the designee must be RCEA staff in the Director or Acting Director classification. The designation must be made in writing with ~~a well-defined~~an end date. The designation notice must be sent to the Power Manager and a copy of the designation will be kept in RCEA files.

All procurement executed under the delegation above~~,~~ must align with RCEA's underlying risk exposure (load requirements, locational and temporal) that is being hedged consistent with the ~~approved~~

~~Guidelines for the Redwood Coast Energy Authority Community Energy Program Launch-Period Strategy and Targets,[10] any subsequent procurement strategies or financial management policies authorized by the Board, and the Energy Risk Hedging Strategy (Appendix D to this policy).~~Energy Risk Hedging Strategy in Appendix C, RCEA's most recent Integrated Resource Plan, and any other Board-approved procurement strategies.

5.1 Monitoring, Reporting and Instances of Exceeding Risk Limits

The TEA Middle Office is responsible for monitoring, and reporting compliance with, all limits within this Policy. If a limit or control is violated, the TEA Middle Office will send notification to the trader responsible for the violation and the RMT. The RMT will discuss the cause and potential remediation of the exceedance to determine next steps for curing the exceedance. RCEA Power Resources staff are also responsible for monitoring transactions reported by TEA and bringing to the RMT's attention any violations of limits within this Policy that have not been noted by TEA.

Section 6: CREDIT POLICY

Transactions are executed on RCEA's behalf by TEA through TEA agreements, and with this activity RCEA is exposed to pass-through credit risk. As RCEA builds its own counterparty master trading agreements, transactions executed through RCEA agreements will carry direct credit risk. For activity on TEA and/or RCEA agreements, RCEA will adopt a scaling methodology to adjust TEA's credit limits to RCEA's risk tolerance. TEA shall assist RCEA in setting its own risk tolerance and defining the scaling methodology, based on TEA's credit risk processes. For scaling with RCEA counterparties, where an agreement exists between RCEA and an entity, the RMT will approve changes to credit limits, otherwise TEA will automatically scale the TEA limit to the RCEA risk tolerance.

All procurement activities executed by TEA on behalf of RCEA, using TEA's counterparty agreements, will be subject to the credit policies and procedures outlined in TEA's Energy Risk Management Policy. TEA's credit policy requires that all counterparties be evaluated for creditworthiness by the TEA Middle Office prior to execution of any transaction and no less than annually thereafter. Additionally, counterparties shall be reviewed if a change has occurred, or perceived to have occurred, in market conditions or in a company's management or financial condition. This evaluation, including any recommended increase or decrease to a credit limit, shall be documented in writing and includes all information supporting such evaluation in a credit file for the counterparty. A credit limit for a counterparty will not be recommended or approved without first confirming the counterparty's senior unsecured or corporate credit rating from one of the nationally recognized rating agencies and/or performing a credit review or analysis of the counterparty's or guarantor's financial statements. The TEA credit analysis shall include, at a minimum, current audited financial statements or other supplementary data that indicates financial

~~[10] https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Community-Energy-Program-Launch-Strategy.pdf~~

strength commensurate with an investment grade rating. Trade and banking references, and any other pertinent information, may also be used in the review process.

Counterparties that do not qualify for a credit limit or wish to enter into a transaction exceeding their credit limit must post an acceptable form of credit support or prepayment prior to the execution of any transaction. A counterparty to TEA may choose to provide a guarantee from a third party, provided the third party satisfies the criteria for a credit limit as outlined in TEA's Energy Risk Management Policy. For direct transactions with counterparties, RCEA generally does not accept guarantees as credit support. Exceptions may be made for counterparties that have an established history of doing business with RCEA, or where the guarantee is provided by a guarantor deemed highly trustworthy by RCEA.

6.1 Credit Limit and Monitoring

The TEA Middle Office will establish continuous monitoring of the current credit exposure for each Counterparty with whom TEA transacts on behalf of RCEA and include such information in the Current Counterparty Credit Risk Report. This report will be made available, reviewed, and communicated to the RMT pursuant to the reporting requirements outlined in Section 7.

Section 7: POSITION TRACKING AND MANAGEMENT REPORTING

Minimum reporting requirements are shown below. The reports outlined below are made available to RMT members by TEA:

- **Daily Financial Model Forecast**

  Latest projected financial performance, marked to current market prices, and shown relative to financial goals.

- **Monthly Net Position Report**

  Forward net position report that is presented monthly to the RMT.

- **Daily Credit Report**

  This report shows how credit exposure for the transactions that TEA executes on behalf of RCEA passes through TEA to RCEA.

- **Monthly Risk Analysis**

  Cash flow at risk and stress testing of the financial forecast relative to financial goals.

- **Recurring Board Risk Report**

  Update on activities and projected financial performance that is presented at minimum semiannually at RCEA Board meetings.

- **Unrealized Position Details**

- **Current Projected Power Supply Costs Compared to Budget**

- ~~**Cash Flow at Risk**~~
- **Renewable and Carbon-Free Fuel Generation Portfolio Content**

Section 8: POLICY REVISION PROCESS

RCEA's Energy Risk Management Policy will evolve over time as market and business factors change. At least on an annual basis, the RMT will review this Policy and associated procedures to determine if they should be amended, supplemented, or updated to account for changing business and/or regulatory requirements. If ~~an amendment is~~revisions are warranted, the revised Policy ~~amendment~~ will be submitted to the RCEA Board for approval. Changes to appendices to this Policy may be approved and implemented by the RMT, with notification of the RCEA Board as indicated in Section 1.4.

8.1 Acknowledgement of Policy

Any RCEA employee participating in any activity or transaction within the scope of this Policy shall sign, at time of hire and upon any Policy revision, a statement approved by the RMT that such employee:

- Has read RCEA's Energy Risk Management Policy
- Understands the terms and agreements of said Policy
- Will comply with said Policy
- Understands that any violation of said Policy shall be subject to employee discipline up to and including termination of employment.

See Appendix ~~E~~D for a statement form.

8.2 Policy Interpretations

Questions about the interpretation of any matters of this Policy should be referred to the RMT.

All legal matters stemming from this Policy will be referred to RCEA's General Counsel.

Appendix A: AUTHORIZED TRANSACTION TYPES OR PRODUCTS

All transaction types listed below must be executed within the limits set forth in this Policy. *(The following transaction types can be Nonstandard, as defined in this Policy, subject to RMT approval)*

Over the Counter Products

- CAISO Market Products
  - Day-ahead and Real-time Energy
  - Congestion Revenue Rights
  - Convergence
  - Inter Scheduling Coordinator Transactions
  - Tagging into and out of CAISO
  - Ancillary Services
- Physical Power Products
  - Short and Long-Term Power
  - Physical OTC Options
- Physical Resource Adequacy Capacity
- Physical Environmental Products
  - Renewable Energy Credits
  - Specified Source Power
  - Carbon Allowances and Obligations
  - Low Carbon Fuel Standard Credits
- Transmission Access Charges
- Energy Storage, including time-based arbitrage (selling stored energy into the grid during ~~peak~~high-price hours and buying energy to store during ~~off-peak~~low-price hours)
- Any other products associated with energy generation, demand response, or other energy markets relevant to RCEA activities.

The point of delivery for all products must be at a location within the CAISO service area.

Appendix B~~: NEW TRANSACTION APPROVAL FORM~~

~~New or Non-Standard Transaction Approval Form~~

~~Prepared By:~~

~~Date:~~

~~New or Non-Standard Transaction Name:~~

~~Business Rationale and Risk Assessment:~~

- ~~Product description – including the purpose, function, expected impact on net revenues (i.e. increase, manage volatility, control variances, etc.) and/or benefit to RCEA~~
- ~~Identification of the in-house or external expertise that will be relied upon to manage and support the new or non-standard transaction~~
- ~~Assessment of the transaction's risks, including any material legal, tax or regulatory issues~~
- ~~How the exposures to the risks above will be managed by the limit structure~~
- ~~Proposed valuation methodology (including pricing model, where appropriate)~~
- ~~Proposed reporting requirements, including any changes to existing procedures and system requirements necessary to support the new product~~
- ~~Proposed accounting methodology~~
- ~~Proposed Middle Office workflows/methodology, including systems~~
- ~~Brief description of the responsibilities of various departments within RCEA who will have any manner of contact with the new or non-standard transaction~~

~~Reviewed by:~~

~~Director of Power Resources~~	**~~Date~~**
~~TEA Representative~~	**~~Date~~**
~~Executive Director~~	**~~Date~~**

~~Appendix C~~: DEFINITIONS

Back Office: That part of a trading organization which handles transaction accounting, confirmations, management reporting, and working capital management.

Bilateral Transaction: Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. CAISO).

Cash Flow at Risk: A probability-based measure of the extent to which future cash flows may deviate from expectations due to changes in load, generation and/or market prices of energy. (For RCEA, the most relevant Cash Flow at Risk metric is a measure of the potential for net revenues to deviate from the current forecast.)

CAISO: California Independent System Operator. CAISO operates a California bulk power transmission grid, administers the State's wholesale electricity markets, and provides reliability planning and generation dispatch.

CCA: Community Choice Aggregator. CCAs allow local government agencies such as cities and/or counties to purchase and/or develop generation supplies on behalf of their residents, businesses, and municipal accounts.

CFTC: Commodity Futures Trading Commission. The CFTC is a U.S. federal agency that is responsible for regulating commodity futures and swap markets. Its goals include the promotion of competitive and efficient futures markets and the protection of investors against manipulation, abusive trade practices and fraud.

Commodity: A basic good used in commerce that is interchangeable with other goods of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Confirmation Letter: A letter agreement between two counterparties that details the specific commercial terms (e.g., price, quantity and point of delivery) of a transaction.

Congestion Revenue Right: A point-to-point financial instrument in the Day-Ahead Energy Market that entitles the holder to receive compensation for or requires the holder to pay certain congestion related transmission charges that arise when the transmission system is congested.

Counterparty Credit Risk: The risk of financial loss resulting from a counterparty to a transaction failing to fulfill its obligations.

Day-ahead Market: The short-term forward market for efficiently allocating transmission capacity and facilitating purchases and sales of energy and scheduled bilateral transactions; conducted by an Organized Market prior to the operating day.

Delivery point: The point at which a commodity will be delivered and received.

Departing load: Load associated with a retail electricity consumer that elects to purchase generation services from an Energy Service Provider or Community Choice Aggregator rather than the local Investor Owned Utility.

FERC: Federal Energy Regulatory Commission. FERC is a federal agency that regulates the interstate transmission of electricity, natural gas and oil. FERC also reviews proposals to build liquefied natural gas terminals, interstate natural gas pipelines, as well as licenses hydroelectric generation projects.

Front Office: That part of a trading organization which solicits customer business, services existing customers, executes trades, and ensures the physical delivery of commodities.

Franchise Fee: A franchise fee is a percentage of gross receipts that an IOU pays cities and counties for the right to use public streets to provide gas and electric service. The franchise fee surcharge is a percentage of the transmission (transportation) and generation costs to customers choosing to buy their energy from third parties. IOUs collect the surcharges and pass them through to cities and counties.

Hedging Products: Capacity, energy, renewable energy credits, or other products related to a specific transaction.

Hedging Transaction: A transaction designed to reduce the exposure of a specific outstanding position or portfolio; "fully hedged" equates to complete elimination of the targeted risk and "partially hedged" implies a risk reduction of less than 100%.

Illiquidity: occurs when an asset cannot easily and quickly be sold or exchanged for cash without a substantial loss in value.

Investor Owned Utility (IOU): A business organization providing electrical and/or natural gas services to both retail and wholesale consumers and ~~is~~ managed as a private enterprise.

Limit structure: A set of constraints that are intended to limit procurement activities.

Limit violation: Any time a defined limit to transacting authority is violated.

Liquidity: efficiency or ease with which an asset can be transacted without affecting its market price.

Maturity Limit: timespan between when a transaction is approved and the end date for delivery of product under the transaction.

Middle Office: That part of a trading organization that measures and reports on market risks, develops risk management policies and monitors compliance with those policies, manages contract administration and credit, and keeps management and the Board informed on risk management issues.

Net Forward Position: A forecast of the anticipated electric demands of a load serving entity compared to existing resource (generation and/or power purchase agreements) commitments.

Nonstandard: Any product that is not commonly transacted among market participants in forward markets. The nonstandard attribute of the product could be a function of a number of factors such as volume, delivery period and/or term.

Opt-out Rate: Typically expressed as a percentage, the Opt-out Rate measures the portion of eligible customers of a CCA that have elected to remain a bundled service customer of the IOU rather than take generation services from the CCA.

PCIA: Power Cost Indifference Adjustment. The PCIA is intended to compensate IOUs for their stranded costs when a bundled customer departs and begins taking generation services from a CCA.

Prompt: period immediately following the current period, e.g. in February the prompt month is March.

Scheduling: The actions of the counterparties to a transaction, and/or their designated representatives, of notifying, requesting and confirming to each other the quantity and type of product to be delivered on a given day.

Separation of function: Also referred to as "segregation of duties," part of a complete risk control framework~~.~~ to ensure business integrity. Individuals responsible for legally binding the organization to a transaction should not also perform confirmation, clearance, or accounting functions.

Settlement: Settlement is the process by which counterparties agree on the dollar value and quantity of a commodity exchanged between them during a particular time interval.

Speculation: The act of trading an asset with the expectation of realizing financial gain resulting from a change in price in the asset being transacted. (See discussion in sections 1.1 and 3.9 that elaborates on discretion staff and third-party service providers are allowed in conducting trading activities.)

Stranded cost: Generation costs that a load serving entity is allowed to collect from customers through retail rates but that will not be recovered if the generation is sold in wholesale electricity markets.

Stress testing: The process of simulating different financial outcomes to assess potential impacts on projected financial results. Stress testing typically evaluates the effect of negative events such as unfavorable changes in market prices, or non-delivery of contracted products to help inform what actions may be taken to lessen the negative consequences should such an event occur.

Term Limit: Timespan between the start and end dates of delivery of product under a transaction.

Appendix ~~D~~C: ENERGY RISK HEDGING STRATEGY

Introduction

The Redwood Coast Energy Authority (RCEA) is routinely exposed to commodity price risk and volume variability risk in the normal conduct of serving the power supply requirements of its ~~residential and business customers~~retail customer load as part of its CCA program.

This Energy Risk Hedging Strategy (Strategy) describes the strategy and framework that RCEA uses to hedge the power supply requirements of its customers during the current calendar year plus next two calendar years. The Strategy details procurement schedules, or where appropriate justifies the decision not to set schedules, for attaining wholesale, market-based products required to support the CCA program portfolio. Specific focus is on procurement of the following products:

- Fixed Price Energy (also known as system power or energy hedges)
- Portfolio Content Category 1 Renewable Energy
- Portfolio Content Category 2 Renewable Energy
- Portfolio Content Category 3 Renewable Energy
- Carbon Free Energy
- Resource Adequacy Capacity
- Congestion Revenue Rights

In addition to market-based transactions entered into pursuant to this Strategy, RCEA will also procure assets, enter into long-term power purchase agreements (PPAs) and resource adequacy (RA) contracts pursuant to statutory and regulatory requirements, including: the SB 350 mandate to procure a minimum of 65 percent of RPS-required energy from 10-year or longer PPAs or RCEA-owned resources beginning in Compliance Period 4; ~~the CPUC's November 2019 IRP Procurement Track Decision Requiring Electric System Reliability Procurement for 2021-2023; and the CPUC's June 2021 Mid-Term Reliability Decision.~~and the CPUC's procurement orders issued to LSEs in the Integrated Resource Planning proceeding. Additionally, RCEA may enter into voluntary long-term resource acquisitions pursuant to its Integrated Resource Plan and policy goals established by its Board of Directors. Long-term PPAs will count as hedges as described later in this Strategy.

Governance

This Strategy shall be updated, as necessary, from time to time and governed by the Energy Risk Management Policy ("Policy") approved by the RCEA's Board of Directors in December 2016 and reviewed annually with updates as needed~~ (Risk Policy).~~.

Hedging Program Goals

The overall goals of the Strategy are to identify exposure to commodity prices, quantify the financial impact that variability in commodity prices, load requirements, and generation output may have on the ability of the RCEA to meet its financial program goals, and then manage the associated risk.

To help ensure long-term viability for the CCE, RCEA has outlined the following Policy Goals. These goals ~~will~~ establish metrics used for modeling and measuring risk exposures of the CCE program.

- RCEA ~~will target~~aims to maintain competitive retail rates with PG&E after adjusting for the PCIA and Franchise Fee, while ensuring RCEA's revenue requirement is met.
- RCEA ~~will target~~is funding financial reserves in support of the following objectives per its Reserve Policy:
    - ~~Establish~~Maintain long-term ~~business sustainability~~RCEA financial independence and rate stability,
    - ~~Build collateral for power procurement activities~~
    - ~~Establish and maintain an investment grade~~ Meet RCEA strategic objectives,
    - Secure favorable commercial terms with vendors and power providers,
    - Support RCEA's pursuit of, and maintenance upon receiving, a credit rating,
    - ~~Develop~~Provide a source of funds for ~~investment in local generation and customer programs~~
    - ~~Stabilize rates and buffer against year-to-year variability in procurement costs~~
    - ~~Reduce monthly fee paid to TEA for provision of credit facility~~unanticipated expenditures, and ~~avoid or minimize buyer credit postings required by counterparties under long-term contracts~~
    - Make cash available for other operational needs as approved by the Board.
- ~~RCEA set an initial target to procure 40 percent of its power supply requirements from renewable energy and 80 percent of its power supply requirements from non-fossil fuel generation, with a goal of procuring 100 percent renewable power from local sources by 2030. This long-term goal was established in the RePower Humboldt study that formed the original impetus for developing RCEA's CCA program. More recently, RCEA has set a goal to procure all energy from clean and renewable sources (though not necessarily local sources) by 2025. In 2024, the RCEA Board elected to delay the 2025 goal to 2026 to mitigate short-term financial challenges. Under this goal, RCEA may include a mix of RPS and carbon-free resources in its portfolio.~~
- RCEA is targeting 100 percent carbon-free and renewable energy on an annual basis from 2025 to 2029 and 100 percent renewable energy on an annual basis by 2030 and thereafter.

All hedging activities will be conducted to achieve results consistent with the above Policy Goals, the aforementioned compliance obligations and to meet the power supply requirements of RCEA's customers. Any transaction that cannot be directly linked to a strategic goal or requirement of serving RCEA's customers, or that does not serve to reduce risk as measured by the Cash Flow at Risk Metric described below, is prohibited.

Prohibited Generation Sources

In keeping with community values identified by RCEA in developing its CCA program, neither energy nor resource adequacy (RA) will be procured from the following generation sources:

- Nuclear generation
- Coal generation

Exceptions to this prohibition may be needed for occasional short-term transactions, such as procurement of replacement RA. ~~Per current State policy on the extension~~During extended operations of Diablo Canyon Nuclear Power Plant operations through 2030 with cost recovery via the Public Purpose Programs charge on ratepayer bills, RCEA ~~expects to be~~is offered an allocation of its pro rata share of this power annually until plant closure. Each year during the extended operating period, RCEA staff ~~will ask the Board to consider accepting~~only accept this allocation with ad hoc approval from the Board under short-term exceptions to the above ~~policy.~~prohibition.

Hedging Targets and Strategies

The time horizon for the hedging program will be the prompt three (3) years. The energy hedging schedules described in the Fixed Price Energy section below provide a disciplined approach to procurement by mandating targeted hedge levels to be achieved by definite dates. This commonly utilized approach is intended to mitigate speculation of future wholesale market prices while also spreading procurement over a multi-year period. A key goal of the CCA program is to reduce energy price uncertainty for the upcoming operating year(s) by procuring at least 70 percent and up to 100 percent of its energy needs with fixed price contracts thereby mitigating exposure to unexpected price movement. RCEA and TEA will generally observe these adopted hedge schedules for each of the following energy and capacity products, to provide discipline on the minimum hedge level side and as protection for over-hedging on the maximum hedge level side. Changes in regulatory, load, and market dynamics may warrant occasional under- or over-hedging and subsequent remarketing of over-procured products.

RCEA currently does not have programmatic procedures assigned to Renewable Portfolio Standard, Carbon Free Energy, or Resource Adequacy products. Procurement of these products is primarily driven by RCEA Board-adopted goals and regulatory compliance requirements, which in many cases apply prescribed hedging schedules, as further described in the respective sections below.

Fixed Price Energy

A challenge in using renewable generating resources to meet the energy requirements of customers is that the generation profile of renewable resources often does not align with the consumption patterns of the ~~residences and businesses consuming the~~ electricity users. Fixed price energy products, including block energy, shaped energy and options, are used to manage the electricity commodity price risk that RCEA faces as a result of this uncertainty. Fixed price energy provides for the supplier to deliver a predetermined volume of energy, at a constant delivery rate, for a fixed price. Specific to RCEA's customers, ~~Fixed~~fixed price energy hedges are used to provide cost certainty and rate stability.

When assessing its requirements for fixed price energy, RCEA will forecast the monthly energy requirements of its customers during heavy and light load hours[11] each month as well as the forecasted output from resources in its portfolio. Forecast load will be determined through use of an econometric model that forecasts both total energy usage and peak demand by customer load class. The model ~~will use~~uses historical data to estimate relationships between energy consumption and economic, demographic and/or weather variables. The econometric model is refined as additional load data is acquired through program operation. ~~-~~Forecasted output from resources is based on generation forecasts provided by counterparties, which are risk-adjusted based on a variety of factors such as developmental delays, curtailment, underperformance, and other forecast and observed outcomes.

The targets below describe minimum and maximum percent hedge targets for identified future time periods. The definition of "Hedge %" in this context is the total fixed price megawatt hours (MWh) procured in the period divided by the total forecast load in MWh inclusive, as applicable, of the energy forecast to be provided by PPAs and other long-term resources within RCEA's portfolio during respective time periods.

RCEA will observe the following schedule when hedging its Fixed Price Energy requirements:

Time Period	Minimum Hedge %	Maximum Hedge %
Prompt Month (Jan-March/Q1)	80%	~~115~~120%
Prompt Month (April-June/Q2)	70%	~~105~~110%
Prompt Month (July-Sep/Q3)	~~80~~75%	~~125~~115%
Prompt Month (Oct-Dec/Q4)	~~70~~80%	~~115~~120%
Prompt Calendar Year (PCY)	70%	~~100~~110%
PCY +1	50%	100%
PCY +2	30%	100%

The hedge schedule for the Prompt Month will be measured five calendar days prior to the first day of the particular month *(e.g. on January 27, ~~2023~~2026, RCEA will have hedged 80 to ~~115~~120 percent of its projected energy requirements during February ~~2023~~2026, which is in Q1)*.

The hedge schedule for the Prompt Calendar Year (PCY), as well as subsequent two calendar years, will be measured ten calendar days prior to each new calendar year *(e.g. on December 21, ~~2021~~2026, RCEA will have hedged at least 70 percent of its forecast energy requirements for CY ~~2022~~2027, 50 percent of its forecast energy requirements for CY ~~2023~~2028, and 30 percent of its forecast energy requirements for CY ~~2024, and not more than 100% of its forecast energy requirements for any of these PCYs).~~2029.*

~~Peak / Heavy Load Hour (HLH) Energy Minimum Hedge~~

The targets described above represent total fixed-price MWh procured compared to total MWh load forecasts. They are intentionally not prescriptive regarding diurnal periods (HLH/LLH or Peak/Off Peak) which allows flexibility in procurement strategy given rapidly evolving market dynamics. ~~Historically Peak/HLH periods contain the most price risk. Accordingly,~~ ~~**RCEA additionally requires HLH periods to**~~

[11] Heavy Load (on-peak) Hours in current wholesale energy markets are 6am to 10pm, Monday through Saturday, excluding New Years, Memorial Day, 4th of July, Labor Day, Thanksgiving and Christmas. All other hours during the year are considered Light Load (off-peak) Hours.

~~be procured to a minimum 100% hedged level, using the same definition above, for Prompt Months.~~
This allows RCEA to weight hedge coverage within overall parameters toward diurnal periods of greatest risk, which vary seasonally, and are not always contained in "Peak" hours.

Summer Assessment

RCEA will complete a Summer Assessment of market risk and hedging plan within 30 days of CAISO's issuance of their Summer Assessment each year. This work product will then be shared in draft form with the RCEA Risk Management Team and will include:

- analysis of summer exposure,
- fundamental analysis of market conditions,
- hourly load/resource balance forecast for June-September, and
- recommendations on products and target hedge levels designed to mitigate peak hour and daily HLH exposure.

Although compliance with the Fixed Price Energy schedule above will be measured monthly, RCEA shall endeavor to complete all Q3 hedging prior to June 30 of each year, subject to and allowing for true-ups as load and generation profiles fluctuate throughout the summer season.

The purpose of these hedging transactions is to reduce variability of power supply costs by gradually increasing the amount of energy hedged as the date of consumption approaches. Time driven strategies avoid the inherent impossibility of trying to consistently and accurately "time the market" when making hedging decisions. Additionally, a load serving entity the size of RCEA needs to spread its procurement efforts over time to effectively manage the potential negative price impacts of procuring a large volume of energy over a short period of time in an illiquid market.

Hedging decisions to reach targets between the minimum and maximum hedge levels are based on price-driven or opportunistic strategies. The purpose of these strategies is to capitalize on market opportunities when conditions are favorable. RCEA bases its decision to execute opportunistic hedges on the impact to projected power supply costs and the resulting reduction in cash flow at risk (CFaR). Opportunistic hedges may be executed when energy price levels are favorable to lowering the cost of power relative to CCA program goals and financial projections. Alternatively, opportunistic hedges can be executed in adverse market conditions relative to financial goals in order to reduce the potential negative impact of continued upward trending commodity prices relative to established goals.

In executing this strategy, fixed price energy hedges may be purchased, sold, or moved from one month to another for the purpose of maintaining hedge coverage that matches changes in forecasted electric load. This includes the ability of the RCEA to purchase standard products to hedge average loads over a defined time period and then later modify its portfolio by purchasing or selling more granular products to more precisely match load.

Power Charge Indifference Adjustment (PCIA) Exit Fee and Hedging with Fixed Price Energy

Under the current PCIA construct, departing load is responsible for costs associated with procurement that the incumbent utility has already done on behalf of that load. At the time of departure, the applicable vintage portfolio[12] then serves as a hedge for the departing load in that as market prices increase, the departing load charges decrease, thereby reducing costs to CCA customers relative to bundled customers. Similarly, if market prices decrease, the departing load charges increase, due to more of the vintage portfolio being above market costs. PG&E's 2017 Power Content Label provides the best estimate of the percent of fixed price energy in PG&E's vintage portfolio associated with RCEA's vintage year of 2016 for the majority of its customer load.

2017 POWER CONTENT LABEL		
Pacific Gas and Electric Company		
ENERGY RESOURCES	Power Mix	2017 CA Power Mix**
Eligible Renewable	**33%**	**29%**
Biomass & biowaste	4%	2%
Geothermal	5%	4%
Eligible hydroelectric	3%	3%
Solar	13%	10%
Wind	8%	10%
Coal	**0%**	**4%**
Large Hydroelectric	**18%**	**15%**
Natural Gas	**20%**	**34%**
Nuclear	**27%**	**9%**
Other	**0%**	**<1%**
Unspecified sources of power*	**2%**	**9%**
TOTAL	**100%**	**100%**
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources. ** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.		
For specific information about this electricity product, contact:	**Pacific Gas and Electric Company** **415-973-0640**	
For general information about the Power Content Label, please visit:	http://www.energy.ca.gov/pcl/	
For additional questions, please contact the California Energy Commission at:	844-454-2906	

One impact of the PCIA on RCEA is, therefore, the way it serves as a "lagging hedge" against energy price volatility. Increased market prices in one year will result in an all-else-equal lower PCIA in subsequent years, and vice versa, although the exact impact will depend on market-sensitive PG&E data that RCEA does not have access to. In lieu of better quantitiative data, hedging decisions will be made with the qualitative understanding that the PCIA may serve from a 5% to 20% "lagging hedge" on RCEA's portfolio, dependent on market conditions and seasonality.

Compliance & Goal Driven Procurement

This section covers procurement undertaken primarily to meet compliance requirements set by regulatory authorities and/or to meet Board-adopted goals that underlie the purpose of RCEA's existence as a local procurement agency.

Portfolio Content Category 1 Renewable Energy

RCEA has a compliance mandate to procure sufficient renewable energy to meet the state of California's RPS requirements, based on multi-year compliance periods, as well as Board-adopted goals to procure a 100% renewable and carbon free energy portfolio ~~by~~on an annual basis from 2025-2029 and a 100% ~~local energy portfolio by 2030, subject to availability of sufficient local~~ renewable energy ~~resources.~~portfolio on an annual basis by 2030. These Board-adopted goals have resulted in RCEA's

[12] The vintage portfolio is generally all contracts and utility-owned generation that was procured while the departing load was still receiving bundled service.

procurement significantly ~~exceeded~~exceeding state compliance mandates over most of the period RCEA has operated as a CCA.

~~In order to cost-effectively meet its GHG-reduction and renewable energy goals,~~ RCEA ~~intends to meet~~is meeting a growing share of its energy supply requirements with renewable energy, a large portion of which ~~shall be~~is Portfolio Content Category (PCC) 1 renewable energy. PCC1 renewable energy is sourced from a ~~renewable generator either located inside of California or from a~~Renewable Portfolio Standard ("RPS") eligible generator that is directly interconnected to ~~the California Independent System Operator (CAISO) or other~~a California Balancing Authority. ~~For example, energy procured from local biomass generators is a source of PCC1 renewable energy.~~

~~RCEA's eventual goal is to reach a steady state of procurement in which it meets~~RCEA aims to meet the majority of its state-mandated and internal voluntary RPS requirements with long-term contracts. ~~In this state, RCEA will execute~~RCEA does this by layering in PPAs over time and procuring new contracts when existing ones expire, based on an assumed average contract length of 15-20 years. Doing so ~~will~~ 1) ~~allow~~allows RCEA to steadily reduce its exposure to renewable energy and energy market price risks in a fashion similar to the time-driven, programmatic hedging approach for fixed price energy and 2) ~~ensure~~ensures that RCEA is in a position to make strategic procurement decisions and commitments on a periodic basis. When available and economically feasible, RCEA will give preference to renewable generation located in either its Humboldt County service area or the Humboldt Local Capacity Area, as defined by CAISO.

RCEA has already procured several fixed-price long-term renewable contracts to support meeting RPS compliance mandates and Board-adopted goals, such that its long-term energy portfolio offsets energy price risk due to the corresponding decreased reliance on short-term energy procurement. As such, programmatic hedging targets for renewable and carbon free energy are a less effective hedging tool, and consequently do not provide incremental risk reduction given the complexities involved in establishing a growing long-term renewable portfolio.

As a result, RCEA staff undertake an annual assessment of the entirety of the CCA program's renewable energy procurement activities with respect to both state compliance mandates and Board-adopted goals. This analysis, which includes qualitative and stochastic risk assessment, feeds into RCEA's renewable procurement timelines as well as its annual RPS compliance filings. The analysis is updated on an ad hoc basis throughout the year as a function of changing market dynamics or new procurement mandates.

Portfolio Content Category 2 Renewable Energy

RCEA has the option to supplement its RPS portfolio with PCC2 renewable energy. PCC2 energy is sourced from renewable generators ~~located outside the state of~~not directly connected to a California balancing authority and is "firmed and shaped" for reliable delivery into California. PCC2 purchases have historically been less expensive and shorter ~~in~~ term than PCC1, so they have provided a cost-effective and flexible method of augmenting RCEA's renewable energy purchases to meet renewable portfolio content commitments to customers. However, ~~recent changes to~~narrowing of the price spread between PCC1 and PCC2 coupled with the greenhouse gas emissions accounting methodology ~~via the California~~

~~Energy Commission's Power Source Disclosure Program may reduce~~for imported power has reduced the economic benefit of the PCC2 product. PCC2 renewable energy is now ascribed the same carbon-intensity as "unspecified" system power unless matched one-to-one with carbon free energy. The procurement strategy of this product is thus dependent on the combined price of PCC2 and carbon free energy compared to the direct procurement of PCC1 energy, which receives a lower or zero carbon-intensity rating, dependent on fuel type. PCC2 purchases also require increased oversight of deliveries and compliance reporting, which further reduces the attractiveness of this product over PCC1 energy.

Portfolio Content Category 3 Renewable Energy

~~During most of the time it has operated as a CCA,~~ RCEA ~~has preferred procurement of~~typically prefers the PCC1 ~~and PCC2 products~~ product over PCC3, ~~or~~ also known as unbundled renewable energy certificates~~, which is a lower value product due to its less strict chain of custody requirements. Given delays to long-term contracted projects, the recently increasing cost difference between~~ ("RECs"), since PCC3 ~~RECs and the PCC1 and PCC2 products, and difficulties in procuring enough of these products~~does not provide energy to serve RCEA's load and there is a limit on how many PCC3 RECs can be used to meet RPS ~~and SB 350~~ requirements~~,~~. RCEA procures a limited quantity of PCC3 ~~energy from carbon-free sources consistent with state law~~RECs to hedge its RPS costs as needed for compliance ~~costs…~~and economic purposes. RCEA's Board has directed that any long-term contracts for PCC3 products shall be limited to emissions-free resources.

Carbon Free Energy

In pursuit of its GHG-reduction and non-fossil fuel portfolio objectives, RCEA shall augment its renewable energy purchases outlined above with ~~energy~~ purchases from carbon-free energy generating facilities, which are typically hydroelectric resources located in California that are too large to qualify as ~~Eligible Renewable Resources (~~RPS resources (generally greater than 30 MW, with certain exceptions) or located outside of California. Similar to PCC2 renewable energy contracts, carbon-free energy purchases are typically short-term, most frequently one to three years in length. The majority of RCEA's renewable energy is also carbon-free, which means that the analysis that drives RCEA's renewable procurement decisions ~~will~~ also ~~underlie~~determine RCEA's supplemental carbon free energy procurement. Due to this, RCEA staff intend to utilize the annual renewable procurement planning and analysis process to also plan for carbon free energy procurement rather than utilizing programmatic hedging targets. The purchase of carbon free energy is a voluntary goal set by the RCEA Board, who may elect to reduce the total quantity of carbon free energy included in RCEA's portfolio as it seeks to balance multiple CCA program objectives, including financial targets for reserves and retail rates.

Although RCEA's Energy Risk Management Policy generally prohibits procurement of carbon-free nuclear energy, the RCEA Board has made ~~an exception~~exceptions to ~~procure~~accept allocations of energy from the Diablo Canyon ~~nuclear power plant to be evaluated~~Power Plant annually on an ad hoc basis, given that RCEA ratepayers are required to help pay for the extended operation of this facility to meet statewide electric reliability needs.

Resource Adequacy Capacity

RCEA will use commercially reasonable efforts to comply with the filing requirements of the CAISO- and CPUC-administered Resource Adequacy (RA) program, currently:

- 90% of hourly System RA requirements and Flexible RA requirements procured prior to the year-ahead RA showing on October 31st of the year prior to the showing year.
- 100% of hourly System RA requirements and Flexible RA requirements procured prior to the month-ahead RA showings, due 45 calendar days prior to the first day of the showing month.

RA is typically transacted via contracts that vary in length from one month to three years, and it is currently bought and sold via a bilateral market, which can result in cost-effective contracting opportunities but is also sometimes fragmented and volatile. Due to the nature of RA markets, monthly products are often bundled with other products or "strips" of multiple months of RA, which may result in over-procurement for one or more months as a necessary condition to satisfy compliance requirements in one or more other months. Execution of long term PPAs can also lead to over-procurement of RA products for future years, and inclusion of a defined hedging matrix might require selling excess long-term RA to bring RCEA into hedging compliance, even though such action may not be in RCEA's best business and operational interest. Lastly, compliance guardrails exist at the regulatory level which guide the RA procurement schedule for RCEA and all other LSEs.

Starting in the 2025 RA compliance year, the CPUC ~~is implementing~~implemented the Slice of Day framework, which ~~transitions~~transitioned RA compliance to be measured based on an hourly RA requirement for a modeled "highest load day" in each month~~.~~. This has resulted in major changes to RA compliance requirements and RA markets, including accreditation of different technology types based on their hourly profiles and exceedance factors and requiring that generation capacity be shown by individual LSEs for energy charging sufficiency to be able to claim RA from energy storage resources.

Starting in the 2023 RA compliance year, procurement of local RA is solely the responsibility of the Central Procurement Entity (CPE) in PG&E's service territory, the only territory in which RCEA serves load. Therefore, beyond 2022, RCEA no longer has had a regulatory obligation to procure or show local RA to the state agencies. Instead, RCEA has the option to self-show or sell its local RA capacity to the CPE to obtain some value for it. However, transacting local RA capacity with the CPE can limit RCEA's ability to separately market the system or flex attributes of a given RA product when these attributes exceed RCEA's compliance need, since the CPE refers to the volume of RA shown by RCEA in its compliance filings as the metric for compensating RCEA for local RA attributes.

Congestion Revenue Rights

RTO markets expose entities to financial basis risks between source and sink points that increase cashflow risks in a load serving entity's portfolio. In order to manage this risk CAISO offers a financial product known as congestion revenue rights (CRRs) which can be allocated to an entity or purchased via the auction. RCEA uses both mechanisms to acquire necessary congestion hedges in on and off peak periods to reduce risk between generation or purchase locations and RCEA's load point. As RCEA's CRRs are used to manage a source-sink relationship consistent with utility hedging, exposure created by the CRR must be reasonably expected to have an offsetting effect on cashflow associated with the positions that necessitated the CRR in the first place across the period. It is acknowledged however that due to discrepancies in granularity, these cashflows will never be fully symmetric.

TEA, acting as agent on behalf of RCEA, calculates a Total Dollar Stop-Loss designed to limit the amount of capital that could be consumed taking into consideration both realized and unrealized gains. For CRRs, TEA monitors a five percent outcome for CFaR for inclusion in the Total Dollar Stop-Loss value. Once the Total Dollar Stop-Loss reaches the limit outlined in the Risk Management Policy all open position trading at TEA is ceased and positions are liquidated if needed.

CPUC Mandated Procurement

The 2018 and 2020 Integrated Resource Planning cycles resulted in all CPUC-jurisdictional LSEs, including RCEA, being mandated to procure a share of ~~the~~new capacity needed to help ensure the long-term reliability of the California power grid. This trend of mandating procurement ~~may continue~~has continued as California decarbonizes its electric grid while electrifying other sectors. RCEA ~~will continue~~continues to ~~meet all~~procure pursuant to mandated capacity procurement requirements while attempting to procure low-cost resources that ~~potentially~~can provide additional energy products aligned with RCEA's procurement goals, such as ~~local~~ PCC1 energy.

Hedge Program Metrics

The success of the Energy Risk Hedging Strategy will be measured by realizing power supply costs in line with the budgeted power supply costs used to set customer rates, as well as by reducing RCEA's exposure to commodity price risk. The following two metrics will be utilized to manage the Energy Risk Hedging Strategy:

- Current projected power supply costs will be compared to budgeted power supply costs where budgeted costs will be based on the assumptions used at the time customer generation rates are set. Current power supply costs shall use all fixed price contracts executed as of the date of the report. All open positions will be marked to market and compared to the budgeted power supply costs.
- Cash Flow at Risk (CFaR). CFaR represents a statistical view of what could happen to RCEA's power supply costs and CRR portfolio assuming that no action is taken to manage its portfolio from the date of the analysis through the end of the period ~~of time~~ being analyzed. The potential CFaR will be calculated using a historical sampling methodology that considers on- and off-peak periods separately over the remaining life of the transactions. The CFaR calculation will consider potential variability in load and generation supply. The CFaR will be calculated by rank ordering the portfolio cost and measuring the difference between the 95th percentile and the expected power cost outcome.

These metrics will be reviewed when making price-driven or opportunistic hedging decisions to ensure that the transactions are consistent with the goals of the Energy Risk Hedging Strategy. These metrics will be updated and reported by TEA to RCEA on a monthly basis.

Reporting Requirements

The reports that are required to manage the hedge program and to ensure its success are listed in Section 7 of ~~the Risk~~this Policy.

Appendix ~~E~~D: ACKNOWLEDGMENT OF ENERGY RISK MANAGEMENT POLICY

I, (print name and title of RCEA employee)

____

hereby attest that I:

- Have read RCEA's Energy Risk Management Policy
- Understand the terms and agreements of said Policy
- Will comply with said Policy
- Understand that any violation of said Policy shall be subject to employee discipline up to and including termination of employment.

______________________________________ ______________________________________

Employee signature **Date**

This form is to be completed and signed at time of hire and upon any Policy revision by any RCEA employee participating in any activity or transaction within the scope of RCEA's Energy Risk Management Policy.

REDWOOD COAST EnergyAuthority

Staff Report

Agenda Item # 10.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Faith Carlson, Regulatory and Legislative Policy Manager
Subject	Power Charge Indifference Adjustment Update

Background

The report provides an update on the Power Charge Indifference Adjustment (PCIA), explaining its background, recent changes, and impacts on Community Choice Aggregators (CCAs) and customers.

Defining the Power Charge Indifference Adjustment

Prior to the inception of CCAs, the Investor-Owned Utilities (IOUs) served electricity generation to all customers within their territory, and as such the IOUs built or contracted generation resources for all those customers.

As municipalities and CCAs were established within IOU territories, IOUs argued that they would not have taken up these procurement commitments had they known they would later not have to serve the load for these customers.

State law guarantees IOUs recovery of costs associated with generation contracts and resources, including where resources' cost does not match the resources' current value, also called "above market costs." In addition, state law requires that IOU bundled customers remain financially indifferent to load departure as a result of the implementation of CCAs or municipalities.[1] As a result, the California Public Utilities Commission (CPUC) issued a decision that departing load (i.e. CCA) customers must pay the above market costs for their share of IOU procurement commitments prior to their departure, or be credited in the event these costs are below market. This value is called the Power Charge Indifference Adjustment or PCIA.

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[1] Per AB 117, "The implementation of a community choice aggregation program shall not result in a shifting of costs between the customers of the community choice aggregator and the bundled service customers of an electrical corporation." and per SB 350, "Bundled retail customers of an electrical corporation shall not experience any cost increase as a result of the implementation of a community choice aggregator program. The commission shall also ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load."

As currently implemented, the PCIA is a $/kWh charge that appears on the IOU part of electric bills that varies depending on a customer's vintage, which is marked by the date on which the customer or community "departed" IOU bundled service. Both bundled and unbundled customers pay a PCIA, but not everyone pays for the same resources.

How the PCIA Impacts CCA Rate Setting

CCA customers see their total generation costs as the CCA generation rate plus the PCIA. When comparing to IOU rates, in order to remain competitive, CCAs aim to keep their total generation rate plus the PCIA competitive with the IOU generation rate. The PCIA is a major cost variable in the CCA generation rate – one the CCA does not control.

Because the PCIA is set by the incumbent IOU, it creates a situation where a competitor sets a key component of CCA rates. If the PCIA is set too high, it can prevent a new CCA from launching, eliminating competition for the IOU. Similarly, in the case of an operational CCA, it can erase cost savings for CCA customers, making the program less competitive, or alternatively can drive the CCA to set its rates at an unsustainably low level to absorb the customer impact of the PCIA.

Furthermore, the PCIA can be a volatile value year over year, which can make forecasting difficult for CCAs. The PCIA calculation can be updated once annually to reflect changing forecasts and actual costs and revenues, electricity market conditions and changes in the load forecasts. The PCIA can also be updated periodically throughout the year as the CPUC approves changes in IOU cost recovery or updates rates to recover shortfalls in revenues. As a result of these updates, the cost for a CCA to compete changes, often in unpredictable ways. Factors such as actual loads being higher or lower than expected, regulatory changes, or unforeseen conditions in energy and capacity markets make cost-competitiveness a moving target for CCAs.

Recent and Proposed Updates to the PCIA and to PCIA Methodology

The PCIA is annually calculated via CPUC approved methodology within IOU-specific Energy Resource Recovery Account (ERRA) proceedings, which set annual generation rates. Periodically, the CPUC will revisit both ERRA and PCIA methodology via various proceedings.

PCIA Methodology Changes

In February 2025 the CPUC issued *Rulemaking 25-02-005: Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes.* This rulemaking considers changes to the PCIA, as well as changes to rules and processes applicable to the ERRA. This proceeding has two tracks. Track One is already complete and explored changes to the calculation of the PCIA.

These changes largely relate to the calculation of a component in the PCIA called the Market Price Benchmark (MPB). The MPB is calculated by averaging qualified transactions of Renewable Energy Credits (RECs) in the Renewables Portfolio Standard (RPS) Program and Resource Adequacy (RA). There is an MPB forecast for the following year, followed by a true-up one year later once actual values come in. The forecast and true-up value is then compared against the cost of resources to establish the PCIA.

The key change to the MPB methodology was to move from a 1-calendar year average to a 3-calendar year average. This change does not result in the most accurate valuation for the cost of RPS or RA transactions. As an analogy, in the housing market, home values are based on recent transactions for similar homes recently sold, not pricing from 3 years ago. The inclusion of old figures drops the average. This lowers the MPB, which affects the PCIA in an inverse relationship and drives the PCIA up.

This change occurred mid-cycle, resulting in inconsistent methodology between the forecast and true-up, leading to a wild swing in the PCIA due to likely retroactive ratemaking.

CCA Response

On December 1, 2025, CalCCA filed in the California Court of Appeal, Third Division, *a Petition for Review of the CPUC's Decisions 25-06-049 and 25-10-061, Case No. C105174*. CalCCA requests the Court grant the Petition and reverse the Decisions on the grounds that: (1) the Decision violated the prohibition against retroactive ratemaking; and (2) the Decision's retroactive application to 2025 was not supported by adequate findings or substantial evidence in the record.

The ERRA Proceedings and the PCIA

Energy Resource Recovery Accounts (ERRA) are how an IOU applies for generation cost recovery. The ERRA regulatory process includes two annual proceedings:

- ERRA *Compliance* which reviews IOU compliance in the past year regarding contract administration, least-cost dispatch of resources, utility-owned generation and fuel procurement, balancing accounts, and PCIA rates.
- ERRA *Forecast* which adopts a forecast IOU electric procurement cost revenue requirement and electricity sales for the coming year. This proceeding covers PCIA forecast rates and Bundled Procurement Plans (or how IOUs plan to manage their portfolio for bundled customers).

Key CCA issues include accuracy of account balances and rates, cost calculations in workpapers, and calculation of Market Price Benchmarks in order to ensure costs are attributed to the proper PCIA vintage and costs are attributed properly between bundled and unbundled customers.

In this year's ERRA Forecast decision, PG&E has changed the methodology for pre-2019 Renewable Energy Credits (RECs). Essentially, PG&E is short on RPS this year and needs to pull from a bank of old RECs from before 2019. Many CCAs did not exist at this time. Those customers that were not in a CCA then but now are need credit for those REC purchases the IOU made before their community left to a CCA.

Imagine a CCA community is akin to a roommate in a larger household, or the PG&E territory. The household plans to host a dinner party and charge attendees a certain price, say $5, in exchange for attendance to cover the cost of ingredients. You as a roommate purchase ingredients for the dinner but opted to move out prior to the party's date. When you attend that dinner party, the roommates then charge you again because you don't live there, even though you'd already paid for some of the share.

In past years, credit for the use of pre-2019 RECs would be given via the PCIA. However, this year, at PG&E's request, the CPUC ruled that these now-departed CCA customers do not need to be credited for the use of the RECs they paid for. Like the former roommate, they are effectively being double charged, in this case for the clean energy they consume.

In response, CalCCA has filed an Application for Rehearing of this decision to the CPUC related to both the REC-issue and the application of the new MPB methodology mid-cycle. The CPUC's response to the Application is expected by February 4.

More Avenues for Change

Track Two of *Rulemaking 25-02-005,* which addresses both the ERRA and PCIA, is currently in early scoping. The CPUC appears open to discussions about consistent treatment of pre-2019 RECs across all IOUs. CalCCA is working with RCEA and other CCAs to identify additional proposals related to the PCIA and the ERRA, with multiple proposals under consideration. Note that whatever conclusions are drawn will only apply to future years and not this year.

CalCCA is also working with potential authors to introduce a bill that would ensure CCAs and other ratepayer advocates have access to all data underlying the PCIA charge, or any other value derived from the charge. As previously described, state law requires CCA customers to pay the PCIA to ensure IOU customers are not financially harmed when customers depart to a CCA. However, CCAs are not consistently given access to the data used to calculate the PCIA, by the IOUs or the CPUC itself. Meanwhile, experience demonstrates that the calculation of the PCIA or related charges is not always accurate or without error.

CalCCA is proposing statutory changes to require transparency in how the PCIA is calculated consistent with existing protections for market sensitive information. Improving data access provides a quality check to ensure calculations will be accurate. Additionally, increased transparency will allow CCAs to more accurately forecast costs longer term and supports affordable, stable energy rates for the one-third of Californians served by CCAs.

Alignment with RCEA's Strategic Plan

This staff report relates to the following strategies in **Section 4.3 Rates & Tariffs:**

4.3.1 Provide Community Choice Energy Program Customer Rate Savings. Provide customer rates that are affordable and price-competitive with customers' other electric supply options.

4.3.3 Retain and/or Redirect Rate-Payer Dollars Back into Humboldt County. Work to maximize the amount of ratepayer dollars retained in Humboldt County when taking into consideration local power procurement, electricity rates, local program spending, and allocations toward building the reserve fund for RCEA's Community Choice Energy program.

Equity Impacts

If implemented correctly, the PCIA should result in indifference between bundled and unbundled customers. As implemented, these changes put CCAs at a significant disadvantage to IOUs, risking CCA viability.

Financial Impact

ESTIMATED COST TO FULL PG&E SERVICE TERRITORY: The ERRA decision adopts a net revenue requirement of $3.2 billion across PG&E's entire territory.

Staff Recommendation

None – Information only.

Attachments

CalCCA Press Release Regarding Recent PCIA Developments

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[redacted]

FOR IMMEDIATE RELEASE: January 12, 2025

Media Contact: Jackson McDonough

[redacted]

CalCCA, CCAs Seek Rehearing of CPUC Decisions that Unfairly Burden CCA Customers

Petitions target unfair cost shifts, retroactive ratemaking, and improper treatment of renewable energy credits

Sacramento, Calif. — The California Community Choice Association (CalCCA) today filed petitions asking the California Public Utilities Commission (CPUC) to reconsider its recent decisions approving Pacific Gas and Electric Company's (PG&E) and Southern California Edison Company's (SCE) 2026 Energy Resource Recovery Account (ERRA) forecast applications. CalCCA members San Diego Community Power (SDCP) and Clean Energy Alliance (CEA) earlier this month filed a similar rehearing request challenging the CPUC's approval of San Diego Gas & Electric's (SDG&E) ERRA forecast application.

Together, these three CPUC decisions unlawfully shift investor-owned utility (IOU) energy supply costs onto Community Choice Aggregation (CCA) customers to the benefit of bundled IOU customers. * The CPUC's actions reflect a growing erosion of the statutory principle of "ratepayer indifference"— the requirement that neither bundled IOU customers nor unbundled CCA customers should be harmed by the existence of retail electric choice. The rehearing requests challenge the legality of the CPUC's approach and seek to restore fair and lawful IOU cost recovery.

"California law is clear: retail electric choice should not be used as a mechanism to shift costs from one group of customers to another," said CalCCA CEO Beth Vaughan. "Unfortunately, the CPUC's recent actions do exactly that, undermining the legal protections that exist to ensure a level playing field."

CalCCA's and SDCP/CEA's rehearing requests challenge legal flaws in the CPUC's decisions. In all three IOU cases, the Commission implemented a key pricing formula used to calculate Power Charge Indifference Adjustment (PCIA)—the fee charged to customers who have left an IOU for a CCA—after 2025 rates had already gone into effect. This kind of after-the-fact change—known as "retroactive ratemaking"—is illegal under California law because customers must be able to rely on stable, predictable rates. Find additional information on the PCIA here.

Additionally, in the PG&E and SCE service areas, CalCCA is challenging how the IOUs value Renewable Energy Credits purchased before 2019. Although these credits were paid for by all customers—including ones that later left for CCA service—the IOUs now use them exclusively to benefit their bundled customers in meeting current clean energy requirements. Under the CPUC's approach, customers who left PG&E or SCE generation service to receive CCA service get no credit for the value of these RECs, despite having funded their purchase. This misallocation inflates PCIA charges for CCA customers while shielding IOU customers from the full costs of IOU-owned resources.

CalCCA's Application for Rehearing in PG&E's 2026 ERRA Forecast proceeding (A.25-05-011) is available here. CalCCA's Application for Rehearing in SCE's 2026 ERRA Forecast proceeding (A.25-05-008) is available here. The Application for Rehearing filed by San Diego Community Power and Clean Energy Alliance in SDG&E's 2026 ERRA Forecast (A.25-05-012) proceeding is available here.

Parties have 15 days to respond to the Applications for Rehearing. CalCCA is urging the CPUC to correct these errors and reverse these unlawful decisions. The association will continue to advocate for fair, lawful, and transparent rate-setting that protects customers while advancing California's clean energy goals.

** A* bundled IOU customer *receives all electricity services—generation, transmission, and distribution—from a single investor-owned utility (IOU), while a* CCA customer *receives electricity generation from a Community Choice Aggregation (CCA) program and the IOU's distribution services.*

###

About CalCCA

Launched in 2016, the California Community Choice Association (CalCCA) represents California's community choice electricity providers before the state Legislature and at regulatory agencies, advocating for a level playing field and opposing policies that unfairly discriminate against CCAs and their customers. There are 25 operational CCA programs in California serving more than 15 million customers—over one-third of the state's population—in 200+ cities and counties throughout the state. For more information about CalCCA, visit www.cal-cca.org.

ABOUT CALCCA

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Power Charge Indifference Adjustment

January 22, 2026

Faith Carlson

Regulatory and Legislative Policy Manager

REDWOOD COAST EnergyAuthority

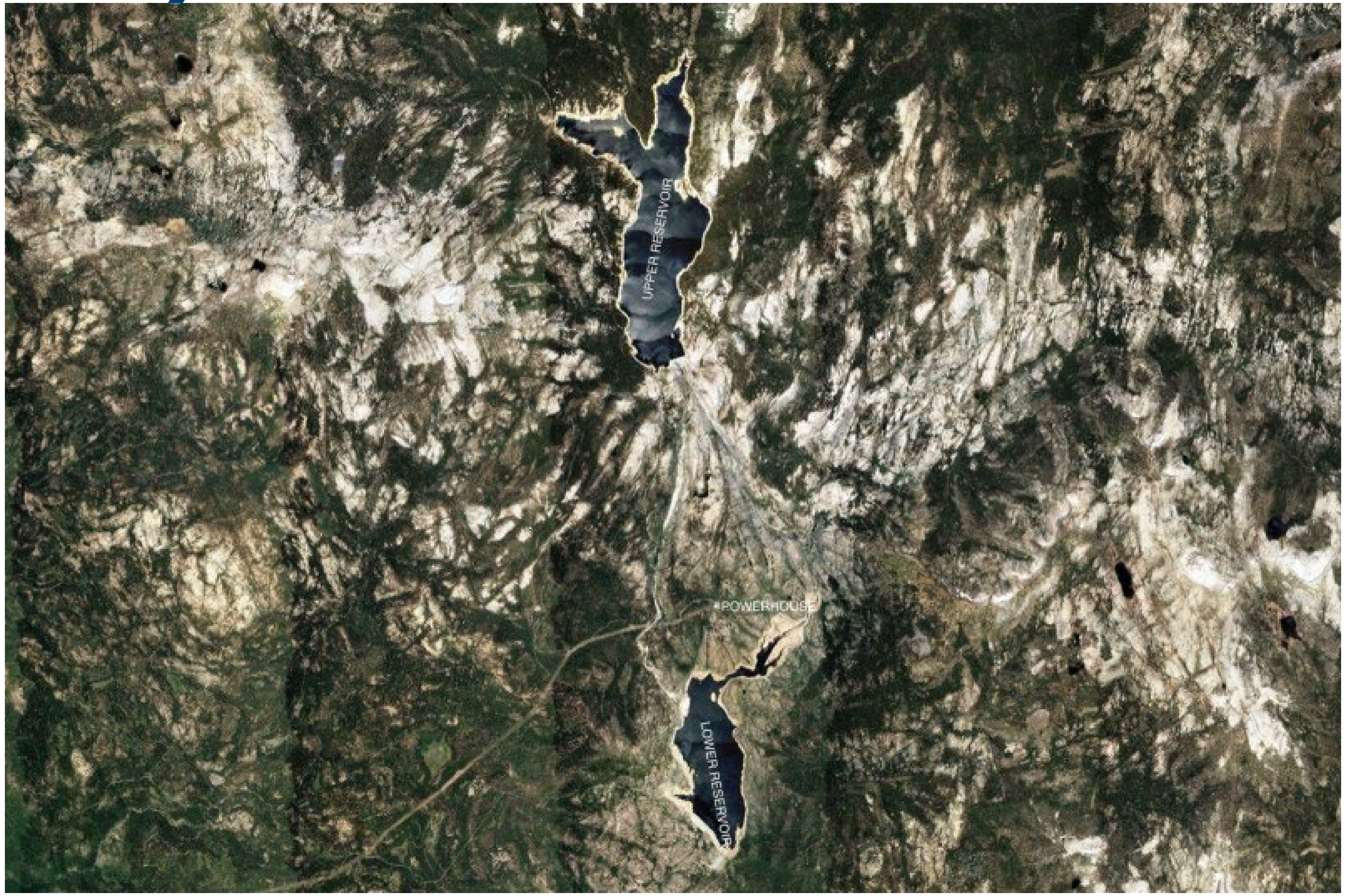
Goals for Attendees

Deeper Understanding of:

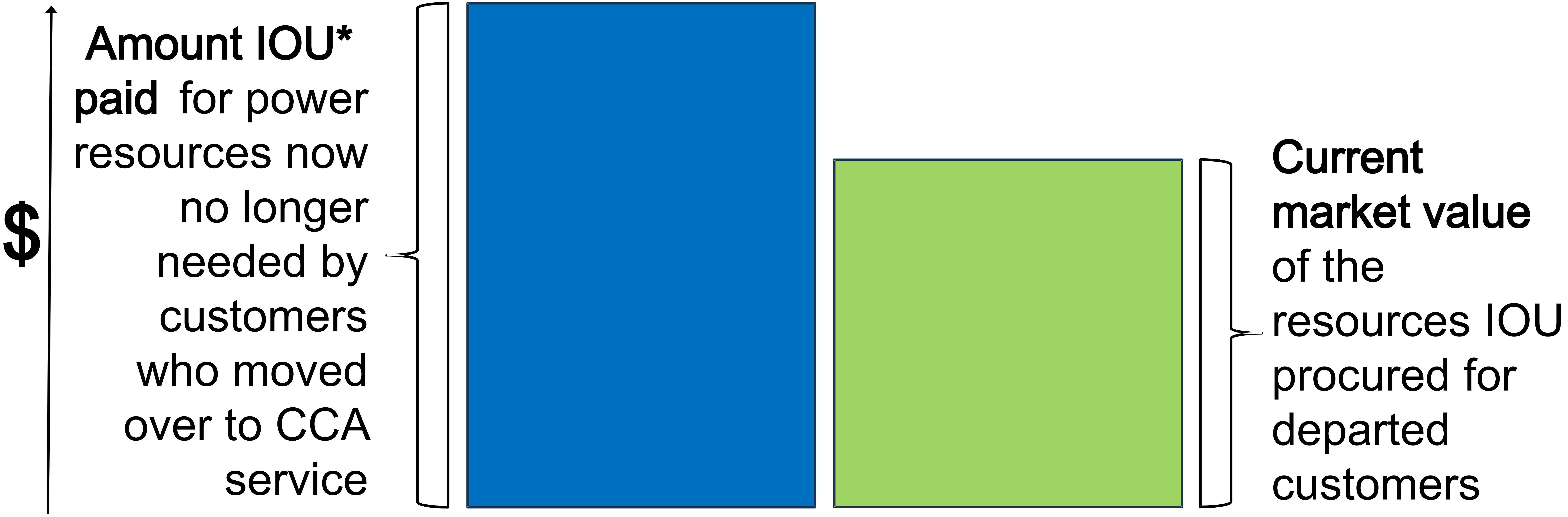
1. What the PCIA is;
2. How the PCIA affects Community Choice Aggregator rates;
3. Recent policy changes surrounding the PCIA;
4. Impacts of the changes and next steps.

The Power Charge Indifference Adjustment (PCIA)

What is it?
What am I paying for?
Why am I paying it?

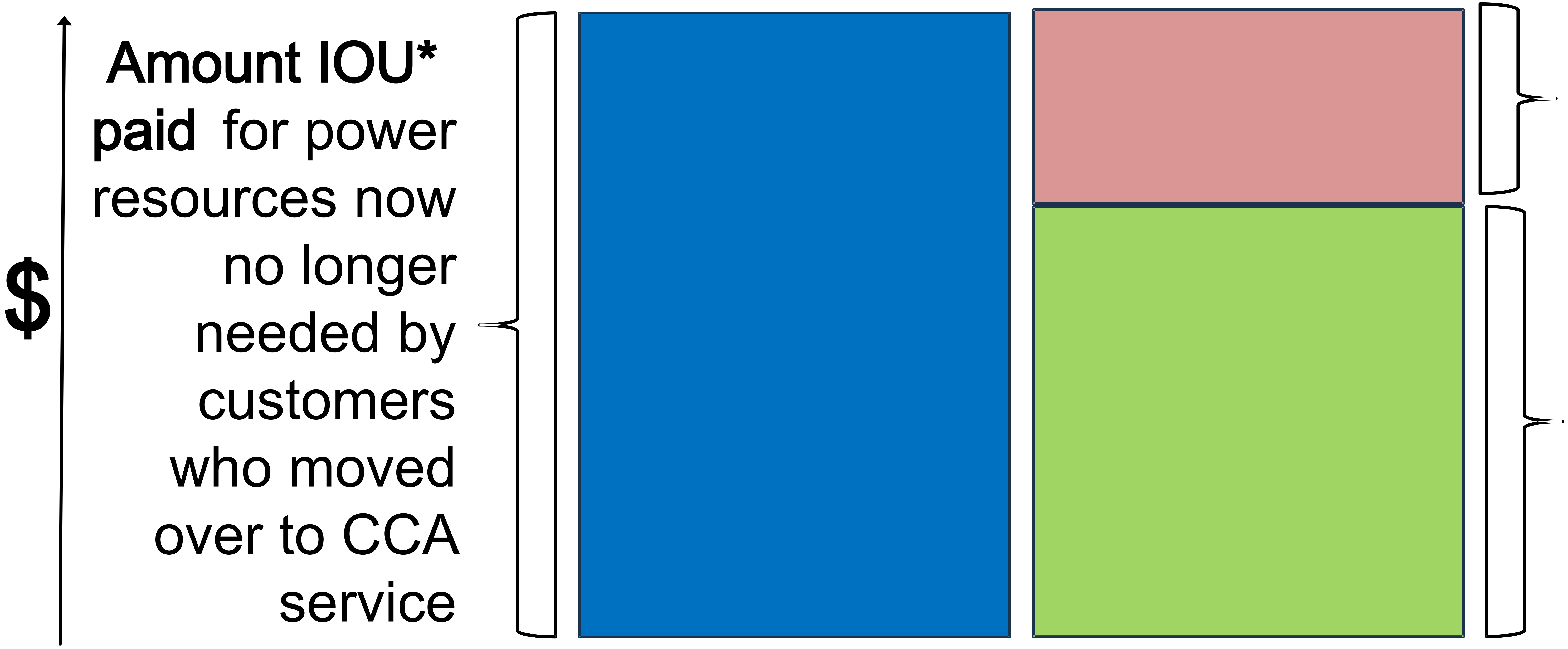


Purpose of the PCIA



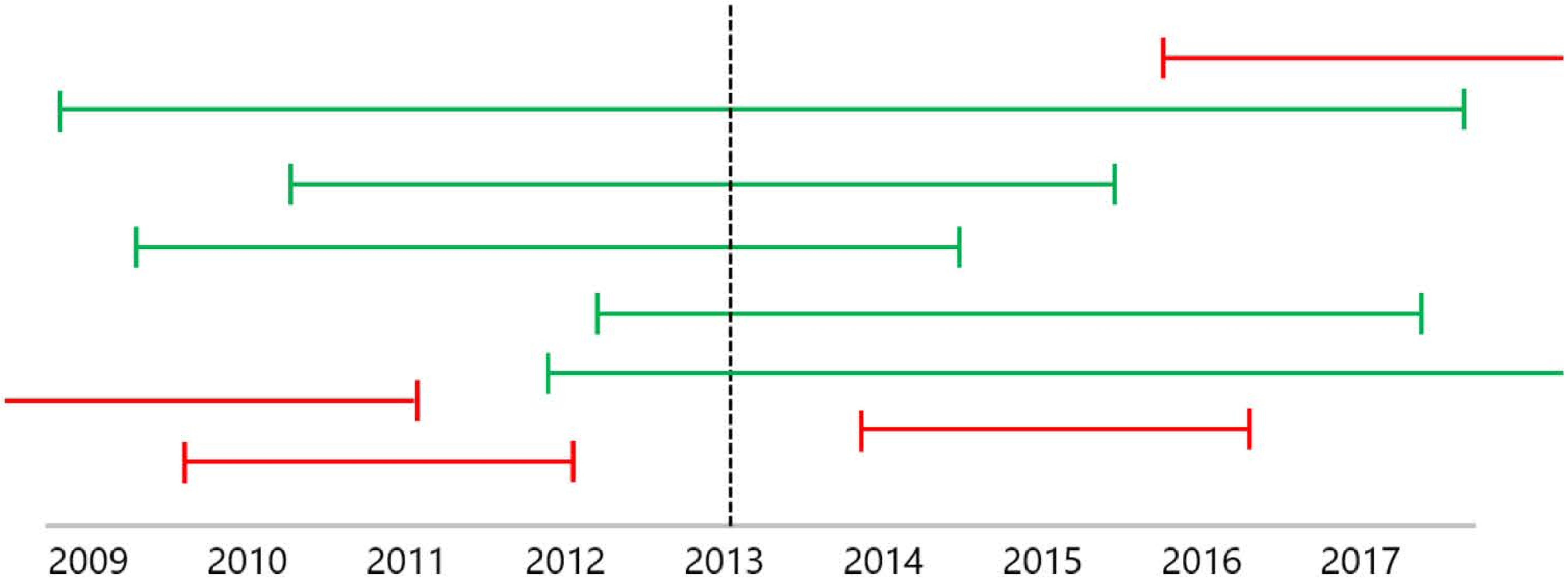
*IOU = Investor-Owned utility (e.g., PG&E)

Purpose of the PCIA



*IOU = Investor-Owned utility (e.g., PG&E)

Vintage Example: Vintage 2013 Departing Load



- Each horizontal line represents a contract, with vertical brackets at ends indicating start and end dates.
- The 2013 Vintage customer pays for the green contracts (crossed by dotted line), but not the red ones, because the IOU bought the green ones (and not the red ones) on the customer's behalf.

How the PCIA Appears on Bills

ENERGY STATEMENT

www.pge.com/MyEnergy

Details of PG&E Electric Delivery Charges

01/09/2025 - 02/06/2025 (29 billing days)

Service For: 1234 Your Street

Service Agreement ID: 3456791011

Rate Schedule: ETOUD VM Time-of-Use (Peak Pricing 5-8 p.m. Weekdays)

Enrolled Programs: Medical Baseline

01/09/2025 – 02/06/2025

Energy Charges				
Peak	23.582000	kWh	@ $0.47502	$11.20
Off Peak	219.524100	kWh	@ $0.43641	95.80
Medical Baseline Discount (12.000%)				-12.84
Generation Credit				-39.17
Power Charge Indifference Adjustment				2.40
Franchise Fee Surcharge				0.26
Total PG&E Electric Delivery Charges				**$57.65**

How the PCIA Appears on Bills

Generation Credit

ENERGY STATEMENT
www.pge.com/MyEnergy

Details of PG&E Electric Delivery Charges

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How the PCIA Appears on Bills

Generation Credit

Power Charge Indifference Adjustment (PCIA)

ENERGY STATEMENT

www.pge.com/MyEnergy

Details of PG&E Electric Delivery Charges

01/09/2025 - 02/06/2025 (29 billing days)

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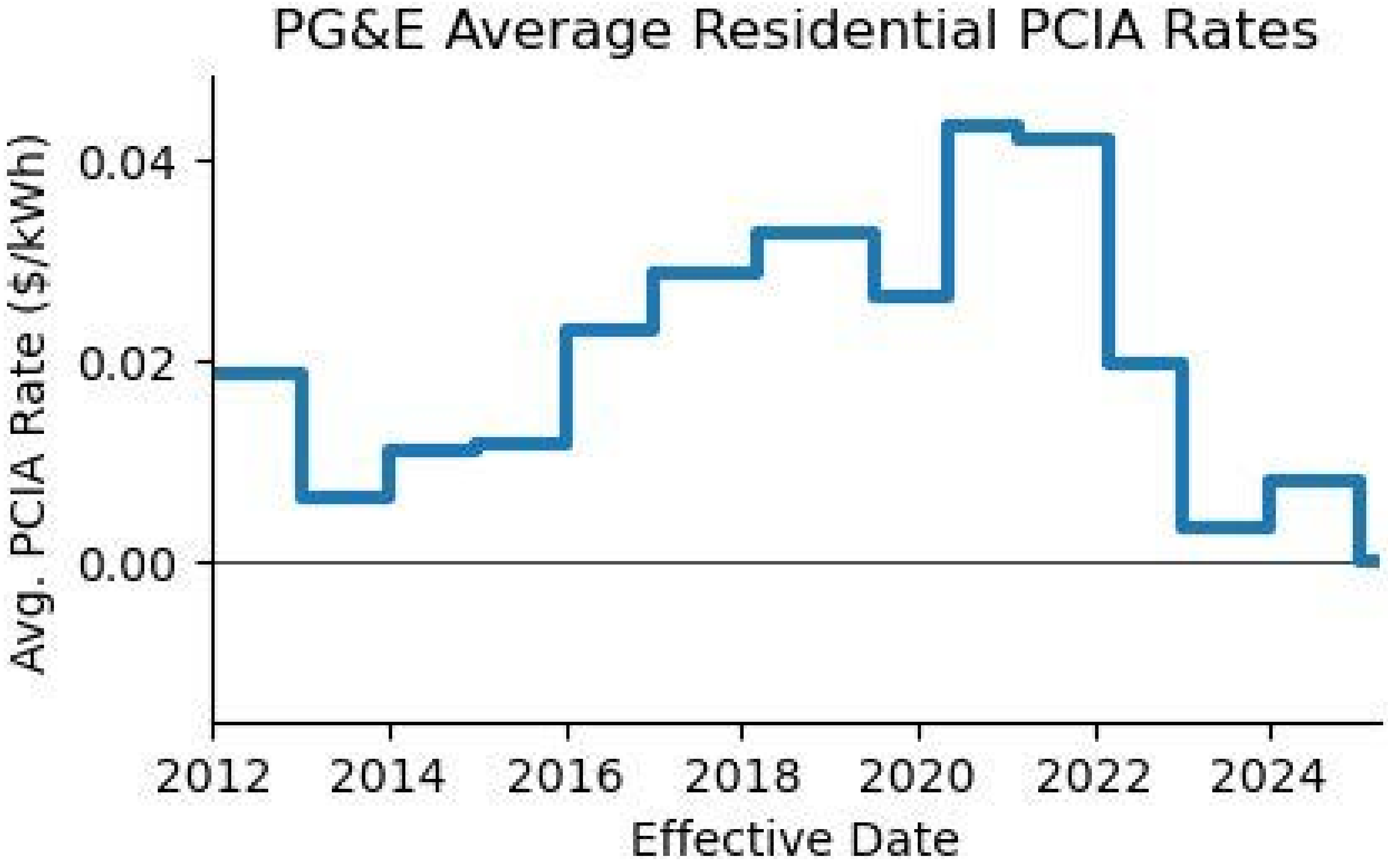
Total PG&E Electric Delivery Charges				**$57.65**

How the PCIA affects CCA rates



Recent Policy Changes

PG&E Ratesetting and the PCIA

The Energy Resource Recovery Account (ERRA)

Sets generation rate by determinizing fuel and purchased power costs, recoverable by rates.

No rate of return, only actual cost recovery.

~$4 billion is normal ERRA Application for PG&E

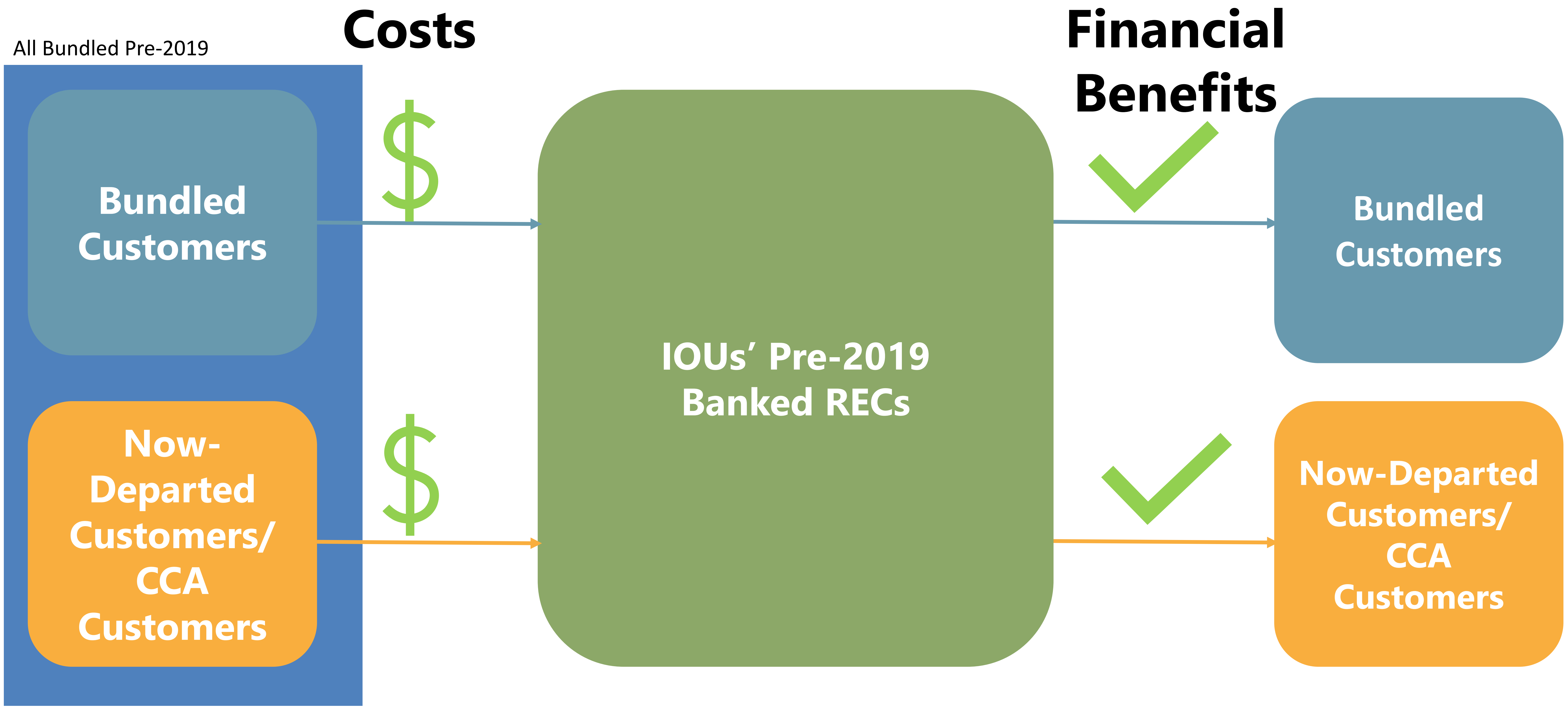
What are Market Price Benchmarks (MPBs)?

- MPBs are estimates of the per unit value of the products in an IOU's portfolio
  - –Energy
  - –Resource Adequacy
  - –Renewable Energy or Renewables Portfolio Standard
- MPBs are utilized to
  - –Estimate the value of resources in the PCIA

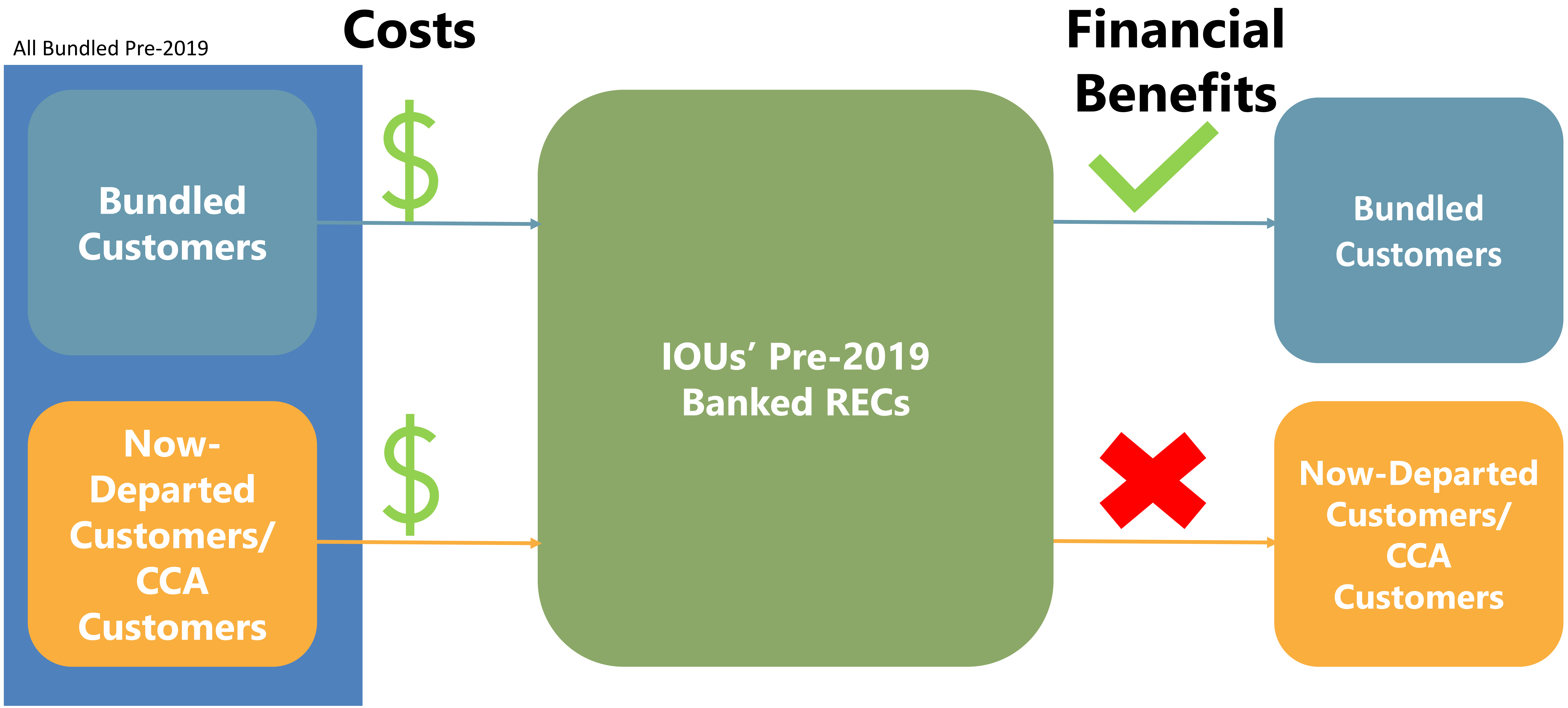
Changes to the PCIA Methodology

- In February 2025 the CPUC issued a new rulemaking to address ERRA and PCIA methodology across all IOUs.
  - MPB methodology moved from a 1-calendar year average to a 3-calendar year average.
  - This change occurred mid-cycle, resulting in inconsistent methodology between the forecast and true-up, leading to a wild swing in the PCIA due to likely retroactive ratemaking.

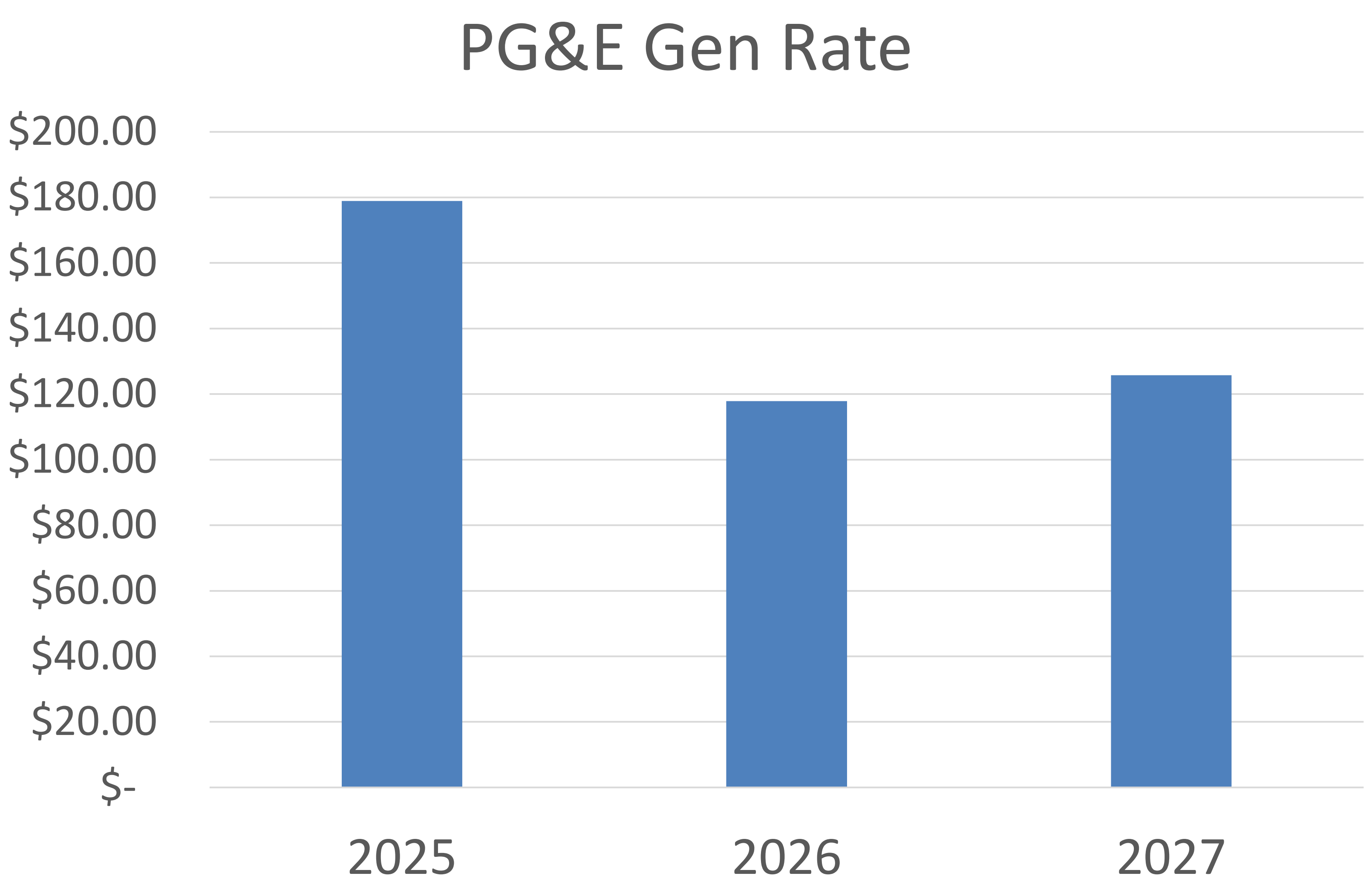
Changes within the ERRA Proceeding



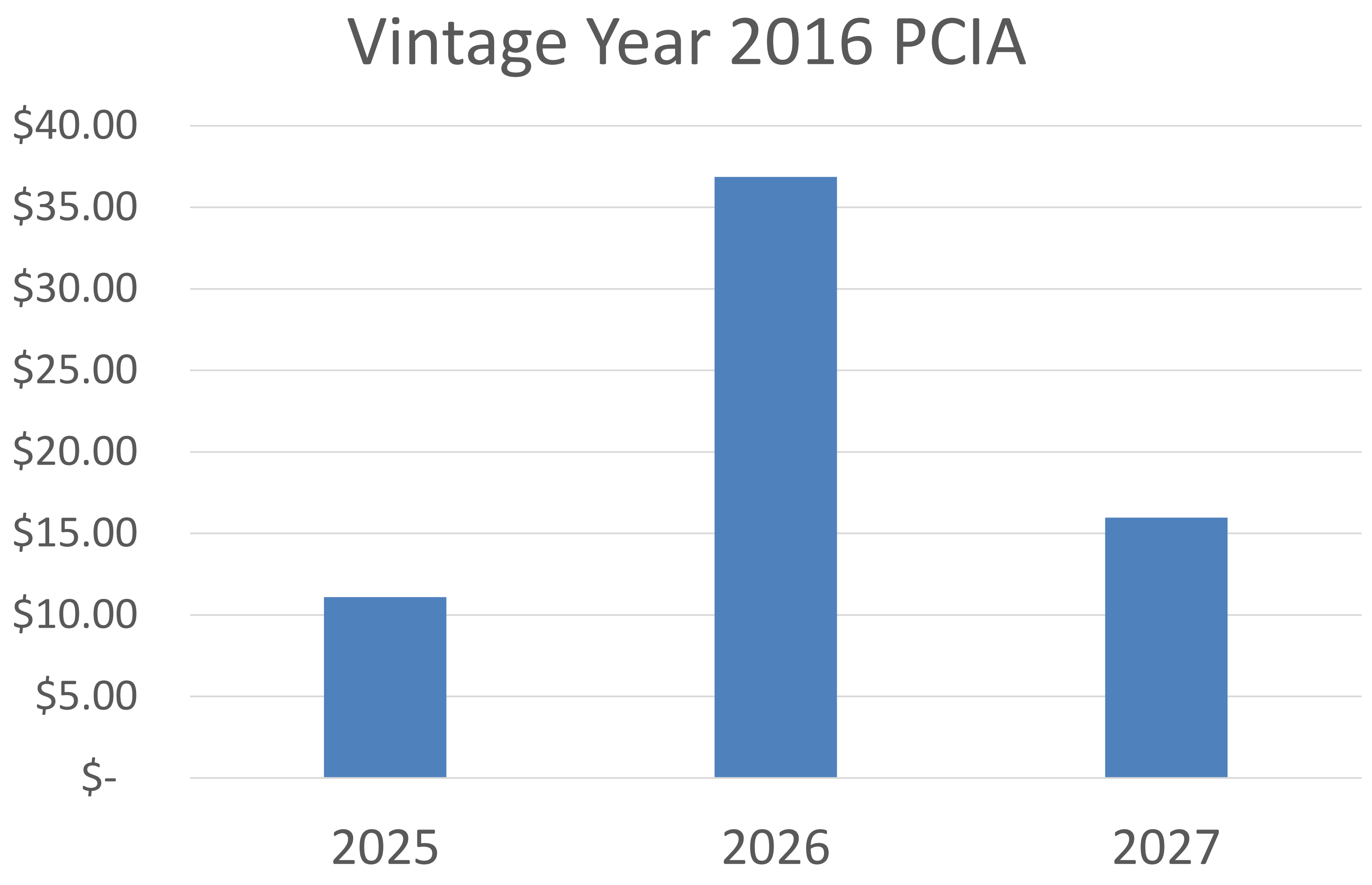
Changes within the ERRA Proceeding



Impact of the Changes



2025 Gen	2026 Gen	2027 Gen
$178.96	$117.89	$125.77
	-34%	7%



2025 PCIA	2026 PCIA	2027 PCIA
$11.10	$36.87	$15.97
	232%	-57%

What is RCEA Doing?

CalCCA Files Petition at Court of Appeal Challenging CPUC Decision That Retroactively Raises Energy Bills for Millions of Californians

CalCCA, CCAs Seek Rehearing of CPUC Decisions that Unfairly Burden CCA Customers

Petitions target unfair cost shifts, retroactive ratemaking, and improper treatment of renewable energy credits

Closing Thoughts

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Staff Report

Agenda Item # 10.2

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Richard Engel, Power Resources Director Lori Biondini, Business Planning and Finance Director Jaclyn Harr, The Energy Authority Account Director – California
Subject	Energy Risk Management Semi-Annual Report

Background

In December 2016, the RCEA Board of Directors adopted an Energy Risk Management Policy, most recently revised in June 2025[1], 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 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. Staff requests Board feedback on the information presented, including potential future changes to the retail electricity generation rates that RCEA charges its customers. Per RCEA's Community Choice Aggregation Implementation Plan[2], RCEA provides a 60-day Board review period prior to any rate increases that change the differential between PG&E's and RCEA's rates, and customers must be notified via a mailer or bill insert, which takes advanced planning to implement.

Equity Impacts

Not applicable.

Alignment with RCEA's Strategic Plan

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[1] Energy Risk Management Policy, June 2025 revision
https://redwoodenergy.org/wp-content/uploads/sites/850/2025/07/RCEA-Energy-Risk-Mgmt-Policy-June-2025.pdf
[2] Community Choice Aggregation Implementation Plan
https://redwoodenergy.org/wp-content/uploads/sites/850/2024/12/Community-Choice-Aggregation-Implementation-Plan.pdf

Not applicable.

Staff Recommendation

Accept Energy Risk Management Semi-Annual Report and provide feedback to staff on information presented to inform any further analysis or future Board actions.

Attachments

1. Energy Risk Management Semi-Annual Report slides will be presented at the meeting.

RCEA Energy Risk Management Semi-Annual Report

Presentation to RCEA Board of Directors

January 22, 2026

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Discussion Topics

- Declining Load
- Customer Debt Related Risk
- Financial Outlook
- Near-term rate setting options

Declining Load

- RCEA has seen a roughly 19% decrease in annual load since 2021
- Residential customers make up 83% of our accounts, 47% of our load, and are seeing the sharpest rates of decline
- 45% of our load is Commercial & Industrial customers, and 8% Agricultural
- Humboldt County has seen a 3.3% decrease in population since 2017
- Key accounts (users averaging over 1 million kWh/ year) that have been closed for 2 or more years total 5% of our 2024 load
- Opt-outs have been relatively flat over the past 5 years, and not a significant contributor to the declining load

Customer Debt Related Risk

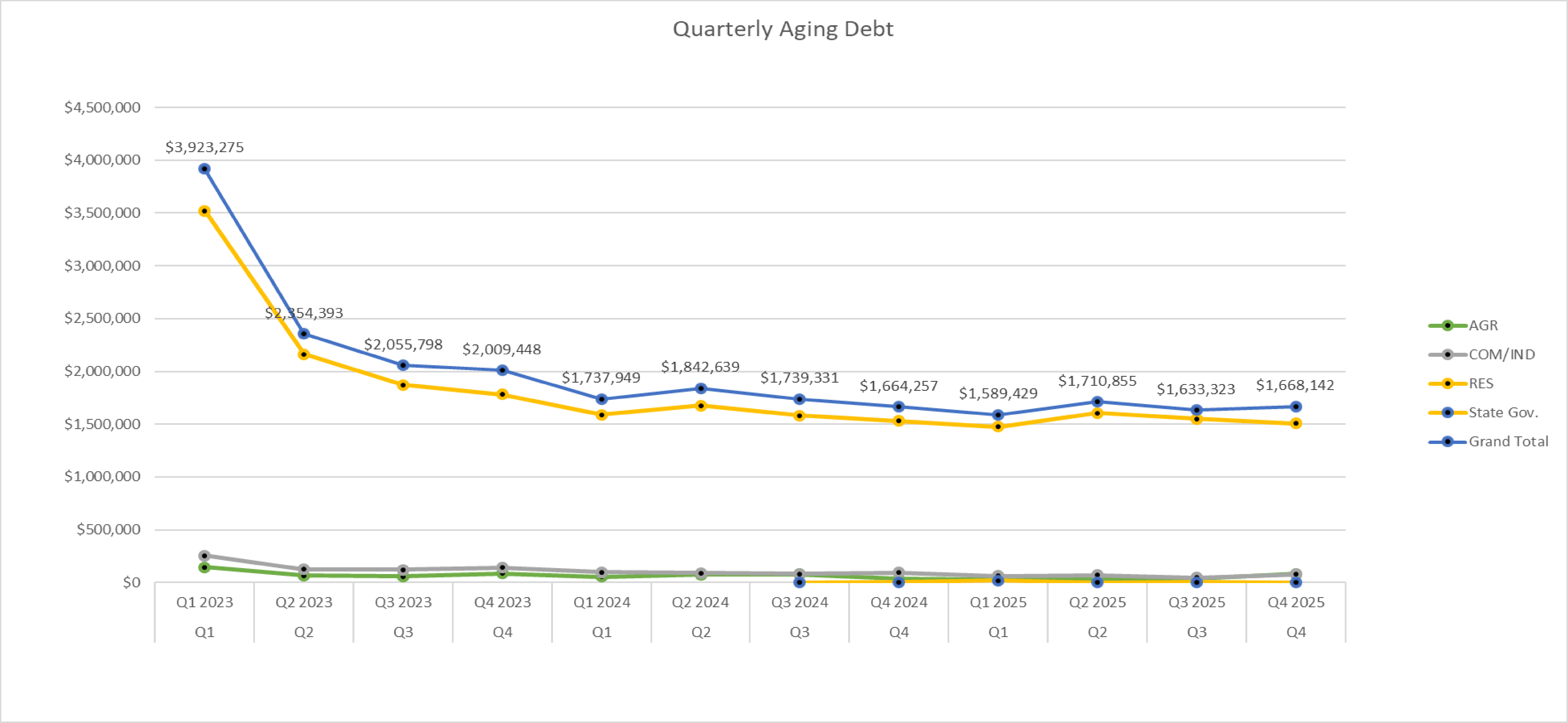
- **<u>RCEA "Active" Account Debt Risk: </u>$1,668,142**
- **<u>RCEA Dropped Accounts</u>** <u>(Active w/PG&E)-</u> **<u>Estimated Outstanding Debt</u>: $5,893**
- **<u> All RCEA Closed Account Debt Sent to Collections: </u>$7,252,024**

Total: $8,946,059

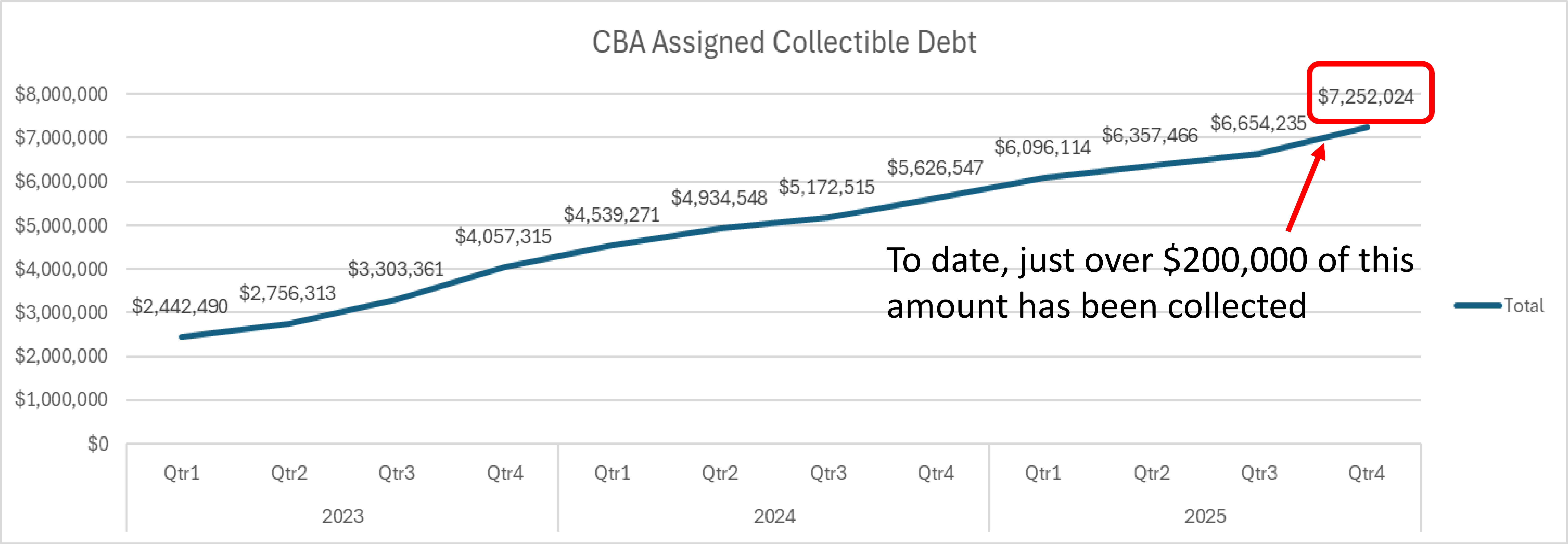
Totals this quarter are in the estimated acceptable debt balances.

2025 Q4 Active Account Debt

(Accounts with Late Payment status over 60 days)



Total customer debt that has been sent to collections

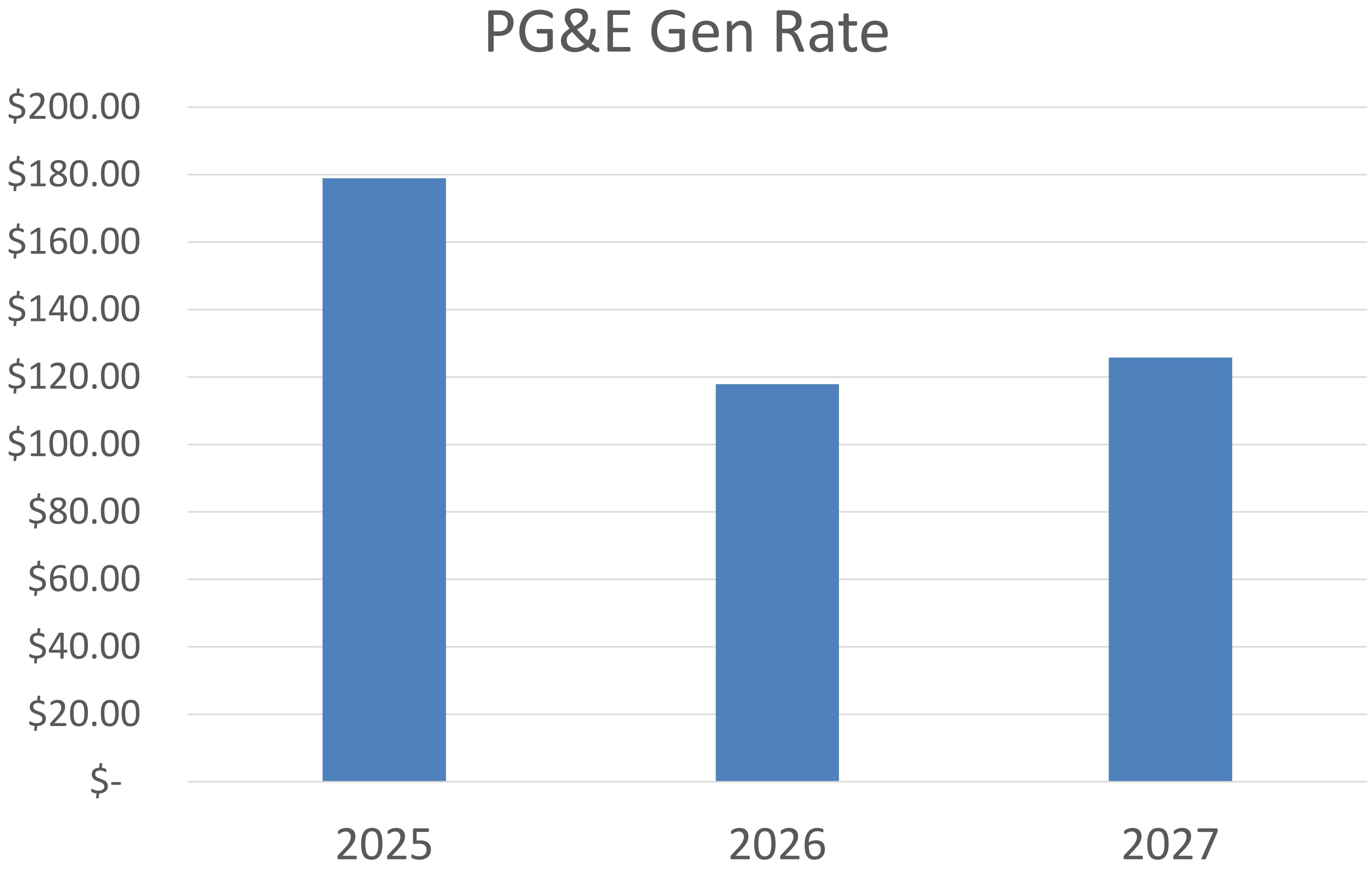


Financial Outlook

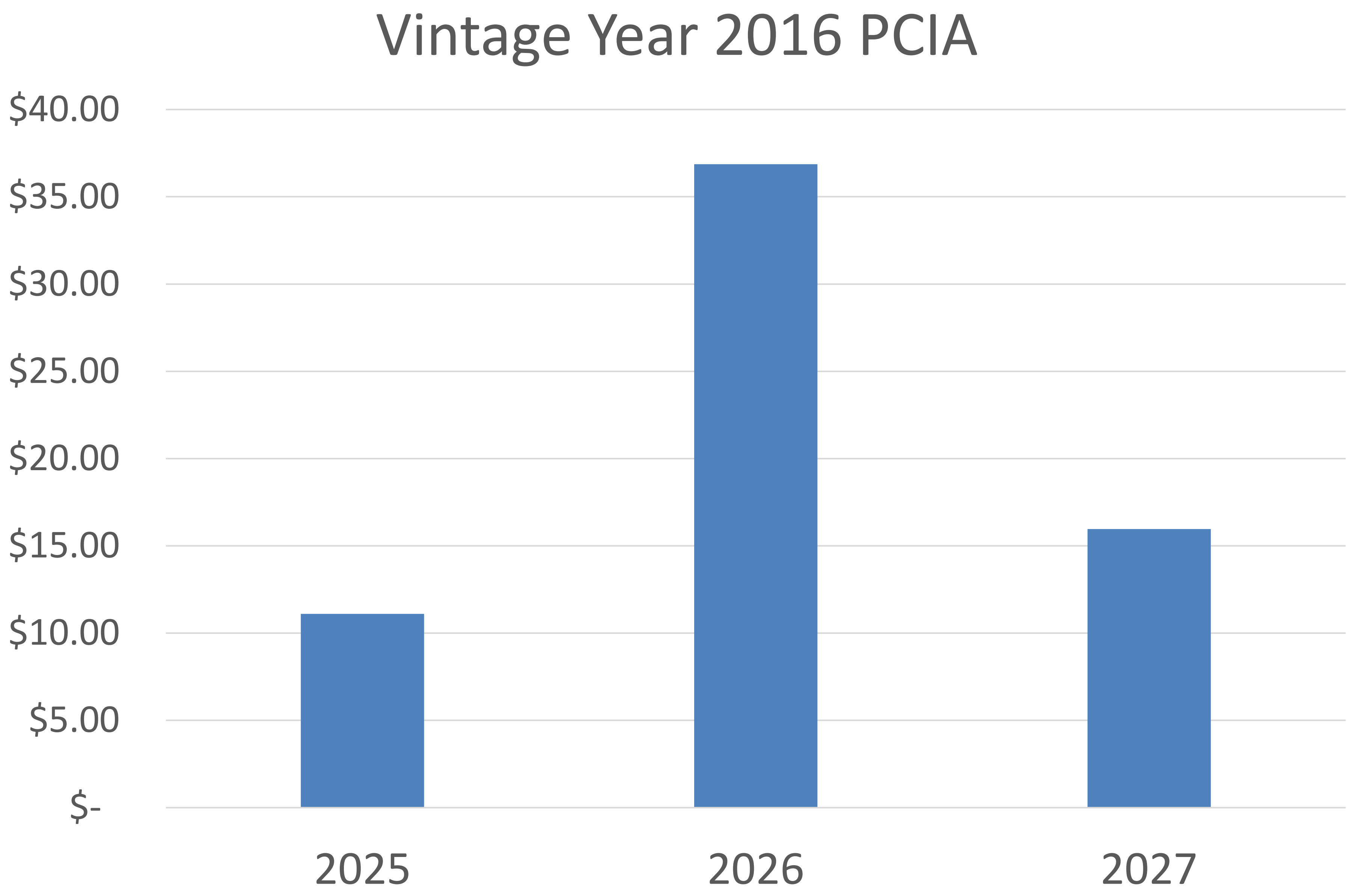
Main driver: less retail revenue than forecasted in May 2025

- Numbers from the May ERRA filing informed fiscal year budget
- Subsequent forecasts showed lower gen rates and higher PCIA would be implemented beginning of calendar year 2026
- PG&E released preliminary 2026 rates reflecting balancing account true ups. In comparison to the Fall Update, the gen rate decreased by 9% while the PCIA increased by 20%.
- Final 2026 rates came in slightly higher

Year-over-Year PG&E Gen Rates & RCEA PCIA

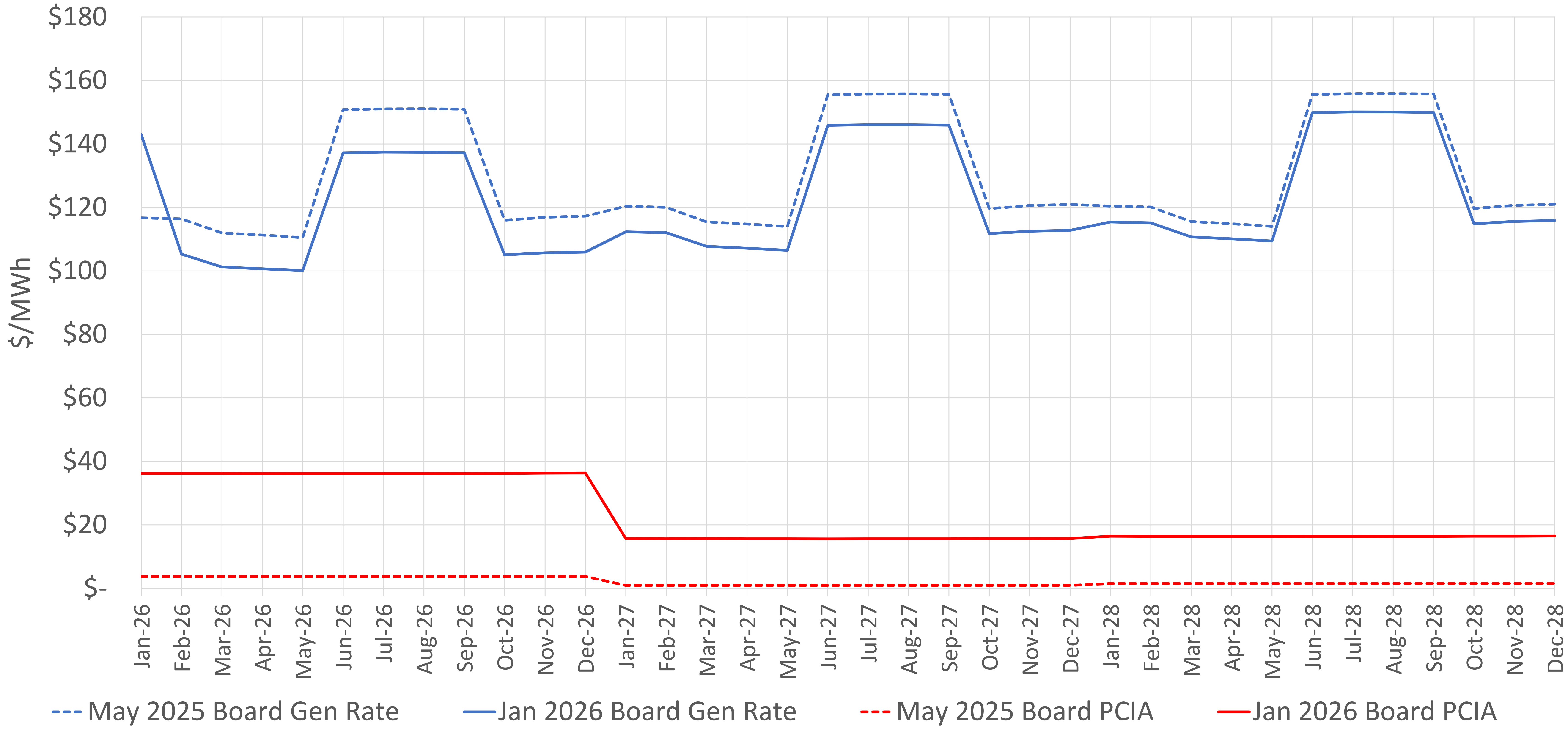


2025	2026	2027
$178.96	$117.89	$125.77
	-34%	7%



2025	2026	2027
$11.10	$36.87	$15.97
	232%	-57%

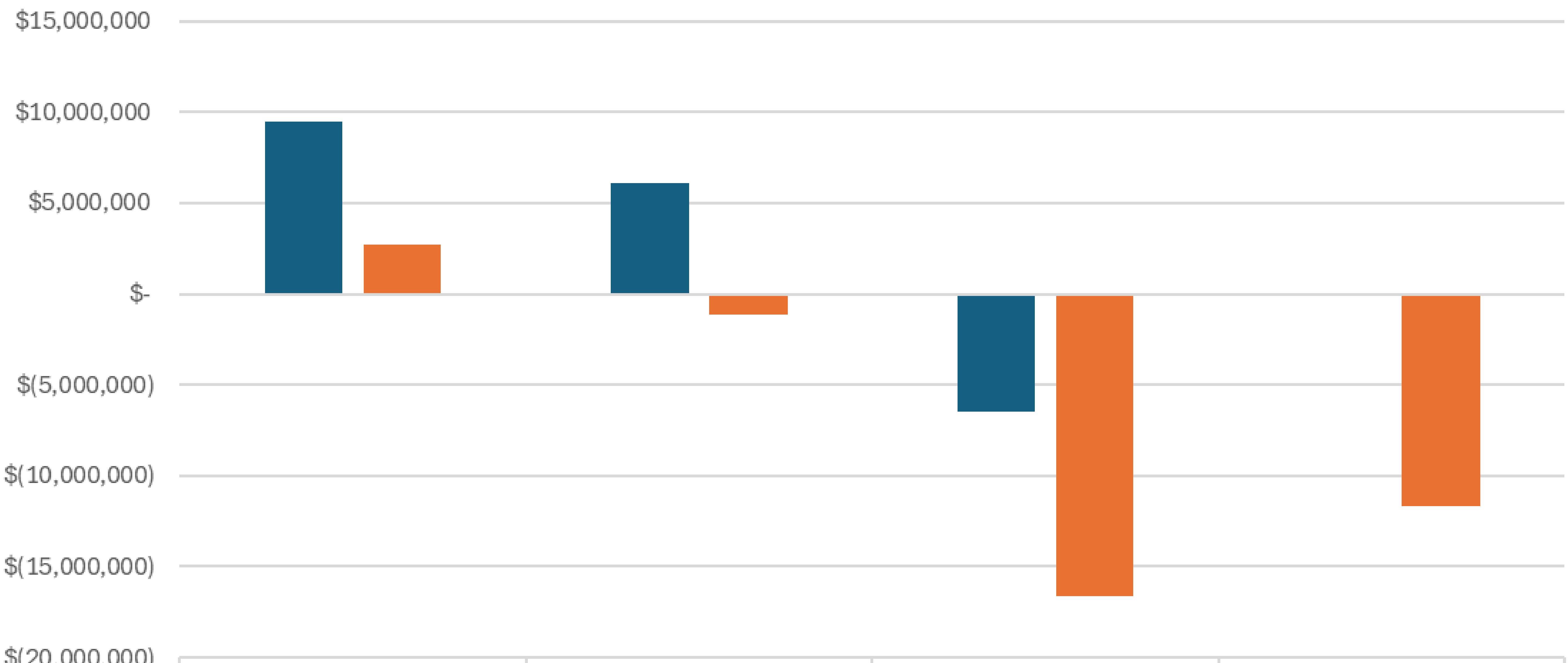
Forecasted PG&E Generation Rate & PCIA



CCE Revenue Breakdown

Fiscal Year 2025-2026 Budgeted Electricity Sales Revenue	$71,539,945
July through November Actuals	($3,240,000)
Increase in PCIA	($5,500,000)
Decrease in Generation Rates	($6,200,000)
Total Impact	($14,940,000)
Updated Fiscal Year 2025-2026 Forecasted Electricity Sales Revenue (per final ‘26 rates)	**$56,600,000**

Net CCE Revenue Forecast

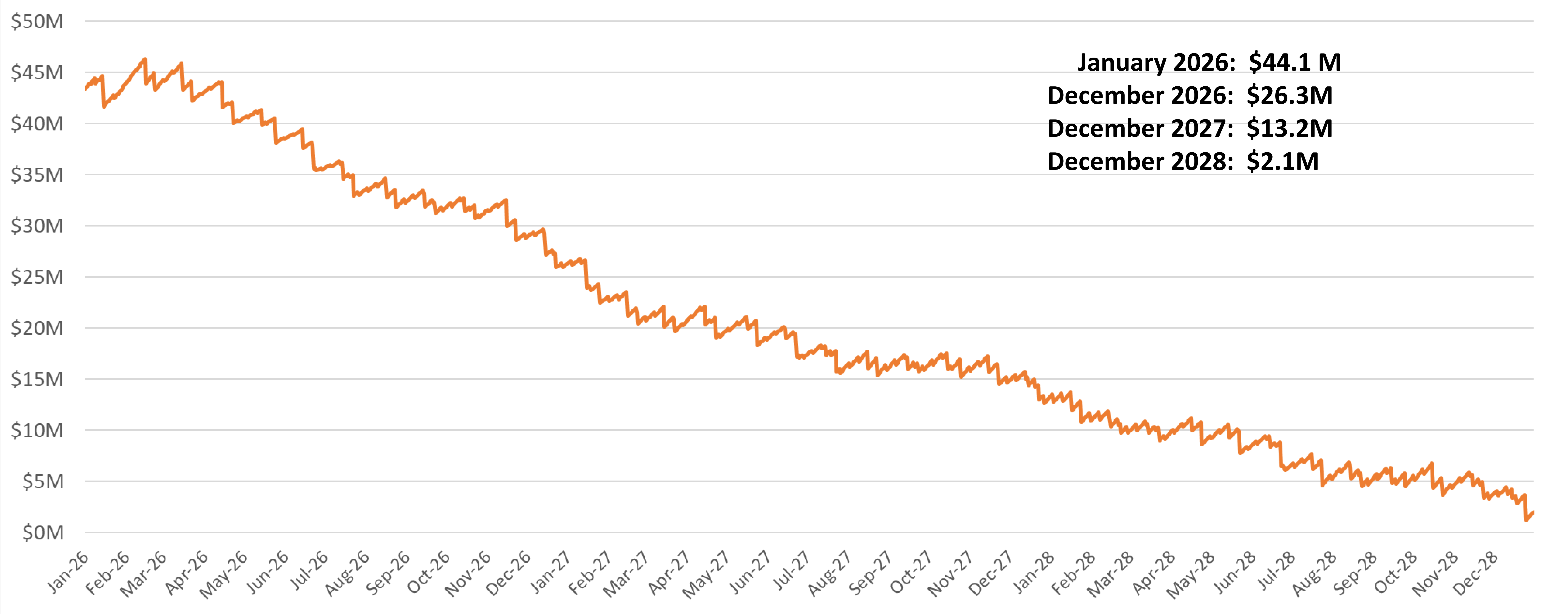


	FY 24-25	FY 25-26	FY 26-27	FY 27-28
May 2025	$9,500,000	$6,100,000	$(6,500,000)	
January 2026	$2,713,443	$(1,100,000)	$(16,600,000)	$(11,700,000)

May 2025 January 2026

Cash Projection

assuming RCEA maintains rate discount relative to PG&E



Rate Change Scenarios

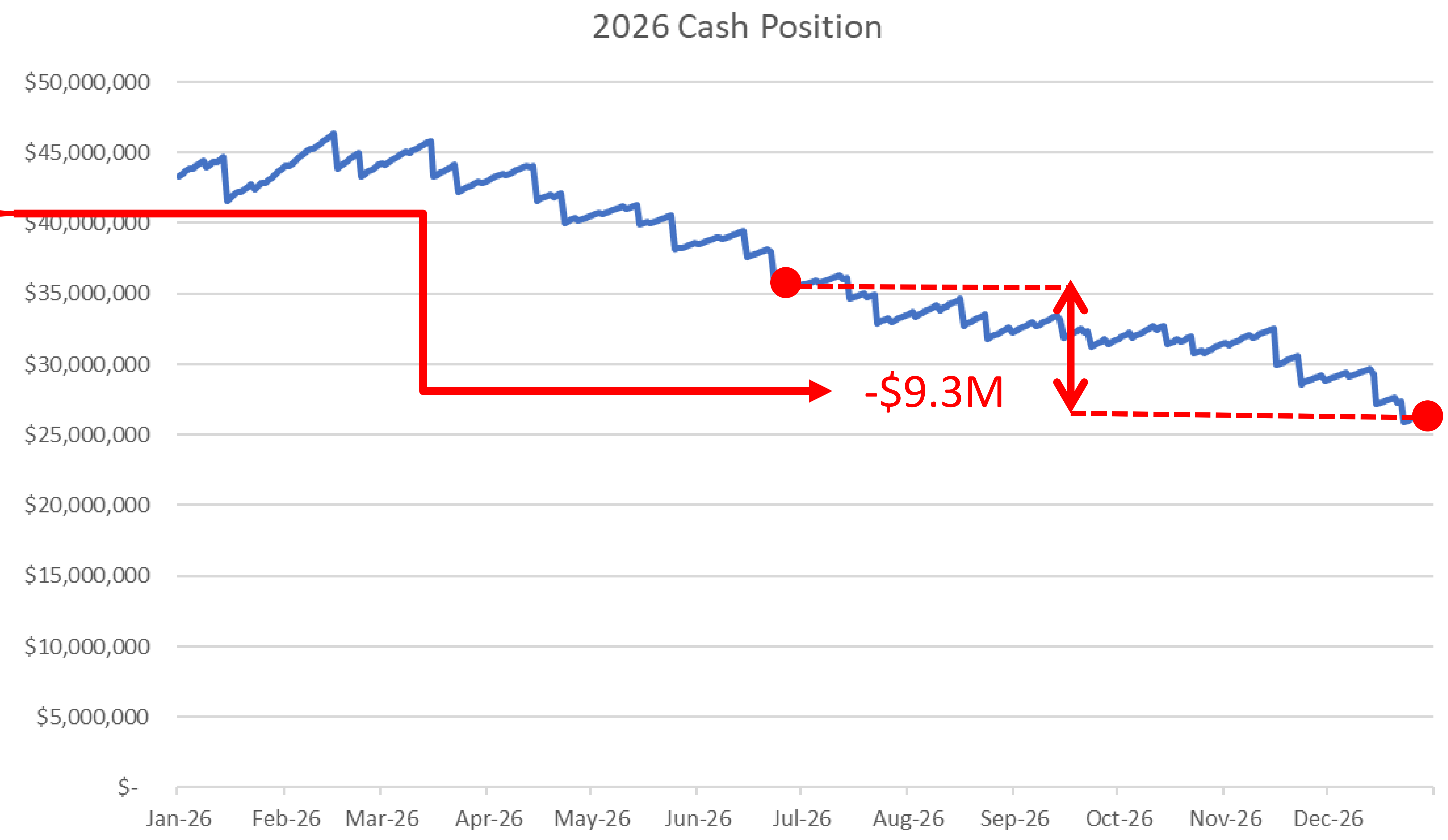
1) Business as usual (0.5% discount relative to PG&E's generation rate)
2) At parity with PG&E (no discount)
3) 3% above PG&E
4) 5% above PG&E
5) Rate premium that results in 120 days cash on hand* at end of 2026 ($22,193,355)
6) Rate premium that results in 180 days cash on hand** at end of 2026 ($33,290,033)
7) Rate premium that results in 210 days cash on hand*** at end of 2026 ($38,838,371)

*Minimum and **aspirational targets per RCEA's reserve policy
***Current balance, minus non-CCE program operations
Assumed April 2026 implementation date for any changes

Business as usual (0.5% discount)

Ending Balances as of:	
6/30/2026	$35,568,830
12/31/2026	$26,258,641

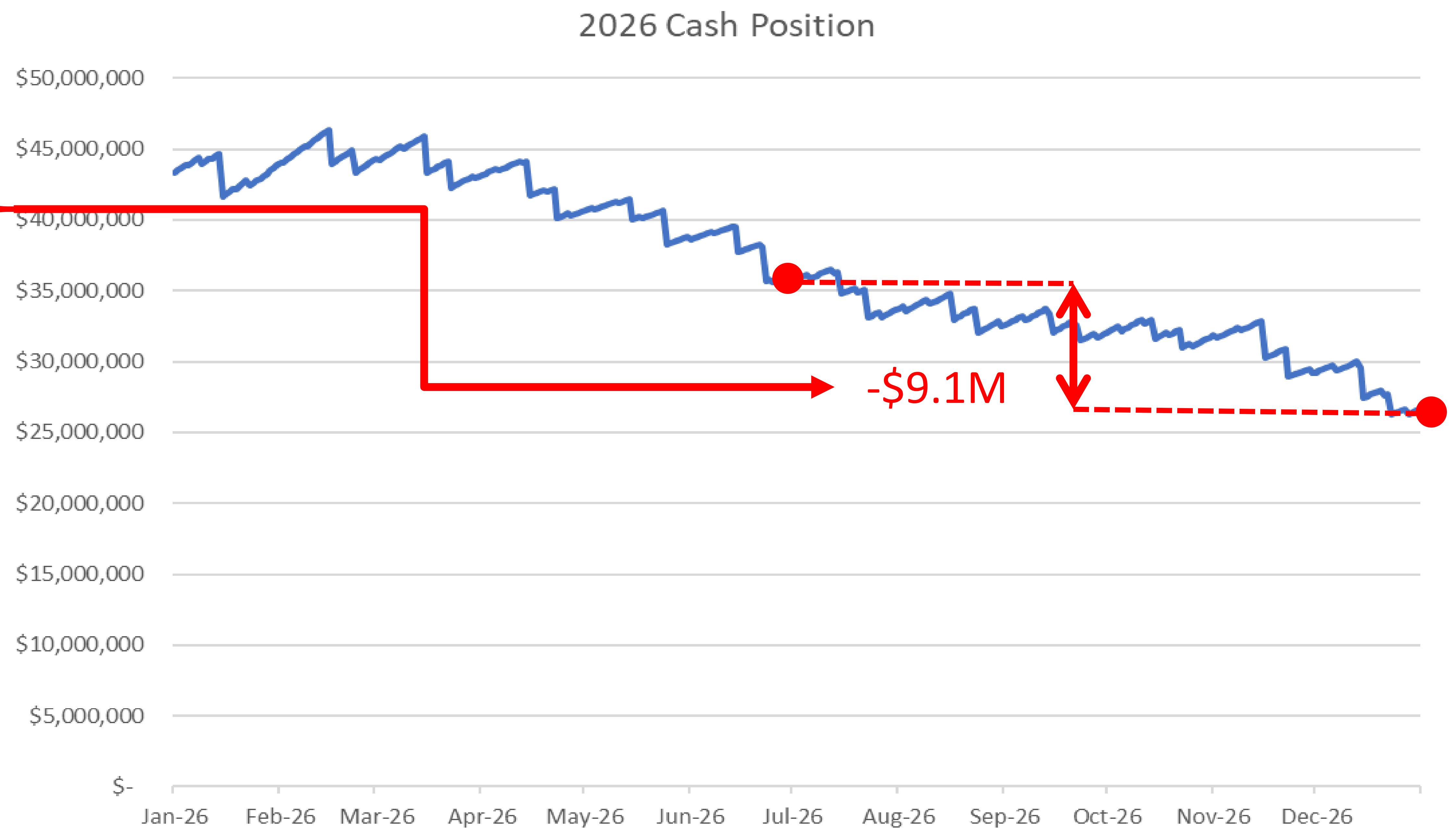
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$56.6MM
Net Revenue	*$(1.1MM)*



Parity with PG&E (no discount)

Ending Balances as of:	
6/30/2026	$35,692,323
12/31/2026	$26,604,417

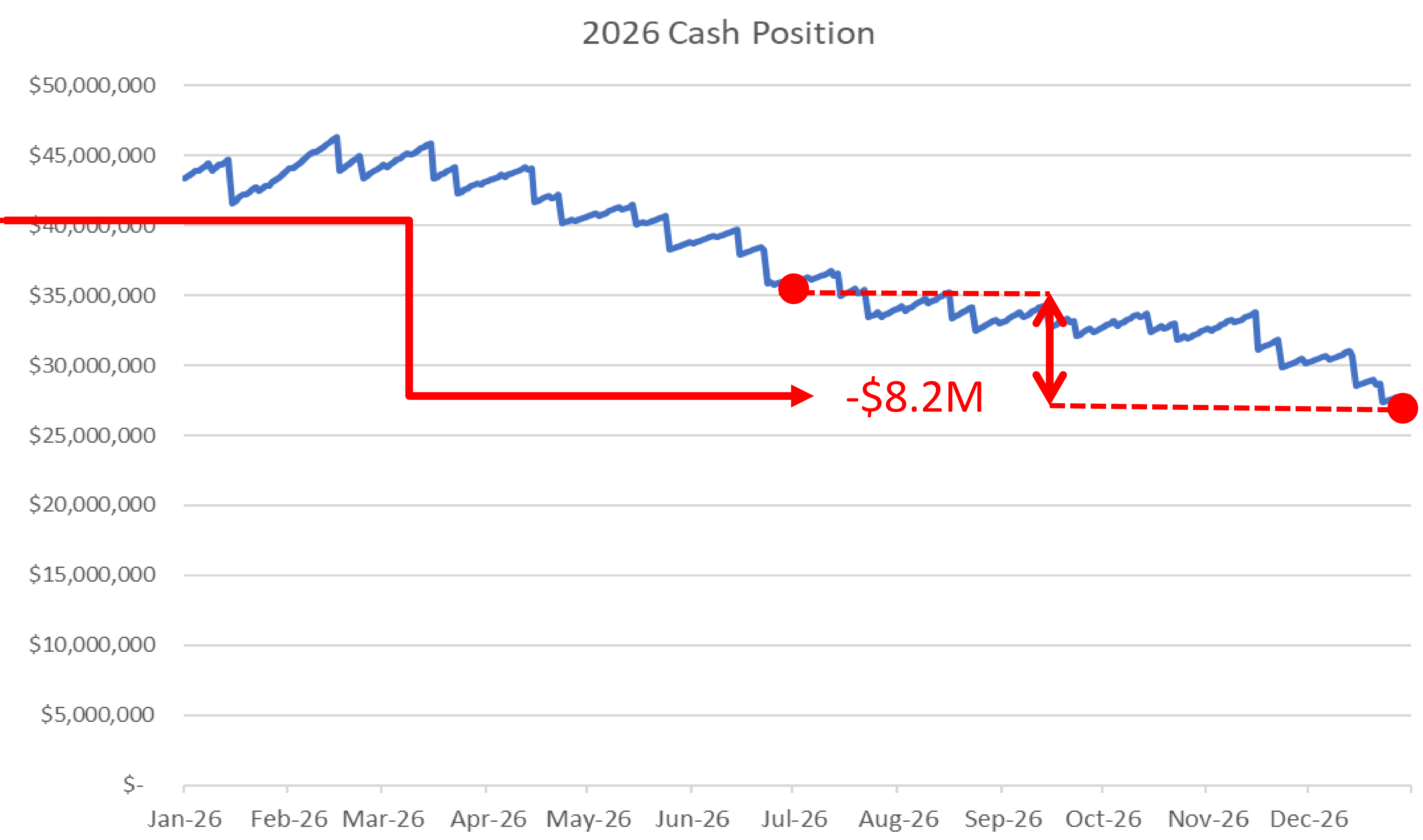
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$56.7MM
Net Revenue	*$(905K)*



3% above PG&E

Ending Balances as of:	
6/30/2026	$35,879,515
12/31/2026	$27,713,874

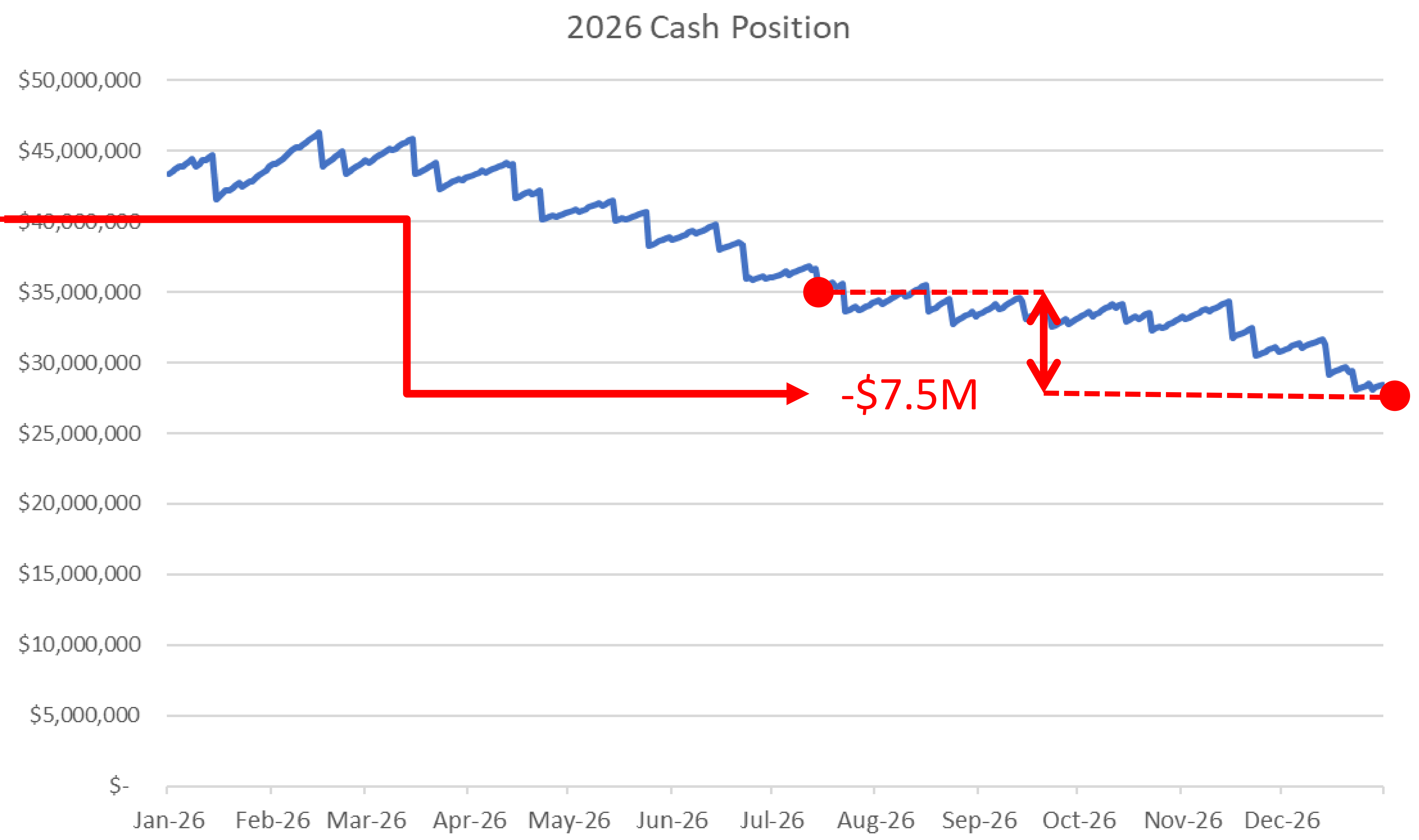
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$57.1MM
Net Revenue	*$(500K)*



5% above PG&E

Ending Balances as of:	
6/30/2026	$36,004,309
12/31/2026	$28,453,512

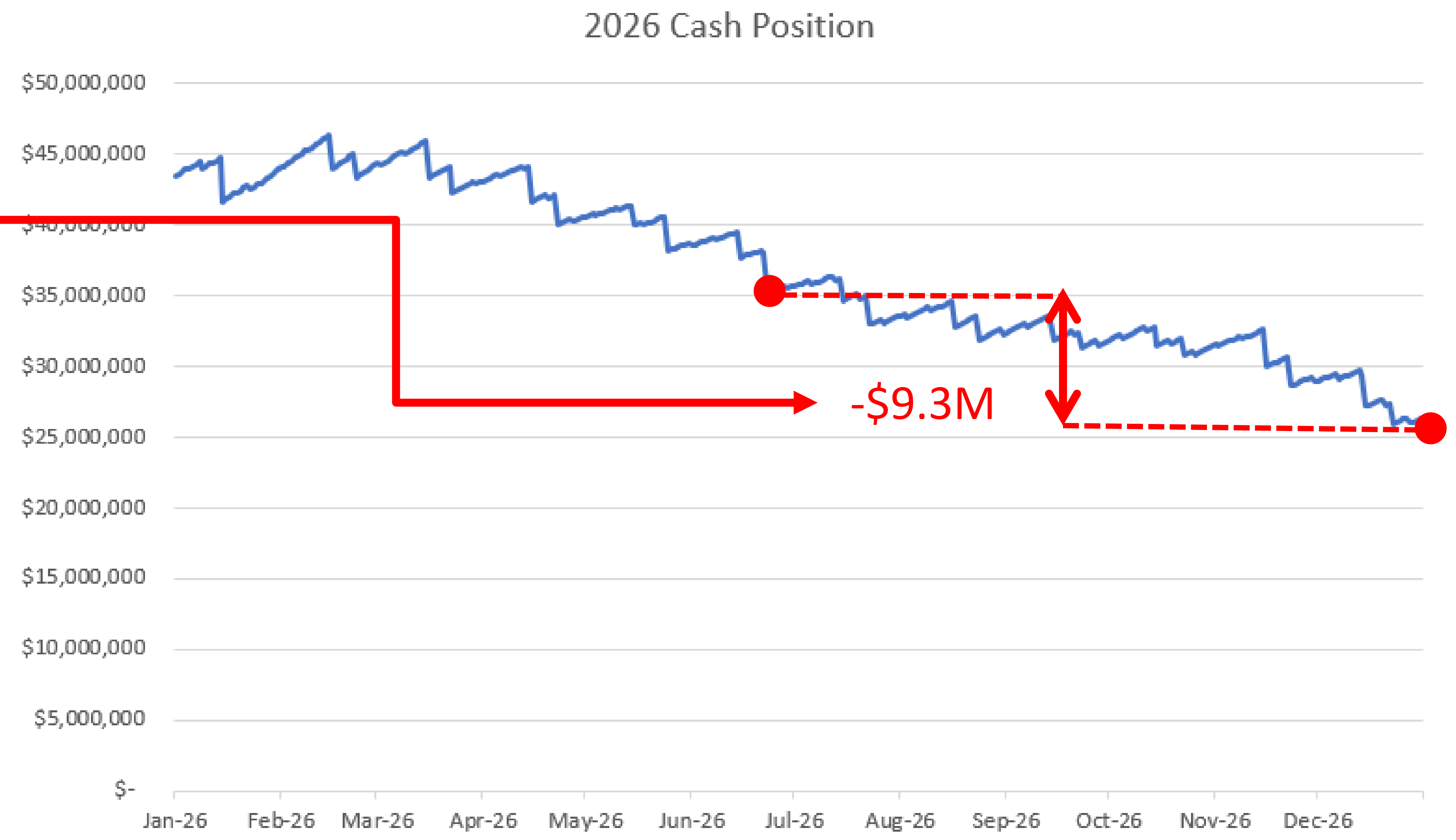
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$57.4MM
Net Revenue	*$(230K)*



To maintain COH* at 120 days - 0.5% below PG&E (same as current rate difference)

Ending Balances as of:	
6/30/2026	$35,568,830
12/31/2026	$26,258,641

FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$56.6MM
Net Revenue	*$(1.1MM)*



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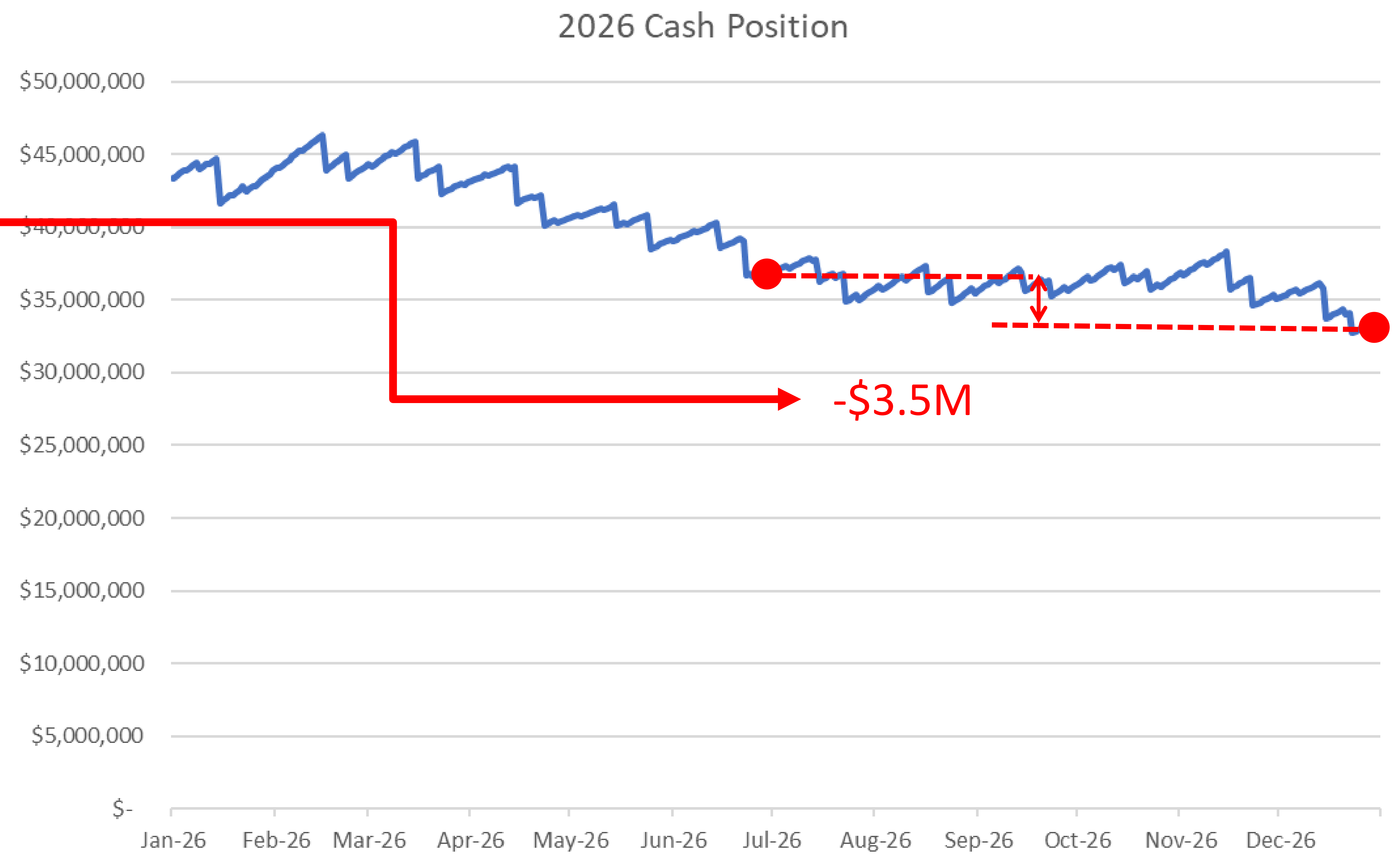
*COH = cash on hand

To maintain COH at 180 days for 2026 – 18% above PG&E

Ending Balances as of:	
6/30/2026	$36,821,711
12/31/2026	$33,298,141

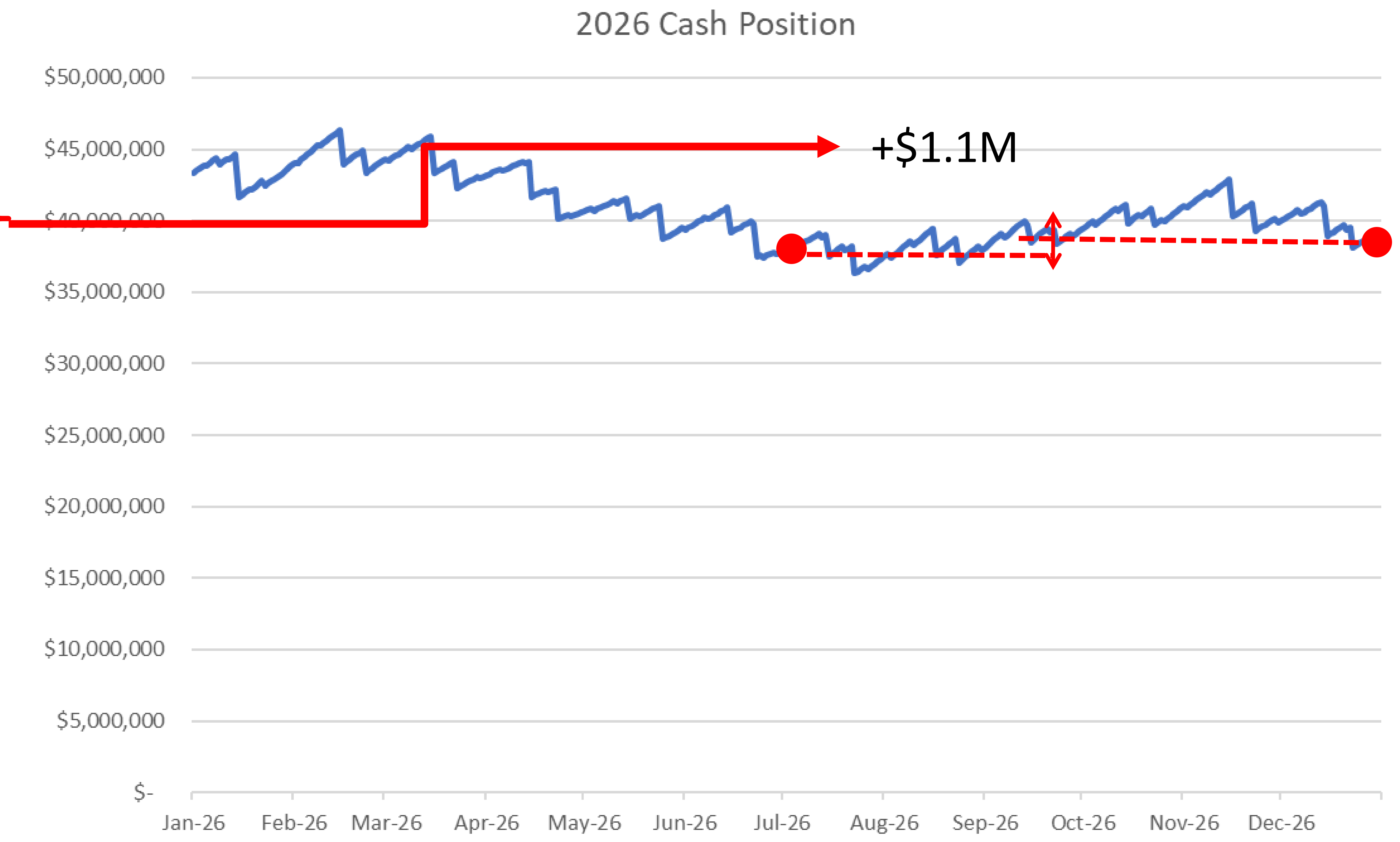
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$59.2MM
Net Revenue	*$1.5MM*



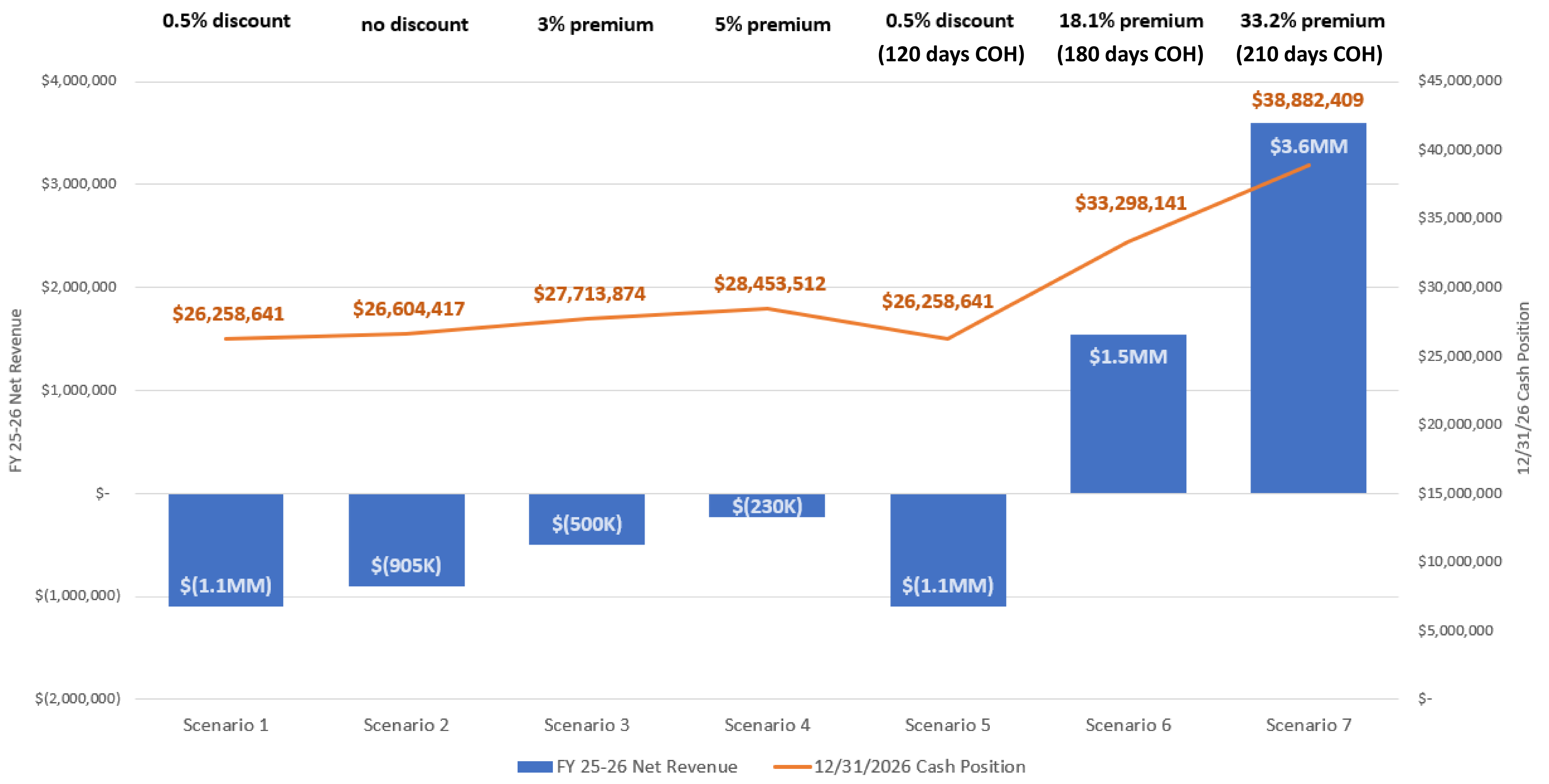
To maintain COH at 210 days for 2026 – 33.2% above PG&E

Ending Balances as of:	
6/30/2026	$37,763,907
12/31/2026	$38,882,409

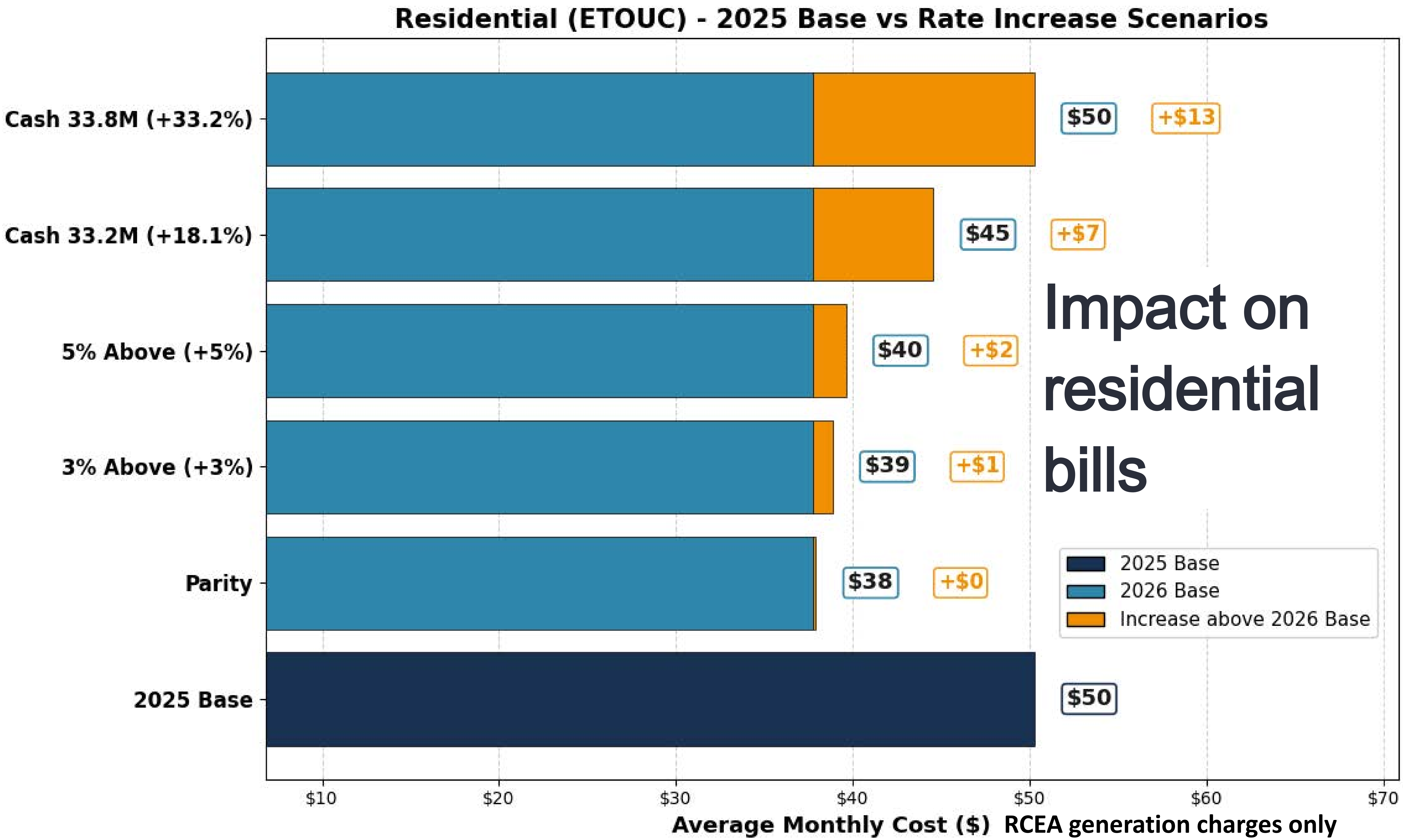
FY 25-26 Retail Revenue and Net Revenue	
Retail Revenue	$61.3MM
Net Revenue	*$3.6MM*



Scenario Comparison

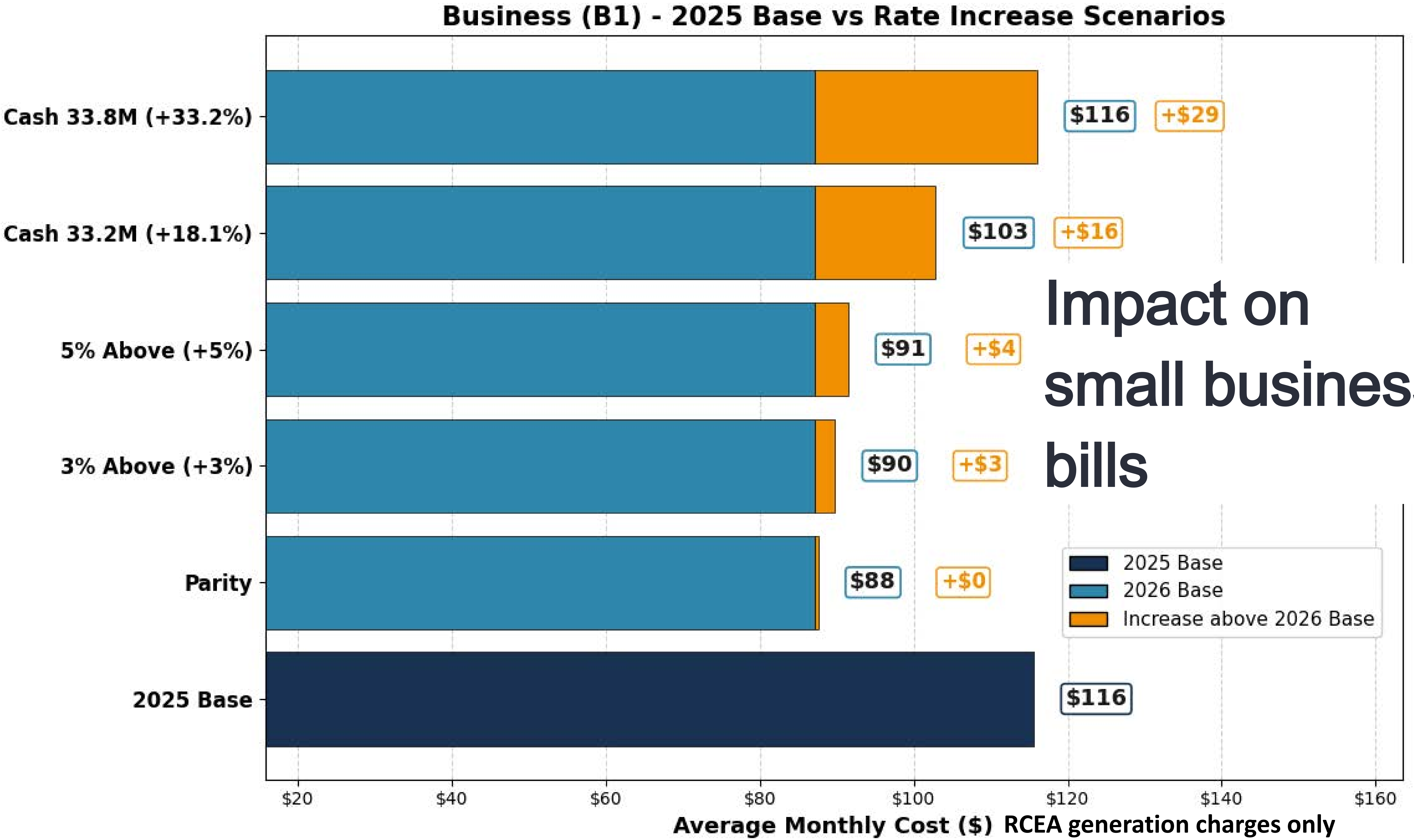


Impact on residential bills



RCEA generation charges only

Impact on small business bills



RCEA generation charges only

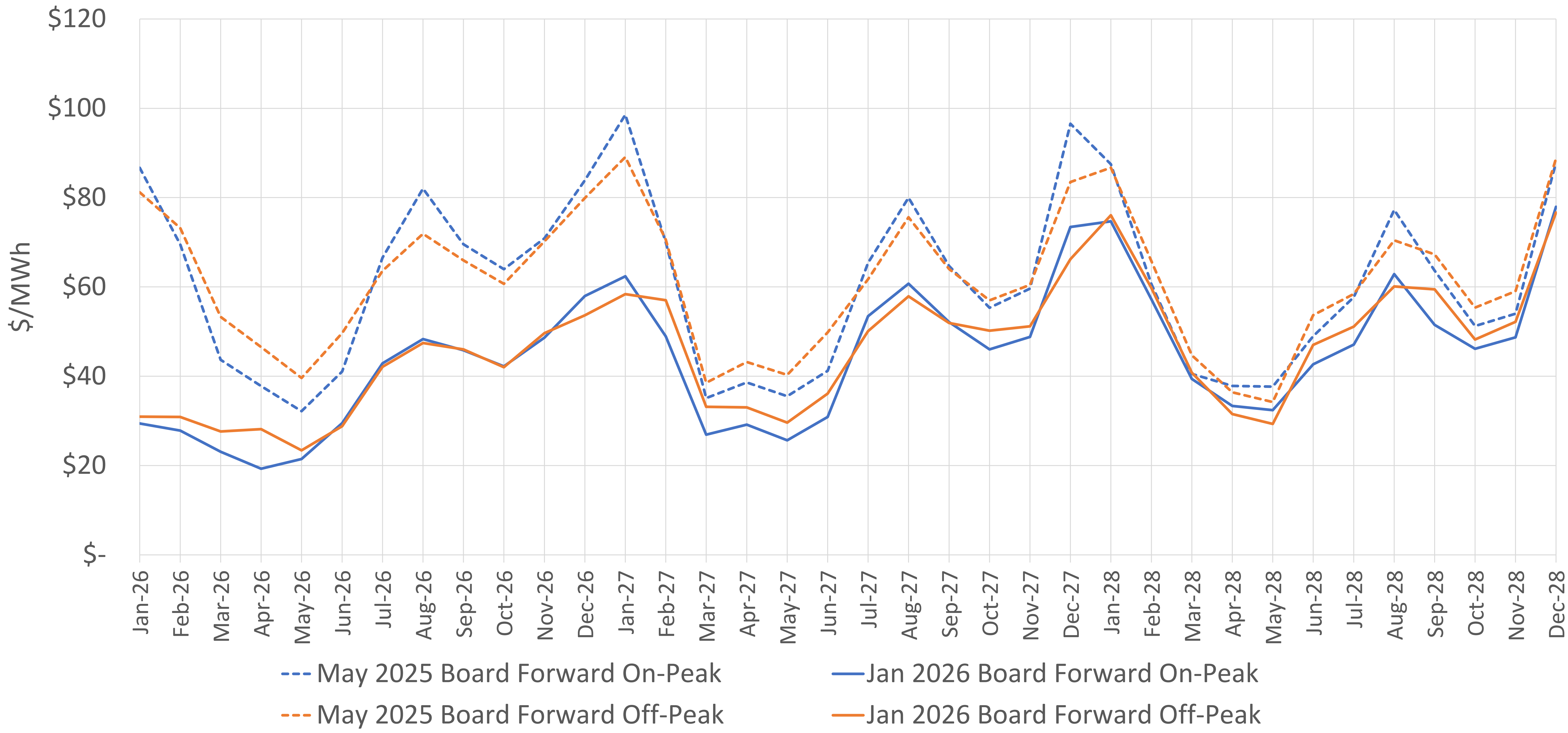
What’s next?

- Cost of Service and Rate Setting Study Results
- Acting on near-term options

THANK YOU

Appendix

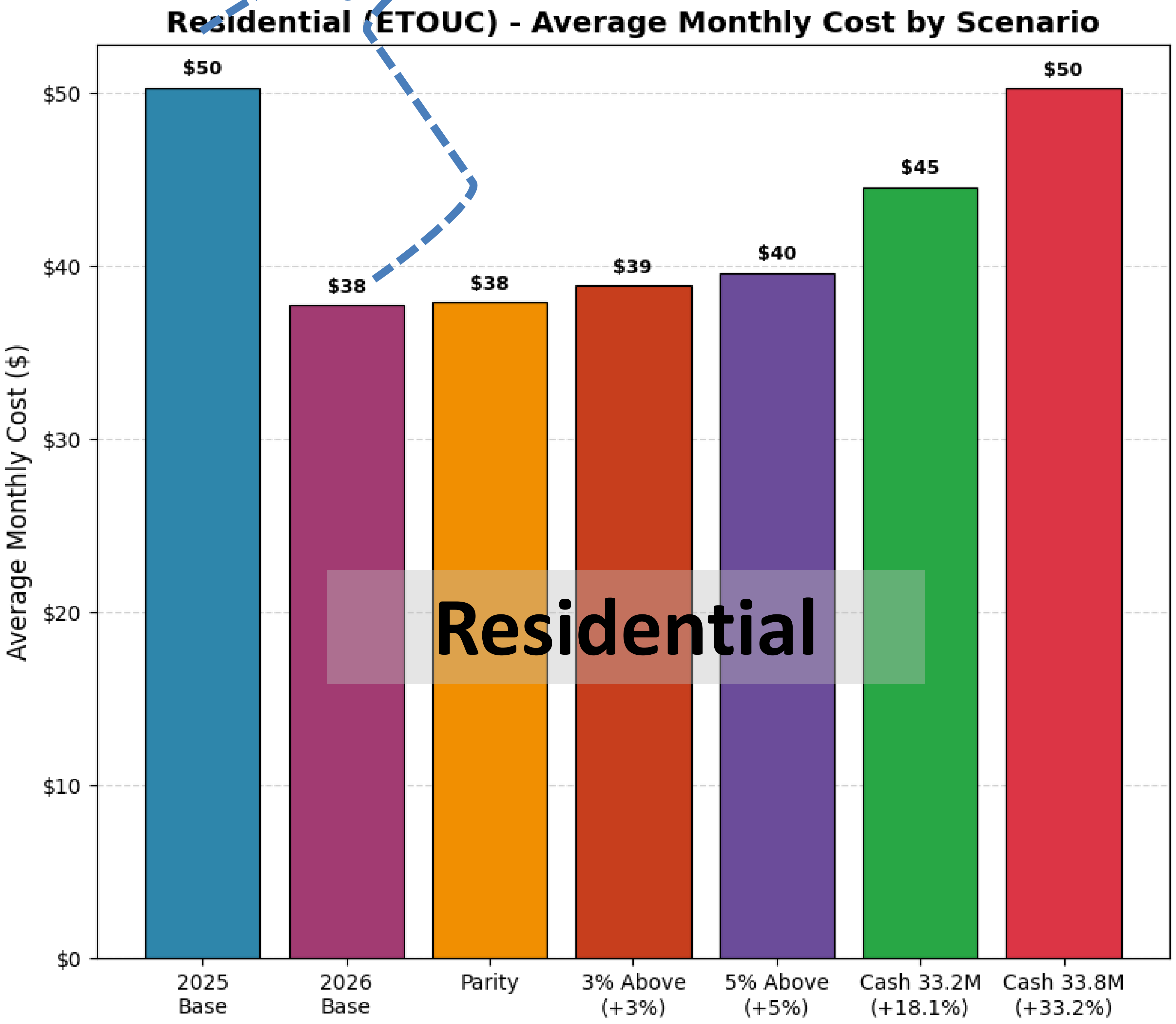
Forward Energy Prices for RCEA

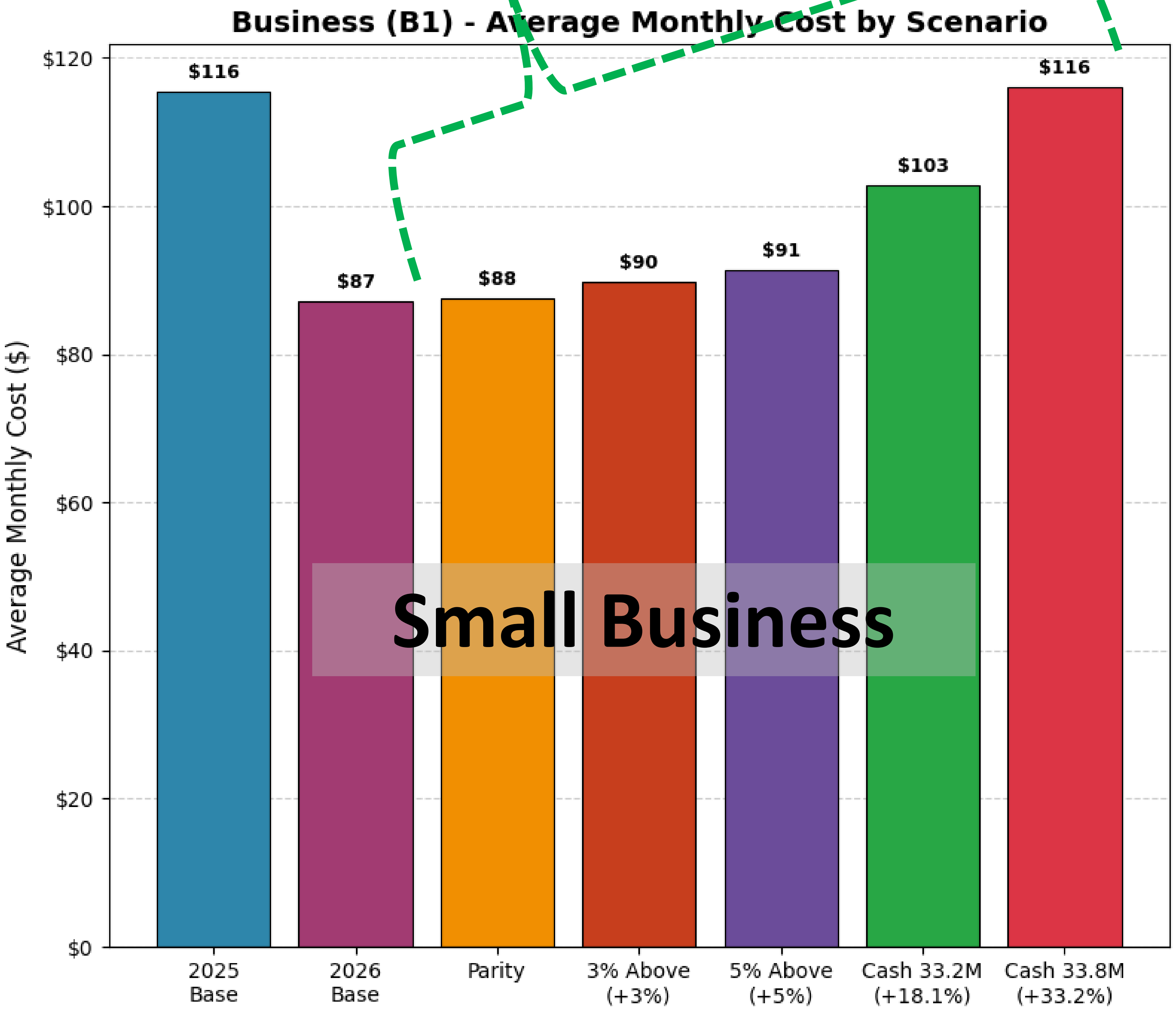


Impact on residential and small business bills

Drop in generation portion of average monthly bill with implementation of new rates in February

Increased average monthly bills under the different scenarios considered





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Staff Report

Agenda Item # 12.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Lori Taketa, Clerk of the Board
Subject	Community Advisory Committee Member Reappointments

Background

RCEA's Board established the Community Advisory Committee (CAC) to support RCEA public engagement efforts and provide decision-making support and input. In their advisory and outreach capacities, CAC members helped educate Humboldt County residents about community choice aggregation and gathered community energy priority input during the CCE program's launch period. More recently the Committee gave staff input on Humboldt Sawmill Company's annual biomass use reports and potential uses for the Sandrini Battery Storage Project's Community Benefits Investment Fund.

CAC applicants and appointed members must commit to supporting RCEA's mission and to align their advice with the long-term success of the agency. The CAC is a Brown Act, California open meeting law compliant body. CAC members are subject to all applicable conflict of interest laws. Appointees must complete a Fair Political Practices Commission Statement of Economic Interest, a public document disclosing the member's personal financial interests.

Summary

Terms for five (5) of the CAC's 14 seats will expire on March 31. Additionally, there are four (4) existing vacancies.

Directors Mike Wilson (County) and Skip Jorgenson (Ferndale) nominated currently seated members for reappointment. All three incumbent CAC members expressed interest in serving another term. Incumbent Ethan Lawton currently the CAC Chair has been serving as the Humboldt Bay Municipal Water District (HBMWD) appointee. However, at this month's HBMWD Board meeting the HBMWD Board voted to discontinue RCEA membership, removing the CAC position. CAC Chair Lawton expressed interest in continuing and Director Mike Wilson (County) nominated him for the vacant County seat 3 position.

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Proposed CAC Membership & Vacancies

Representing Jurisdiction	Member Name	Term Expiration
Arcata	Norman Bell	03/31/2027
Blue Lake	Kit Mann	03/31/2027
County 1	Luna Latimer	03/31/2027
Eureka	Deborah Dukes	03/31/2027
Trinidad	Richard Johnson	03/31/2027
County Seat 3	Benjamin Fordham	03/31/2028
Ferndale	Dennis Leonardi	03/31/2028
County 2	Ethan Lawton	03/31/2028
At-Large	Upcoming Vacancy	03/31/2028
At-Large	Upcoming Vacancy	03/31/2028
Blue Lake Rancheria	Vacancy	03/31 (2-year term)
Fortuna	Vacancy	03/31 (2-year term)
Rio Dell	Vacancy	03/31 (2-year term)
Yurok	Vacancy	03/31 (2-year term)

The application period for the at-large vacancies closes on February 13, 2026. In the past, the Board formed an ad hoc CAC at-large application review subcommittee to review applications and nominate candidates for Board appointment.

Equity Impacts

CAC members have opportunities to further RCEA goals that benefit underserved population segments; promote racially-diverse inclusion in energy infrastructure or policy decision making; access to energy, energy efficiency services and freedom from pollution. Staff recommend considering these goals as well as Committee member diversity and inclusion when appointing members to fill these vacancies.

Alignment with RCEA's Strategic Plan

The CAC supports RCEA public engagement efforts and decision-making for the successful implementation of agency strategic plan goals.

Financial Impact

Budgeted staff and program costs to facilitate meetings.

Staff Recommendation

Reappoint Ethan Lawton, Benjamin Fordham, and Dennis Leonardi to the Community Advisory Committee for Two-Year Terms Ending on March 31, 2028.

Recruit up to 5 Board members for an ad hoc CAC at-large recruitment subcommittee to review applications and nominate candidates at the February 26, 2026, RCEA Board meeting.

Attachments

None.

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Staff Report

Agenda Item # 13.1

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Patricia Terry, Senior Portfolio Manager
Subject	Northern Rural Energy Network (NREN) Update and Business Plan

Background

On September 26, 2024, The California Public Utilities Commission (CPUC) issued Decision D.24-09-031 that approved the Northern California Rural Regional Energy Network (also known as Northern Rural Energy Network or NREN) to deliver energy efficiency programs to underserved rural customers in 17 counties with the Redwood Coast Energy Authority (RCEA) as the lead portfolio administrator.

The NREN Partners include Lake Area Planning Council (LAPC), Mendocino Council of Governments (MCOG), and the Sierra Business Council (SBC) representing the Counties of Alpine, Amador, Butte, Calaveras, El Dorado, Lassen, Mariposa, Nevada, Plumas, Placer, Sierra, Sutter, Tuolumne, and Yuba.

The NREN program portfolio included seven programs:

- Residential Equity
- Residential Resource Acquisition
- Commercial Resource Acquisition
- Financing
- Public Equity
- Workforce, Education & Training, and
- Codes & Standards.

At the end of 2025, the Codes & Standards programs were absorbed into the Workforce, Education & Training program.

Pursuant to Ordering Paragraph 5 of CPUC D.21-05-031, each energy efficiency portfolio administrator must file an application for the eight-year business plan period and the four-year portfolio period beginning in 2028, on or before February 16, 2026.

On December 15, 2025, the Executive Director of the CPUC granted an extension to the business plan application deadline for all portfolio administrators to March 16, 2026.

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Summary

NREN 2024-2025 Achievements

After the first full year of ramp up and implementation, NREN has launched services from the two residential programs in the portfolio and will be launching the remaining programs in 2026. NREN is already seeing impacts across Partner counties, particularly those that have not previously received any energy efficiency services from other agencies.

- Residential Equity Program: Provide energy efficiency education and outreach, energy efficiency kits, and phone-based assessments.
    - 623 kits distributed (160 in Humboldt)
    - 87 phone home efficiency assessments completed (52 in Humboldt)
    - 581 signed up for services (146 in Humboldt)
- Residential Resource Program (through Q3 of 2025):
    - 312 energy efficient appliance and heat pump rebates processed]
    - 89,101 in rebates paid out
    - Savings numbers are still being calculated and will be available on CEDARS. http://cedars.cpuc.ca.gov.

NREN intends to launch the remainder of the programs in 2026.

NREN 2028-2035 Business Plan

NREN's current program cycle is 2024 to 2027. In March of 2026, RCEA intends to submit a Business Plan Application to the CPUC for 2028-2035. This Business Plan Application will include a strategic plan for 2028-2035 and program portfolio for 2028-2031. NREN partners are currently working on draft budgets and intend to request between $85-114 million for the four-year program portfolio budget. Programs will be similar to those in the current portfolio, with the growth in customers served across all programs.

Proposed programs for the 2028-2031 portfolio include:

- Residential Equity: Provide outreach and education to underserved customers in rural northern California including Residential Energy Efficiency Kits, Workshops, and Energy advisor services.
- Residential Direct Install:
    - Rebate catalog: Rebates for energy efficient and electrification appliances and equipment.
    - Energy assessments: phone or home-based followed up by a report and optionally a Home Energy Score.
    - Direct Installation: Assistance with contractor installation of energy efficient equipment or electrification upgrades.
    - Technical Assistance: Support with accessing financing or connecting with technical expertise for upgrades.
- Non-Residential Direct Install: energy assessments, incentives, and technical support to small business, public, or agricultural customers looking to reduce energy usage and costs, and/or to decarbonize.
- Financing: Provides support to access energy efficiency financing.

- Public Equity: This program will provide support to local government agencies looking to understand and reduce energy usage and costs, decarbonize, or put together plans for addressing these needs in the future.
- Workforce, Education, and Training: This program works with community colleges, community-based organizations, tribes, and other training providers to create local training opportunities for the energy efficiency workforce.

NREN will add Yolo County as a service territory in the Business Plan Application and include a market characterization of other Northern California counties that could be added in the future including Colusa, Glenn, and Tehama. Yolo County brings their sustainability department's many years of expertise and programs, including the Home Energy Score and Electric Advisor Program, to NREN's team and service offerings.

At this time the Board is being asked to approve the submission of the 2028-2031 business cycle application. After submission, the NREN portfolio team will finalize the Business Plan with the CPUC over the next 1.5 years. Staff will keep the Board informed at key milestones during this process and the final Business Plan and associated agreements will come to the Board for approval.

Alignment with RCEA's Strategic Plan

NREN's programs support all **2.1 Integrated Demand Side Management Strategies** and all **2.2 Energy Efficiency and Conservation Strategies** of RePower Humboldt, RCEA's Comprehensive Action Plan for Energy.[1]

Equity Impacts

RENs in general, and 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.

Financial Impact

NREN activities between 2024 and 2027 currently have approved funding of $3.3M and the upcoming Business Plan Application has potential bring an additional $85M- $114M portfolio wide for 2028-2031.. RCEA's portion would be approximately 10% of those budgets for administrative costs and also include about $15-$20M in program implementation costs per 4-year cycle. These amounts will be incorporated into future fiscal year budgets.

[1] Link to RePower Humboldt, RCEA's Strategic Plan: https://redwoodenergy.org/wp-content/uploads/sites/850/2025/09/REpower-2019-Strategic-Plan-250919.pdf

Staff Recommendation

Approve submission of the 2028-2031 Northern Rural Energy Network Business Plan Application to the California Public Utilities Commission.

Attachments

None.

Northern Rural Energy Network Program Portfolio for 2025-2027

NREN's current program cycle ends on December 31, 2027

In March of 2026, RCEA will submit a Business Plan Application to the CPUC for 2028-2035:

- NREN intends to request approximately $65-$85M for the four-year program portfolio budget.
- Programs will be very similar to those in the current portfolio
- NREN will add Yolo County and areas of Trinity County already served by RCEA's LGP program as a service territory in the Business Plan Application. Yolo County brings their sustainability department's many years of expertise and programs, including the Home Energy Score program, to NREN's team and service offerings.
- Also included is a market characterization of other Northern California counties that could be added in the future including Colusa, Glenn, Shasta, and Tehama.

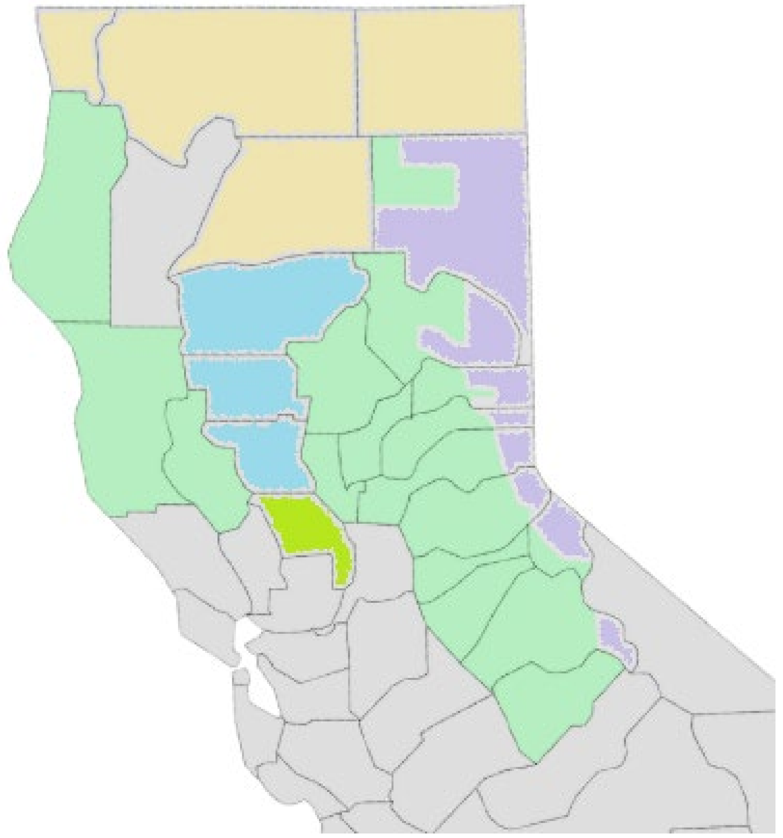

Fig 1. NREN Territory

Existing NREN territory
Additional NREN territory (not shown, Trinity County PG&E areas)
Counties in market study (not shown, Shasta County PG&E territory)
Pacific Power Territory (exploring for 2031)
Liberty Power Territory (exploring)

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REDWOOD COAST
EnergyAuthority

Staff Report

Agenda Item # 13.2

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Eileen Verbeck, Deputy Executive Director Lori Biondini, Director of Business Planning and Finance
Subject	Engagement with Baker Tilly for Investment Tax Credit Preparation for the Redwood Coast Airport Microgrid Project

Background

RCEA worked with a multi-talented team to design, permit, construct and commission the Redwood Coast Airport Microgrid (RCAM). RCAM is a local energy project that has become a model for the rest of the nation. RCAM is the first 100% renewable, front-of-the-meter, multi-customer microgrid in California. It delivers clean, 100% dispatchable renewable power to Humboldt County utility customers and provides critical energy resilience for the California Redwood Coast – Humboldt County Airport and the U.S. Coast Guard Air Station. RCEA's portion of the total cost to construct RCAM was $6,287,591 and was financed through a U.S. Department of Agriculture Rural Utilities Service loan.

The Inflation Reduction Act was signed into law in 2022 and allowed public agencies such as Redwood Coast Energy Authority to apply for tax incentives for renewable energy projects that include photovoltaic solar arrays and battery energy storage systems (BESS). In October of 2025, staff entered into a Master Service Agreement with Baker Tilly Advisory Group, LP, to provide an analysis on RCEA's eligibility to claim an Investment Tax Credit (ITC) for the RCAM project.

In December 2025, staff received Baker Tilly's findings which state that RCEA is eligible for an estimated $1,603,335 ITC. The deadline for filing the ITC documents is November 15, 2026.

Summary

Construction of RCAM was largely completed in late 2021, and the system began generating and delivering energy directly to the Airport buildings via a net-metered connection. However, the portion of the solar array and BESS that is connected to our regional electricity grid and acts as a microgrid has experienced persistent complications that caused the system to not perform as expected. RCEA has since been working with the vendor on potential solutions. During this time (late 2021 – 2025), RCEA would not approve completion of the final contract milestone nor release final payment to the vendor. In late 2025, after the successful installation of new equipment and significant testing, RCEA recorded a Notice of Completion with Humboldt County Recorder's Office and issued final payment to the vendor.

Filing the Notice of Completion was the catalyst to start the process of assessing RCEA's eligibility for an ITC for the project.

Staff recommends authorizing an amendment to the Master Service Agreement with Baker Tilly Advisory Group, LP, that will enable them to move ahead with preparing and filing the tax documentation for the RCAM Investment Tax Credit.

Alignment with RCEA's Strategic Plan

RCEA's pursuit of investment tax credits for the RCAM project directly advances multiple strategies identified in RCEA Strategic Plan:

- **1.3.5 Develop Local Energy Investment Programs.** By developing local renewable energy projects and recovering some of the costs to build, RCEA is situated to reinvest those funds into the county.
- **2.1.7 Support and Deploy Micogrids.** RCAM supports critical infrastructure and combines onsite generation, energy storage and advanced control systems to provide energy resiliency.
- **4.3.1 Provide Community Choice Energy Program Customer Rate Savings.** By applying for and receiving investment tax credits we can stabilize rates to our customers.

Financial Impact

RCEA entered into a Master Service Agreement with Baker Tilly Advisory Group, LP, for a total not-to-exceed of $49,500 and approved Scope of Work 1 for a cost of approximately $25,000 for analysis. The estimated cost for Scope of Work 2, to prepare and file documentation for the tax credit, is $55,500 for a total not to exceed $80,500. This cost will be included in the mid-year budget adjustment in February 2026 but eventually recovered through the estimated $1,603,335 ITC revenue. Please note that Baker Tilly Advisory Group, LP, is under the same parent company as Baker Tilly US, LLP, RCEA's current independent financial auditor.

Staff Recommendation

1. Approve an amendment to Baker Tilly Advisory Group, LP Master Service Agreement to increase the not-to-exceed amount by $31,000 for a total not-to-exceed of $80,500.
2. Approve Scope of Work 2 with Baker Tilly for the preparation and filing of Investment Tax Credit documents for the Redwood Coast Airport Microgrid project.

Attachments

1. RCAM Investment Tax Credit eligibility memo
2. Baker Tilly Master Service Agreement and Scope of Work 1
3. Baker Tilly Proposed Scope of Work 2

RCEA Microgrid
Redwood Coast Energy Authority

December 17, 2025

To: Redwood Coast Energy Authority
From: Baker Tilly Advisory Group, LP
Date: December 17, 2025
RE: RCEA Microgrid Preliminary ITC Eligibility Memorandum

The Inflation Reduction Act ("IRA") was signed into law on August 16, 2022, with a large component dedicated to the development of clean energy infrastructure. The IRA adapts the language of the Internal Revenue Code ("IRC") to provide tax incentives to organizations that develop qualified renewable energy projects. Redwood Coast Energy Authority ("Client" or "RCEA") recognizes that the photovoltaic ("PV") solar array and battery energy storage system ("BESS") facility they have constructed and commissioned in McKinleyville, CA 95519 (the "Project", or "RCEA Microgrid") may qualify for these energy-related incentives and has engaged Baker Tilly Advisory Group, LP ("Baker Tilly") to help determine the eligibility for tax incentives, specifically the Investment Tax Credit ("ITC") under IRC Section 48. Based on conversations and documentation provided by the Client to date, this memorandum summarizes our findings, assumptions, and discussion regarding the potential to claim an ITC for the Project.

i. Executive Summary

Entity Name	Redwood Coast Energy Authority	
Energy Property Type	Solar PV + BESS	
Address / GPS Coordinates	3561 Boeing Ave, McKinleyville CA 95519	
Project Size	**Solar** – 2.5 MW DC**, BESS** – 2MW/8MWh	
Estimated Begun Construction Date	September 24, 2019	
Estimated Placed in Service Date	September 8, 2025	
PIS Tax Year	July 1, 2025 – June 30, 2026	
Applicable Filing Date	November 15, 2026	
Base Credit Requirement	**Met Requirement**	**Credit % Or Multiplier**
Eligible Energy Property per Section 48(a)	Yes	6%
Domestic Content	No	0%
Energy Community	No	0%
Estimated Base Credit		**6%**
Increased Credit Amount Requirement (5x multiplier)		
Max Net Output <1MW AC or3.4 MMBtu/hr	No	X5
Begun Construction prior to 1/29/23 - Safe Harbor	Yes	
Prevailing Wage and Apprenticeship Compliance after 1/29/23	No	-
Estimated ITC Credit Percentage		**30%**

Estimated Credit Computation	
Estimated Project Cost	$6,287,591
Estimated Eligibility Percentage	85%[1]
Estimated Eligible Property Cost	$5,344,453
Tax-exempt Financing Haircut	$ 0.00
Estimated ITC Credit Value	**$1,603,335**

a) Summary of Findings

- The Client has constructed a solar PV and energy storage project at 3651 Boeing Ave, McKinleyville, CA 95519. Based on documentation provided by the Client outlining the specific project development plan and property components, the Project is considered an “energy project” that consists of “energy property” under IRC Section 48(a)(3)(A)(i) as “equipment which uses solar energy to generate electricity” and under IRC Section 48(a)(3)(A)(ix) as an “energy storage technology” under IRC §48(c)(6). Hence, the Project is eligible for IRC Section 48 Investment Tax Credit. The Project has an estimated Beginning of Construction date on September 24, 2019, and an estimated Placed in Service date in September 8, 2025, thereby meeting the Beginning of Construction requirements for IRC Section 48(a)(2)(A)(i)(II).

- As an energy project, the Project is eligible to receive an ITC equal to 6% of eligible expenses, subject to further bonuses. The Project meets the increased credit amount requirements through the begun construction safe harbor to receive a 5X multiplier. The Project does not meet the requirements of the Domestic Content bonus credit or Energy Community bonus credit. Therefore, the estimated credit rate for purposes of this document is 30%.

- The ITC is earned when the Project is placed in service. The estimated cost of the Project is $6,287,591, of which $5,344,453 is estimated as IRC Section 48 ITC-eligible energy property. Thus, the estimated ITC value at 30% of the eligible costs is $1,603,335.

b) Other Considerations for Claiming the Tax Credit

<u>Consider the ITC credit reduction due to tax-exempt financing when funding the Project</u>
It is possible that some of the Project costs may be funded through tax-exempt financing with a tax-exempt interest rate. Since the construction began before August 16, 2022, under IRC Section 48(a)(4) (via IRC Section 45(b)(3)), the credit will reduce by the lesser of 50% or the pro rata portion of tax-exempt financing. For the analysis in this memorandum, it has been assumed that there was no tax-exempt financing for the Project. To provide an example, if 30% of the total cost was funded by tax exempt financing then the credit rate would be reduced by 30% leading to a revised credit rate of 21%. Therefore, if any tax-exempt financing is considered for the Project, the potential impact to the total tax credit available should be taken into account.

[1] A detailed cost-allocation analysis has not been completed. Therefore, the exact eligible energy property cost is not available at this time. However, for purposes of this preliminary assessment, the eligible cost is estimated at 85% of the total project cost. This percentage reflects a conservative assumption informed by historical cost allocations and prior experience with similar energy projects.

Impact of Tax-Exempt Financing on ITC Amount (Example)		
	ITC Rate %	Estimated ITC Amount
Credit rate before tax-exempt financing implications	30%	$1,603,335
Net credit rate (rate reduced by 30%)	**21%**	**$1,122,335**

Excess benefit is not anticipated

The ITC cannot result in excess benefit to the Owner, as stated in Section 6417-2(c)(3)(ii). If a non-taxable entity uses tax-exempt income (e.g., state grants) to acquire clean energy property under Sections 30C, 45W, 48, 48C, or 48E, that grant money can be included in the property's cost basis for purposes of determining the credit amount. However, in the event that outside funding received by the Client and the sum of that grant exceeds total cost of the property, the ITC credit is reduced so that the credit plus the grant amount together is capped at the actual cost of the property to prevent excess benefit.

The Project utilized grant funding. However, these are additional to RCEA Project costs detailed within this document. As such, no ITC value reduction is anticipated. It is recommended that a detailed cost segregation study, including evaluation of sources and uses of funds, be prepared to clearly define eligible Project costs including grant-funded costs; determine ITC value; and confirm that the total of grant funds and ITC value does not exceed Project cost.

ii. Project Description

The Project consists of a solar PV system combined with BESS located in Humboldt County, California. The system includes 2.5 MW DC of solar PV capacity and a 2 MW / 8 MWh battery storage component.

The Client plans to primarily utilize the electricity generated from the photovoltaic system to offset its energy usage and enhance grid reliability through integrated storage. The project is expected to have begun construction in September 24, 2019 and has an estimated Placed in Service date of September 8, 2025.

iii. IRC Section 48 Investment Tax Credit Summary

Requirements to obtain a Section 48 ITC include:

- The Project must begin construction by December 31, 2024 by meeting "begun construction" requirements;
- The property must qualify under IRC Section 48(a)(3) as "Energy Property";
- Depreciation must be allowable for the property;
- The property must meet any performance and quality standards prescribed by the IRS; and
- ITC is earned when energy property is placed in service, which may occur within four years of beginning construction to show continuous construction. See Continuity Requirements for further information.

a) Begun Construction Requirements

The Project has an estimated Beginning of Construction date of September 24, 2019 and thus meets the requirement to have begun construction prior to December 31, 2024.

5% Safe Harbor Test and Physical Work Test

To be eligible for the ITC, construction must begin prior to the date established for each type of property and be continuous until the project is placed in service (see below for definition of “continuous and “placed in service”). To demonstrate compliance with the begun construction requirement, a qualifying project must meet one of two tests as defined under IRS Notice 2013-29 and Notice 2022-61.

- **5% Safe Harbor Test**: **Taxpayer must *pay or incur* at least 5% of the total eligible (energy property) costs of the energy project**
    - Incurred Defined: Treas. Reg. Section 1.461-1(a) defines incurred as when the below requirements have been satisfied:
        - Establish the fact of liability;
        - The amount of liability can be determined with reasonable accuracy; and
        - Economic performance has occurred.
    - Economic Performance: Treas. Reg. Section 1.461-4(d)(6) allows for economic performance to occur when payment is made if the taxpayer can reasonably expect the services or property to be provided within 3½ months after the date of payment.
    - As emphasized above, services or property are provided to a taxpayer when delivered, accepted, or title transfers.
    - If different services or items of property are provided to a taxpayer under a single contract or agreement, economic performance occurs over the time each service or property is provided so long that one of the following is met:
        - The separated line item exceeds 10% of the total contract price or;
        - The cost of the separated services or property is treated on the taxpayer’s books and records as separate items.
- **Physical Work of a Significant Nature (“Physical Work Test”)**: Begun construction is met under the physical work test when “physical work of significant work” begins. Per IRS Notice 2022-61, physical work performed both by the taxpayer and by others under a binding written contract are considered. Further, the Notice explicitly states the Physical Work Test focuses on the nature of work performed and not the amount or cost of work performed.
    - A binding written contract is defined within Treas. Reg. Section 1.168(k)-1(b)(4)(ii) and includes the following requirements:
        - Enforceable under state law;
        - Does not limit damages to an amount less than 5% of the total contract price;
        - Cannot be subject to provisions within the control of either party;
        - Contract is not an option to acquire or sell; and

        - Contract is not a supply agreement.
    - Physical work performed offsite does not include work to produce property that is either in existing inventory or is normally held in inventory by the vendor.
    - Activities that are specifically excluded from meeting the physical work test include:
        - Planning, designing, or securing financing;
        - Conducting geologic mapping and modeling;
        - Obtaining permits and licenses;
        - Conducting geophysical, gravity, magnetic, seismic and resistivity surveys;
        - Conducting environmental and engineering studies;
        - Clearing a site;
        - Conducting test drilling to determine soil condition; and
        - Excavating to change the contour of the land (distinguished from excavation for footings and foundations).

Continuity Requirements

Once a project has met “Begun Construction”, the Project must demonstrate continuous construction or continuous efforts (continuity requirement) to establish the begun construction date. There is a continuity safe harbor that allows for any project which is placed in service by the end of a calendar year that is no more than four calendar years after the calendar year during which construction of the energy property began, is deemed to have satisfied the continuity requirement.

If a project is placed into service outside the four-year window, the facts and circumstances indicating continuous efforts to advance towards completion of an energy property, such as the factors listed below, are considered for meeting the continuity requirement.

- Paying or incurring additional amounts included in the total cost of the energy project;
- Entering into binding written contracts for components or future work on construction of the energy project;
- Obtaining necessary permits; and
- Performing physical work of a significant nature.

b) Placed in Service

The investment tax credit is earned when an energy project is Placed in Service. Treas. Reg. Section 1.46-3(d)(1)(ii) provides that property is placed in service for federal income tax purposes when it is placed in a condition or state of readiness and availability for a specifically assigned function.

The Internal Revenue Service and judicial system have generally looked to a number of factors to determine when property is placed in a condition or state of readiness and availability for a specifically assigned function, including:

- Approval of required licenses and permits;
- Passage of control of the energy project to taxpayer;
- Completion of critical tests;
- Synchronized with grid, pipeline, or utility; and
- Commencement of daily or regular operation.

These factors are not exclusive. They are used as guideposts to determine whether, looking at the totality of the facts and circumstances, a facility has been placed in service. It is important to note that while a facility must be ready and available to produce on a sustained and reliable basis, it need not have reached design capacity to be considered placed in service.

Eligibility Check The Project has an estimated Beginning of Construction date of September 24, 2019 and thus meets the requirements to have begun construction prior to December 31, 2024. Also, the Project was expected to be Placed in Service on September 8, 2025 thus meeting the IRC § 48 Continuous Construction requirements as extended under IRS Notice 2021-41, which allows up to six years for projects that began construction in 2019.

c) Eligibility of the Project under IRC Section 48: Solar Energy Property

Based on the information provided by the Client, we believe certain capital expenditures of the Project are eligible for the ITC as "energy property" under IRC Section 48(a)(3)(A)(i) as "equipment which uses solar energy to generate electricity". Eligibility requirements of energy property as related to the project are summarized in IRC Section 48(a)(3) as follows:

Qualified Energy Property: Solar Energy Property

Generally, Section 48 allows for an energy credit for the energy percentage of the basis of each qualified property placed in service during the taxable year. The energy percentage will have a base percentage of 6% in the case of qualified property listed under Section 48(a)(2)(A)(i), and 2% for all other property. This percentage may be increased if certain additional requirements are met.

For purposes of this subpart, the term "energy property" means any property that is defined under Section 48(a)(3), including

> equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat, excepting property used to generate energy for the purposes of heating a swimming pool. IRC Section 48(a)(3)(A)(i).

Eligibility Check Based on information provided by the Client, the Project is eligible for the ITC based on Section 48(a)(3) definition of qualified energy property as qualified solar property.

d) Eligibility of the Project under IRC Section 48: Energy Storage Energy Property

Based on the information provided by Client, we believe certain capital expenditures of the Project are eligible for the ITC as “energy property” under IRC §48(c)(6) as systems that receive, store, and deliver energy for conversion to electricity, with a nameplate capacity of not less than 5 kilowatt hours. Eligibility requirements of energy property as related to the project are summarized in IRC §48(c)(6) as follows:

Qualified Energy Property: Energy Storage Technology

Generally, §48 allows for an energy credit for the energy percentage of the basis of each qualified property placed in service during the taxable year. The energy percentage will have a base percentage of 6% in the case of qualified property listed under §48(a)(2)(A)(i), and 2% for all other property. This percentage may be increased if certain additional requirements are met.
For purposes of this subpart, the term “energy property” means any property that is defined under §48(c)(6), including property (other than property primarily used in the transportation of goods or individuals and not for the production of electricity) which receives, stores, and delivers energy for conversion to electricity (or, in the case of hydrogen, which stores energy), and has a nameplate capacity of not less than 5 kilowatt hours per IRC §48(c)(6)(A)(i).

Eligibility Check
Based on information provided by the Client, the Project is eligible for the ITC based on Section 48(a)(3) definition of qualified energy property as qualified energy storage property.

e) Energy Property – Eligible Costs

Historically, only costs “integral to the production of electricity” were eligible costs for purposes of the investment tax credit under IRC Section 48. See below for historical guidance on eligible costs. In addition to this historical guidance, IRC Section 48 provides that costs incurred in implementing solar energy equipment such as storage devices, power conditioning equipment, transfer equipment, and property solely related to the functioning of these items will be integral to the production of electricity as well.

The Project is also eligible to receive additional energy property basis for the qualified interconnection costs incurred, as the Project produces electricity and has a nameplate capacity of less than 5 megawatts.

Historical Guidance - 1603 Program

Guidance for the 1603 grant program, which was created as part of the American Recovery and Reinvestment Tax Act of 2009, is commonly used to assist with determining which costs are considered eligible energy property. The prior 1603 grant in lieu of tax credit guidance states, as it pertains to property which can be used as a basis for claiming a grant in lieu of tax credit, “Qualified property includes only tangible property that is both used as an integral part of the activity performed by qualified facility and located at the site of the qualified facility. Qualified property does not include a building but may include structural components of a building. Property is an integral part of a qualified facility if the property is used directly in the qualified facility, is essential to the completeness of the activity performed in that facility and is located at the site of the qualified facility.”

80/20 Rule for Eligible Costs

The Treasury Regulations, set forth in §1.48-14(a)(1) and (2), provide that retrofitted energy property may be originally placed in service even though it contains some used components of the unit of energy property. The fair market value of the used components of the unit of energy property must not be more than 20 percent of the total value of the unit of energy property. The total value being the total value of used components and new components of property combined. When the 80/20 Rule is met, any new costs paid or incurred for property that is an integral part of the energy property (as defined in §1.48-9(f)(3)(i)) may also be included in the basis of the unit of energy property for purposes of claiming the credit. If the fair market value of the used components exceeds 20 percent of the total value, no portion of the retrofitted property qualifies for the IRC §48 credit. In the case of an energy project, as defined in §1.48-13(d), the 80/20 Rule must be applied to each separate unit of energy property included in that project.

Dual Use Property

Under Treasury Regulation §1.48-14(b)(1), the term "dual use property" refers to property that uses energy derived from both qualifying sources (those defined in §1.48-9(a), including any qualified facility for which an election has been made under §1.48-14(f)(2)) and non-qualifying sources. The Final Regulations in §1.48-14(b)(2)(i) provide that dual use property qualifies as energy property if its use of energy from non-qualifying sources does not exceed 50 percent of its total energy input during an annual measuring period. For property that meets this 50 to 100 percent qualifying-energy range, only a proportionate share of its basis is taken into account for purposes of computing the section 48 credit. If its use of energy from qualifying sources falls below 50 percent, the dual use property does not qualify for any credit. If its use of energy from qualifying sources falls below 50 percent, the dual use property does not qualify for any credit. The percentage of qualifying source energy uses an annual measurement period which will be the 365-day (366-day for leap year) period from the day that the dual use property is placed in service. This measurement will establish the percentage. If during any measurement period during the 5-year tax credit recapture period that the qualifying source total energy drops below 50 percent, the tax credit recapture is triggered.

Interconnection Property

Guidance regarding the qualification of interconnection property is provided by IRC Section 48(a)(8) as follows:

In general, for purposes of determining the credit under sub Section (a), energy property shall include amounts paid or incurred by the taxpayer for qualified interconnection property in connection with the installation of energy property (as defined in paragraph (3)) which has a maximum net output of not greater than 5 megawatts (as measured in alternating current), to provide for the transmission or distribution of the electricity produced or stored by such property, and which are properly chargeable to the capital account of the taxpayer.

Qualified interconnection property

The term "qualified interconnection property" means, with respect to an energy project which is not a microgrid controller, any tangible property

- which is part of an addition, modification, or upgrade to a transmission or distribution system which is required at or beyond the point at which the energy project interconnects to such transmission or distribution system in order to accommodate such interconnection,
- either
  - which is constructed, reconstructed, or erected by the taxpayer, or
  - for which the cost with respect to the construction, reconstruction, or erection of such property is paid or incurred by such taxpayer, and

- the original use of which, pursuant to an interconnection agreement, commences with a utility.

Interconnection Agreement

The term “interconnection agreement” means an agreement with a utility for the purposes of interconnecting the energy property owned by such taxpayer to the transmission or distribution system of such utility.

Utility

For purposes of this paragraph, the term “utility” means the owner or operator of an electrical transmission or distribution system which is subject to the regulatory authority of a State or political subdivision thereof, any agency or instrumentality of the United States, a public service or public utility commission or other similar body of any State or political subdivision thereof, or the governing or ratemaking body of an electric cooperative.

f) Investment Tax Credit Calculation

Applicable Percentage

Qualified energy property defined under IRC Section 48 is eligible for an ITC with a 6% base credit with the following bonus credits available:

- 5x credit multiplier if prevailing wage and apprenticeship requirements are met, construction has begun prior to January 29~~,~~ 2023, or one-megawatt exception is met (30% value – 6% multiplied by 5).
- 2% (or 10% if 5x multiplier applies) bonus credit for projects that use domestic sourced steel and equipment.
- 2% (or 10% if 5x multiplier applies) bonus credit for projects located in an energy community.

The IRA established a new structure for calculating the investment tax credit. The IRA established base credit amounts with a multiplier for meeting applicable prevailing wage and apprenticeship requirements and multiple categories of adders including bonuses for domestic content and locating projects in energy communities.

The amount of investment tax credit is the eligible cost basis multiplied by the base credit with the credit multiplier and bonus credits. For example, a qualified energy project that meets prevailing wage and apprenticeship requirements, uses qualified domestically sourced content, and is located in a qualified energy community will be eligible for a tax credit valued at 50% of eligible costs.

Reduction in Credit for Financing via Tax-Exempt Bonds

The amount of investment tax credit determined with respect to any energy project for any taxable year shall be reduced by the lessor of 15% (in case of any property that began construction before August 16, 2022, 50%) or the pro rata portion of tax-exempt financing, as calculated below:

- The numerator of which is the sum, for the taxable year and all prior taxable years, of proceeds of an issue of any obligations the interest on which is exempt from tax under IRC Section 103, and which is used to provide financing for the energy project; and

- The denominator of which is the aggregate number of additions to the capital account for the energy project for the taxable year and all prior taxable years.

ITC Recapture

Under IRC Section 50, investment tax credits will be recaptured if the asset ceases to be eligible ITC property. For example, if sold, disposed, or otherwise ceases to operate within five tax years from the point where the asset is placed in service, the tax credit may be subject to recapture. The amount of recapture phases down by 20% after each year the project is placed in service. For example, in year one if a recapture event were to occur, 100% of the credit value would be recaptured. In year two, 80% would be recaptured.

Depreciable Basis Reduction

Under IRC Section 48, the ITC reduces the depreciable basis of the energy property being claimed for such credit by a factor of 50% of the ITC credit. For example, if a 30% ITC is claimed on eligible energy property, the depreciable basis of such property must be reduced by 15% (50% of 30%) so the depreciable basis of the energy property is 85% of its original value.

g) Increased Credit Amount Requirements

The increased credit amount requirements, as defined within IRC Section 48(a)(9), are critical to maximizing the eligible credit. Meeting these requirements allows the taxpayer to claim a 5x multiplier of the base credit which, in the case of the credits being discussed in this report, increases the credit from 6% to 30% of eligible energy property. Similarly, the 5x multiplier applies to 2% bonus credits (Domestic Content bonus and Energy Community) to increase those bonus credits to 10% each.

A project meets the increased credit amount requirements if it is one of the following:

- A project with a maximum net output of less than 1 megawatt (as measured in alternating current) or thermal energy (the one-megawatt exception);
    - In accordance to a qualified biogas project, Treas. Reg. Section 1.48-13(e)(5) would provide that 3.4 MMBtu/hour can be used as equivalent to the One-Megawatt Exception. Taxpayers may convert the maximum net output of 3.4 mmBtu/hour into an equivalent maximum net volume flow in scf per hour using the appropriate high heat value conversion factors found in the Environmental Protection Agency (EPA) GHG Reporting Rule (GHGRR) at table C-1 to subpart C of part 98 (40 CFR part 98).Otherwise, taxpayers may calculate their own equivalent volumetric flow if the heat content of the gas is known.
- A project the construction of which begins before the date that is 60 days after the Secretary publishes guidance with respect to the requirements of IRC Section 48(a)(10)(A) and (11), which corresponds to January 29, 2023 given the issuance of IRS Notice 2022-61 (the Beginning of Construction Exception); or
- A facility which satisfies the Prevailing Wage and Apprenticeship (PWA) requirements of IRC Section 48(a)(10)(A) and (11).

IRC Section 48(a)(10)(A) and (11) outline the PWA requirements as the following:

Prevailing wage requirements with respect to any *energy project* (defined below):

- At risk of penalty and/or recapture of claimed credits, any laborers and mechanics employed by the taxpayer or any contractor or subcontractor must be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such project is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code (wage rate requirements) for:
    - The construction of the energy project; and
    - Alterations or repairs of such energy project for the five-year period beginning on the date the project is originally placed in service.

Apprenticeship requirements with respect to any energy project:

- Labor hours
    - At least the applicable percentage (defined below) of the total labor hours of the construction, alteration, or repair work (including such work performed by any contractor or subcontractor) be performed by qualified apprentices:
        - 10% if construction begins before January 1, 2023
        - 12.5% if construction begins after December 31, 2022, and before January 1, 2024
        - 15% if construction begins after December 31, 2023.
- Apprentice ratio
    - The previous requirement is subject to any applicable requirements for apprentice-to-journey worker ratios of the Department of Labor or the applicable State apprenticeship agency.
- Participation
    - Each taxpayer, contractor, or subcontractor who employs four or more individuals to perform construction, alteration, or repair work with respect to the construction of an energy project shall employ one or more qualified apprentices to perform such work.
    - Exceptions
        - Good faith effort:
            - taxpayer shall be deemed to have satisfied the apprenticeship requirements with respect to an energy project if such taxpayer has requested qualified apprentices from a registered apprenticeship program; and
            - such request has been denied, provided that such denial is not the result of a refusal by the taxpayer, or any contractors or subcontractors engaged in the performance of construction, alteration, or repair work with respect to such energy project to comply with the established standards and requirements of the registered apprenticeship program; or
            - the registered apprenticeship program fails to respond to such request within five business days after the date on which such registered apprenticeship program received such request.
    - Capacity or timing:
        - The 5x multiplier on the base ITC credit shall be allowed without respect to prevailing wage and apprenticeship requirements if the energy project:

- has a maximum net output of less than 1 megawatt of electrical (AC) or thermal energy; or
- construction began before January 29, 2023, 60 days after the Secretary published guidance with respect to the requirements.

Penalties for claiming the prevailing wage and apprenticeship multiplier with failure to meet such requirements may result in penalties ranging from $50 to $500 per labor hour short of such labor hour and/or participation requirements.

Labor hours is defined as the total number of hours devoted to the performance of construction, alteration, or repair work by any individual employed by the taxpayer or by any contractor or subcontractor, and excludes any hours worked by

- foremen,
- superintendents,
- owners, or
- persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).

Qualified apprentice is defined as an individual who is employed by the taxpayer or by any contractor or subcontractor and who is participating in a registered apprenticeship program, as defined in Section 3131(e)(3)(B) (an apprenticeship registered under the Act of August 16, 1937 that meets the standards of subpart A of part 29 and part 30 of title 29, Code of Federal Regulations).

Eligibility Check
The Project has an estimated Beginning of Construction date of September 24, 2019 and thus meets PWA requirements through "Beginning of Construction Exception" to have begun construction prior to January 29, 2023. Thus, the base ITC energy percentage and any bonus percentages will be multiplied by five (5).

h) Domestic Content Bonus Credit Requirements

The domestic content requirements are defined within IRC Section 48(a)(12). The general requirement is that 100% of structural steel used within a project and 40% of components for projects are required to be manufactured in the United States that begin construction before the end of 2025. IRS issued Notice 2023-38 and Notice 2024-41 as preliminary guidance regarding domestic content requirements. The Notice outlines certification and record keeping requirements that will be further described in future proposed regulations issued by the U.S. Secretary of Treasury.

A taxpayer must certify to the Secretary (at such time, and in such form and manner, as the Secretary may prescribe) that any steel, iron, or manufactured product which is a component of such energy project (upon completion of construction) was produced in the United States (as determined under Section [2] 661 of title 49, Code of Federal Regulations [Buy America]).

- Structural Steel and iron

- All manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives.
- The structural steel and iron requirements apply to all construction materials made primarily of steel or iron. These items include, but are not limited to, structural steel or iron, steel or iron beams and columns, running rail and contact rail. These requirements do not apply to steel or iron used as components or subcomponents of other manufactured products or rolling stock, or to bimetallic power rail incorporating steel or iron components.

- Manufactured products
  - Not less than 40% of the total costs of all manufactured products of the energy project are attributable to manufactured products (including components) which are mined, produced, or manufactured in the United States.
  - For projects that begin construction after 12/31/2024 the required domestic content percentage increases from 40% as listed below:
    - Beginning construction after 12/31/2024 and before 1/1/2026 – 45% of manufacturing costs required to be domestic.
    - Beginning construction after 12/31/2025 and before 1/1/2027 – 50% of manufacturing costs required to be domestic.
    - Beginning construction after 12/31/2026 – 55% of manufacturing costs required to be domestic.

Eligibility Check
The Project does not meet the requirements to be eligible for the Domestic Content bonus.

i) Energy Community Bonus Credit Requirements

The Energy Community bonus credit allows for an additional 10% ITC value for qualifying facilities. The facility must qualify as either a brownfield site category, a statistical area category, or a coal closure category.

Energy communities are defined within IRC Section 45(b)(11)(B) as meeting any one of the qualifications below:

Brownfield Category

- Defined as meaning real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant, subject to various exclusions.
- The Safe Harbor rules for Brownfield sites are:
  - Listed under EPA’s Cleanups in My Community webpage or similar webpages maintained by states, territories, or Indian tribes

- An ASTM E1903 Phase II Environmental Site Assessment (phase II Assessment) has been completed which confirms the presence on the site of a hazardous substance as defined under 42 U.S.C. Section 9601(14), or a pollutant or contaminant as defined under 42 U.S.C. Section 9601(33);
- For projects with nameplate capacity not greater than 5MW, an ASTM E1903 Phase I Environmental Site Assessment (phase I Assessment) has been completed and identifies the presence or potential presence of a hazardous substance as defined under 42 U.S.C. Section 9601(14) (hazardous substance), or a pollutant or contaminant as defined under 42 U.S.C. Section 9601(33) (pollutant or contaminant).

Eligibility Check
The approximate location of the Project is 3651 Boeing Ave, McKinleyville, CA 95519. The site is adjacent to a parcel listed as a Brownfield property by the United States Environmental Protection Agency.[2] As such, there is reason to study Project parcels to determine potential to be considered eligible for the Energy Community bonus. Given the site's general history and location near classified Brownfields, performance of a Phase 1 environmental review of the parcels associated with the Project may confirm qualification as an Energy Community and eligibility for the 10% Energy Community bonus. However, because additional due diligence and documentation is required to confirm applicability of the Brownfield designation, the bonus credit has not been assumed.

Statistical Area Category

- A metropolitan statistical area or non-metropolitan statistical area which
  - has (or, at any time during the period beginning after December 31, 2009, had)
    - 0.17 percent or greater direct employment (fossil fuel employment); or
    - 25 percent or greater local tax revenues (fossil fuel tax revenue).
  - related to the extraction, processing, transport, or storage of coal, oil, or natural gas (as determined by the Secretary); and
  - has an unemployment rate at or above the national average unemployment rate for the previous year (as determined by the Secretary, with guidance released in May 2023).

Eligibility Check
The Project site is in Humboldt County, CA which is in the Eureka–Arcata–Fortuna Micropolitan Statistical Area. The MSA does not have 0.17 percent or greater direct employment in the fossil fuels industry or an unemployment rate that was determined to be higher than the national average for the previous year. Thus, the Project does not meet the requirements for the Statistical Area Category and is not eligible for the Energy Community bonus credit.

Coal Closure Category

- A census tract in which

[2] U.S. EPA Brownfields database

- o a coal mine has closed after December 31, 1999;
- o a coal-fired electric generating unit has been retired after December 31, 2009; or
- o is directly adjacent to any census tracts defined above.

IRS Notice 2023-29 indicates the nameplate capacity test or the footprint test will be used to determine the location of the project. The notice further explains that if the project location qualifies as an energy community at the Beginning of Construction date, the location will also qualify as an energy community at the Placed In-Service date. IRS Notice 2023-45 further clarifies the requirements for a brownfield site safe harbor. Additional energy communities are defined under IRS Notice 2024-30.

Eligibility Check
The Project site is in Census Tract 06-023-010400, which is not included in the lists of eligible Coal Closure census tracts according to IRS Notice 2023-29 Appendix C, IRS Notice 2023-47, Appendix 3, IRS Notice 2024-48, Appendix 2, IRS Notice 2025-31, Appendix 4, or other related guidance. Further, this census tract or tracts adjacent to it, do not appear to have any identified coal mine closures or coal-fired electric generating unit closure sites since the most recently updated list provided by the IRS. Thus, the Project does not qualify as an energy community due to coal closure category qualifier.

iv. Monetization

a) Elective Payment

The Inflation Reduction Act of 2022 created IRC Section 6417 which allows an applicable entity to make an election to, with respect to any applicable credit determined with respect to such entity, be treated as making a payment against the tax imposed by subtitle A (for the taxable year with respect to which such credit was determined) equal to the amount of such credit (often referred to as “elective pay” or “direct pay”). The cash proceeds received for the credit are considered tax exempt income from a federal income tax perspective.

“Applicable Entity” Defined

The following are outlined as “applicable entities” per IRC Section 6417:

- any organization exempt from the tax imposed by subtitle A;
- any State or political subdivision thereof;
- the Tennessee Valley Authority;
- an Indian tribal government (as defined in Section 30D(g)(9);
- any Alaska Native Corporation (as defined in Section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)); or
- any corporation operating on a cooperative basis which is engaged in furnishing electric energy to persons in rural areas.

b) Transferability

The Inflation Reduction Act of 2022 also created IRC §6418 which allows an eligible taxpayer, that is not described under §6417(d)(1)(A) (i.e., applicable entities), to make an election to transfer (sell) eligible credits to an unrelated taxpayer in exchange for cash. The cash proceeds received on the sale of the ITC are considered tax exempt income from a federal income tax perspective. The election to transfer credits is not an “all or nothing” election as portions of the credit earned in a year can transferred with the remaining portion consumed to offset shareholder tax liability. The sale of credits is limited to the taxable entity that placed the project in service, thus credits cannot be sold after being transferred or allocated to shareholders.

The ability to transfer credits applies to both the investment tax credit and production tax credit. Credits eligible to be transferred are the following:

- so much of the credit for alternative fuel vehicle refueling property allowed under §30C which, pursuant to subsection (d)(1) of such section, is treated as a credit listed in §38(b);
- the renewable electricity production credit determined under §45(a);
- the credit for carbon oxide sequestration determined under §45Q(a);

- the zero-emission nuclear power production credit determined under §45U(a);
- the clean hydrogen production credit determined under §45V(a);
- the advanced manufacturing production credit determined under §45X(a);
- the clean electricity production credit determined under §45Y(a);
- the clean fuel production credit determined under §45Z(a);
- the energy credit determined under §48;
- the qualifying advanced energy project credit determined under §48C; and
- the clean electricity investment credit determined under §48E.

The election can be made by the due date (including extensions of time) for the federal tax return for the taxable year for which the credit is determined.

Further discussions with management and analysis will be completed to determine the value of credits that can be self-consumed by investors (if any), with the remaining being transferred for cash proceeds.

Eligibility Check
Under §6417, the Client, an applicable entity that completed the construction, reconstruction, or erection of the energy property or acquired the property and commenced the original use of such property, can elect to be treated as making a payment against the tax imposed by subtitle A equal to the amount of such credit. The election can be made by the due date (including extensions of time) for the federal tax return for the taxable year for which the credit is determined.

v. Conclusion

a) Summary of Findings and Recommendations

Based on review of the information provided by the Client, the RCEA Microgrid Project is likely to be eligible for the ITC as "energy property" under IRC Section 48(a)(3)(A)(i) as "equipment which uses solar energy to generate electricity" and under IRC Section 48(a)(3)(A)(ix) as an "energy storage technology" under IRC §48(c)(6). The Project meets the increased credit amount requirements through the begun construction safe harbor. Further, the Project does not meet the requirements of the Domestic Content bonus credit or Energy Community bonus credit. Thus, the estimated value of the ITC is 30% of ITC-eligible costs.

Key considerations for the Client include (a) further due diligence to analyze and document potential qualification for the Energy Community bonus credit under the Brownfield designation, and (b) assessment of use of tax-exempt funding sources.

vi. Next Steps

- Substantiation of Beginning of Construction and Placed in Service dates;
- Conduct Phase 1 environmental site assessment to evaluate potential Brownfield classification to further determine applicability of Energy Community bonus credit;

- Perform a cost segregation study to determine the eligible basis of energy property and assess implication of tax exempt funding on credit rate (if any); and
- Prepare tax credit documents for submission for filling in November 2026 with the ability to extend to May 15, 2027, including:
  - Credit summary;
  - Grouping, Beginning of Construction, and Placed in Service memorandums;
  - Cost segregation report;
  - IRS-preregistration assistance;
  - Tax filing forms; and
  - 6417 Election Statement.

vii. Disclosures

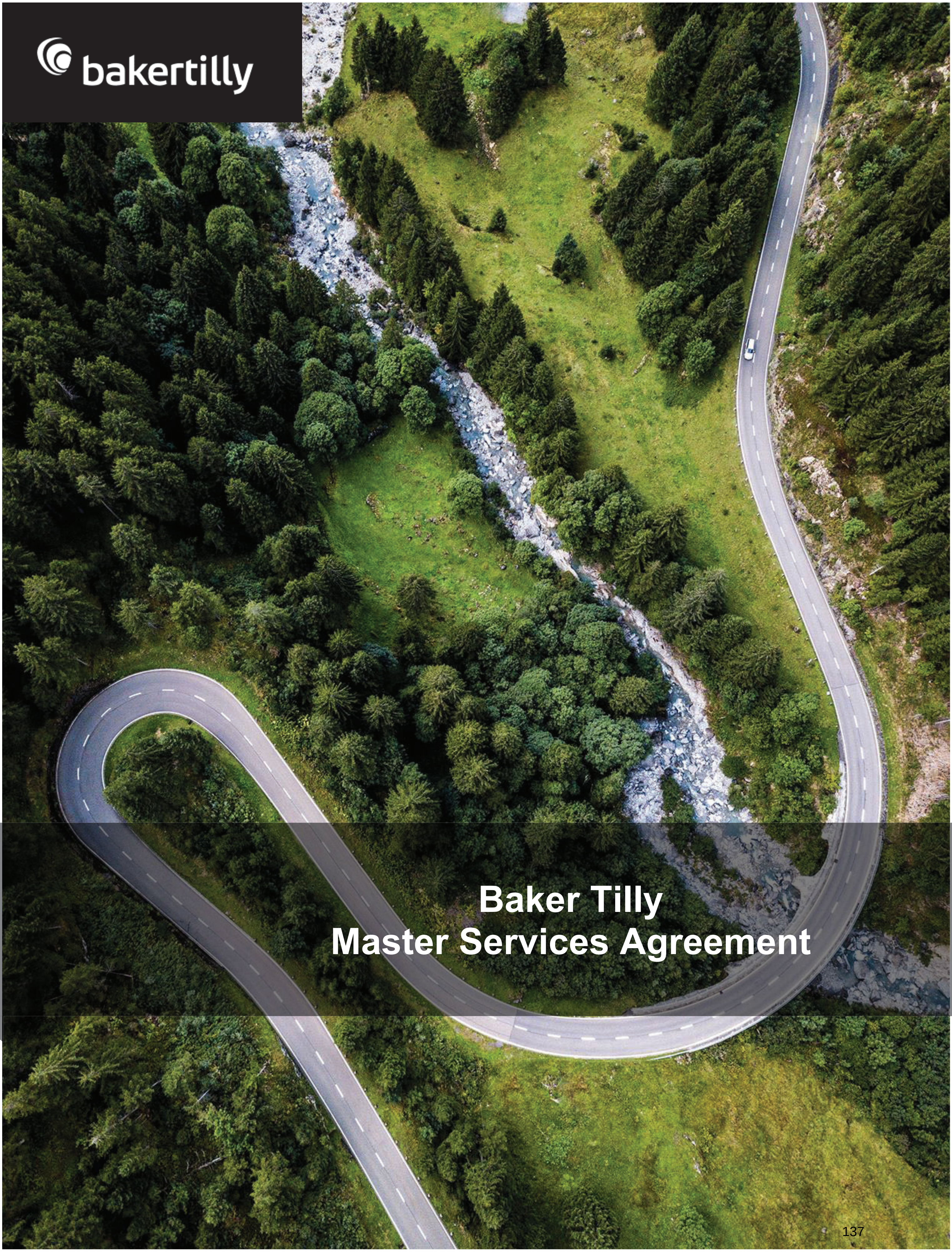
Pursuant to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, nothing contained in this communication was intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose. No one, without our express prior written permission, may use or refer to any tax advice in this communication in promoting, marketing, or recommending a partnership or other entity, investment plan or arrangement to any other party.

The accompanying credit estimates are based on information provided by management. Baker Tilly is not performing an audit of the Project or providing a formal opinion regarding the Project's eligibility for the ITC. There is no guarantee that the Project will qualify for the ITC.

This memorandum is a summary discussion and is limited to the facts described. It is not intended to be a formal opinion of tax consequences and does not contain a full description of all facts or a complete exposition and analysis of all relevant tax authorities.

The conclusions and recommendations contained in this memorandum are based on our understandings of the facts, assumptions, information, and documents referenced herein and current tax laws and published tax authorities in effect as of the date of this memorandum, which are subject to change. If the facts and assumptions are incorrect or change or the tax laws change, the conclusions and recommendations would likewise be subject to change.

This memorandum reflects our interpretation of the IRC, the Treasury Regulations promulgated thereunder, cases, public and private rulings, administrative announcements, and other tax authority in effect as of the date of our memorandum. If the tax authorities relied upon to issue our memorandum change, the conclusions and recommendations would likewise be subject to change. Baker Tilly Advisory Group, LP assumes no obligation and does not intend to update the memorandum for any future changes in tax law, regulations, or other interpretations.



Baker Tilly
Master Services Agreement

Baker Tilly Advisory Group, LP
205 N Michigan Ave
Chicago, IL 60601
tel +1 (312) 729 8000
bakertilly.com

Eileen Verbeck
Redwood Coast Energy Authority
633 3rd Street
Eureka, California 95501
United States

Dear Eileen Verbeck:

Baker Tilly Advisory Group, LP (“Baker Tilly”) is pleased to have the opportunity to present the following Master Services Agreement (“MSA”) to Redwood Coast Energy Authority (“Client”).

We look forward to discussing the details of this Master Services Agreement and welcome the opportunity to address any questions you may have as you review this document.

Sincerely,

Michelle Isenhouer Hanlin,

Baker Tilly Principal

Master Services Agreement

October 8, 2025

This Master Services Agreement (“MSA” or “Agreement”) is made and entered into this ___________, 2025 and governs the consulting services provided by Baker Tilly Advisory Group, LP (“Baker Tilly”, “we”, “us” or “our”) for Redwood Coast Energy Authority (“Client”) (each a “Party,” and together the “Parties”) under various Statements of Work (“SOW”) issued hereunder (“Services”). This MSA, together with attachments and any SOW issued hereunder, constitute the entire understanding and agreement between Client and Baker Tilly with respect to the Services, and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. This Agreement’s provisions shall not be deemed modified or amended by the conduct of the Parties. If there is a conflict between this Agreement and the terms of any SOW, this Agreement shall govern.

Client acknowledges that Baker Tilly is also able to provide unrelated services, including without limitation, financial audit, wealth management, and tax services (collectively “Out of Scope Services”). Should Client wish to engage Baker Tilly in connection with any Out of Scope Services, the Parties shall negotiate appropriate terms and conditions for such Out of Scope Services in separate written engagement letter(s).

Term of Agreement

The term of this agreement shall be for a period commencing on the Effective Date of this MSA through June 30, 2026, unless terminated earlier or extended, as provided for herein.

Section 1. Confidentiality

With respect to this Agreement and any information supplied in connection with this Agreement and designated by the disclosing party (the Disclosing Party) as “Confidential Information” either by marking it as “confidential” prior to disclosure to the receiving party (the Recipient) or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its confidential information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Agreement; and (iii) reproduce Confidential Information only as required to perform its obligations under this Agreement. This section shall not apply to information which is (A) publicly known, (B) already known to the recipient; (C) disclosed to a third party without restriction; (D) independently developed; or (E) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the Services performed. Subject to the foregoing, Baker Tilly may disclose Client’s Confidential Information to its subcontractors and subsidiaries.

Section 2. Deliverables

(a) Unless otherwise stated in a specific Statement of Work, subject to Baker Tilly’s rights in Baker Tilly’s Knowledge (as defined below), Client shall own all, intellectual property rights in the deliverables developed under the applicable Statement of Work ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all of Baker Tilly’s Knowledge. For purposes of this Agreement “Baker Tilly’s Knowledge” means Baker Tilly’s proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Baker Tilly prior to the Effective Date of this Agreement (“Baker Tilly’s Preexisting Knowledge”) (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly’s Preexisting Knowledge which do not include or incorporate Client’s confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly.

(b) The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the Services rendered under this engagement. When such records are returned to you, it is the Company's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to Regulators, Client hereby authorizes us to do so.

Section 3. Acceptance

Client shall accept Deliverables which (i) substantially conform to the specifications in the Statement of Work or (ii) where applicable, successfully complete the mutually agreed to acceptance test plan described in the Statement of Work. Client will promptly give Baker Tilly written notification of any nonconformance of the Deliverables with such requirements (Nonconformance) within thirty (30) days following delivery of such Deliverables, and Baker Tilly shall have a reasonable period of time, based on the severity and complexity of the Nonconformance, to correct the Nonconformance so that the Deliverables substantially conform to the specifications. If Client uses the Deliverable before acceptance, fails to promptly notify Baker Tilly of any Nonconformance within such 30-day period, or delays the beginning of acceptance testing more than five (5) business days past the agreed upon date for the start of such acceptance testing as specified or otherwise determined under the Statement of Work, then the Deliverable shall be deemed irrevocably accepted by the Client.

Section 4. Payment Terms

Client shall pay Baker Tilly for services rendered under each Task Order with a combined total maximum amount not to exceed $49,500. The rates and billing structure for the Services will be set forth in each SOW. Baker Tilly will submit invoices per the applicable billing structure for each SOW, due 30 days from receipt. To the extent applicable, the invoices will show our expense charges for such items as travel, communications, purchase of data, and other similar costs. Baker Tilly, without liability, may withhold delivery of services/Deliverables/work product and may suspend performance of its obligations pending payment of all charges that are due and unpaid more than forty-five (45) days after receipt. Client will be responsible for all costs of collection (including attorneys' fees) as may be allowed by law.

Section 5. Standards of Performance

Baker Tilly shall perform its Services in conformity with the terms expressly set forth in this Agreement. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. Client acknowledges that the Services will involve the participation and cooperation of management and others of Client. Unless required by professional standards or Client and Baker Tilly otherwise agree in writing, Baker Tilly shall have no responsibility to update any of its work after its completion.

Section 6. Warranty

(a) Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Statement of Work entered into pursuant hereto and the person signing this Agreement or such Statement of Work on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

(b) Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Baker Tilly to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Baker Tilly provides Services under this Agreement.

(c) Baker Tilly warrants that any Services that it provides to Client under this Agreement and any Statement of Work will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Baker Tilly's warranty will be for Baker Tilly, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Baker Tilly's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Baker Tilly's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Baker Tilly or to the environment in which the Services are used (including the physical, network and systems environments) that are not authorized in writing by Baker Tilly. If Client does not notify Baker Tilly of a breach of Baker Tilly's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.

(d) Baker Tilly does not warrant any third-party product (each, a Product). All Products are provided to Client by Baker Tilly "AS IS." Baker Tilly will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client, recognizing that Baker Tilly is not the manufacturer of any Product, expressly waives any claim that Client may have against Baker Tilly based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right (each a Claim) with respect to any Product and also waives any right to indemnification from Baker Tilly against any such Claim made against Client by another. Client acknowledges that no employee of Baker Tilly or any other party is authorized to make any representation or warranty on behalf of Baker Tilly that is not in this Agreement.

(e) This section 5 is Baker Tilly's only warranty concerning the Services and any deliverable, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, ACCURACY, TITLE, noninfringement or fitness for a particular purpose, or otherwise.

Section 7. Limitation on Damages and Indemnification

(a) The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the Services performed under this Agreement shall not exceed the fees paid to Baker Tilly for the portion of the work under the SOW to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such Services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays, interruptions or viruses arising out of or related to this Agreement even if the other party has been advised of the possibility of such damages.

(b) As Baker Tilly is performing the Services solely for the benefit of Client, Client will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services, Client's use of the Deliverables, or this Agreement.

(c) In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

(d) Because of the importance of the information that Client provides to Baker Tilly with respect to Baker Tilly's ability to perform the Services, Client hereby releases Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

(e) Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Agreement are material bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

(f) The terms of this Section 6 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of Client, Baker Tilly or others), but these Terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These Terms shall also continue to apply after any termination of this Agreement.

(g) Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the Services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

Section 8. Personnel

During the term of this Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the project term and within six months following completion, will be a fee equal to the hired person’s annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

Section 9. Data Privacy and Security

(a) To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly’s processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly’s tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client’s engagement and not for Baker Tilly’s own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP may co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing.

(b) Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly’s use of aggregated/de-identified data.

(c) Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation, and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this Agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.

Section 10. Termination

(a) This Agreement may be terminated at any time by either party upon written notice to the other. However, upon termination of this Agreement, this Agreement will continue to remain in effect with respect to any Statement(s) of Work already issued at the time of such termination, until such Statements of Work are themselves either terminated or the performance thereunder is completed.

(b) This Agreement and all Statements of Work may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

(c) Client shall pay Baker Tilly for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Baker Tilly for all reasonable costs associated with any termination. In the event that collection procedures are required, the Company agrees to be responsible for all expenses of collection including related attorneys' fees.

(d) Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Statement of Work.

Section 11. Dispute Resolution

(a) Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation or termination of this Agreement shall be resolved as set forth in this Section using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant Services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

(b) Because a breach of any the provisions of this Agreement concerning confidentiality or intellectual property rights will irreparably harm the nonbreaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the nonbreaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

Section 12. Force Majeure

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision (Force Majeure Event), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party’s failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

Section 13. Taxes

Baker Tilly’s fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client’s use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys’ fees, associated with Client’s breach of this Section 12.

Section 14. Notices

Any notice or communication required or permitted under this Agreement or any Statement of Work shall be in writing and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified on the signature page of this Agreement or such other address as either party may from time to time designate to the other using this procedure.

Section 15. Miscellaneous

(a) This Agreement and any Statement(s) of Work constitute the entire agreement between Baker Tilly and Client with respect to the subject matter hereof and supersede all prior agreements, promises, understandings and negotiations, whether written or oral, regarding the subject matter hereof. No terms in any Client purchase order that are different from, or additional to, the terms of this Agreement will be accorded any legal effect and are specifically hereby objected to by Baker Tilly. This Agreement and any Statement of Work cannot be amended unless in writing and signed by duly authorized representatives of each party. Headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

(b) In the event that any provision of this Agreement or any Statement of Work is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Statement of Work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Agreement would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

(c) Neither this Agreement, any Statement of Work, any claims nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by Client without the written consent of Baker Tilly. Baker Tilly may assign and transfer this Agreement and any Statement of Work to any successor that acquires all or substantially all of the business or assets of Baker Tilly by way of merger, consolidation, other business reorganization, or the sale of interests or assets.

(d) The validity, construction and enforcement of this Agreement shall be determined in accordance with the laws of the State of Illinois, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Agreement shall be brought exclusively in the State of Illinois. Both parties consent to the personal jurisdiction of the state and federal courts located in Illinois.

(e) The parties hereto are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other. Baker Tilly shall have no authority to bind Client to any third-party agreement. Though the Services may include Baker Tilly's advice and recommendations, all decisions regarding the implementation of such advice or recommendations shall be the responsibility of, and made by, Client.

(f) The failure of either party at any time to enforce any of the provisions of this Agreement or a Statement of Work will in no way be construed as a waiver of such provisions and will not affect the right of party thereafter to enforce each and every provision thereof in accordance with its terms.

(g) Client acknowledges that: (i) Baker Tilly and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability or security of Internet e-mail, and (iii) Baker Tilly shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption or alteration of any Internet e-mail.

(h) Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

(i) The Services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

(j) Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms. Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Acknowledgement

The Parties' authorized representatives have executed this Agreement as of the date(s) set forth below. The Parties represent that they have read and understood this Agreement and agree to be bound by it.

Baker Tilly Advisory Group, LP	Redwood Coast Energy Authority
By: [redacted]	**By:** Signed by: [redacted]
Name: Michelle Isenhouer Hanlin	**Name:** Elizabeth Burks
Title: Principal - Financial Advisory	**Title:** Executive Director
Date: October 8, 2025	**Date:** October 8, 2025

bakertilly

Scope of Work 1
Tax Credit Consulting

Eileen Verbeck
Redwood Coast Energy Authority
633 Third Street
Eureka, CA 95501
United States

Delivered via email – Eileen Verbeck – EVerbeck@redwoodenergy.org

RE: IRA Consulting Services – Tax Credit Consulting

The following is pursuant to the Master Services Agreement ("MSA") effective October 8, 2025, for services to be provided by Baker Tilly Advisory Group, LP ("Baker Tilly" or "Consultant") and Redwood Coast Energy Authority (the "Company" or "Client").

Baker Tilly will perform the following services: Consulting Support Related to the Pursuit of the Federal Energy Tax Credits, the "Scope".

Our Understanding:
The Client has built a microgrid comprised of solar and battery energy storage in California. The Client has built multiple Client-owned electric vehicle (EV) charging stations for its customers in their service area in California. The Client also plans to build additional Client-owned EV charging stations. Collectively, the (1) microgrid project, (2) built EV charging station project, and (3) planned EV charging station project are referred to as "the Projects." The Client is seeking support in understanding eligibility of the Projects to claim the Investment Tax Credit (ITC).

The Client is aware that it may be eligible for a Federal Tax Credit because of the Projects qualifying under the One Big Beautiful Bill Act. The Act includes tax provisions providing credits and incentives for the production and consumption of clean energy, carbon emissions reduction, electric vehicle purchases and, among other items, promoting domestic energy security.

Based upon initial discussions, the Client is interested in having Baker Tilly support its goal to preserve, enhance, and claim an Investment Tax Credit (ITC) from its Project. The following outlines Baker Tilly's proposed approach to this engagement:

Scope, Objectives and Approach:
It is anticipated that this consulting project will be completed by providing verbal and/or written advice with regards to the Federal Tax Credit for the Project.

The scope may include the following:

1) Provide explanations rules and law under the Internal Revenue Code and Regulations related to eligibility of Section 48 ITC, Section 48E ITC, and Section 30C ITC.
2) Review Client-provided materials to evaluate Project eligibility, appropriate credit regimes, and factors which may impact applicable credit amount
3) Prepare eligibility memo for Client-defined Project(s)

<u>Note:</u> Drafting of individual Project memorandums to support substantiation of all compliance

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requirements as part of tax credit workpaper documentation will be contracted under a separate SOW for the specified Project.

Project Timing, Phases and Budget:
The Project will commence upon execution of a formal engagement letter and applicable SOW, and subject to availability of requested information from the Client. Baker Tilly will perform the SOW no later than December 31, 2025, though this may be adjusted in writing by Baker Tilly in negotiation with Client.

Our fee for this engagement will be based on the number of hours expended at our standard billing rates or based on agreed-upon rates. Factors such as the complexity of the engagement, the condition and completeness of your records, the timely compilation by your staff of any information we have requested, the continuity of your personnel and their availability will have a bearing on the amount of time required to complete the engagement. Notwithstanding the foregoing, the not-to-exceed amount for this engagement is $25,000.

The fees will be at billed at Baker Tilly's standard billing rates based on actual time incurred according to the rate schedule set forth below. Based on our understanding, we expect the fee to be approximately $10,000 – $15,000 for the microgrid project, and approximately $5,000 – $7,500 for each EV charger project. If we expect the fee to exceed the fee expectation, we will provide you with a written notice and only proceed further upon your confirmation.

Standard Hourly Rates	
Principals / Directors	$[redacted]
Senior Managers / Managers	$[redacted]
Consultants / Accountants	$[redacted]
Support / Municipal Bond Disclosure Specialists	[redacted]
Interns / Staff / Admin Support	$[redacted]

∗ *Billing rates are subject to change periodically after outer date above due to changing requirements and economic conditions. T he fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

Any out-of-scope fees will be at billed at Baker Tilly's standard billing rates based on actual time incurred according to the rate schedule above.

Travel time and out-of-pocket expenses are in addition to these amounts, will be itemized separately, and will always be billed at actual cost with no mark-up. Travel time is billed at half Baker Tilly's standard hourly rates.

Billing Procedures
You will receive a monthly statement showing the installment fees and any travel costs incurred in the prior month which is payable no later than 60 days after the invoice date. The account balance is due and payable on receipt of the invoice. All unpaid invoices will accrue 1% late payment charges monthly.

Nonattest Services
As part of this engagement, we will perform certain nonattest services. For purposes of the Agreement and this SOW, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- Evaluate the adequacy and results of the nonattest services we perform.
- Accept responsibility for the results of our nonattest services.
- Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

We are unaware of any additional conflicts of interest related to this SOW that exist at this time.

Termination

Notwithstanding termination provisions contained in the Agreement, this SOW is intended to be ongoing and applicable individually to specific services including financings, arbitrage computations, and/or continuing disclosure engagement, ("Sub-engagements") as if they are the sole subject of the SOW. As such, termination may occur for a specific Sub-engagement without terminating the SOW itself. On termination of a Sub-engagement or the SOW, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this SOW will terminate 60 days after completion of the services for such Sub-engagement.

Project Team

This work will be led by a cross functional advisory and tax Baker Tilly team, with members from our Manufacturing, Energy & Infrastructure, Real Estate and State and Local Government teams as necessary to complete the work, based on the Property Type seeking the tax credit.

Other Disclosures

During the course of the Agreement, Baker Tilly may interact with other Project participants (service providers, investors, lenders, funding parties, utilities, etc.) that have pre-existing client relationships with Baker Tilly. By signing this Agreement, the Client acknowledges the potential conflicts of interest that may arise. In the event of any such conflicts of interest, Baker Tilly shall immediately notify the Client of such circumstance.

Baker Tilly works with many clients that are involved in energy project development across a wide geographic region. The Client acknowledges by signing below that Baker Tilly is not exclusive in its relationship with the Client and that Baker Tilly may provide similar services to these separate clients, provided that it complies with all confidentiality and other professional obligations to the Client.

Baker Tilly does not draft legal documents, ensuring that operating and funding agreements are consistent with the Client's intent and enforceable will be the responsibility of the Client's law firm.

<u>Engagement-Specific Terms and Conditions</u>

The following terms and conditions are in addition to, and not in lieu of, the terms and conditions included in the Agreement to which this SOW is attached. Should there be any conflict between the terms of the Agreement and the terms listed below, the terms below shall govern.

1. Responsibilities of Client

a. To ensure an effective and efficient engagement, Client agrees to provide Baker Tilly with all information requested, in a timely manner, and to provide any reasonable assistance as may be required to properly perform the engagement. In performing services under this Agreement, Baker Tilly will rely upon Client personnel for the accuracy and completeness of its records and all other information supplied to us, without independent investigation or verification. Inaccuracy, incompleteness, or tardiness in the delivery of information to Baker Tilly, whether or not Client personnel knew or should have known that such information was not complete, accurate or current, could have a material effect on tax returns, our conclusions and the fee for services.

b. US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. Client agrees to inform Baker Tilly of participation in any such transactions.

c. Client agrees to file with Client's tax returns the forms as prepared by Baker Tilly. Client agrees that Baker Tilly assumes no responsibility and has no liability for any forms altered by Client prior to filing with the taxing jurisdiction. Client is responsible for the timely filing of the forms Baker Tilly prepares and agrees to inform us in writing of any failure to timely file the forms with Client's related tax returns.

d. Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accounting schedules and statements are true, correct and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. Baker Tilly's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Baker Tilly will not perform any management functions or make management decisions for Client in connection with this engagement.

e. Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Baker Tilly has no responsibility or liability for Client's failure to maintain adequate documentation.

f. Official IRS guidance for the ITC has been issued as of the date of this SOW. Baker Tilly is performing the services consistent with current prevailing guidance and interpretation under the Inflation Reduction Act and One Big Beautiful Bill Act and will continue to monitor FAQs and subsequent guidance issued by the IRS. Client accepts and acknowledges that Baker Tilly makes no guarantees that the IRS will issue a tax credit and/or Client will receive or be able to utilize such tax credit.

2. Responsibilities of Baker Tilly

a. Baker Tilly's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.

b. Baker Tilly will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Baker Tilly has no responsibility or liability for such changes occurring after the completion date of this engagement.

c. Client acknowledges and agrees that any advice, recommendations, information or work product provided to Client by Baker Tilly in connection with this Agreement is for the sole use of Client and may not be relied upon by any third party. Baker Tilly has no liability or responsibility to any third parties as a result of this Agreement.

d. Tax returns and other filings are subject to examination by taxing authorities. Baker Tilly will be available to assist Client in the event of an audit of any issue for which Baker Tilly has provided services under this Agreement. Fees for these additional services will be communicated in a separate SOW.

e. The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.

f. Baker Tilly may utilize the services of independent contractors in providing services to Client. All such third parties are bound by the same confidentiality requirements as Baker Tilly and its employees. Client hereby consents to disclosure of confidential information necessary to the provision of the related services.

g. Subject to the “Other Disclosures” section above and any other similar provisions regarding conflicts and professional responsibilities, nothing in this Agreement prevents Baker Tilly from providing services to other clients.

3. Beneficial Ownership Information Reporting

a. The Corporate Transparency Act (“CTA”) imposes new reporting requirements on most small businesses, including those that may be reported on Schedule C of the Form 1040. All domestic and foreign entities formed or registered to do business in the United States are subject to filing requirements unless they meet one of the explicitly stated exceptions. Affected companies will be required to submit a Beneficial Ownership Information (“BOI”) reporting form with the Financial Crimes Enforcement Network (“FinCEN”). The report requires companies to provide identifying information on beneficial owners and company applicants. As of Jan. 1, 2024, filings for newly formed entities are due within 30 days of formation; however, the initial filing deadline for existing companies is Jan. 1, 2025. Companies are also required to file updated BOI reports.

b. Consultations and preparation of reports related to the BOI reporting requirements are services that are considered to involve the practice of law. As such Baker Tilly will not be responsible for advising you regarding the legal or regulatory aspects of your company’s compliance with the CTA, nor will Baker Tilly be responsible for the preparation or submission of any BOI reports to FinCEN. If you have any questions regarding your compliance with the CTA, we encourage you to consult with qualified legal counsel.

4. Third Party Service Providers and Tax Return Information Disclosure Consent

a. Baker Tilly is committed to protecting the privacy and confidentiality of Client's tax return information. Baker Tilly is also committed to providing Client with comprehensive, integrated services that enhance and protect Client's value. To optimize Baker Tilly's service delivery and the results Baker Tilly is able to provide, Baker Tilly would like to obtain Client's consent to use and disclose Client's tax return information for various purposes of benefit to Client, as detailed below.

b. For any business taxpayer subject to this Agreement, the Section 7216 consent is contained in the body of the letter immediately below. Please read the consent below carefully before executing. Client is not required to execute this consent to engage Baker Tilly's tax return preparation services, and Baker Tilly is not conditioning Baker Tilly's provision of services on Client's consent. For the avoidance of doubt, by signing this SOW, Client is providing your consent to allow Baker Tilly to use the tax return information with respect to Client's business for the purposes identified below. Client may request to limit the tax return information disclosed or used, and to limit the consented uses and disclosures. Client may terminate consent at any time by providing written notice to Baker Tilly.

I.R.C. § 7216 Client Consent to Disclosure and Use of Tax Return Information (Non-1040)

I authorize Baker Tilly Advisory Group, LP ("Baker Tilly") to use and disclose all of Taxpayer's tax return information for the purposes identified below. I authorize Baker Tilly to use Taxpayer's tax return information for the following purposes:

- To identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

- To aggregate and anonymize tax return information to analyze, deliver, support, optimize, communicate, and market our services and to allow us to provide you and others with other helpful information.

I authorize Baker Tilly to disclose Taxpayer's tax return information to all Baker Tilly national and international affiliates (including officers, employees, or members thereof who may be located outside the United States; together, "Baker Tilly Entities") and contractors inside and outside the United States providing administrative, tax return preparation and ancillary services ("Outsource Providers") for the following purposes:

- To enable Baker Tilly Entities and Outsource Providers to provide administrative, tax return preparation and ancillary services for Baker Tilly on behalf of Taxpayer.

- To enable Baker Tilly Entities to identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

This consent will remain in effect until and unless revoked by written notice of Taxpayer.

5. Copies of Our Work Product

You have the right to review and/or be supplied with copies of any and all tax planning or research memoranda and work papers prepared by our firm related to this engagement. The scope of this engagement is not intended to rise to the level at which we will issue a formal tax opinion to you. Therefore, all written tax advice provided under this engagement letter will contain the following legend:

Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely.

6. Audit Defense

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you at our standard hourly rates. Please note we cannot make, nor provide, any guarantee with respect to any proposed adjustments by a taxing authority. Any such audit defense work shall be covered under the terms of a separate engagement letter.

7. Additional Work Due to Tax Law Changes

Congress and Treasury continue to revise the tax law, as well as issue additional guidance and rules relating to the law changes. Any such guidance or legislative changes have the potential to impact tax positions on your return and may require additional analysis and computations. Our fee associated with any additional time that we spend on such issues will be based on our standard hourly rates for the level of staff performing the services. Before we begin any incremental work, we will provide an estimate of the additional fees expected to be incurred.

8. Tax Return Preparer Standards, Reporting, Disclosure, Privacy, and Related Matters

a. Prior to engaging our services in preparation of tax returns, it is important you are aware of the standards that will be applied to preparing, signing and filing such returns. Internal Revenue Code (IRC) section 6694 and the related Treasury Regulations provide that a tax return preparer may sign a tax return only if there is substantial authority for all tax positions reflected in the return, or alternatively, there is disclosure of any position that has a reasonable basis but lacks the support of substantial authority. This standard corresponds with the taxpayer standard that relates to the avoidance of a penalty for a substantial understatement of tax. Positions claimed on a tax return that lack a reasonable basis could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. Professionals cannot sign returns with positions that lack a reasonable basis.

b. With respect to any transaction deemed to be a tax shelter there is a higher minimum standard of “more-likely-than-not” which must be satisfied for any benefits to be claimed on a tax return. Disclosure of the position does not remove this minimum standard for tax shelter positions.

c. As a result of the existence of these standards, our professional standards and related due diligence may require us to evaluate all positions to be reflected on your federal tax returns to determine if such positions meet the substantial authority standard discussed above. As noted above, certain positions may be required to be disclosed to the federal, and in some cases, the state tax authorities.

d. It is not possible for us to know in advance whether any positions to be reflected on your return may require additional analysis. Therefore, we cannot estimate in advance the additional amount of fees which may be associated with any such effort if it becomes necessary. We will, however, advise you of any positions which require additional analysis and discuss the associated fees with you prior to undertaking the additional effort required to reach a conclusion in compliance with these standards.

e. The federal government requires U.S. persons which have any interest in, or signature authority over, a foreign bank, securities, or other financial account to report such interest on Form 114, Report of Foreign Bank and Financial Accounts (formerly Form TD F 90-22.1), if the aggregate value of such accounts exceeds $10,000 at any time during the year. U.S. persons include U.S. citizens, U.S. residents and entities including, but not limited to corporations, partnerships or limited liability companies created or organized in the U.S. or under the laws of the U.S., and trusts and estates formed under the laws of the U.S. Please inform Baker Tilly if Client has any foreign bank accounts, activities, or investments, so that Baker Tilly can discuss how it can help Client comply with the law.

f. Revised (IRC) section 7216 and the related Treasury Regulations prescribe a penalty for any tax return preparer that uses or discloses tax return information without securing the consent of the taxpayer prior to any such use or disclosure. Should Client request that any tax information be provided to a third party, Baker Tilly can provide the information directly to Client, and Client can provide the information to the third party, or Baker Tilly can provide the information directly to the third party. If Client requests that Baker Tilly provide the information directly to a third party, a specific and detailed written consent with Client's signature will be required to be furnished to Baker Tilly prior to the release of any tax return information. Baker Tilly will bill Client for the time necessary to draft the consent, obtain Client's signature and satisfy Client's request to provide tax information directly to a third party.

g. The advice Baker Tilly renders may result in one or more positions that will be reflected on Client's federal tax returns. Taxpayers will not be subject to an underpayment of tax penalty if each position taken on the return has substantial authority. Positions that lack substantial authority but have a reasonable basis may be claimed on the tax return if such positions are disclosed to the IRS. Positions that lack a reasonable basis claimed on a tax return could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. The higher more-likely- than-not standard for reportable transactions remains. Regardless of disclosure, any position or transaction deemed to be a reportable transaction must meet the more-likely-than-not confidence level in order to avoid penalties. Baker Tilly will inform Client of the level of confidence Baker Tilly may have regarding all such positions.

If this SOW is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Acknowledgement

The services and terms as set forth in this SOW are agreed to on behalf of the Client and Baker Tilly by their respective authorized representatives identified below:

Baker Tilly Advisory Group, LP

Signature: [redacted]

Name: Michelle Isenhouer Hanlin

Title: Principal

Date: October 8, 2025

Redwood Coast Energy Authority

Signed by:

Signature: [redacted]

Name: Elizabeth Burks

Title: Executive Director

Date: October 8, 2025

Scope of Work 2 - Appendix A
Phases 1- 4 IRA Base Energy Credit Compliance

Elizabeth Burks
Redwood Coast Energy Authority
633 3rd Street
Eureka, California 95501
United States

Delivered via email – Elizabeth Burks – bburks@redwoodenergy.org

RE: IRA Renewable Tax Credit Consulting Services – RCEA Microgrid

Baker Tilly Advisory Group, LP will perform the following services: Support Related to the Pursuit of the Federal Renewable Energy Tax Credit as part of the Inflation Reduction Act 2022 (“IRA22”, or the “Act”), the “Scope”.

The following is pursuant to the Master Services Agreement effective October 8, 2025, for services to be provided by Baker Tilly Advisory Group, LP ("Baker Tilly" or “Consultant”) and Redwood Coast Energy Authority (“the Company” or “Client”).

Our Understanding:
Redwood Coast Energy Authority (The "Client"), has built a microgrid comprised of solar and battery energy storage in McKinleyville, CA that is approximately $6.3 million in value (The "Project").

The Project is began construction in September 2019 and was placed in service in September 2025. The Client is seeking the ITC for the project.

The Client is aware that it may be eligible for a Federal Tax Credit because of the Project qualifying under the IRA22. The Act’s “energy security” subtitle includes tax provisions providing credits and incentives for the production and consumption of clean energy, carbon emissions reduction, electric vehicle purchases and, among other items, promoting domestic energy security.

Based upon initial discussions, the Client is interested in having Baker Tilly support its goal to preserve, enhance, and claim an Investment Tax Credit (ITC) or a Production Tax Credit (PTC) from its Project to the Client. The following outlines Baker Tilly’s proposed approach to this engagement:

Scope, Objectives and Approach:
It is anticipated that this Project will be completed in phases from the initial pursuit of the IRA22 applicability through the construction of the Project. The scope of the Project includes four main phases to assist the Client with how to Determine, Preserve, Enhance and Claim the IRA 22 tax credit. Additional bonus criteria certifications, related to Prevailing Wage & Apprenticeship, Energy Community, or Domestic Content, will be issued under separate engagement after Phase 1 as required for each Project as appendices B, C, & D (as applicable).

Baker Tilly's detailed approach/work plan for Appendix A can be summarized as follows:

Phase 1. Determining Project Eligibility for an IRA22 Tax Credit

a. Provide assistance with interpretation and application of the IRA22 guidance to the Project's set of facts and circumstances to the Project.
b. Understand the Property Type versus IRS rules.
c. Coordinate data request from Client.
d. Analyze the proposed sources and uses of funds, existing Project budgets and financial model prepared by management, and other relevant documents to gain an understanding of the Project on a preliminary basis.
e. Analyze the planned legal structure for ownership of the Project.
f. Analyze Project documents that establish the eligible Project costs which are considered eligible for ITC or PTC (if applicable). This will include review of the Project's process design, associated capitalized costs, use of any grant proceeds, timeline regarding construction and placed in service activities, and actions taken to-date that may support compliance with the IRS Begun Construction and placed in service requirements.
g. Estimate the size range of the tax credit for the Project.
h. Confirm if project is subject to Prevailing Wage & Apprenticeship (PW&A) to obtain credit adder.
i. Confirm if the Energy Community adder could apply to the Project site.
j. Confirm if the Domestic Content adder could apply to the Project.
k. Prepare an updated written summary which outlines our initial views regarding the Project's eligibility for the ITC or PTC, estimated ITC or PTC amounts, suggested steps to meet any Begun Construction and/or placed in service requirements under the IRA22 timeline requirements. This will include review of the Client's ability to retain and utilize the ITC or PTC tax benefits.

Phase 2. Preserving the Tax Credit – Pre-Construction Communication to Contractors and Vendors

a. Identify all key Contractors and Vendors within scope for the Project Type and the total Project budget.
b. Analyze Project plans with Client Project manager as it relates to impacts on credit amount and key action steps for preserving the tax credit with use of prevailing wage and apprenticeship.
c. Assist Client to communicate to its Contractors and Vendors the compliance requirements of IRA22 to obtain the Domestic Content and/or Prevailing Wage & Apprenticeship credit adders.
d. Review Property Type Sizing, as requested, to the extent it pertains to tax credit considerations.
e. Support the Client in assembling project labor agreements, preparing requests to Department of Labor for additional labor classifications, and communicating requests to contractors to set-up payroll data in LCP.
f. Set-up the Contractors in the Baker Tilly and LCP portals for PW&A compliance program for the Project instance.

Phase 3. Establishing The Eligible Energy Basis – Post Construction

a. Establish total cost basis of the Project and perform a cost segregation study to determine the Eligible Cost Basis of the Energy Property.
b. Review Client's own expenditures, in addition to the Project vendors, for qualifying expenditures which could qualify as Energy Property.

c. Upon construction completion, perform a site visit (as needed) to complete the cost segregation study, delineate key process areas with upstream production facility that can be part of Energy Property, and document the Project on an as-built basis.
d. From cost segregation study, categorize the depreciation lives of assets included in the study according to MACRS rules. This includes both capitalized items as well as items that may be expensed for tax purposes.
e. Document with vendors how the Project was placed in-service.
f. Determine final tax credit eligible basis, subject to management review and agreement, for purposes of claiming the tax credit.
g. Issue a schedule of values showing the buildup of Energy Property basis along with other asset classifications from the fixed asset schedule for the final Project costs.

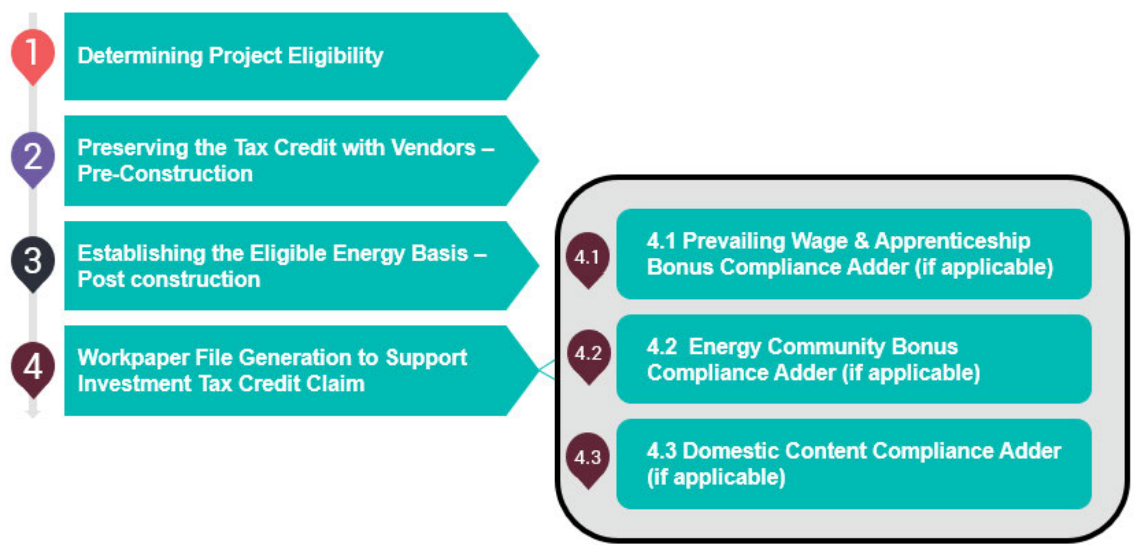
Phase 4. Claiming the Tax Credit - Project Workpaper File Generation

a. Document compliance with “begun construction” tests as required by the Internal Revenue Service (IRS) (if applicable).
b. Document compliance with “placed in service” tests as required by the IRS.
c. Document Project Type eligibility based upon IRS code and other IRS and Environmental Protection Agency (EPA) memoranda.
d. Document timing Tax Credit can be claimed or transferred.
e. Provide any additional information which would help support the Project’s claiming a Tax Credit in the event of an IRS audit.
f. Provide the necessary workpapers to the Client to support its claim or transfer of the Tax Credit and assist with the preparation of the prescribed tax form.

Example supporting workpapers outlined in Addendum 1.

Additionally, Baker Tilly will assess the Project for eligible bonus credit criteria related to Prevailing Wage & Apprenticeship (5X multiplier), Energy Community and the Domestic Content under separate appendices B, C, & D respectively (as applicable).

Project Timing, Phases and Budget:
The Project will commence upon execution of a formal engagement letter and applicable SOW, and subject to availability of requested information from the Client. Below are the work steps associated with the complete IRA compliance program:



Pricing for IRA Compliance Management will be billed on a fixed total dollar amount for the Project. Signature of this agreement confirms consent with the fees for Appendix A only as follows:

Appendix	Phase	IRA Compliance Management	Fee Each
A	1	Project Eligibility Memo	N/A
	2	Vendor Management	N/A
	3	IRA Cost Segregation and Energy Property Basis	$40,000
	4	Workpaper File Generation to Support Tax Credit Claim	$10,000
B	4.1	PW&A Compliance Program and Certification**	N/A
C	4.2	IRA Energy Community	N/A
D	4.3	Domestic Content	N/A
E	4.4	Tax-Exempt Compliance Form 990-T	$5,500
Total IRA Compliance Cost			**$55,500**

Annual PW&A Compliance During Recapture Period*** Baker Tilly can provide prevailing wage compliance for alterations and repairs during the Recapture Period. The SOW for A&R will be issued as a change order at placed-in-service date to best reflect Client's insight into anticipated work and contractors to be engaged.	**TBD at PIS**

**Projects which must backflush prior wages will incur an additional admin charge to administer data entry.
***Additional $4,500 per contractor that needs to be trained and set-up within LCPtracker and Baker Tilly portal.

A separate Appendix B for 4.1 PW&A requires signature for agreement with the work activities being performed.

A separate Appendix C for the 4.2 Energy Community bonus credit compliance requires signature for agreement with work activities being performed.

A separate Appendix D for the 4.3 Domestic Content bonus credit compliance requires signature for agreement with work activities being performed.

A separate Appendix E for the 4.4 Tax-Exempt Compliance Form 990-T requires signature for agreement with work activities being performed.

Billing for the collective Project Appendices, as signed together, will be issued in one combined bill in monthly installments from the Project start date through the expected placed in service (PIS) date. The fee schedule for this Project if all Appendices are signed is as follows:

Total IRA Program Cost	Cost ($)
Total Project Capital Cost	$6,300,000
Appendix A	$50,000
Appendix B	N/A
Appendix C	N/A
Appendix D	N/A
Appendix E	$5,500
Total IRA Compliance Cost:	**$55,500**
Project start to PIS completion (months)	71
Billing amount per month	$782
Annual Compliance (Y1+) $/year	**TBD at PIS**

Any out-of-scope fees for non-IRA compliance, will be at billed at Baker Tilly's standard billing rates based on actual time incurred according to the rate schedule set forth below:

Standard Hourly Rates	
Principals / Directors	$[redacted] [redacted] [redacted]
Senior Managers / Managers	$[redacted] [redacted] [redacted]
Consultants / Accountants	[redacted] [redacted] [redacted]
Support / Municipal Bond Disclosure Specialists	$[redacted] [redacted] [redacted]
Interns / Staff / Admin Support	$[redacted] [redacted] [redacted]

∗ Billing rates are subject to change periodically due to changing requirements and economic conditions. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.

Travel time and out-of-pocket expenses are in addition to these amounts, will be itemized separately, and will always be billed at actual cost with no mark-up. Travel time is billed at half Baker Tilly's standard hourly rates.

Billing Procedures
You will receive a monthly statement showing the installment fees and any travel costs incurred in the prior month which is payable no later than 45 days after the invoice date. The account balance is due and payable on receipt of the invoice. All unpaid invoices will accrue 1% late payment charges monthly.

Nonattest Services
As part of this engagement, we will perform certain nonattest services. For purposes of the Agreement and this SOW Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

> Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
> Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
> Evaluate the adequacy and results of the nonattest services we perform.
> Accept responsibility for the results of our nonattest services.
> Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest
We are unaware of any additional conflicts of interest related to this SOW Appendix that exist at this time.

Termination
Notwithstanding termination provisions contained in the Agreement, this SOW Appendix is intended to be ongoing and applicable individually to specific services including financings, arbitrage computations, and/or continuing disclosure engagement, ("Sub-engagements") as if they are the sole subject of the SOW Appendix. As such, termination may occur for a specific Sub-engagement without terminating the SOW Appendix itself. On termination of a Sub-engagement or the SOW Appendix, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Sub-engagement performed under this SOW Appendix will terminate 60 days after completion of the services for such Sub-engagement.

Project Team
This work will be led by a cross functional advisory and tax Baker Tilly team, with members from our Manufacturing, Energy & Infrastructure, Real Estate and State and Local Government teams as necessary to complete the work, based on the Property Type seeking the tax credit.

Other Disclosures
During the course of the Agreement, Baker Tilly may interact with other Project participants (service providers, investors, lenders, funding parties, utilities, etc.) that have pre-existing client relationships with Baker Tilly. By signing this Agreement, the Client acknowledges the potential conflicts of interest that may arise. In the event of any such conflicts of interest, Baker Tilly shall immediately notify the Client of such circumstance.

Baker Tilly works with many clients that are involved in energy project development across a wide geographic region. The Client acknowledges by signing below that Baker Tilly is not exclusive in its relationship with the Client and that Baker Tilly may provide similar services to these separate clients, provided that it complies with all confidentiality and other professional obligations to the Client.

Baker Tilly does not draft legal documents, ensuring that operating and funding agreements are consistent with the Client's intent and enforceable will be the responsibility of the Client's law firm.

Engagement-Specific Terms and Conditions
The following terms and conditions are in addition to, and not in lieu of, the terms and conditions included in the Agreement to which this SOW Appendix is attached. Should there be any conflict between the terms of the Agreement and the terms listed below, the terms below shall govern.

1. Responsibilities of Client

a. To ensure an effective and efficient engagement, Client agrees to provide Baker Tilly with all information requested, in a timely manner, and to provide any reasonable assistance as may be required to properly perform the engagement. In performing services under this Agreement, Baker Tilly will rely upon Client personnel for the accuracy and completeness of its records and all other information supplied to us, without independent investigation or verification. Inaccuracy, incompleteness, or tardiness in the delivery of information to Baker Tilly, whether or not Client personnel knew or should have known that such information was not complete, accurate or current, could have a material effect on tax returns, our conclusions and the fee for services.

b. US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. Client agrees to inform Baker Tilly of participation in any such transactions.

c. Client agrees to file with Client's tax returns the forms as prepared by Baker Tilly. Client agrees that Baker Tilly assumes no responsibility and has no liability for any forms altered by Client prior to filing with the taxing jurisdiction. Client is responsible for the timely filing of the forms Baker Tilly prepares and agrees to inform us in writing of any failure to timely file the forms with Client's related tax returns.

d. Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accounting schedules and statements are true, correct and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. Baker Tilly's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Baker Tilly will not perform any management functions or make management decisions for Client in connection with this engagement.

e. Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Baker Tilly has no responsibility or liability for Client's failure to maintain adequate documentation.

f. Official IRS guidance for IRA22 has been issued as of the date of this SOW. Baker Tilly is performing the services consistent with current prevailing guidance and interpretation under IRA22 and will continue to monitor FAQs and subsequent guidance issued by the IRS. Client accepts and acknowledges that Baker Tilly makes no guarantees that the IRS will issue a tax credit and/or Client will receive or be able to utilize such tax credit.

2. Responsibilities of Baker Tilly

a. Baker Tilly's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.

b. Baker Tilly will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Baker Tilly has no responsibility or liability for such changes occurring after the completion date of this engagement.

c. Client acknowledges and agrees that any advice, recommendations, information or work product provided to Client by Baker Tilly in connection with this Agreement is for the sole use of Client and may not be relied upon by any third party. Baker Tilly has no liability or responsibility to any third parties as a result of this Agreement.

d. Tax returns and other filings are subject to examination by taxing authorities. Baker Tilly will be available to assist Client in the event of an audit of any issue for which Baker Tilly has provided services under this Agreement. Fees for these additional services will be communicated in a separate SOW.

e. The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.

f. Baker Tilly may utilize the services of independent contractors in providing services to Client. All such third parties are bound by the same confidentiality requirements as Baker Tilly and its employees. Client hereby consents to disclosure of confidential information necessary to the provision of the related services.

g. Subject to the “Other Disclosures” section above and any other similar provisions regarding conflicts and professional responsibilities, nothing in this Agreement prevents Baker Tilly from providing services to other clients.

3. **Beneficial Ownership Information Reporting**

   a. The Corporate Transparency Act ("CTA") imposes new reporting requirements on most small businesses, including those that may be reported on Schedule C of the Form 1040. All domestic and foreign entities formed or registered to do business in the United States are subject to filing requirements unless they meet one of the explicitly stated exceptions. Affected companies will be required to submit a Beneficial Ownership Information ("BOI") reporting form with the Financial Crimes Enforcement Network ("FinCEN"). The report requires companies to provide identifying information on beneficial owners and company applicants. As of Jan. 1, 2024, filings for newly formed entities are due within 30 days of formation; however, the initial filing deadline for existing companies is Jan. 1, 2025. Companies are also required to file updated BOI reports.

   b. Consultations and preparation of reports related to the BOI reporting requirements are services that are considered to involve the practice of law. As such Baker Tilly will not be responsible for advising you regarding the legal or regulatory aspects of your company's compliance with the CTA, nor will Baker Tilly be responsible for the preparation or submission of any BOI reports to FinCEN. If you have any questions regarding your compliance with the CTA, we encourage you to consult with qualified legal counsel.

4. **Third Party Service Providers and Tax Return Information Disclosure Consent**

   a. Baker Tilly is committed to protecting the privacy and confidentiality of Client's tax return information. Baker Tilly is also committed to providing Client with comprehensive, integrated services that enhance and protect Client's value. To optimize Baker Tilly's service delivery and the results Baker Tilly is able to provide, Baker Tilly would like to obtain Client's consent to use and disclose Client's tax return information for various purposes of benefit to Client, as detailed below.

   b. For any business taxpayer subject to this Agreement, the Section 7216 consent is contained in the body of the letter immediately below. Please read the consent below carefully before executing. Client is not required to execute this consent to engage Baker Tilly's tax return preparation services, and Baker Tilly is not conditioning Baker Tilly's provision of services on Client's consent. For the avoidance of doubt, by signing this SOW, Client is providing your consent to allow Baker Tilly to use the tax return information with respect to Client's business for the purposes identified below. Client may request to limit the tax return information disclosed or used, and to limit the consented uses and disclosures. Client may terminate consent at any time by providing written notice to Baker Tilly.

<u>I.R.C. § 7216 Client Consent to Disclosure and Use of Tax Return Information (Non-1040)</u>

I authorize Baker Tilly Advisory Group, LP ("Baker Tilly") to use and disclose all of Taxpayer's tax return information for the purposes identified below. I authorize Baker Tilly to use Taxpayer's tax return information for the following purposes:

- To identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

- To aggregate and anonymize tax return information to analyze, deliver, support, optimize, communicate, and market our services and to allow us to provide you and others with other helpful information.

I authorize Baker Tilly to disclose Taxpayer’s tax return information to all Baker Tilly national and international affiliates (including officers, employees, or members thereof who may be located outside the United States; together, “Baker Tilly Entities”) and contractors inside and outside the United States providing administrative, tax return preparation and ancillary services (“Outsource Providers”) for the following purposes:

- To enable Baker Tilly Entities and Outsource Providers to provide administrative, tax return preparation and ancillary services for Baker Tilly on behalf of Taxpayer.

- To enable Baker Tilly Entities to identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

This consent will remain in effect until and unless revoked by written notice of Taxpayer.

5. Copies of Our Work Product

You have the right to review and/or be supplied with copies of any and all tax planning or research memoranda and work papers prepared by our firm related to this engagement. The scope of this engagement is not intended to rise to the level at which we will issue a formal tax opinion to you. Therefore, all written tax advice provided under this engagement letter will contain the following legend:

Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely.

6. Audit Defense

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you at our standard hourly rates. Please note we cannot make, nor provide, any guarantee with respect to any proposed adjustments by a taxing authority. Any such audit defense work shall be covered under the terms of a separate engagement letter.

7. Additional Work Due to Tax Law Changes

Congress and Treasury continue to revise the tax law, as well as issue additional guidance and rules relating to the law changes. Any such guidance or legislative changes have the potential to impact tax positions on your return and may require additional analysis and computations. Our fee associated with any additional time that we spend on such issues will be based on our standard hourly rates for the level of staff performing the services. Before we begin any incremental work, we will provide an estimate of the additional fees expected to be incurred.

8. Tax Return Preparer Standards, Reporting, Disclosure, Privacy, and Related Matters

a. Prior to engaging our services in preparation of tax returns, it is important you are aware of the standards that will be applied to preparing, signing and filing such returns. Internal Revenue Code (IRC) section 6694 and the related Treasury Regulations provide that a tax return preparer may sign a tax return only if there is substantial authority for all tax positions reflected in the return, or alternatively, there is disclosure of any position that has a reasonable basis but lacks the support of substantial authority. This standard corresponds with the taxpayer standard that relates to the avoidance of a penalty for a substantial understatement of tax. Positions claimed on a tax return that lack a reasonable basis could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. Professionals cannot sign returns with positions that lack a reasonable basis.

b. With respect to any transaction deemed to be a tax shelter there is a higher minimum standard of “more-likely-than-not” which must be satisfied for any benefits to be claimed on a tax return. Disclosure of the position does not remove this minimum standard for tax shelter positions.

c. As a result of the existence of these standards, our professional standards and related due diligence may require us to evaluate all positions to be reflected on your federal tax returns to determine if such positions meet the substantial authority standard discussed above. As noted above, certain positions may be required to be disclosed to the federal, and in some cases, the state tax authorities.

d. It is not possible for us to know in advance whether any positions to be reflected on your return may require additional analysis. Therefore, we cannot estimate in advance the additional amount of fees which may be associated with any such effort if it becomes necessary. We will, however, advise you of any positions which require additional analysis and discuss the associated fees with you prior to undertaking the additional effort required to reach a conclusion in compliance with these standards.

e. The federal government requires U.S. persons which have any interest in, or signature authority over, a foreign bank, securities, or other financial account to report such interest on Form 114, Report of Foreign Bank and Financial Accounts (formerly Form TD F 90-22.1), if the aggregate value of such accounts exceeds $10,000 at any time during the year. U.S. persons include U.S. citizens, U.S. residents and entities including, but not limited to corporations, partnerships or limited liability companies created or organized in the U.S. or under the laws of the U.S., and trusts and estates formed under the laws of the U.S. Please inform Baker Tilly if Client has any foreign bank accounts, activities, or investments, so that Baker Tilly can discuss how it can help Client comply with the law.

f. Revised (IRC) section 7216 and the related Treasury Regulations prescribe a penalty for any tax return preparer that uses or discloses tax return information without securing the consent of the taxpayer prior to any such use or disclosure. Should Client request that any tax information be provided to a third party, Baker Tilly can provide the information directly to Client, and Client can provide the information to the third party, or Baker Tilly can provide the information directly to the third party. If Client requests that Baker Tilly provide the information directly to a third party, a specific and detailed written consent with Client's signature will be required to be furnished to Baker Tilly prior to the release of any tax return information. Baker Tilly will bill Client for the time necessary to draft the consent, obtain Client's signature and satisfy Client's request to provide tax information directly to a third party.

g. The advice Baker Tilly renders may result in one or more positions that will be reflected on Client's federal tax returns. Taxpayers will not be subject to an underpayment of tax penalty if each position taken on the return has substantial authority. Positions that lack substantial authority but have a reasonable basis may be claimed on the tax return if such positions are disclosed to the IRS. Positions that lack a reasonable basis claimed on a tax return could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. The higher more-likely- than-not standard for reportable transactions remains. Regardless of disclosure, any position or transaction deemed to be a reportable transaction must meet the more-likely-than-not confidence level in order to avoid penalties. Baker Tilly will inform Client of the level of confidence Baker Tilly may have regarding all such positions.

9. Prevailing Wage & Apprenticeship Bonus Compliance

The following applies to the extent you engage Baker Tilly for Prevailing Wage & Apprenticeship Bonus Compliance service as further specified in Appendix B (Phase 4.1).

a. You acknowledge that in order to provide the Prevailing Wage & Apprenticeship Bonus Compliance services to you, Baker Tilly may provide you access to certain online software for purposes of uploading data and documentation (the “PW&A Portal”). Such PW&A Portal shall be considered an Online Offering.

b. As a condition of accessing and using the PW&A Portal, in addition to any applicable Online Terms as such term is defined in the Agreement, you acknowledge and agree to the following:

   i. You are solely responsible for compliance with all applicable laws related to the use of the PW&A Portal, and Baker Tilly shall have no liability for your input of data or use of the PW&A Portal. You agree that you (a) will confirm the accuracy of any bulk upload/API/data migration/auto-geo assignment integration into the PW&A Portal, and (b) further understand and agree that bulk uploads/API/data migration/auto-geo assignments are effective only as of the date of the upload(s)/migration(s). It is your responsibility to provide updated data to the PW&A Portal to the extent necessary. You accept that auto- geo assignments, based upon the coordinates in the KML supplied by you may have auto-correction applied to the file to close a boundary if there are any incomplete polygons. Furthermore, a third-party system is utilized to obtain geographical coordinates that are used to determine if a worker’s address falls within the boundaries defined by the client provided KML-file. Neither Baker Tilly nor third party service providers guarantee accuracy of the third-party system. You agree to not directly send any personally identifiable information by email or otherwise, except through the PW&A Portal.

   ii. You retain sole responsibility for: (a) all data, including its content and use; (b) all information, instructions, and materials provided by you or on your behalf of in connection with the PW&A Portal; (c) your information technology infrastructure, including computers, software, databases, electronic systems (including database management systems), and networks, whether operated directly by you or through the use of third- party services; (d) the security and use of your access credentials; and (e) all access to and use of the PW&A Portal, including all results obtained from, and all conclusions, decisions, and actions based on, such access or use.

10. Domestic Content Certification; Confidentiality, Disclosures, and Disclaimers

The following applies to the extent you engage Baker Tilly for Domestic Content Compliance services as further specified in Appendix D (Phase 4.3).

a. As an express condition to Baker Tilly providing the Domestic Content Compliance Services, you agree to the following:

   i. Baker Tilly will not independently verify the information you provide.

   ii. Baker Tilly is not responsible for or liable for incorrect, inaccurate, or incomplete information you provide, and shall be entitled to rely on such information without further examination.

   iii. Baker Tilly does not and cannot guarantee acceptance and granting of such domestic content tax credit, and you acknowledge and accept the risk that taxation authorities and/or courts may find that your clients are not entitled to the bonus tax credit related to domestic content or may assess interest and penalties owed by your clients as a result of the loss of tax credit.

   iv. You will indemnify, defend, and hold Baker Tilly harmless from and against any penalties, fines, losses, liabilities, or other damages incurred by Baker Tilly related to or arising from incorrect information you provide, including, but not limited to, penalties, fines, losses, liabilities, or other damages incurred by Baker Tilly or the Project Owner client as a result of such information.

If this SOW Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Acknowledgement

The services and terms as set forth in this SOW Appendix are agreed to on behalf of the Client and Baker Tilly by their respective authorized representatives identified below:

Baker Tilly Advisory Group, LP	**Redwood Coast Energy Authority**
Signature:	Signature:
Name:	Name: Elizabeth Burks
Title:	Title:
Date:	Date:

Addendum 1: Phase 4 Example Workpaper Exhibits: (as applicable)

- Exhibit A – Begun Construction Safe Harbor report.
- Exhibit B – Production and Consumption report
- Exhibit C – Energy Eligible Basis report
-
- Exhibit D – Tax Forms
  - Exhibit D.1 – Election statement
  - Exhibit D.2 – Tax Filing Forms
  - Exhibit D.3 – Pre-filing registration
  - Exhibit D.4 – Election to transfer credits.
  - Exhibit D.5 – Election for direct pay
- Exhibit E – Prevailing Wage & Apprenticeship Compliance and Documentation
- Exhibit F – Energy Community Compliance
- Exhibit G – Domestic Content Compliance and Documentation
- Exhibit H – IRS Project Credit Allocation letter (48C/Environmental Justice)
- Exhibit I – Credit Summary

	Type	**%**
Base Energy Credit	Energy Type	6%
PW&A	Y	30%
Domestic Content	N	0%
Energy Community	Y	10%
Total Credit %		40%

Project Cost	$XX,000,000	From Exhibit C
Eligible Energy Property	$ X,000,000	From Exhibit C
Total Credit Value	**$X,X00,000**	

SOW 2 - Appendix E
4.4 Tax-Exempt Compliance Form 990-T

Elizabeth Burks
Redwood Coast Energy Authority
633 3rd Street
Eureka, California 95501
United States

RE: Engagement Letter for Tax Compliance Services (Exempt Organization) – 2025 RCEA Microgrid

Dear Elizabeth Burks:

Thank you for allowing Baker Tilly Advisory Group, LP (“Baker Tilly”, “we”, “our”) to serve as your tax accountants and advisors.

This Appendix E and the Master Services Agreement (“MSA”) effective October 8, 2025 set forth the understanding of the nature and scope of the services to be performed and the fees we will charge for these services. In addition, this letter delineates the responsibilities of Baker Tilly and Redwood Coast Energy Authority in connection with the services to be provided under this engagement.

Summary of Services

We will prepare and sign as preparer the federal Form 990-T for the tax year beginning January 1, 2025 through December 31, 2025. The Form 990-T is being filed to claim the direct pay tax credits under the Inflation Reduction Act (IRA).

The scope of our work does not include an analysis as to whether any of your activities constitute an unrelated trade or business. If you are engaging in any unrelated business income activities, it is your responsibility to notify us so we can determine whether these activities are required to be reported as well.

Our work in connection with preparing your return does not include any procedures designed to assure continued exempt status of your organization. Exempt organizations are at risk of losing exempt status if they engage in transactions that are considered private benefit or private inurement transactions. The client organization and its officers may be subject to certain penalties for transactions that result in an excess benefit transaction pursuant to the intermediate sanctions rules as provided in the Internal Revenue Code and regulations promulgated thereunder. Our work in connection with preparing your return does not include any procedures designed to assure that private benefit and private inurement transactions do not exist; and does not assure the prevention of intermediate sanctions.

In certain cases, Form 990-T is subject to public disclosure and therefore is open to review by the general public. You have the final responsibility for reviewing each item on your return which may be subject to public disclosure. If a special analysis of private benefit, private inurement or intermediate sanctions is requested by the Organization, such services will require a separate engagement letter specifically identifying the scope of such procedures.

Unless otherwise agreed to in writing, you will be responsible for preparing and filing all other tax or information returns required to be filed with the applicable authorities including, for example, city and county income or gross receipts filings, payroll tax filings, sales and use tax filings, information reporting filings, secretary of state annual corporate renewal forms, etc.

Additional Services

During the time period covered by this Appendix E you may request that we provide services outside the original scope of this engagement. Any such “Additional Services” may be provided under the authority of the MSA and this Appendix E where the fee associated with the requested project or service is expected to be less than $10,000, provided it is not a specifically “Out of Scope Service.” Out of Scope Services and tax consulting services that require a separate engagement letter, regardless of the anticipated fee, include but are not limited to:

- Amended tax filings for any prior tax years, including the tax year for this engagement letter.
- Asset and investment sale consultations involving more than $100,000 in proceeds.
- Consulting on current and future transactions, including structuring and due diligence.
- Consultations related to the formation and/or restructuring of business holdings.
- R&E credit consulting and/or computations
- State nexus studies
- Federal or state tax controversy assistance
- International tax
- Organizational tax issues

Any professional services outside the scope of this Appendix E as defined above must be mutually agreed to **and delineated** in **written or electronic communication.**

If you request that we provide personal financial planning services, such services are subject to *Additional Disclosures*, which are enclosed with this letter.

Your Assistance

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You agree to bring to our attention any matters that may reasonably be expected to require further consideration to determine the proper tax treatment of such matters. You also agree to bring to our attention any changes in the information as originally provided to us as soon as such information becomes available.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge. and that any expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, vehicle use, etc. are supported by records as required by law. You should retain all documents, canceled checks and other data that support income and deductions reported on your returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you to clarify some of the information. To the extent information that you provide is incorrect, incomplete, or has other errors, we are not responsible for how those errors impact the correctness of the return. Our work in connection with the preparation of your income tax and/or information returns does not include any procedures designed to discover defalcations, irregularities or abusive tax shelter transactions, should any exist.

Timing

We will complete the preparation of the tax return so it can be timely filed by May 15, 2026 or filed by the extended due date of the respective tax return. In the event unforeseen circumstances occur that impact our ability to meet the final completion date, we will contact you to discuss an acceptable revised completion date.

Fees

Our fee for this engagement will be as follows:

Explanation of Work	Fee
Form 990-T including the direct pay election and first federal IRA tax credit form (Forms 3468, 8911, and 8936), as applicable	$5,500
Additional federal Forms 3468, 8911 and 8936 as required for multiple projects and vehicle acquisitions	$750/filing

For any Additional Services covered by this Appendix E, you will pay Baker Tilly a fee based on our standard hourly rates for the level of staff performing the services.

In addition to our professional fees summarized above, our invoices will include a 5% administrative fee for software, technology, and data security charge, plus travel and subsistence and other out-of-pocket expenses related to the engagement. Interim billings will be submitted on a monthly basis as work progresses and expenses are incurred. Our invoices are due and payable upon receipt.

In the event we believe an additional fee is required as the result of an unforeseen difficulty in completing the assignment, a change in the underlying facts or law or your failure to provide complete information and timely assistance, we will inform you promptly and agree on a revised fee with you at that time.

Engagement-Specific Terms and Conditions

The following terms and conditions are in addition to, and not in lieu of, the terms and conditions included in the Agreement to which this SOW Appendix is attached. Should there be any conflict between the terms of the Agreement and the terms listed below, the terms below shall govern.

1. **Responsibilities of Client**

   a. To ensure an effective and efficient engagement, Client agrees to provide Baker Tilly with all information requested, in a timely manner, and to provide any reasonable assistance as may be required to properly perform the engagement. In performing services under this Agreement, Baker Tilly will rely upon Client personnel for the accuracy and completeness of its records and all other information supplied to us, without independent investigation or verification. Inaccuracy, incompleteness, or tardiness in the delivery of information to Baker Tilly, whether or not Client personnel knew or should have known that such information was not complete, accurate or current, could have a material effect on tax returns, our conclusions and the fee for services.

   b. US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. Client agrees to inform Baker Tilly of participation in any such transactions.

   c. Client agrees to file with Client's tax returns the forms as prepared by Baker Tilly. Client agrees that Baker Tilly assumes no responsibility and has no liability for any forms altered by Client prior to filing with the taxing jurisdiction. Client is responsible for the timely filing of the forms Baker Tilly prepares and agrees to inform us in writing of any failure to timely file the forms with Client's related tax returns.

   d. Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accounting schedules and statements are true, correct and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. Baker Tilly's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Baker Tilly will not perform any management functions or make management decisions for Client in connection with this engagement.

e. Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Baker Tilly has no responsibility or liability for Client's failure to maintain adequate documentation.

f. Official IRS guidance for IRA22 has been issued as of the date of this SOW. Baker Tilly is performing the services consistent with current prevailing guidance and interpretation under IRA22 and will continue to monitor FAQs and subsequent guidance issued by the IRS. Client accepts and acknowledges that Baker Tilly makes no guarantees that the IRS will issue a tax credit and/or Client will receive or be able to utilize such tax credit.

2. Responsibilities of Baker Tilly

a. Baker Tilly's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.

b. Baker Tilly will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Baker Tilly has no responsibility or liability for such changes occurring after the completion date of this engagement.

c. Client acknowledges and agrees that any advice, recommendations, information or work product provided to Client by Baker Tilly in connection with this Agreement is for the sole use of Client and may not be relied upon by any third party. Baker Tilly has no liability or responsibility to any third parties as a result of this Agreement.

d. Tax returns and other filings are subject to examination by taxing authorities. Baker Tilly will be available to assist Client in the event of an audit of any issue for which Baker Tilly has provided services under this Agreement. Fees for these additional services will be communicated in a separate SOW.

e. The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.

f. Baker Tilly may utilize the services of independent contractors in providing services to Client. All such third parties are bound by the same confidentiality requirements as Baker Tilly and its employees. Client hereby consents to disclosure of confidential information necessary to the provision of the related services.

g. Subject to the "Other Disclosures" section above and any other similar provisions regarding conflicts and professional responsibilities, nothing in this Agreement prevents Baker Tilly from providing services to other clients.

3. Beneficial Ownership Information Reporting

a. The Corporate Transparency Act ("CTA") imposes new reporting requirements on most small businesses, including those that may be reported on Schedule C of the Form 1040. All domestic and foreign entities formed or registered to do business in the United States are subject to filing requirements unless they meet one of the explicitly stated exceptions. Affected companies will be required to submit a Beneficial Ownership Information ("BOI") reporting form with the Financial Crimes Enforcement Network ("FinCEN"). The report requires companies to provide identifying information on beneficial owners and company applicants. As of Jan. 1, 2024, filings for newly formed entities are due within 30 days of formation; however, the initial filing deadline for existing companies is Jan. 1, 2025. Companies are also required to file updated BOI reports.

b. Consultations and preparation of reports related to the BOI reporting requirements are services that are considered to involve the practice of law. As such Baker Tilly will not be responsible for advising you regarding the legal or regulatory aspects of your company's compliance with the CTA, nor will Baker Tilly be responsible for the preparation or submission of any BOI reports to FinCEN. If you have any questions regarding your compliance with the CTA, we encourage you to consult with qualified legal counsel.

4. Third Party Service Providers and Tax Return Information Disclosure Consent

a. Baker Tilly is committed to protecting the privacy and confidentiality of Client's tax return information. Baker Tilly is also committed to providing Client with comprehensive, integrated services that enhance and protect Client's value. To optimize Baker Tilly's service delivery and the results Baker Tilly is able to provide, Baker Tilly would like to obtain Client's consent to use and disclose Client's tax return information for various purposes of benefit to Client, as detailed below.

b. For any business taxpayer subject to this Agreement, the Section 7216 consent is contained in the body of the letter immediately below. Please read the consent below carefully before executing. Client is not required to execute this consent to engage Baker Tilly's tax return preparation services, and Baker Tilly is not conditioning Baker Tilly's provision of services on Client's consent. For the avoidance of doubt, by signing this SOW, Client is providing your consent to allow Baker Tilly to use the tax return information with respect to Client's business for the purposes identified below. Client may request to limit the tax return information disclosed or used, and to limit the consented uses and disclosures. Client may terminate consent at any time by providing written notice to Baker Tilly.

I.R.C. § 7216 Client Consent to Disclosure and Use of Tax Return Information (Non-1040)

I authorize Baker Tilly Advisory Group, LP ("Baker Tilly") to use and disclose all of Taxpayer's tax return information for the purposes identified below. I authorize Baker Tilly to use Taxpayer's tax return information for the following purposes:

- To identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

- To aggregate and anonymize tax return information to analyze, deliver, support, optimize, communicate, and market our services and to allow us to provide you and others with other helpful information.

I authorize Baker Tilly to disclose Taxpayer's tax return information to all Baker Tilly national and international affiliates (including officers, employees, or members thereof who may be located outside the United States; together, "Baker Tilly Entities") and contractors inside and outside the United States providing administrative, tax return preparation and ancillary services ("Outsource Providers") for the following purposes:

- To enable Baker Tilly Entities and Outsource Providers to provide administrative, tax return preparation and ancillary services for Baker Tilly on behalf of Taxpayer.
- To enable Baker Tilly Entities to identify and suggest useful information and services, including attest services, non-tax services such as audit services, financial services, investment advisory services, and consulting services, and additional tax services such as advanced federal and state income tax, indirect tax credits & incentives, international tax, and industry-specific services, and to determine whether such information and services would be valuable to you.

This consent will remain in effect until and unless revoked by written notice of Taxpayer.

5. Copies of Our Work Product

You have the right to review and/or be supplied with copies of any and all tax planning or research memoranda and work papers prepared by our firm related to this engagement. The scope of this engagement is not intended to rise to the level at which we will issue a formal tax opinion to you. Therefore, all written tax advice provided under this engagement letter will contain the following legend:

> *Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely.*

6. Audit Defense

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you at our standard hourly rates. Please note we cannot make, nor provide, any guarantee with respect to any proposed adjustments by a taxing authority. Any such audit defense work shall be covered under the terms of a separate engagement letter.

7. Additional Work Due to Tax Law Changes

Congress and Treasury continue to revise the tax law, as well as issue additional guidance and rules relating to the law changes. Any such guidance or legislative changes have the potential to impact tax positions on your return and may require additional analysis and computations. Our fee associated with any additional time that we spend on such issues will be based on our standard hourly rates for the level of staff performing the services. Before we begin any incremental work, we will provide an estimate of the additional fees expected to be incurred.

8. Tax Return Preparer Standards, Reporting, Disclosure, Privacy, and Related Matters

a. Prior to engaging our services in preparation of tax returns, it is important you are aware of the standards that will be applied to preparing, signing and filing such returns. Internal Revenue Code (IRC) section 6694 and the related Treasury Regulations provide that a tax return preparer may sign a tax return only if there is substantial authority for all tax positions reflected in the return, or alternatively, there is disclosure of any position that has a reasonable basis but lacks the support of substantial authority. This standard corresponds with the taxpayer standard that relates to the avoidance of a penalty for a substantial understatement of tax. Positions claimed on a tax return that lack a reasonable basis could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. Professionals cannot sign returns with positions that lack a reasonable basis.

b. With respect to any transaction deemed to be a tax shelter there is a higher minimum standard of “more-likely-than-not” which must be satisfied for any benefits to be claimed on a tax return. Disclosure of the position does not remove this minimum standard for tax shelter positions.

c. As a result of the existence of these standards, our professional standards and related due diligence may require us to evaluate all positions to be reflected on your federal tax returns to determine if such positions meet the substantial authority standard discussed above. As noted above, certain positions may be required to be disclosed to the federal, and in some cases, the state tax authorities.

d. It is not possible for us to know in advance whether any positions to be reflected on your return may require additional analysis. Therefore, we cannot estimate in advance the additional amount of fees which may be associated with any such effort if it becomes necessary. We will, however, advise you of any positions which require additional analysis and discuss the associated fees with you prior to undertaking the additional effort required to reach a conclusion in compliance with these standards.

e. The federal government requires U.S. persons which have any interest in, or signature authority over, a foreign bank, securities, or other financial account to report such interest on Form 114, Report of Foreign Bank and Financial Accounts (formerly Form TD F 90-22.1), if the aggregate value of such accounts exceeds $10,000 at any time during the year. U.S. persons include U.S. citizens, U.S. residents and entities including, but not limited to corporations, partnerships or limited liability companies created or organized in the U.S. or under the laws of the U.S., and trusts and estates formed under the laws of the U.S. Please inform Baker Tilly if Client has any foreign bank accounts, activities, or investments, so that Baker Tilly can discuss how it can help Client comply with the law.

f. Revised (IRC) section 7216 and the related Treasury Regulations prescribe a penalty for any tax return preparer that uses or discloses tax return information without securing the consent of the taxpayer prior to any such use or disclosure. Should Client request that any tax information be provided to a third party, Baker Tilly can provide the information directly to Client, and Client can provide the information to the third party, or Baker Tilly can provide the information directly to the third party. If Client requests that Baker Tilly provide the information directly to a third party, a specific and detailed written consent with Client's signature will be required to be furnished to Baker Tilly prior to the release of any tax return information. Baker Tilly will bill Client for the time necessary to draft the consent, obtain Client's signature and satisfy Client's request to provide tax information directly to a third party.

g. The advice Baker Tilly renders may result in one or more positions that will be reflected on Client's federal tax returns. Taxpayers will not be subject to an underpayment of tax penalty if each position taken on the return has substantial authority. Positions that lack substantial authority but have a reasonable basis may be claimed on the tax return if such positions are disclosed to the IRS. Positions that lack a reasonable basis claimed on a tax return could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. The higher more-likely- than-not standard for reportable transactions remains. Regardless of disclosure, any position or transaction deemed to be a reportable transaction must meet the more-likely-than-not confidence level in order to avoid penalties. Baker Tilly will inform Client of the level of confidence Baker Tilly may have regarding all such positions.

We look forward to working with you to complete this important project. If this engagement letter correctly describes the engagement, please sign and return it to us. Please retain a copy for your files. If you have any questions or comments regarding the terms of this engagement letter, please don't hesitate to contact us.

Sincerely,

Robert Moczulewski
Director
BAKER TILLY ADVISORY GROUP, LP

Acknowledgement

The services and terms as set forth in this Appendix E and the MSA to which this is attached or incorporated by reference are agreed to by:

Baker Tilly Advisory Group, LP	**Redwood Coast Energy Authority**
Signature:	Signature:
Name:	Name: Elizabeth Burks
Title:	Title:
Date:	Date:

docusign

Certificate Of Completion

Envelope Id: 3789666B-2706-45AB-B399-4119F749EAF0 — Status: Sent

Subject: Redwood Coast Energy Authority and Baker Tilly Agreement for Signature

Source Envelope:

Document Pages: 22	Signatures: 0	Envelope Originator:
Certificate Pages: 5	Initials: 0	Baker Tilly Contracts
AutoNav: Enabled		BakerTillyContracts@bakertilly.com
EnvelopeId Stamping: Enabled		IP Address: 35.185.192.36
Time Zone: (UTC-08:00) Pacific Time (US & Canada)		

Record Tracking

Status: Original 12/22/2025 9:28:06 AM	Holder: Baker Tilly Contracts BakerTillyContracts@bakertilly.com	Location: DocuSign

Signer Events	Signature	Timestamp
Elizabeth Burks bburks@redwoodenergy.org Executive Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 12/23/2025 9:32:47 AM ID: feeb138f-7adf-4954-8bd8-734fd8e269f9		Sent: 12/22/2025 9:28:09 AM Viewed: 12/23/2025 9:32:47 AM
Michelle Isenhouer Hanlin michelle.isenhouerhanlin@bakertilly.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 12/22/2025 12:37:25 PM ID: edb052c7-21dd-4216-b4cc-cbcc1fc172fd		
Robert Moczulewski robert.moczulewski@bakertilly.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 9/12/2024 7:24:47 PM ID: a770cf13-603e-49fb-ab67-062c332f82a6		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	12/22/2025 9:28:09 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Baker Tilly Advisory Group, LP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

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To advise Baker Tilly Advisory Group, LP of your new email address

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REDWOOD COAST EnergyAuthority

Staff Report

Agenda Item # 13.3

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Stephen Kullmann, Demand-Side Management Director Roku Fukui, Demand-Side Management Manager
Subject	Local Government Partnership Change Order 2026-2027

Summary

Since its establishment as a Joint Powers Agency, RCEA has maintained a longstanding partnership with PG&E to implement energy efficiency and support programs for Humboldt County customers. RCEA's current PG&E-funded program is the Local Government Partnership (LGP), administered under the program named *Redwood Coast Energy Watch*. The current LGP contract expired in December 2026, and an extension is proposed to ensure continuity of program services.

The proposed change order includes the following elements:

1. Extend the contract term by an additional two years, through December 2027;
2. Increase PG&E funding to RCEA by $799,992 for the two-year extension period;
3. Authorize revisions to the Key Performance Indicators to better align program metrics with customer needs; and
4. Update the Data Protection and Cybersecurity provisions to align with PG&E's new format and requirements.

Approval of this contract extension will enable RCEA to continue providing uninterrupted services to customers. The proposed updates to the Key Performance Indicators are intended to shift program emphasis toward service delivery outcomes rather than administrative metric tracking.

Background

The LGP is principally intended to serve local government entities, including public agencies, as well as Tribes, schools, and related public-serving institutions. In addition, the program provides services to rural and hard-to-reach commercial customers.

The LGP is classified as a non-resource program, meaning energy savings are realized through technical assistance and programmatic support rather than through the direct installation of energy efficiency measures or the provision of financial incentives. Program activities include, but are not limited to, energy assessments, strategic planning, assistance with grant and financing applications, capacity building, project management, and referrals to resource programs.

The original contract term commenced in July 2020, with an extension from 2023 to 2025. This action authorizes a change order to extend the contract for an additional two-year period, from January 2026 through December 2027, with a total authorized budget of $799,992 for the extension period.

This program will integrate with and collaborate closely with NREN programs, specifically the Commercial Resource Acquisition Program and the Public Equity Program.

Alignment with RCEA's Strategic Plan

RCEA's *Redwood Coast Energy Watch* program directly advances multiple strategies identified in RCEA Strategic Plan. In particular, the program supports:

- **2.1.1 Support Member Agency and Local Government Management** by providing technical assistance, planning support, and project management services to public agencies and other public-sector partners;
- **2.1.2 Support Implementation of Codes and Standards** through guidance on energy code compliance, building performance requirements, and best practices for public facilities;
- **2.1.3 Assist with Facility Benchmarking** by helping agencies track, analyze, and interpret energy use data to inform operational and capital planning decisions; and
- **2.1.4 Perform Energy Assessments** by conducting on-site and remote assessments that identify energy efficiency, electrification, and resiliency opportunities, enabling informed investment and implementation across local government facilities.

Financial Impact

This contract amendment has a positive financial impact on RCEA, with an additional $799,992 in program funding from PG&E over the course of 2 years.

Staff Recommendation

<u>Approve a Change Order to the PG&E Local Government Partnership Contract to extend the term through 2027, increase the budget by $799,992, and make amendments to the program design and authorize the Executive Director to execute all applicable documents after review and approval of RCEA General Counsel.</u>

Attachments

PG&E Local Government Partnership slides will be presented at the Board of Directors meeting.

LOCAL GOVERNMENT PARTNERSHIP (LGP)

Contract Amendment
Staff Report
1/22/2026

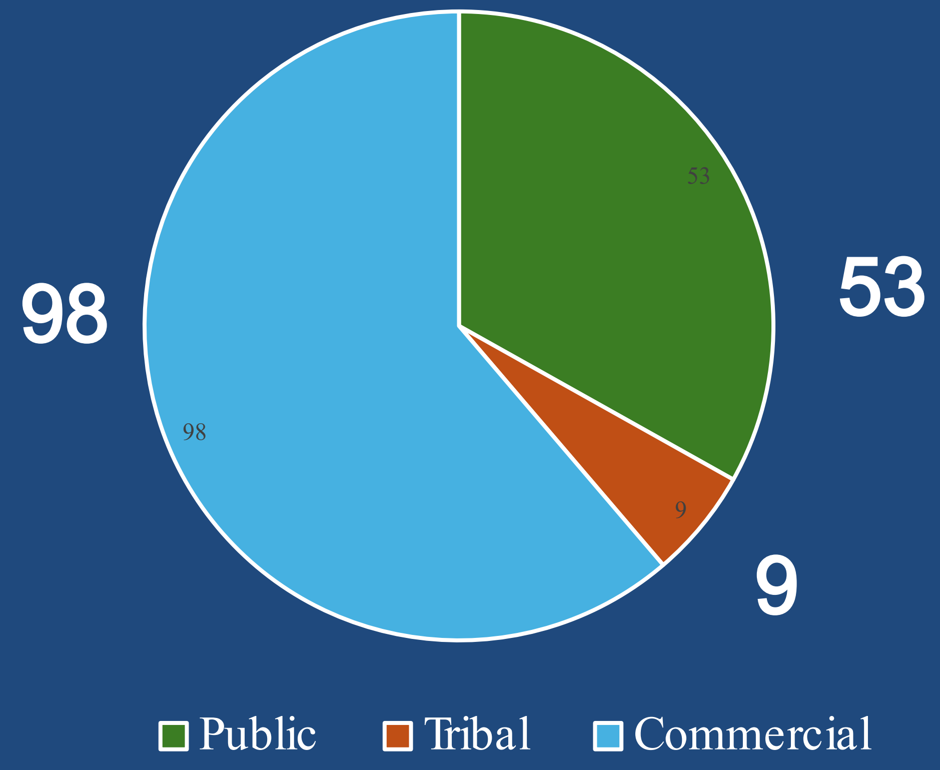
REDWOOD COAST EnergyAuthority

Key Performance Indicators

Completed between July 2023 -Dec 2025

Key Performance Indicators (KPIs)	July 2023- Dec 2025
Public Project Management	118
Benchmarking	25
Public Leads	34
Non-Res Leads	53
Public Contacts	125
Non-Res Contacts	780
Public/ Non-Res Assessments	155
Educational Activities	22

Sector Breakdown



Location	Number of Assessments
Eureka	64
Arcata	22
Fortuna	14
McKinleyville	14
Ferndale	6
Garberville	6
Redway	6
Loleta	4
Whitethorn	4
Hoopa	3
Blue Lake	2
Bridgeville	2
Samoa	2
Willow Creek	2
Happy Camp	1
Myers Flat	1
Orick	1
Orleans	1
Petrolia	1
Rio Dell	1
Salyer	1
Weitchpec	1
Westhaven	1

2025 Public Sector Highlights

City of Arcata - Arcata Community Center

- **Energy Assessment Completed** – Evaluated energy use
- **Secured ECCA Loan** – Lighting upgrades & solar
- **Efficiency Upgrades** – Installed high-efficiency lighting
- **Solar Installation** – Lowering costs & carbon footprint
- **Project Management** – Supported RFP & contractor selection

Fire Stations

- **Energy Assessment completed** at 17 rural fire stations
- **Funds from 2 grants combined:** CA Office of Planning & Research and Regional Resilience Grant Program
- **Procurement complete** for solar + storage

City of Fortuna - Wastewater Treatment Plant

- **Energy Assessment Completed** - Evaluated energy use

Mateel Community Center

- **Energy Assessment Completed**
- **Reviewed assessment finding** with the facility team
- Screened projects for **incentives, rebates, and financing**

Humboldt Waste Management Authority

- **Energy Assessment Completed**
- Interested in **Energy Efficiency + Solar Project**
- Supported **project sequencing decision-making**

LGP Contract Change Order

Contract extension for LGP renewal

- Extend contract 2 years to December 2028
- Add $799,992 budget ($339,996/year)
- Adjust Key Performance Indicators to fit our customers.

REDWOOD COAST EnergyAuthority

Staff Report

Agenda Item # 13.4

Information

Agenda Date	January 22, 2026
To	Board of Directors
Prepared by	Beth Burks, Executive Director
Subject	Regional Climate Action Plan Implementation

Summary

The Regional Climate Action Plan (RCAP)[1] was approved by the County on December 16, 2025. The RCAP is a collaborative effort between the County of Humboldt, and all the 7 cities to take a regional approach for addressing climate change. It is anticipated that each city will soon be adopting the RCAP. RCAP is a starting place for a regional coalition focused on change and details a set of strategies to reduce GHG emissions, increase climate resiliency, and strengthen the growing regional green economy.

A cornerstone strategy in the RCAP is to establish a Regional Climate Committee comprised of representatives from each jurisdiction, Humboldt Transit Authority, Humboldt County Association of Governments, Humboldt Waste Management Authority, and RCEA, and to create a Climate Program Manager position to lead the coordination efforts of the Regional Climate Committee.

The Humboldt County Association of Governments, as part of a regional working group comprised of staff from each jurisdiction, has been exploring the potential of hosting the RCAP efforts and has made progress in working through how the Regional Climate Committee could work and how a regional climate manager position could be funded. Recently the regional working group has inquired if RCEA would also be willing to evaluate if we could take on these duties.

Background

The Humboldt RCAP is a long-range planning document that guides the Humboldt region towards long-term greenhouse gas emission reduction in accordance with the State's goal to reduce GHG emissions by 40 percent below 1990 levels by 2030 and achieve carbon neutrality by 2045. The RCAP aims to address the unique needs of the communities in the region while advancing comprehensive greenhouse gas reduction and economic development goals. The RCAP focuses on creating a climate coalition to maximize regional efficiencies, overcome challenges facing rural areas, attract funding, build a green economy, mitigate emissions, and increase resilience.

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[1] Humboldt County Regional Climate Action Plan link
https://humboldtgov.org/DocumentCenter/View/145242/RCAP-FINAL-12162025?bidId=

RCEA has participated in the development of the RCAP in several ways. In its early development we provided staff support for drafting the document and providing historical data; we have consistently participated in working group sessions with the regional partners; and RCEA work related to our Community Choice Energy program and energy efficiency programs is embedded into plan assumptions and implementation strategies.

The RCAP includes 29 implementation measures related to carbon-free energy, building energy use, transportation, waste, water/wastewater, and carbon sequestration. A list of these measures and goals is included in Attachment 1. Nearly, all the implementation measures have some relationship to energy, whether they are related to electrification, energy efficiency, or decarbonization of the transportation sector.

Consistency with RCEA's JPA and RePower Humboldt

The potential to take on the RCAP implementation coordination falls within the purpose specified in RCEA's Joint Powers Agreement and is consistent with RePower Humboldt strategies and goals.

Within RCEA's Joint Powers Agreement the purposes include:

a. To lead, coordinate and integrate regional efforts that advance secure, sustainable, clean and affordable energy resources.

Through RePower Humboldt, RCEA's Comprehensive Action Plan for Energy, many of the major strategies we have identified overlap with RCAP implementation measures:

1. Regional Energy Planning & Coordination. This includes the goal to achieve net-zero greenhouse gas emissions county-wide by 2030, and to assist with Climate Action Planning.
2. Integrated Demand Side Management. Includes expanding energy efficiency programming, supporting microgrids, and supporting electrification in residential and public buildings.
3. Low-Carbon Transportation. Accelerate the adoption of electric vehicles, support the use of biofuels, and work with other local public entities to reduce vehicle miles traveled.
4. Energy Generation and Utility Services. Achieve a power mix that is 100% net-zero carbon emission, renewable sources. Improve grid reliability and resilience and support distributed energy resources and community microgrids.

Next Steps

If the Board chooses to direct staff to explore this further, staff will consult with the regional working group and bring back a plan for consideration. The plan would outline specific steps such as necessary agreements, budget, and logistics on how the Regional Climate Committee would function. Notably, the jurisdictions are prepared to participate in the funding for a Regional Climate Manager position, but there would be ancillary costs associated with supporting the committee such as clerk services that would not be funded.

Equity Impacts

Any RCAP implementation activities will be done in the context of RCEA's Racial Justice Plan initiatives.

Alignment with RCEA's Strategic Plan

See section above detailing overlap between RCEA's strategic Plan and RCAP.

Financial Impact

At this point there are no financial impacts beyond the staff time to further explore an arrangement where RCEA would become the agency responsible for coordination of RCAP implementation. If the Board elects to further explore this potential staff will bring back additional information including information on potential financial impacts.

Staff Recommendation

Discuss Regional Climate Action Plan implementation and provide direction to staff to further explore RCEA serving as the Regional Climate Committee and adding a position for a Regional Climate Manager.

Attachments

1. Humboldt County Regional Climate Action Plan Measures

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Table 32 Implementation Work Plan

Action ID	Action	Responsible Parties	Timeframe
Measure C-1: Establish a Regional Climate Committee comprised of elected officials from each jurisdiction, HTA, HCAOG, HWMA, and RCEA to be administered by the County.			
C-1a	Pursue and obtain funding to create a Climate Program Manager position to lead the coordination efforts of the Regional Climate Committee. The Regional Climate Committee will be responsible for implementing RCAP measures and actions. The Climate Program Manager will facilitate the work of the Regional Climate Committee made up of responsible parties from each of the region's jurisdictions and agencies. The Manager will work with the Committee to utilize the RCAP as a strategic plan outlining the goals of the Coalition. The Manager will coordinate with staff of the participating jurisdictions and agencies to undertake the work directed by the Committee. Finally, the Manager will develop an annual progress report on RCAP implementation annually to City Councils and County Supervisors to measure progress and establish accountability in achieving RCAP emissions reduction goals.	Municipal Planning/Building (County)	Phase 1 - ongoing
C-1b	The Program Manager represents a larger staff need to fulfill the mission of the Regional Climate Committee and will obtain funding to support several staff in implementing and tracking the RCAP.	Municipal Planning/Building (County)	Phase 1 - ongoing
C-1c	The Regional Climate Committee will develop and provide models, pilot programs, and template policies or ordinances that enable each jurisdiction in the region to implement uniform changes and facilitating local communities in making the necessary structural adjustments to reduce GHG emissions. This will reduce inefficiencies and duplication of effort while ensuring a coordinated regional approach.	Climate Committee	Phase 1 - ongoing
C-1d	Develop and distribute promotional materials and programs across the region to inform the community, gain buy-in, and promote awareness of new and existing programs and opportunities. Leveraging the Regional Climate Committee to prepare such materials will allow for limited resources in the region to be pooled on such efforts thereby reducing strain on jurisdictional staff. This engagement effort should include strategies to plan and address public disbelief around climate change and should relay the message that all community members (whether in urban or rural areas) need to participate in local efforts.	Climate Committee Municipal Community Development	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
C-1e	Leverage regional programs to engage and support frontline communities that may experience secondary impacts or not benefit directly from the measures' objectives. Ensure these communities can access regional resources or funding opportunities to mitigate identified impacts and benefit the entire community. The Regional Climate Committee will be charged with engaging with regional programs and identifying appropriate community-based organizations to lead and guide such engagement efforts to ensure voices of vulnerable communities are involved in RCAP implementation and planning.	Climate Committee	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
C-1f	Utilize regional resources to conduct efficient regional studies, avoiding redundancy, that provide a clear understanding of the details, obstacles, and feasibility of proposed programs. This includes necessary analyses to identify the best path forward or the feasibility of implementing specific measures. The Regional Climate Committee will aid in identifying the regional expertise and coordinating studies across the region to limit duplication of efforts.	Climate Committee	Phase 1 - ongoing
C-1g	Collaborate regionally to identify and pursue relevant and impactful grants and financial backing to facilitate RCAP implementation across the region. Ensure resources and efforts are directed towards securing funds that can be distributed across the region, such as grants or rebates to support measure implementation and adequate program staffing. Direct the Regional Climate Committee to pursue 3-5 grants for regional efforts to meet RCAP goals per year.	Climate Committee	Phase 1 - ongoing
C-1h	Use the collaborative network of local jurisdictions, agencies, and community-based organizations (CBOs) to attract additional internal and external support and expertise. This includes engaging community organizations that are well-positioned to consistently and sustainably advance specific measures. Leverage the Regional Climate Committee to identify and provide assistance to local jurisdictions' high priority project pursuits which support the RCAP.	Climate Committee	Phase 1 - ongoing
C-1i	Work with the school districts in incorporated cities and unincorporated Humboldt to create a school outreach program or curriculum to educate children from a young age on the RCAP and climate change.	Climate Committee	Phase 1 - ongoing
C-1j	The RCC will communicate with the local Tribes to collaborate on their existing and future efforts to reduce GHG emissions in the region. This collaboration and future partnerships will leverage both agencies ability to obtain funding to complete overlapping work to reduce GHG emissions.	Climate Committee	Phase 1 - ongoing
Measure BE-1:	***By 2030, source 90% of grid-supplied electricity from renewable and carbon-free sources.***		

Action ID	Action	Responsible Parties	Timeframe
BE-1a	Coordinate and support Redwood Coast Energy Authority (RCEA) in developing an effective energy strategy. Strategy should include conducting an assessment to identify the potential obstacles and detail the steps to providing provide renewable and carbon-free power and decarbonization programs outlined in the RePower Humboldt plan such as: 1. Future Capacity constraints 2. Customer solar installations 3. Customer electrification support 4. EV charging infrastructure buildout 5. Building Electrification 6. Advanced biofuel infrastructure 7. Evaluate enrollment rates in RCEA programs annually to understand why residents and businesses opt out or opt to procure standard grid electricity. Use results to adjust strategy for increasing enrollment accordingly	Municipal Public Works RCEA	Phase 1
BE-1b	Through the Regional Climate Committee develop a template policy or ordinance for regional jurisdictions to use to require new commercial and industrial developments to acquire electricity from renewable and carbon-free energy sources such as enrolling with RCEA, incorporating on-site renewable generation, or enrolling in PG&E's 100 percent renewable rate. For each jurisdiction, adapt the templated policy or ordinance as necessary and adopt by 2026.	Climate Committee Municipal Planning/Building Board of Supervisors	Phase 1
BE-1c	Collaborate across the region with interested parties including tribes, labor unions, workforce development boards, State agencies, colleges, universities, industries, and community organizations to increase local energy workforce development. Partner with RCEA, Humboldt State University, and College of the Redwoods to actively develop education and certifications for electrical and construction trades by 2027 to ensure develop a skilled workforce ready to meet the region's energy needs.	Climate Committee Municipal Public Works	Phase 1 – 2
BE-1d	Leverage the Regional Climate Committee to work with RCEA to reduce opt-down rate for new customers to no more than 2 percent. Develop promotional educational materials to inform community members on available incentives and benefits of clean energy and energy efficiency.	Municipal Public Works RCEA Climate Committee	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
BE-1e	Engage with the community and partner with community organizations to facilitate increased communication, technical assistance, and access to energy incentives through the California Alternative Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Low-Income Home Energy Assistance Program (HEAP) programs for low/moderate income households.	Municipal Public Works Municipal Community Development	Phase 1 - ongoing
BE-1f	Work with RCEA to expand and advertise regional energy funding programs as described in the RePower Humboldt plan. Facilitate Humboldt residents and businesses in utilizing energy finance programs such as, but not limited to, the Property Assessed Clean Energy (PACE) program. Conduct targeted outreach to public entities, such as public schools, that are eligible for State and Federal Program loans.	Municipal Public Works RCEA	Phase 1 - ongoing
BE-1g	Coordinate through the Regional Climate Committee to establish and administer a multi-jurisdictional staff position dedicated to identifying and pursuing funding opportunities to support County-wide educational programs, assisting in equitable energy workforce expansion outreach, and providing RCEA with additional funds to expand incentives or subsidies for the community to increase community enrollment. If establishing a dedicated staff position is not feasible, work with the Regional Climate Committee and regional partners to identify resource sharing opportunities for pursuing funding opportunities such as rotating the responsibility across designated agency employees.	Municipal Public Works Climate Committee	Phase 1
Measure BE-2: Increase the development of micro-grids and energy storage across the region to support RCEA's RePower Humboldt goals of enhancing grid capacity and facilitating the electrification of buildings and transportation.			
BE-2a	Develop permit streamlining programs that can be adopted by local jurisdictions to facilitate the streamlined implementation of renewable energy projects as identified in regional energy feasibility study and RCEA RePower Humboldt goals such as energy storage projects, residential and commercial solar installation, and microgrid development.	Climate Committee Municipal Public Works	Phase 1 - ongoing
BE-2b	Direct the Regional Climate Committee to work with RCEA to develop a plan for leveraging CPUC's recently passed Limited Generation Profile option to maximize solar installation developments in alignment with RCEA's RePower Humboldt goals throughout the region.	Climate Committee RCEA	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
BE-2c	Engage with the local community, key interested parties, and local-based community organizations representing disadvantaged and vulnerable communities to raise awareness about alternative renewable energy and nano-grid opportunities available through RCEA. Emphasize the increased accessibility to electrification as well as the economic and environmental advantages of electrification while addressing concerns related to emergency response to minimize exceptions. Publicize the connection between RCEA nano-grid efforts and the increased ability to electrify leading to cost savings, funding opportunities, environmental benefits, and flexibility of electrification through jurisdiction websites and permit counters.	Climate Committee Municipal Planning/Building RCEA	Phase 2
BE-2d	As part of Regional Climate Committee responsibilities identified in Measure C-1, engage with RCEA to track progress toward targets set in RCEA's RePower Humboldt plan and identify additional opportunities for local jurisdictions to alleviate barriers to goals set in RCEA's RePower Humboldt plan.	Climate Committee Municipal Community Development RCEA	Phase 1 - ongoing
BE-2e	As part of Regional Climate Committee responsibilities work with RCEA and the Schatz Energy Research Center to identify locations throughout the County that are priority for utility-scale, nano-grid, and micro-grid solar, hydropower, and/or wind energy generation based on aspects such as land availability and suitability, infrastructure needs, resilience, and energy access equity. Coordinate with PG&E on interconnection needs and identify strategies with PG&E of how to best support capacity building on the grid related to micro-grid projects.	Climate Committee RCEA	Phase 2- ongoing
BE-2f	Conduct an equity assessment across the region that includes the identification of potential cost barriers to residential solar development, particularly for low income and rural communities at the end of PG&E distribution infrastructure, and identify feasible sites for solar and battery installation and potential funding sources.	Climate Committee RCEA	Phase 1
BE-2g	Identify facilities that are suitable to operate as regional resilience hubs to protect people from climate related issues. Create a priority list of these facilities with particular focus on servicing disadvantaged communities and work with RCEA to prioritize implementation of on-site microgrid and energy storage on identified.	Climate Committee Municipal Public Works RCEA	Phase 1

Action ID	Action	Responsible Parties	Timeframe
BE-2h	Regional Climate Committee will work with RCEA to pursue regional funding opportunities that can be used to develop resilient microgrids and incentivize new housing developers to install solar and on-site batteries, particularly for affordable housing developments. Aim to pursue 3 grant or funding opportunities annually focused on microgrids and/or energy storage expansion.	Municipal Public Works RCEA	Phase 1
Measure BE-3 Urban:	***Reduce existing residential building natural gas consumption by 4% by 2030 and 74% by 2045.***		
BE-3a Urban	Leverage the Regional Climate Committee to lead the development of a decarbonization plan for urban areas that assesses the feasibility and cost for electrification retrofitting for residential buildings as well as identifies potential equity concerns/impacts. The plan should identify strategies and/or specific projects to decarbonize 4 percent of existing residential and multi-family buildings by 2030 and strategies for increasing infrastructure readiness to electrify through 2045. The plan should give consideration for increased electricity capacity needs and RCEA's RePower Humboldt goals to meet increased capacity need. The plan should also identify a variety of equitable decarbonization solutions and potential projects such as partial electrification and increased energy efficiency options for mixed-fuel residences that face barriers to full electrification. The study should also identify the funding and financing requirements necessary to support the community in this transition.	Climate Committee Municipal Public Works (cities) RCEA	Phase 1
BE-3b Urban	As part of Regional Climate Committee responsibilities identified in Measure C-1, petition PG&E to help identify priority areas for electric grid expansion projects to increase regional electric grid capacity and islanding capabilities to allow for increased building electrification capacity.	Climate Committee RCEA	Phase 1 - 3
BE-3c Urban	Develop a home energy advisory service administered by the Regional Climate Committee that assists existing homeowners to better understand the cost of building decarbonization options including partial and full home electrification, identifies service providers, and provides support for homeowners to access electrification incentives from the Energy Smart Homes program.	Climate Committee RCEA	Phase 2 - ongoing

Action ID	Action	Responsible Parties	Timeframe
BE-3d Urban	Work with the Regional Climate Committee to identify and pursue funds through CARB, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act including: 1. DOE block grants 2. On Bill financing through Utility bills 3. Green bonds 4. Grant Anticipation Notes or Short-Term Loans 5. Tax exempt lease purchases 6. Energy as a service 7. Energy Performance Contracting from Energy Service Companies (ESCOs)	Climate Committee Municipal Public Works (cities) RCEA	Phase 1 - ongoing
BE-3e Urban	Work with the Regional Climate Committee to develop and manage educational/promotional materials that each jurisdiction can use to educate the community on ways to finance home decarbonization. Materials should include information and links to existing available rebates for Heat Pumps, Weatherization, Smart Thermostats, Appliances, and Pool Pumps as well as other rebates offered through RCEA of the local jurisdiction if applicable.	Climate Committee	Phase 1
BE-3f Urban	Work with the local contractors, realtors, homeowner associations, landlords, and labor unions to develop a comprehensive training program, including hosting workforce development trainings discussing the benefits and technical requirements of electrification as well as addressing interested party concerns regarding electrification.	Municipal Public Works (cities) Municipal Community Development (cities)	Phase 2 - ongoing
BE-3g Urban	Develop a fund for low income and affordable housing electrification pilot projects in collaboration with affordable housing owners, utilities, and the community. Work with RCEA to develop a program to offset cost for occupants using financing and through the sourcing of grant funds to subsidize cost.	Municipal Public Works (cities) RCEA	Phase 2 - ongoing
Measure BE-3 Rural:	***Reduce existing residential fossil-fuel consumption in households not connected to natural gas infrastructure by 2% by 2030***		

Action ID	Action	Responsible Parties	Timeframe
BE-3a Rural	Regional Climate Committee to conduct a feasibility study to establish local low-carbon fuel alternative, such as renewable propane, sourced from local resources such as forest biomass waste which can be used as direct substitutes for propane or diesel building fuel. The feasibility study should consider procurement and cost considerations with a focus on equity for low-income households, and map communities with significant propane and wood fuel use to identify accessibility strategy for acquiring alternative fuels (e.g. renewable propane, sustainably harvested wood products, renewable diesel) and/or undergoing home electrification.	Climate Committee Municipal Public Works (county)	Phase 1
BE-3b Rural	As part of Regional Climate Committee responsibilities identified in Measure C-1, petition PG&E to help identify priority areas for rural electric grid expansion projects to increase regional electric grid capacity and islanding capabilities to allow for increased building electrification capacity.	Climate Committee	Phase 1- 3
BE-3c Rural	Promote existing available rebates to rural communities for Heat Pumps, Weatherization, Smart Thermostats, Appliances, and Pool Pumps to educate the community on ways to finance electrification or otherwise decarbonize their residences. Provide assistance to rural homeowners in assessing the viability and permitting of installing off-grid solar and battery alternative energy sources on their homes and finance options.	Municipal Public Works (county) RCEA	Phase 1 - ongoing
BE-3d Rural	For viable alternative fuel sources identified in a feasibility study, establish procurement and distribution supply centers within easy access of rural communities.	Municipal Public Works (county) Municipal Planning/Building (county)	Phase 2
BE-3e Rural	The Regional Climate Committee will lead the effort to identify, access, and provide funding assistance for the procurement of alternative fuels, such as biomethane, in alignment with SB 1383 procurement requirements. Advocate to the California Public Utilities Commission (CPUC) for inclusion of alternative low-carbon fuels substitution, such as renewable propane, to be allowed in ratepayer funded programs including energy efficiency programs.	Climate Committee	Phase 2 - 3
Measure BE-4:	***Reduce existing nonresidential building natural gas consumption by 5% by 2030 and 79% by 2045.***		

Action ID	Action	Responsible Parties	Timeframe
BE-4a	As part of the development of the decarbonization plan led by the Regional Climate Committee referenced in Measure BE-3 Urban, identify nonresidential building electrification barriers and develop a nonresidential building decarbonization strategy with analysis supporting future adoption of a nonresidential building decarbonization ordinance. The plan should give consideration for increased electricity capacity needs and for other decarbonization strategies that would be needed to reduce nonresidential natural gas consumption by at least 5 percent. As part of strategy development, conduct outreach to small businesses to understand potential equity impacts of a decarbonization policy. The plan should also assess ordinance parameters for including large scale renovation as part of the new commercial building ordinance requirements established for each organization (Measure BE-6).	Climate Committee RCEA Municipal Planning/Building	Phase 1
BE-4b	Work with the Regional Climate Committee to develop a template Commercial Energy Performance Assessment and Disclosure Ordinance for commercial and multi-family buildings to be adopted within each jurisdiction by 2027. The ordinance should require energy use disclosure consistent with State law (AB 1103) and the use of the ENERGY STAR Portfolio Manager benchmarking tool. Include regulatory mechanism (e.g., permitting and approval requirements, building codes and standards modification) that limits expansion of natural gas infrastructure and incentivizes appliance replacement.	Municipal Planning/Building Board of Supervisors Climate Committee	Phase 2
BE-4c	Establish streamlined permitting in each jurisdiction for energy efficiency technologies, onsite renewable energy, and battery storage in buildings and critical facilities that require power during emergencies or power outages. Incorporate equity considerations into permitting process for all other building battery storage including prioritization, rebates, and outreach.	Municipal Planning/Building	Phase 2

Action ID	Action	Responsible Parties	Timeframe
BE-4d	As part of Regional Climate Committee responsibilities identified in Measure C-1, develop an outreach campaign to promote building decarbonization and include items in the program such as: 1. Conduct engagement efforts for the commercial and industrial sector to identify ways jurisdictions and the Regional Climate Committee can support commercial energy storage installations and neighborhood scale microgrid opportunities 2. Facilitate funding opportunities for commercial business electrification by identifying and supporting grant opportunities available to the community, prioritizing small and frontline community owned businesses 3. Use feedback provided during the community outreach process for small businesses to mitigate potential equity impacts of a future building performance program 4. Distribute utility bill inserts to advertise the incentive programs or grants available and the cost benefits of electric appliances 5. Target outreach to businesses, builders, developers, local contractors, and property managers with information describing the financial benefits of replacing natural gas appliances with all electric appliance when they apply for permits 6. Provide informational webinars and an updated website to advertise and promote All-Electric Building Initiative rebates and incentives 7. Promote the use of the Energy Star Portfolio Manager program and energy benchmarking training programs for nonresidential building owners	Climate Committee	Phase 2 - ongoing

Measure BE-5: Decarbonize 95% of new residential building construction by 2027

Action ID	Action	Responsible Parties	Timeframe
BE-5a	Regional Climate Committee to develop an energy performance ordinance, EDR, reach code, or zero NOx threshold for new residential construction that can be modified by each jurisdiction as necessary to conserve staff resources. Adopt the ordinances within each jurisdiction to decarbonize 95 percent of new residential buildings by 2027 and update every 3 years thereafter if not included within State building codes. As part of building decarbonization ordinance development and subsequent updates, consider the following: 1. Minimize the exemptions associated with the ordinance, while allowing for health and safety exemptions as necessary and exploring potential exemptions for specific use cases determined to have substantial economic development or business impacts 2. Require the submittal of an infeasibility waiver to review specific end uses where electrification is technologically infeasible 3. Require that any end-use deemed infeasible for electrification exceeds existing Title 24 energy efficiency standards and be electric ready for future electrification 4. Specify that affordable housing developments will be all-electric to ensure no stranded assets 5. Establish substantial remodel and improvement definitions to be included in the ordinance 6. Track and enforce requirement compliance through a permitting compliance program managed by each jurisdiction 7. Revise ordinance during update cycle as necessary to meet 95 percent goal.	Municipal Planning/Building Board of Supervisors Climate Committee	Phase 2
BE-5b	Conduct feasibility study(s) to identify local decarbonization barriers for new residential developments and develop a residential building decarbonization strategy with analysis. The feasibility study should include developing a new residential building decarbonization plan that assesses the grid feasibility and cost for electrification at certain legislative threshold requirements in consideration of leveraging RCEA residential nano-grid and battery storage options. The feasibility study should assess the potential cost impacts to multifamily and affordable housing new developments and identify potential strategies for mitigating negative impacts for equitable electrification.	Climate Committee Municipal Public Works RCEA	Phase 1

Action ID	Action	Responsible Parties	Timeframe
BE-5c	Leverage the Regional Climate Committee to lead engagement efforts with affordable housing developers to leverage incentives for new all-electric and efficient low-income residential buildings through the California Energy Commission Building Initiative for Low-Emissions Development (BUILD) Program, the Affordable Housing and Sustainable Communities (AHSC) Program, and the California Electric Homes Program (CalEHP). Regularly investigate and leverage other incentive programs available for electrification of new buildings.	Climate Committee Municipal Planning/Building	Phase 2 - ongoing
BE-5d	Through the Regional Climate Committee, work with local contractors, realtors, homeowner associations, landlords, and labor unions to develop a comprehensive training program, including hosting workforce development trainings discussing the benefits and technical requirements of local municipality building decarbonization legislation and the most effective pathways to achieving requirements. Include information on load calculations to avoid service upgrade requirements	Climate Committee Municipal Planning/Building Municipal Community Development	Phase 2 - ongoing
BE-5e	Partner with RCEA and PG&E to circumvent or mitigates electric utility infrastructure capacity constraints.	Municipal Planning/Building RCEA	Phase 2 - ongoing
BE-5f	Collaborate with RCEA to develop and fund locally implemented programs to help customers in accessing financing options for energy projects and rebates for cleaner, energy efficient technology.	Municipal Planning/Building RCEA	Phase 2 - ongoing
Measure BE-6:	***Decarbonize 95% of new nonresidential building construction by 2027***		

Action ID	Action	Responsible Parties	Timeframe
BE-6a	Adopt within each jurisdiction an energy performance ordinance, energy design rating (EDR), reach code, or zero NOx threshold to decarbonize 95 percent of new nonresidential buildings by 2027 and update every 3 years thereafter if not included within State building codes. As part of building decarbonization legislation development and subsequent updates, consider the following: 1. Direct the Regional Climate Committee to develop a template ordinance that can be modified by each jurisdiction as necessary to conserve staff resources. 2. Minimize the exemptions associated with the ordinance, while allowing for health and safety exemptions as necessary and exploring potential exemptions for specific use cases determined to have substantial economic development or business impacts. 3. Require the submittal of an infeasibility waiver to review specific end uses where electrification is technologically infeasible. 4. Require that any end-use deemed infeasible for electrification exceed existing Title 24 energy efficiency standards and be electric ready for future electrification. 5. Establish substantial remodel and improvement definitions to be included in the ordinance. 6. Enforce requirement compliance through the same permitting compliance program as for residential building decarbonization. 7. Establish EDR requirements for new non-residential buildings that incentivize electrification and in a case where electrification is infeasible, requires higher energy efficient and low emissions equipment to meet the EDR. 8. Track effectiveness of ordinance through permitting compliance program and revise ordinance during update cycle as necessary to meet 95 percent goal.	Municipal Planning/Building Board of Supervisors Climate Committee	Phase 2

Action ID	Action	Responsible Parties	Timeframe
BE-6b	Conduct feasibility study(s) to identify decarbonization barriers for commercial buildings and develop a commercial building decarbonization strategy with analysis supporting future adoption of commercial decarbonization legislation. The feasibility study should include a comprehensive nonresidential building electrification plan that assesses the grid feasibility and cost for electrification and opportunities to mitigate grid and cost barriers by leveraging RCEA microgrid and battery storage options. The feasibility study should assess potential decarbonization legislation exemptions for commercial and industrial operations that are significantly restricted by available technology for electrification.	Climate Committee Municipal Planning/Building RCEA	Phase 1
BE-6c	Connect developers with RCEA to identify applicable incentive programs in line with RCEA RePower goals that could benefit new building developments such as microgrids which can aid businesses in overcoming restrictions to electrification or decarbonization of processes.	Municipal Planning/Building	Phase 1 - ongoing
BE-6d	Through the Regional Climate Committee, work with local contractors, realtors, homeowner associations, landlords, and labor unions to develop a comprehensive training program, including hosting workforce development trainings to discuss the benefits and technical requirements of decarbonization. .	Climate Committee Municipal Planning/Building	Phase 2
BE-6e	Partner with RCEA and PG&E to establish a clear path for electrification of new nonresidential buildings which meet EDR requirements and circumvent or mitigate electric utility infrastructure capacity.	Municipal Planning/Building RCEA	Phase 2
Measure BE-7:	***Decarbonize 30% municipal buildings and facilities by 2030***		
BE-7a	Regional Climate Committee to develop a template resolution for each jurisdiction to decarbonize 30 percent of municipal buildings and facilities by 2030 and 100 percent by 2045 by retrofitting natural gas appliances with electric alternatives, conversion of street lights to solar or LED, and install on-site electricity generation and storage capacity. Include in the resolution an ‘electric first’ purchasing policy for any equipment or appliances in need of replacement.	Municipal Facility Management Board of Supervisors	Phase 1

Action ID	Action	Responsible Parties	Timeframe
BE-7b	Coordinate with the Regional Climate Committee and RCEA to conduct energy audits of municipal buildings to establish a baselines of current energy consumption and identify the largest energy users or municipal buildings with the greatest natural gas consumption. Utilize audit results to prioritize municipal buildings to decarbonize. Conduct follow-up energy audits every 3 years to track progress. Leverage data from buildings reporting to the Building Energy Benchmarking Program established under AB 802 where possible to reduce labor.	Municipal Facility Management RCEA	Phase 1 - ongoing
BE-7c	Develop a study through the Regional Climate Committee which estimates renewable energy generation on County and local jurisdiction facilities, identifies a priority list of sites which may serve as regional resilience hubs, and a proposed schedule for implementing the prioritized energy projects. The study should also seek to understand barriers to installing additional distributed energy resources such as solar and battery storage, or other renewable energy generation infrastructure, at municipal facilities.	Municipal Facility Management RCEA	Phase 2
BE-7d	Identify and pursue funding sources and partnerships needed for successful implementation as well as plan for directing resources through each jurisdiction for funding.	Municipal Facility Management Climate Committee	Phase 1
Measure BE-8: Advocate for Offshore Wind developers to fund transmission infrastructure and work with PG&E, the California Public Utilities Commission (CPUC), and other related agencies to build electrical transmission infrastructure to supply Humboldt with energy produced by the future offshore wind projects which will increase regional supply and resilience			
BE-8a	Dedicate Regional Climate Committee staff time to work with local organizations (e.g. 350Humboldt, Redwood Region Climate & Community Resilience Hub, COREHub) to petition the CEC and Humboldt Offshore Wind developers, PG&E, the California Independent System Operator, the CPUC and other relevant decision makers to implement electricity transmission and distribution to the Humboldt region.	Climate Committee Municipal Community Development	Phase 2
BE-8b	Have the Regional Climate Committee advocate to the CEC and State to allow for an equitable rate tiering law to provide affordable rates for LIDAC communities in Humboldt County.	Climate Committee RCEA	Phase 2 - 3

Action ID	Action	Responsible Parties	Timeframe
BE-8c	Leverage the Regional Climate Committee to work with California Independent System Operator (ISO), California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the off Humboldt Offshore Wind projects and PG&E to identify pathways to establish equitable regional access to electricity produced by the offshore wind projects. This may include supporting permitting and development processes necessary for the proposed new Humboldt 500 kV substation as well as advocating to include distribution capacities at the substation for Humboldt County.	Climate Committee	Phase 2 - 3
BE-8d	Direct the Regional Climate Committee to evaluate and pursue opportunities for the Environmental and Climate Justice Community Change Grant through the Inflation Reduction Act or other available programs to advance clean energy from the wind-farm projects. Aim to apply for at least 3 grants annually.	Climate Committee Municipal Public Works	Phase 2
BE-8e	Lobby PG&E, the California Public Utilities Commission (CPUC), and other related agencies to fund and build enhanced energy transmission infrastructure throughout Humboldt County to ensure that renewable energy produced by the offshore wind projects can be distributed throughout the County. Also lobby offshore wind developers to contribute to the funding of such transmission upgrades.	Climate Committee Municipal Public Works	Phase 2 - 3
Measure T-1 Urban: Implement programs, such as those identified in HCAOG's RTP, to increase the mode share of active transportation in urbanized areas from 9% to 12% by 2030, thereby achieving a regional active transportation mode share of 8%			
T-1a Urban	Regional Climate Committee to aid the urbanized areas of Humboldt by partnering with HCAOG and HTA to identify and pursue grant opportunities such as the Active Transportation Program, AARP Community Challenge, CalEPA's Environmental Justice Action Grants, and Caltrans Sustainable Transportation Planning Grants, etc., to fund active transportation projects identified in the Regional Transportation Plan. Aim to apply for at least 3 grants annually.	Climate Committee HCAOG HTA	Phase 1 - ongoing
T-1b Urban	In urbanized areas with high alternative transit expansion potential work with the Regional Climate Committee to facilitate community outreach on transportation alternatives and promote infrastructure improvements and expansion identified in HCAOG's Regional Transportation Plan. Continually improve methods for engaging the community, gathering input, and utilizing it to prioritize projects.	Climate Committee Municipal Community Development (urban)	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
T-1c Urban	Leverage the Regional Climate Committee to pursue and access funding to develop and maintain regional webpage and app showing pedestrian and bike trails, bike lanes and bus times and routes. Distribute active transportation maps and promotional materials to hotels and tourism centers to increase visitor use of active transportation. Advertise and promote Humboldt Bikeshare program managed by the City of Arcata, Cal Poly Humboldt, and Tandem Mobility.	Climate Committee Municipal Community Development (urban) HCAOG	Phase 2 - ongoing
T-1d Urban	Identify equity barriers to safe bike and pedestrian infrastructure through community outreach and use of big data driven analysis as well as targeted community outreach to better understand nuanced barriers. Include prompts in outreach around ways to improve social and modal equity in the active transportation systems and programs. Develop a priority list of active transportation projects from HCAOG's Regional Transportation Plan based on level of impact, expansion of inter-jurisdictional connectivity, and historically under-invested communities.	Climate Committee Municipal Public Works (urban) HCOAG	Phase 1
T-1e Urban	Increase inter-connectivity across the region working with HCAOG, Caltrans and the Regional Climate Committee representatives to: 1. Evaluate and prioritize land use projects and active transportation projects for their impact on increased regional connectivity 2. Identify hurdles limiting connectivity and use, such as last-mile commute limitations 3. Facilitate coordination across jurisdictions and rural and urban areas to plan development in a coordinated and most strategic manner 4. Apply for regional funding opportunities focused on increased inter-connection and VMT reduction 5. Apply for regional funding opportunities for maintenance needs for non-motorized transportation routes 6. Implement the VMT mitigation measures associated with VMT thresholds	Climate Committee HCAOG Caltrans	Phase 2 – Phase 3
T-1f Urban	The Regional Climate Committee will work with the local jurisdictions to develop road-related policies that require installation of multimodal transportation features where feasible.	Climate Committee	Phase 2 – Phase 3

Action ID	Action	Responsible Parties	Timeframe
Measure T-1 Rural: Implement programs, such as those identified in HCAOG's RTP, that increase access to safe active transportation, to increase the mode share of active transportation in rural areas from 5% to 6% by 2030 thereby achieving a regional active transportation mode share of 9%			
T-1a Rural	Regional Climate Committee to conduct a feasibility study evaluating existing bike parking facilities in rural areas and what improvements can be made to increase supply, reduce theft, and increase rider attraction. Include in the study an analysis of current and future land use trends and identify active transportation facility development which would result in high inter- connectivity impact. The study should focus on needs to better connect rural communities to city centers, job centers, and amenities.	Climate Committee	Phase 1
T-1b Rural	Develop a priority list of active transportation projects from HCAOG's Regional Transportation Plan based on level of impact, expansion of inter-connectivity, and historically under-invested communities where there is currently no or limited pedestrian and bicycle infrastructure as informed by feasibility study.	Municipal Public Works (rural) HCAOG	Phase 1
T-1c Rural	The Regional Climate Committee will work with the regions jurisdictions, HCAOG, and CalTrans to obtain funding for the construction of bikeway and pedestrian systems to improve interconnection within Humboldt County. Focus areas will be projects that connect rural communities to high employment areas such as City of Eureka, Arcata, and Fortuna as well as nearby counties, State, and federal infrastructure through integration of bicycle facilities as part of other roadway construction projects (e.g. CalTrans mobility hub and highway projects).	Regional Climate Committee HCAOG	Phase 2 - ongoing
T-1d Rural	Partner with California Department of Transportation (CalTrans) District 1 Pedestrian and Bicycle Advisory Committee (PBAC) to track progress on implementation of bicycle and pedestrian projects in the region, ensure that projects being planned are consistent with the District Active Transportation Plan, and to represent the regions rural jurisdictions needs to the PBAC.	Climate Committee Municipal Public Works (rural)	Phase 2 - ongoing
T-1e Rural	Regional Climate Committee to work with jurisdictions in rural regions that have planned land use development to establish standards for when and how new residential subdivisions, multi-family, and mixed-use developments shall provide inter- connected bicycle and pedestrian facilities and amend local codes accordingly.	Climate Committee Municipal Public Works (rural)	Phase 2 - 3

Action ID	Action	Responsible Parties	Timeframe
T-1f Rural	Increase community awareness of active transportation infrastructure projects occurring and those completed. Work with HCAOG to continue to fund, develop, and maintain regional webpages and apps showing pedestrian and bike trails, bike lanes, and bus times and routes. Distribute active transportation maps and promotional materials to hotels and tourism centers to increase visitor use of active transportation.	Municipal Public Works (rural) Climate Committee HCOAG	Phase 1 - ongoing
T-1g Rural	Partner with the tourism and business sectors of larger tourism and employment regions of the County to identify pathways to increase active transportation from tourists and employees.	Climate Committee Municipal Community Development (rural)	Phase 2
T-1h Rural	Regional Climate Committee to identify and apply for grant opportunities such as the Active Transportation Program, AARP Community Challenge, CalEPA's Environmental Justice Action Grants, and Caltrans Sustainable Transportation Planning Grants, etc., to fund rural active transportation projects identified in the Regional Transportation Plan.	Municipal Public Works (rural) Climate Committee	Phase 1 - ongoing
T-1i Rural	Leverage the Regional Climate Committee to fund the development of local subsidy for low-income residents across the region for bicycles, helmets, pumps, and other bicycle equipment. Continue to offer e-bike rebates with increased rebate opportunities for low-income customers. Implement an income-qualified coupon for the e-bike share program, in addition to the available 50 percent discounted e-bike share rate.	Climate Committee Municipal Community Development (rural)	Phase 2
Measure T-2 Urban: Expand the public transit network in support of HCAOG's Regional Transportation Plan to increase public transit mode share from 2% to 20% public transit mode share in urbanized areas to achieve a regional 13% public transit mode share by 2030			
T-2a Urban	Regional Climate Committee to work with Humboldt Transit Authority (HTA) and HCAOG to support implementation of measures to increase use of public transportation services in the region as specified in HCAOG's Regional Transportation Plan, and work toward a 10-minute headway in urban areas. This should include, but is not limited to: 1. Improving passenger transfer among local routes and between local and intercity routes (e.g., North State Express and Amtrak) 2. Improving shelters at bus stops 3. Electronic signage and/or real-time updates of wait time until next bus	Climate Committee HTA Municipal Public Works (urban)	Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-2b Urban	For areas with significant tourism industry, conduct a feasibility study to inform the development of a tourism-based mobility plan aimed at decreasing tourism-based single passenger vehicle use. In this study: 1. Identify community boundary locations for tourism designated parking and optimal route connectivity 2. Identify opportunities for town shuttle services and park-and-ride locations for residents and tourists 3. Gauge potential of partnerships with big tourism destinations and local businesses to implement direct public transit routes between park and ride and the relevant tourist destinations 4. Identify opportunities for dogs to be included in a shuttle service to locations that allow dogs	Municipal Public Works (urban) HCAOG	Phase 1
T-2c Urban	Leverage the Regional Climate Committee to conduct local transportation surveys to better understand the community's needs and motivation for traveling by car versus other alternatives such as the bus. Use survey results to inform policy development and outreach campaigns that are transit focused. Develop marketing materials and provide them to the local jurisdictions to publicize public transportation improvements as they are planned and implemented in a variety of methods (social media, newspaper, radio, etc.) and languages to help facilitate use and success of improvement	Climate Committee	Phase 1
T-2d Urban	Work with HTA to plan facility upgrades that include design improvements of seating and weather protection at bus stops and along transportation routes. Implementation should also include consideration of climate change impacts and increasing micro-transit access to the improved public transit network facility. Incorporate design changes throughout infrastructure modifications, including real-time updates of bus arrival.	Municipal Public Works (urban) HTA	Phase 1 – Phase 2
T-2e Urban	Work with HTA to prioritize public transportation access and improvements in low-income areas of the region and at major destinations. This could include surveying existing transportation routes, schedules, and facilities throughout each jurisdiction as part of HCAOG's Sustainable Transportation Planning Grant Program and improving public transportation facilities and expand access to transit (i.e., first and last-mile access).	Municipal Public Works (urban) HTA	Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-2f Urban	Regional Climate Committee to collaborate HTA and HCAOG in obtaining grant funding for service expansion and improvements particularly in underserved and marginalized areas. Also include assistance for working with the appropriate State agencies to petition for updates to the farebox ratio to allow HTA greater access to using funds for self--advertisement.	Municipal Public Works (urban) HTA Climate Committee	Phase 1 - ongoing
T-1g Urban	The Regional Climate Committee will work with local jurisdictions to prioritize spending of transit-specific funding for transit needs first.	Climate Committee Municipal Public Works (urban)	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
Measure T-2 Rural: Develop a robust public transit network in support of HCAOG's Regional Transportation Plan to increase public transit mode share from 1% to 10% in rural areas and achieve a regional 13% public transit mode share by 2030			
T-2a Rural	Regional Climate Committee to work with HTA and HCAOG to support implementation of measures to increase use of public transportation services in the region as specified in HCAOG's Regional Transportation Plan and work toward a 30-minute headway in rural areas. This should include, but is not limited to: 1. Improving passenger transfer among local routes and between local and intercity routes (e.g., North State Express and Amtrak) 2. Improving shelters at bus stops 3. Prioritizing infrastructure improvements in existing communities that enable people better access and use of public transit 4. Electronic signage and/or real-time updates of wait time until next bus	Climate Committee HTA	Phase 1 - ongoing
T-2b Rural	For areas with significant tourism industry, conduct a feasibility study to inform the development of a tourism-based mobility plan aimed at decreasing tourism-based single passenger vehicle use. In this study: 1. Identify community boundary locations for tourism designated parking and optimal route connectivity. 2. Identify opportunities for town shuttle services and park-and-ride locations for residents and tourists. 3. Gauge potential of partnerships with big tourism destinations and local businesses to implement direct public transit routes between park and ride and the relevant tourist destinations.	Municipal Public Works (rural) Climate Committee HCAOG	Phase 1

Action ID	Action	Responsible Parties	Timeframe
T-2c Rural	Work with HCAOG and HTA to conduct a feasibility study to explore alternative forms of public transit, such as micro transit including on-demand shuttles, car share programs, bike share programs, and scooter share programs. Micro transit is a type of on-demand, shared transportation service that typically operates with smaller vehicles, such as vans or mini-buses, and offers flexible routes and schedules. The analysis should include identification of potential funding sources (e.g., grants, local taxes, local business sponsorship, discretionary funds, etc.) and identification of barriers and opportunities for how such a micro-mobility program may enhance active transportation or public transit use. Evaluate the effectiveness of the micro transit pilot program in McKinleyville to determine opportunities for implementing a similar program in other rural locations of the County.	Climate Committee HCAOG Municipal Public Works (rural)	Phase 1
T-2d Rural	Based on the findings of the feasibility study, work with the Regional Climate Committee to develop a template micro-mobility policy that establishes a deployment protocol and permitting process, identifies any restrictions for use for safety reasons, and promotes equitable access through requirements for consistent placement of micro-mobility devices (e-scooters, e-bikes, etc.) in underserved areas or reductions in usage fees for lower-income users.	Climate Committee Municipal Public Works (rural) Board of Supervisors (rural)	Phase 2
T-2e Rural	Require large nonresidential and mixed-use developments to participate in Transportation Demand Management strategies, including providing shuttle services between employment centers and key transit centers, offering telecommuting, and encouraging use of pre-tax commute benefits.	Municipal Planning/Building (rural)	Phase 2
T-2f Rural	Market and publicize public transportation improvements as they are planned and implemented in a variety of methods (social media, newspaper, radio, etc.) and languages to help facilitate use.	Climate Committee Municipal Community Development (rural) HTA	Phase 2 - ongoing
T-2g Rural	Work with HTA in the implementation of facility improvements to rural transportation stops to include design improvements of seating and weather protection. Implementation should also include consideration of increasing access to the improved public transit network facility.	Municipal Public Works (rural) Climate Committee HTA	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
T-2h Rural	The Regional Climate Committee will work with local jurisdictions to prioritize spending of transit-specific funding for transit needs first.	Climate Committee Municipal Public Works (rural)	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
T-2i Rural	Regional Climate Committee will collaborate with the County, cities, HTA and HCAOG in order to identify roads, projects types, and project locations in the rural areas that would increase the accessibility and use f public transit. The Committee will research and obtain potential funding opportunities for these road improvements, such as through Senate Bill 1 funding programs.	Climate Committee HCAOG HTA Municipal Public Works (rural)	Phase 1 - 3
Measure T-3: Reduce regional VMT by increasing promotion of mixed-use development in infill priority areas and accelerate smart growth development by requiring local jurisdictions to adopt modified or new land use zoning designations to limit urban sprawl and promote high-density development within urban areas.			
T-3a	Work with the Regional Climate Committee to develop template land use and development policy to enable and encourage infill development and streamline zoning changes that allow for higher density housing development. Work with urban areas to rezone for higher residential density and mixed use, reduced parking requirements, and expedited planning and permitting processes in the downtown core, along transit corridors, and within future planned development areas that is compact, pedestrian friendly, and transit oriented where applicable.	Municipal Planning/Building Board of Supervisors	Phase 1 – Phase 2
T-3b	Leverage feasibility studies conducted by HCAOG to identify opportunities for mixed-use and infill development, map current and future planned transit networks, and establish a priority list of development that encourages regional growth to be in alignment with HCAOG and HTA transit goals. If not already included in previously conducted HCAOG studies, assess equity considerations with regards to location and distribution of developments, and potential transit access equity impacts.	Climate Committee HCAOG HTA	Phase 1
T-3c	Work with HCAOG, HTA, RCEA and CBO's to plan prospective mixed-use and infill projects so that they include design considerations with regards to alternative energy access/generation, EV charging infrastructure, and local public transit facilities. Promote development that increases walkability and is bikeable in neighborhoods.	Municipal Planning/Building RCEA HCAOG HTACBO's	Phase 2 - 3
T-3d	Direct the Regional Climate Committees to develop promotional materials and manage a central webpage on local jurisdiction's websites for planned projects detailing the benefits of mixed-use and/or infill developments.	Climate Committee Municipal Planning/Building	Phase 1-ongoing

Action ID	Action	Responsible Parties	Timeframe
T-3e	Dedicate staff time or create multi-jurisdictional staff position to be administered by the Regional Climate Committee to identify and pursue funding opportunities to support mixed-use and infill developments.	Municipal Planning/Building Climate Committee	Phase 1 - ongoing
T-3f	Study potential of establishing infill and transit-oriented development (TOD) overlay zones with minimum density requirements for as-of-right ministerial approval, streamlined permitting and reduced fees.	Municipal Planning/Building	Phase 1 - 2
T-3g	Pass ordinances prohibiting redesignation and rezoning of land for lower intensity land uses in transit-oriented development areas (areas within walking distance of basic services and transit).	Municipal Planning/Building	Phase 1 - 2
T-3h	Further streamline permitting and reduce fees for construction of ADUs and affordable housing in targeted areas.	Municipal Planning/Building	Phase 1
Measure T-4:	***Develop and implement regional mobility hubs and ZEV car-share programs to support mode shift from single occupancy vehicles***		
T-4a	Regional Climate Committee to initiate work with HCAOG by 2027 on the Sustainable Transportation Planning Grant Program efforts to assess regional transportation characteristics and work with regional agencies to identify multimodal land use opportunities throughout the County. As part of this program, conduct a background review of options for purchasing, operating, and maintaining shared mobility assets such as ZEVs, electric bikes, and electric scooters. The program should include identification of potential funding sources (e.g., grants, local taxes, local business sponsorship, discretionary funds, etc.) and identification of barriers and opportunities for how expanding mobility hub facilities beyond state highways access may enhance active transportation or public transit use. Also include in the feasibility study an assessment of alternative powering options in partnership with RCEA (e.g. microgrids) to support ZEV car-share infrastructure with the mobility hubs.	Climate Committee HCAOG	Phase 1
T-4b	In areas where Caltrans plans to implement mobility hubs along the state highway, local jurisdictions with support from the Regional Climate Committee will work with Caltrans to facilitate successful implementation and use the project to inform decisions on expanding mobility hub options throughout the region that will expand jurisdictional interconnectivity and provide public EV charging to the communities.	Municipal Planning/Building Municipal Public Works	Phase 1 – Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-4c	Regional Climate Committee will develop guidance for jurisdictions to implement mobility hub policies that establishes a deployment protocol and permitting process, identifies any restrictions for use for safety reasons, and promotes equitable access through requirements for consistent placement of mobility hub facilities in underserved areas or reductions in usage fees for lower income users. The guidance is to be developed based on the regional feasibility study above.	Climate Committee HCAOG	Phase 1
T-4d	the Regional Climate Committee will coordinate with the City of Arcata in their efforts to bring in commercial autonomous EVs for car-share programs in association with regional mobility hubs.	Climate Committee Municipal Public Works	Phase 1 – Phase 2
T-4e	Dedicate staff time or leverage the Regional Climate Committee to work with work with HCAOG on the Sustainable Transportation Planning Grant Program and Caltrans in identifying and pursuing funding opportunities identified in the feasibility study with focus on linking mobility hub programs with the current Caltrans project to facilitate greater community interconnectivity and adoption of mobility services provided.	Climate Committee Municipal Public Works	Phase 2 - ongoing
T-4f	The Regional Climate Committee will implement a tracking mechanism to monitor the effectiveness of land use changes in achieving mode shift and reducing VMT.	Climate Committee	Phase 2 - ongoing
Measure T-5:	***Require commercial and industrial employers with 25 employees or more to develop a Transportation Demand Management Plan***		
T-5a	Across all jurisdictions, and particularly in high employment cities, require employers to develop a Transportation Demand Management (TDM) Plan through a new ordinance and/or as a requirement to obtain a business license. TDM plans should include money-based incentives for employees to bike, walk, carpool, take the bus to work, or remote work where suitable. Require large employers (more than 25 employees) to subsidize biking, walking, or bus travel. The TDM should also include a ride-sharing program and membership within a transportation management association. The ride-sharing program will consist of designated parking spaces for ridesharing vehicles, passenger loading, unloading, and waiting zones; and a website, message board, or app for coordinating ridesharing. The program will include a provision to allow employees to work remotely 2 days per week when feasible and should include consideration for increasing broadband internet access to provide adequate service for those working remote.	Municipal Planning/Building Board of Supervisors Climate Committee	Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-5b	Leverage the Regional Climate Committee and partnership with HCAOG to conduct local transportation surveys within each jurisdiction to better understand the community's needs and motivation for traveling by car versus other alternatives such as the bus. Use survey results to inform policy development and outreach campaigns that are transit focused.	Climate Committee HCAOG Municipal Community Development	Phase 1
T-5c	Have the Regional Climate Committee prepare marketing materials that each jurisdiction may modify and use to market and publicize public and active transportation improvements to local businesses as they are planned and implemented in a variety of methods (social media, newspaper, radio, etc.) and languages to help facilitate use and success of improvement.	Climate Committee Municipal Community Development	Phase 1 - ongoing
T-5e	Work with local businesses to understand employee engagement with alternative transportation methods and barriers to entry and provide workshops to local businesses to address questions or concerns in developing TDM plans.	Municipal Public Works Climate Committee HCAOG	Phase 2
T-5f	Through the Regional Climate Committee, employ a multi-jurisdictional representative to support HTA and local jurisdictions in pursuing grants such as the Sustainable Communities Competitive, Caltrans Sustainable Transportation Planning Grant Program, State Transportation Improvement Program, etc., to expand public and active transit services and infrastructure.	Climate Committee Municipal Planning/Building	Phase 2
Measure T-6:	***Decarbonize 15% of passenger vehicle miles traveled by 2030 and 100% by 2045 through increased adoption of low and zero-emission vehicles and development of a regional electric vehicle charging and hydrogen fueling network.***		
T-6a	Through the Regional Climate Committee partner with local organizations and community groups throughout the County to distribute outreach and promotional materials to residents and local businesses on the financial, environmental, and health and safety benefits of ZEVs and alternative fueling options. Provide information on available funding opportunities.	Climate Committee Municipal Community Development	Phase 1 - ongoing
T-6b	Regional Climate Committee will identify jurisdictions or land-use zones, such as the Coastal Zone, that may benefit from a streamlined public and private EV infrastructure permitting process or Categorical Exemption and draft an ordinance in accordance with AB 1236. The Regional Climate Committee will develop the program as a template to be distributed to applicable jurisdictions for a coordinated approach and relieve individual jurisdiction workload on program development.	Climate Committee Municipal Planning/Building Board of Supervisors	Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-6c	The Regional Climate Committee with work with local jurisdictions to amend the Municipal Code to promote EV chargers in new development, redevelopment, and existing parking spaces. This may include requiring: ▪ Multifamily – CalGreen Tier 2 provisions ▪ Non-Residential – CalGreen Tier 2 provisions ▪ Designate 10 percent of parking spaces in urbanized areas as EV charging spaces ▪ Require that employers with over 25 employees designate preferred parking spaces for zero emission vehicles or hybrids only ▪ Require that new private parking lots grant ZEVs access to preferred parking spaces. ▪ Require that existing parking in downtown areas grant ZEV access to preferred parking spaces. ▪ Require larger residential rental building owners (more than 15 tenants) and large commercial building owners (more than 10,000 square feet) to install working electric vehicle chargers in 10 percent of parking spaces for new and existing buildings at time of renovation if projects are valued at $1,000,000 or greater	Climate Committee Municipal Planning/Building Board of Supervisors	Phase 2
T-6d	Support ZEV car share companies in coming to the region. In jurisdictions with prevalent or planned development of multifamily housing, identify private sector partnerships and develop affordable, zero-emission vehicle car share programs with a priority to target vulnerable communities across all jurisdictions, promoting an accessible ZEV network.	Municipal Planning/Building Municipal Public Works	Phase 1 - ongoing
T-6e	For high employment areas, work with interested parties to develop new public access charging stations. Work with RCEA to develop partnerships with other charging companies (e.g. Go Station) as needed to accommodate charging station needs. Apply for Federal Charging and Fueling Infrastructure (CFI) grant to install electric vehicle chargers at community centers and in high employment areas.	Municipal Planning/Building RCEA	Phase 2
T-6f	Partner with RCEA to provide an EV Monthly Bill Discount Program with increased discount opportunities for low-income customers in each jurisdiction. Promote affordable EV charging rates at jurisdiction-owned EV charging stations and adjust rates as necessary to cover program costs. Explore methods for charging different rates for different user groups or other programs to offset charging costs at public stations for low-income residents.	Municipal Public Works RCEA	Phase 2

Action ID	Action	Responsible Parties	Timeframe
T-6g	Regional Climate Committee will work with interested parties and RCEA to expand home and public fueling/charging station ZEV infrastructure in alignment with RCEA RePower Plan goals and address barriers to ZEV adoption which are not related to electric grid capacity limitations as outlined in the "North Coast and Upstate FCEV Readiness Plan." Evaluate opportunities for curbside street level II chargers in urbanized residential areas where off-street parking is limited to provide equitable access to at home chargers.	Climate Committee RCEA	Phase 2 - 3
T-6h	Regional Climate Committee, in partnership HCAOG, to lead the development of a Hydrogen Vehicle Infrastructure Implementation Plan for public access hydrogen facilities by 2030 which includes the following: 1. Evaluate a list of prioritized locations for hydrogen fueling stations across the County 2. Consideration of procurement needs and potential sourcing from appropriate hydrogen facilities 3. Identifies grant funding opportunities	Climate Committee HCAOG	Phase 1 - 2
T-6i	Based on the results of the Hydrogen Vehicle Implementation Plan, applicable jurisdictions with opportunities identified as high priority hydrogen fueling station locations will evaluate and promote public access hydrogen fuel station development. Leverage the Regional Climate Committee and other regional partnerships to explore funding opportunities for hydrogen fueling infrastructure through the LCFS or PG&E EV Fast Charge Program as well as develop public-private partnerships to attract private developers to the region to build out ZEV infrastructure.	Municipal Public Works Climate Committee	Phase 2 - 3
T-6j	Identify and promote incentives and financing options for residential EV charger installations such as applying for Inflation Reduction Act (IRA) funding.	Climate Committee RCEA Municipal Planning/Building	Phase 1 - ongoing
Measure T-7: Increase commercial zero-emission vehicle use and adoption to 10% by 2030 and 100% by 2045 through a regional charging network and development of hydrogen hubs			

Action ID	Action	Responsible Parties	Timeframe
T-7a	Through the Regional Climate Committee work with RCEA and the Schatz Energy Research Center (SERC) to refine and implement the North Coast Medium-Duty/Heavy-Duty Zero Emission Vehicle Readiness Blueprint for Humboldt County. As part of the refinement: 1. Conduct in depth study of physical siting opportunities and prioritize locations and a schedule to follow 2. Identify opportunities for local jurisdiction-supported accelerated fleet ZEV adoption and establish a strategy to promote ZEV/EV adoption within business fleets 3. For high priority fleets, establish a strategy and protocol to collaborate with PG&E 4. For high priority fleets, conduct a grid planning study to identify necessary infrastructure upgrades to support a fully built-out fleet and coordinate with PG&E regarding needs	Climate Committee RCEA	Phase 1 – Phase 3
T-7b	Work with the Regional Climate Committee and RCEA to secure funding from state and utility programs (such as the California Air Resources Board's Clean Vehicle Rebate Project, the Truck and Bus Voucher Incentive Program, LCFS, and the PG&E EV Fast Charge Program) and federal sources to increase procurement of EV or ZEV cars, trucks, and other vehicles and installation of EV/ZEV charging/fueling infrastructure. Additionally, provide information to businesses on state and federal programs to help businesses pursue conversion of fleets to ZEVs.	Municipal Public Works RCEA	Phase 1 - ongoing
T-7c	Conduct an inventory of business vehicle fleets in each jurisdiction and identify and engage with employers and businesses subject to the Advanced Clean Fleets rule as well as those to target for accelerating ZEV/EV adoption. As part of the study, identify private trucking company or manufacturer partnership opportunities for piloting new ZEV technology in the region.	Climate Committee Municipal Facility Management	Phase 1 - 2

Action ID	Action	Responsible Parties	Timeframe
T-7d	Direct the Regional Climate Committee to partner with RCEA and SERC to work with local fleet operators, vehicle operators, and fleet maintenance staff to develop a comprehensive training program, including hosting workforce development trainings to discussing the benefits and technical requirements of ZEV fleets and supporting infrastructure. In addition to retraining the existing workforce, advertise and promote opportunities in the area to attract additional workforce support such as ZEV technicians and mechanics, and charging and fueling technicians.	Climate Committee RCEA SERC	Phase 2
T-7e	The Program Manager will research and obtain funding and work with HTA to identify locations and expand hydrogen fueling infrastructure.	Climate Committee HTA	Phase 2 - 3
Measure T-8: Electrify or otherwise decarbonize 12% of applicable small off-road engines (SOREs) off-road equipment by 2030 and 100% by 2045 and replace fossil diesel consumption with renewable diesel in 55% of applicable large diesel in alignment with EO N-79-20 by 2030.			
T-8a	Align with AB 1346 and develop and circulate educational materials regarding CARB's Small-Off Road Engines regulations requiring most newly manufactured small off-road engines such as those found in leaf blowers, lawn mowers, and other equipment to be zero emission starting in Model Year 2024. Phase 2 of the regulations will be implemented in Model Year 2028, when the emission standards for generators and large pressure washers will be zero. In addition, work with Humboldt Chamber of Commerce to disseminate information regarding the regulation to impacted businesses (e.g., lawn equipment dealers, commercial landscapers, construction companies) and promote transition of equipment sales and equipment use to electric alternatives.	Municipal Public Works Municipal Facility Management	Phase 1 - ongoing
T-8b	Regional Climate Committee to identify pathways to enforce CARB's In-Use Off-Road Diesel-Fueled Fleets Regulation and the Commercial Harbor Craft Regulation requiring that diesel vehicles over 25 horsepower to procure and only use R99 or R100 renewable diesel. This should include establishing a means to track compliance and developing partnerships with fuel suppliers in the region to promote and support the increased procurement of renewable diesel in the region.	Climate Committee	Phase 1

Action ID	Action	Responsible Parties	Timeframe
T-8c	Work with the Regional Climate Committee to develop and implement a plan to replace all jurisdiction owned end-of-life off-road equipment with zero-emission equipment as feasible. Procure renewable diesel for applicable jurisdiction owned diesel equipment that doesn't have available replacement equipment. Plan should include evaluation of current jurisdiction-owned equipment, alternative low or zero-emission options, prioritize equipment to replace first (e.g., largest GHG emission reduction potential), and a timeline for replacements that align with goals and feasibility of replacement.	Municipal Public Works	Phase 2
T-8d	The Regional Climate Committee will develop and manage an Off-road Equipment Replacement Program and Outreach Campaign that provides information to contractors, residents, and fleet operators in the region regarding alternatives to fossil-fueled off-road equipment, local fuel suppliers with renewable diesel for sale, public health and safety benefits of alternative equipment technology, and funding opportunities available (i.e., Clean Off-Road Equipment Voucher Incentive Program), Zero-Emission Landscaping Equipment Incentive Programs).	Climate Committee	Phase 1 – 2
T-8e	Through the Regional Climate Committee, Partner with North Coast Unified Air Quality Management District to identify funding opportunities to encourage residents to replace gas-powered landscaping equipment and off-road engines with zero emission equipment. This could include a rebate and incentive program for upgrading off-road equipment and switching to renewable diesel, or the development of an off-road zero emission landscaping equipment rental share program for county residents and businesses.	Climate Committee	Phase 1
T-8f	Leverage the Regional Climate Committee to source State and Federal funding to decarbonize off-road equipment as a result of Executive Order N-79-20.	Climate Committee	Phase 2
Measure T-9:	***Establish Humboldt as a pilot program for the decarbonization of the transportation sector to help drive State and philanthropic investment throughout Humboldt.***		
T-9a	The Regional Climate Committee will develop and promote a vision and strategy for the regional community foundation to serve as a first-mover/pilot in the State in the decarbonization of America's rural transportation systems.	Climate Committee HCOAG HTA	Phase 2
T-9b	As a first-mover in rural America, the Regional Climate Committee will pursue investment on behalf of the jurisdictions from philanthropy, the State, private businesses, etc. to fund the development of a Humboldt decarbonized rural transportation system.	Climate Committee HCOAG	Phase 2 - 3

Action ID	Action	Responsible Parties	Timeframe
T-9c	With the support of the Regional Climate Committee, jurisdictions will directly engage members of disadvantaged and vulnerable communities in the development of the vision and strategy that aims to benefit all members of rural communities.	Municipal Community Development Climate Committee	Phase 2
Measure T-10: Work with the State and renewable fuel industry to establish a renewable fuel network within Humboldt thereby funding new green industry and job growth to support the decarbonization of the transportation sector			
T-10a	The Regional Climate Committee will lead establishing a memorandum of understanding with RCEA, PG&E, CARB, CAL FIRE, the California Department of Agriculture, forest owners, and waste management companies to establish a plan to manage biomass and organic waste through the development of biofuel infrastructure in the region to position Humboldt as a first mover in active forest management to support a carbon-free future for California.	Municipal Public Works (county) RCEA	Phase 1
T-10b	The Regional Climate Committee will work jurisdiction to identify and help zone and entitle opportunity locations and specific areas throughout the region for streamlined development of renewable generation facilities where applicable. As part of effort, develop guidelines for evaluating renewable opportunities that meet sustainability criteria such as those set in the Natural Resources Defense Council's "Biofuel Sustainability Performance Guidelines" to limit environmental impacts related to renewable production.	Municipal Public Works	Phase 1
T-10c	The Regional Climate Committee will work with RCEA, PG&E, and State agencies to explore funding opportunities including grants and green bonds to help fund the development of renewable fuel infrastructure in the region and explore revenue options through the Low Carbon Fuel Standard.	Municipal Public Works (county) RCEA	Phase 1

Action ID	Action	Responsible Parties	Timeframe
T-10d	Establish Humboldt as a hydrogen hub by: 1. Promoting the pending The U.S. Department of Energy funded HTA hydrogen fueling station to attract additional hydrogen fueling station developers to the region 2. Partner with RCEA, SERC, and CalTrans, where applicable, to identify sites for hydrogen fueling stations that build off the North Coast and Upstate Regional Hydrogen Infrastructure Plan 3. Pursue partnerships with private developers to develop additional hydrogen fueling stations in the region 4. Pursue funding opportunities for hydrogen fueling infrastructure, such as through LCSF, AB 8 program, and the CEC Clean Transportation Program	Municipal Public Works (county) RCEA	Phase 2 - 3
T-10e	The Regional Climate Committee, in partnership with applicable incorporated cities will work with local utilities and State agencies to pursue grants earmarked for biofuel infrastructure from the Inflation Reduction Act.	Municipal Public Works	Phase 2
T-10f	The Regional Climate Committee will establish partnerships with organic waste haulers to establish a consistent feedstock of waste biomass from forests and biowaste from residential and agricultural sources and forest service businesses/property owners.	Climate Committee Fire Department	Phase 2 - 3
T-10g	Partner with the forestry services and waste haulers to host an Outreach Campaign informing the community on the economic and wildfire risk benefits of active forest management for bioenergy. Establish a working group/committee to involve local community members and businesses in the planning processes related to biomass and biowaste management locally.	Climate Committee Fire Department (county) Forestry Service (county)	Phase 1
T-10h	Leverage the Regional Climate Committee to create a region-wide workforce development programs to train the local workforce for biofuel jobs. Specifically target training towards members of disadvantaged communities and establish criteria in the planning process that prioritizes/requires the employment of local residents and businesses in the industry.	Climate Committee	Phase 2 - 3
Measure T-11:	***Lead by example and electrify or otherwise decarbonize 50% municipal fleets by 2030 in alignment with the State's Advanced Clean Fleet Rule.***		

Action ID	Action	Responsible Parties	Timeframe
T-11a	Regional Climate Committee will develop a Zero-emission Fleet Conversion and Purchase Policy to be adopted by each jurisdiction that requires new, and replacement of, municipal fleet vehicle purchases to be EVs or ZEVs. The policy will also include a schedule for replacement of fleet vehicles to comply with the State's Advanced Clean Fleet rule requiring 50 percent of medium and heavy-duty vehicle purchases be zero-emissions beginning in 2024 and 100 percent beginning in 2027. Report annually to CARB on fleet status as required per the Advanced Clean Fleets Regulation.	Municipal Facility Management Climate Committee	Phase 1
T-11b	Leverage the Regional Climate Committee conduct a feasibility and cost assessment to determine the number of EV/ZEV chargers and funds needed to support the fleet transition to 50 percent EV/ZEV by 2030.	Municipal Facility Management Climate Committee	Phase 1
T-11c	The Regional Climate Committee will secure funding from programs such as the California Air Resources Board's Clean Vehicle Rebate Project and the Clean Truck and Bus Voucher Incentive Program to increase procurement of EV or ZEV cars, trucks, and other vehicles and installation of EV/ZEV charging/fueling infrastructure at municipal facilities. Evaluate credit generation opportunities within the LCFS program or other available programs for ZEV/EV fueling and charging stations for the municipal fleet to offset cost of infrastructure development needed to support transition.	Municipal Facility Management Climate Committee	Phase 1 - ongoing
T-11d	Install additional ZEV chargers/fueling stations in municipal parking lots for fleet, employees, and public use to meet projected demand in alignment with feasibility study.	Municipal Facility Management Municipal Public Works	Phase 1 - 2
T-11e	Leverage the Regional Climate Committee to develop a resolution in alignment with Measure T-8a, to replace jurisdiction-owned end-of-life small off-road equipment with electric equipment (e.g., lawn equipment and leaf blowers) at time of replacement and to procure renewable diesel for all applicable jurisdiction owned equipment. Each jurisdiction will need to adopt the resolution while the Regional Climate Committee will support implementation.	Municipal Facility Management	Phase 1
Measure SW-1: Establish a local waste separation facility and organics management to be able to reduce waste sent to landfills by 75% by 2030. Reduce GHG emissions by limiting truck trips required to ship waste out of the County and import compost from out of the County			

Action ID	Action	Responsible Parties	Timeframe
SW-1a	Regional Climate Committee to work with Humboldt Waste Management Authority (HWMA) and Recology to develop a SB 1383 waste management plan which assesses county-wide waste diversion needs, current capacity, and land-use opportunities for developing organic waste processing facilities within Humboldt County that will meet regional requirements. The assessment should also include an analysis of green bond funding opportunities, applicable green bond programs, and a strategic plan for pursuing funding through green bond programs.	Climate Committee HWMA Recology	Phase 1
SW-1b	The Regional Climate Committee will work with HWMA and an underwriter at a desired green bond program identified in the feasibility study to develop a green bond focused on providing funding for HWMA to construct a regional organics processing facility that will be used to meet SB 1383 diversion and procurement requirements.	Climate Committee HWMA	Phase 1 - 2
SW-1c	Through the Regional Climate Committee, partner with Recology and/or HWMA to pursue funding, such as the Organics Grant Program from CalRecycle or for projects through California Climate Investment, to reduce generated organic waste from multi-family homes and expand waste diversions programs within the County.	Climate Committee HWMA Recology	Phase 1

Action ID	Action	Responsible Parties	Timeframe
SW-1d	Meet the requirements of SB 1383 to reduce organics in the waste stream by 75 percent below 2014 levels by 2030 and work towards 90 percent solid waste diversion by 2040 in applicable jurisdictions by leveraging the Regional Climate Committee to provide implementation support. Include activities such as: 1. Implement enforcement and fee for incorrectly sorted materials with sensitivity to shared collection. Utilize funding to implement programs and efforts to increase communitywide organic waste diversion 2. Assure adequate bin signage across commercial and residential areas of acceptable landfill, recyclable, and compostable materials 3. Identify public areas for adding organics collection and recycling bins where needed 4. Work with Recology and HWMA to conduct free food scrap collection pail giveaways and promote curbside organics collection service offered in applicable communities 5. Evaluate opportunities to have community compost hubs throughout the County that is easily accessible for community members. Partner with regional community gardens to increase community wide access to local compost bins 6. Identify long-term and alternate solutions for the community's wastewater bio-solids to avoid long hauling distances and develop local, beneficial reuse.	Municipal Public Works HWMA	Phase 1 - ongoing

Action ID	Action	Responsible Parties	Timeframe
SW-1e	Leverage Regional Climate Committee to draft a templated edible food recovery ordinance for individual jurisdictions to modify and adopt as needed. Alternatively utilize the County's adopted ordinance, HCC 521-13 as a template or guide for drafting ordinances in individual jurisdictions that do not currently have such an ordinance. The ordinance will target edible food generators, food recovery services, or organizations that are required to comply with SB 1383. Ordinance requires all residential and commercial customers to subscribe to an organic waste collection program and/or report self-hauling or backhauling of organics. To support implementation of the ordinance, include the following activities: 1. Work with community food pantries, food suppliers, HWMA, and Recology to identify infrastructure needs to ensure edible food reuse infrastructure in Humboldt is sufficient to accept capacity needed to recover 20 percent of edible food disposed of within Humboldt 2. Regional Climate Committee to work with jurisdictions to establish an edible food recovery program where they are not currently present to minimize food waste. Expand food rescue programs by increasing cold storage capacity, include education and outreach efforts, and incorporate collection/distribution network among businesses, local institutions, and grocery stores. 3. Leverage CalRecycle funding opportunities to support projects that prevent food waste, increase cold storage, or rescue edible food 4. Partner with existing food pantries that are locally appropriate for each jurisdiction to identify and advertise locations for surplus food to be taken in the community	Climate Committee Municipal Public Works Board of Supervisors	Phase 2
SW-1f	The Regional Climate Committee will work with HWMA, Recology and individual jurisdictions to implement structural changes listed above and increase service to jurisdictions without organics collection. This is applicable to both jurisdictions subject to SB 1383 and SB 1383 exempt jurisdictions to prepare for future needs to comply with SB 1383.	Municipal Public Works HWMA Recology	Phase 2

Action ID	Action	Responsible Parties	Timeframe
SW-1g	Regional Climate Committee will coordinate between HWMA and regional wastewater treatment facilities to evaluate the opportunities to process/ co-digest food waste at the wastewater treatment plants. Study should include evaluating existing infrastructure and ability to process food waste, an evaluation of necessary infrastructure upgrades needed to process food waste that would comply with SB 1383 standards for recovered organic products, and a return-on-investment evaluation. Study should also include recommendations of viable opportunities and identification of funding opportunities to support implementation and facility upgrades as necessary.	Municipal Public Works HWMA	Phase 2 - 3
SW-1h	The Regional Climate Committee in partnership with Recology and HWMA, will develop and conduct a conduct a Bring Your Own (BYO) education and outreach training for each jurisdiction community on reusables and implementing more sustainable packaging into daily use. The Regional Climate Committee will develop and provide information resources on HWMA and jurisdiction's websites. Partner with libraries and other existing facilities to market campaigns about waste reductions, reuse and repair.	Municipal Public Works HWMA Recology	Phase 1
SW-1i	Leverage the Regional Climate Committee to provide technical and outreach support to jurisdictions with organics and/or recycling services, by establishing relationships with multi-family property owners/managers to develop signage for their properties and to go door-to-door at each multi-family unit yearly to provide supplies and promote proper sorting.	Municipal Public Works HWMA	Phase 1 - 3
SW-1j	HWMA to add extra bulky-item pick up service in all jurisdictions to low- and medium-income residents at a subsided cost to help minimize illegal dumping.	Municipal Public Works HWMA	Phase 2
SW-1k	The Regional Climate Committee will facilitate conducting waste characterization studies every 3 years to inform programs and policies. Leverage study to understand the waste stream and create a plan to increase diversion and reduce contamination. Work with contracted waste haulers and HWMA to develop and implement a comprehensive monitoring and quality control program with a focus on consumer behavior change. This should include tracking of weight or volume of waste produced; consider including information on billing to inform customer of their waste production and including incentives for reduction. Explore reducing frequency of service for residential and commercial waste to least often possible pick up to reduce truck miles/trips.	Municipal Public Works HWMA	Phase 1 - 3

Action ID	Action	Responsible Parties	Timeframe
SW-1l	Through the Regional Climate Committee create a multi-lingual training/outreach program that can be used in all jurisdictions that is free and accessible to all residents and employees to learn about circular economy practices and diversion strategies and effects of overconsumption. Conduct targeted, multi-lingual, culturally appropriate, and geographically diverse circular economy educational and technical assistance campaigns based on outcomes of waste characterization studies and comprehensive monitoring and quality control program. Topics could include reuse, prolonging the life of common materials and items, and sustainable purchasing. Focus outreach campaign on food waste not going to landfill.	Climate Committee	Phase 1
SW-1m	Utilize the Regional Climate Committee to partner with schools, retirement communities, and other large institutions throughout the County to create waste diversion and prevention program/procedure/plan.	Climate Committee HWMA	Phase 2 - 3
SW-1n	The Program Manager will work with regional partners to develop and implement packaging bans to reduce the use of single-use plastics and excess waste proliferation in the waste stream.	Climate Committee	Phase 2 - 3
Measure WW-1: Expand regional opportunities for implementation of wastewater decarbonization technologies such as anaerobic digesters to reduce GHG and produce renewable fuel sources			
WW-1a	Regional Climate Committee to conduct a feasibility study(s) in jurisdictions with wastewater processing facilities or community primary reliance on septic systems identifying improved wastewater technologies which could be used to mitigate wastewater processing emissions and generate renewable fuel such as RNG or offset on-site process energy use via electricity generated with an anaerobic digester, particularly in relation to septic system improvements. The study should include an in-depth analysis of the current wastewater treatment methods utilized throughout the region, identification of upgrade opportunities and potential co-benefits to the community, and technological restrictions based on regional water quality and discharge requirements. The study should also specifically consider expanding wastewater treatment capabilities to process food waste that would otherwise go to landfill.	Municipal Public Works Climate Committee	Phase 2
WW-1b	The Regional Climate Committee will partner with regional wastewater service providers to understand current methods, areas for improvement, and whether there is interest in upgrading their wastewater treatment processes.	Municipal Public Works Climate Committee	Phase 2

Action ID	Action	Responsible Parties	Timeframe
WW-1c	The Regional Climate Committee, with input from the wastewater treatment providers, will research and pursue grants to wastewater facility upgrades or home septic system improvements (where applicable), such as applying to the California State Water Board for Clean Water State Revolving Fund grants, or the Community Development Block Grant Program.	Municipal Public Works Climate Committee	Phase 3
Measure WW-2	***Reduce per capita potable water consumption by 15% by 2030.***		
WW-2a	The Regional Climate Committee will work with regional water providers to update their Urban Water Management Plan every 5 years, as required by the State, and implement the identified demand reduction actions to ensure compliance with the State's Making Water Conservation a Way of Life regulations. Include new actions in the UWMPs as needed to achieve State regulations, which may include: 1. Develop or amend Water Shortage Contingency Plans in the region to develop water waste restrictions for households, businesses, industries, and public infrastructure 2. Work with large water users, and other stakeholders to develop an On-Site Water Reuse Plan to maximize utilization of local water supplies decreasing energy intensity of distribution 3. Revisit and update the Model Water Efficient Landscape Ordinance as needed. Engage, through regional partnerships, with builders and developers to provide information on the requirements for development projects 4. Develop an ordinance for installation of dual-plumbing water systems that utilize greywater or recycled water for irrigation at new residential and commercial construction 5. Increase engagement with the community, specifically low-to-moderate income residents, to understand available incentives or rebates, options, and programs to reduce per capita water use. Leverage regional programs and partnerships with local organizations to expand water conservation outreach 6. Revise water and wastewater rates as necessary to ensure cost of service is covered	Municipal Public Works Climate Committee	Phase 1 - 2

Action ID	Action	Responsible Parties	Timeframe
WW-2b	Through the Regional Climate Committee work with the Humboldt County Resource Conservation District (HCRCD) to develop water conservation promotional materials, programs and outreach efforts are in multiple languages and accessible for low-income or disadvantaged and vulnerable communities. Continue to offer and expand water conservation programs to the community including educational programs like water education program for schools and water wise landscape classes as well as incentives like free water conserving deceives, and rebates for rain water collection systems and turf replacement.	Climate Committee	Phase 1
WW-2c	The Regional Climate Committee will work with the local water and wastewater providers in the region to develop a Recycled Water Master Plan to assess the feasibility of expanding the recycled water system in the region and establish a roadmap for a recycled water expansion program. The plan will identify locations available for recycled water use and establish a schedule for potable water replacement with recycled water in appropriate applications residentially, commercially, and municipally, and determine recycled water user fees.	Municipal Public Works Climate Committee	Phase 2 - 3
Measure CS-1:	***Research and implement feasible carbon sequestration technology opportunities to support growth and expansion of green jobs industry within the region***		
CS-1a	Conduct a carbon sequestration feasibility study facilitated by the Regional Climate Committee to identify emergent technology for carbon sequestration and regional viability of implementation, including consideration of identified carbon sequestration technology facilities (e.g. ocean carbon capture, agriculture methane capture, forest biomass to biochar soil amendment, biochar wastewater filtration, forest biomass as green hydrogen fuel, etc).	Climate Committee	Phase 2
CS-1b	As part of Regional Climate Committee responsibilities established in Measure C-1, work with RCEA, HWMA, wastewater facilities, local tribes, businesses, and other applicable interested parties as appropriate to address potential carbon sequestration technologies available to the region, understand limitations and barriers, and develop solution pathways to implementation.	Climate Committee RCEA HWMA	Phase 2
CS-1c	Based on feasibility study, leverage the Regional Climate Committee to explore partnerships with technology providers and regional research laboratories (e.g. Cal Poly) for viable carbon sequestration technologies to deploy carbon sequestration pilot projects in the region.	Climate Committee	Phase 3

Action ID	Action	Responsible Parties	Timeframe
CS-1d	The Regional Climate Committee shall dedicate staff time or a representative for researching emergent carbon sequestration technologies and potential grant funding sources. This will include researching the potential for wetland conservation and exploring regional mitigation banking.	Climate Committee	Phase 2
Measure CS-2: Offset fossil-based emissions and increase carbon sequestration in the community by achieving SB 1383 procurement requirements (0.08 tons recovered organic waste per person) by 2030.			
CS-2a	Leverage the Regional Climate Committee to support jurisdictions in enforcing compliance with SB 1383 and aim to exceed the baseline requirement by establishing a minimum level of compost application per year on applicable/appropriate land throughout the region. Maintain procurement policies to comply with SB 1383 requirements for jurisdictions to purchase recovered organic waste products.	Municipal Public Works	Phase 1 - ongoing
CS-2b	Regional Climate Committee to facilitate the establishment of a compost broker program primarily in rural jurisdictions central to agricultural industries which provides agricultural communities with incentives such as subsidies or community shared compost application equipment to aid in the procurement and distribution of high-quality compost.	Municipal Public Works Climate Committee	Phase 1
CS-2c	The Regional Climate Committee will work with Recology to provide residents, businesses, and developers with promotional material on where compost can be taken and how it can be used (i.e., landscaping).	Climate Committee Recology	Phase 1
CS-2d	The Regional Climate Committee will work with Recology, HWMA, and community-based organizations to provide free compost procurement services to low-income households and small businesses in all jurisdictions.	Municipal Public Works	Phase 2
CS-2e	The Regional Climate Committee will facilitate a soil assessment study to identify applicable locations and quantity of compost that can be applied within each jurisdiction to help meet the procurement requirements of SB 1383 and provide household incentives for small-scale implementation. As part of study, evaluate other carbon sequestration opportunities associated with soil amendments such as biochar.	Climate Committee	Phase 1- 2
CS-2f	Leverage the Regional Climate Committee to identify viable alternative opportunities for achieving SB 1383 compliance based on activities which are already occurring within the region (e.g. diversion of wastewater biosolids from landfill for agricultural application), or activities which provide co-benefits to the community (e.g. sourcing RNG to replace natural gas consumption, diversion of lumber or yard waste from landfill to be used to produce green hydrogen).	Climate Committee	Phase 2

Action ID	Action	Responsible Parties	Timeframe
CS-2g	The Regional Climate Committee with dedicate staff time for researching alternative pathways for achieving SB 1383 compliance and obtaining grant funding for procurement and distribution incentive programs across all jurisdictions.	Climate Committee	Phase 2
CS-2h	Through the Regional Climate Committee collaborate with local schools, Public Works, and Parks and Recreation to identify opportunities to apply compost to landscaping, potentially in addition to open space land conservation efforts.	Municipal Public Works Climate Committee	Phase 2
CS-2i	In jurisdictions currently subject to SB 1383 requirements, utilize the Regional Climate Committee to work with regional organic waste haulers (Recology) and local small-scale commercial composters (e.g. The Local Worm Guy) to identify opportunities for a regional compost procurement program to help meet and exceed the organics procurement provisions of SB 1383 as well as streamline hauler routes through regional collaboration.	Municipal Public Works Recology	Phase 1 - 2
Measure CS-3: Develop a County-wide Natural and Working Lands GHG Inventory baseline by 2027 to better understand the existing and future GHG sequestration and help obtain resources to protect and increase natural carbon sequestration occurring in the region as well as promote biodiverse forests and wetlands resistant to wildfire			
CS-3a	The County will partner with the North Coast Resource Partnership and other interested parties to develop an updated, Humboldt specific natural and working lands GHG Inventory which builds off of the 2017 northern California regional study conducted by the North Coast Resource Partnership. Development of the GHG Inventory should include consideration of requirements specified by prospective grant programs the region would like to pursue.	Municipal Public Works (county)	Phase 1
CS-3b	The Regional Climate Committee will apply for at least one grant (e.g. Sustainable Agricultural Lands Conservation Program) every three years for obtaining grant funding for restoration and preservation activities with a focus on projects that have been unable to be fully completed due to funding constraints.	Climate Committee	Phase 1 - 3
CS-3c	The Regional Climate Committee will work with interested parties, local tribes, and agricultural communities to identify opportunities for expanding wetland conservation areas in a manner that equitably addresses tribal and agricultural interests.	Climate Committee	Phase 2

Action ID	Action	Responsible Parties	Timeframe
CS-3d	The Regional Climate Committee and County will work with CalFire and Humboldt County Resource Conservation District to increase necessary equipment and infrastructure resources to better maintain public and private forested area with focus on understory clearing to prevent wildfire.	Climate Committee Municipal Public Works (county) Fire Department	Phase 2
CS-3e	The Regional Climate Committee and the County will work with Humboldt County Resource Conservation District and interested parties to identify challenges and barriers for private sector landowners to implement forest best management practices as identified by CalFire and the Humboldt County Resource Conservation District.	Climate Committee Municipal Public Works (county)	Phase 1 - 2
CS-3f	The Regional Climate Committee will support rural communities with the development of a community-based volunteer program supporting restoration project activity to create a maintained restoration process. This may involve partnering with local community organizations to communicate sequestration opportunities and facilitate volunteer maintenance projects.	Climate Committee	Phase 2 - 3
CS-3g	Through County efforts, facilitate annual reporting as part of the restoration plan mapping the existing restoration projects and open space lands to gauge progress in restoration activities over time as well as identify any gaps in maintenance activities related to ongoing projects. Incorporate GHG calculations into this monitoring plan to report on the region’s contribution as a GHG source or sink.	Municipal Public Works (county)	Phase 2 - 3
CS-3h	Engage with third-party to audit the Natural and Working Lands inventory and monitoring reports. Update County-wide inventory to include GHG emissions and sinks from Natural and Working lands in the region. Leverage this data to pursue State funding to protect the regions resource as a GHG sink for the State.	Municipal Public Works (county)	Phase 2
Measure R-1: Prepare a baseline analysis of the volume of HFCs released into the atmosphere and evaluate whether these releases are being adequately addressed by CARB or whether the County should supplement the work of CARB			

Action ID	Action	Responsible Parties	Timeframe
R-1a	Regional Climate Committee to initiate a study of the information available relative to emissions of refrigerants with a high global warming potential in Humboldt County. This study is intended to develop a baseline of emissions for harmful refrigerants. Once this baseline is established the study will coordinate with CARB to determine how the emissions are being tracked and being reduced. The study will then identify areas where emissions of refrigerants are not being addressed and identify potential methods in which the emission of refrigerants may be minimized. Prior to the report being provided to the Regional Climate Committee it shall be provided to CARB for review and comment and shall be provided to stakeholders who use refrigerants for their review and comment. The comments from CARP and stakeholders shall be reflected in the final report provided to the Regional Climate Committee.	Climate Committee	Phase 2
R-1b	The Regional Climate Committee will partner with CARB to understand the existing regulatory context and coordinate with refrigerant users to understand the processes and technology availability and cost.	Climate Committee	Phase 2
R-1c	The Regional Climate Committee, will pursue grants to cover the cost of this work.	Climate Committee	Phase 1 - 2

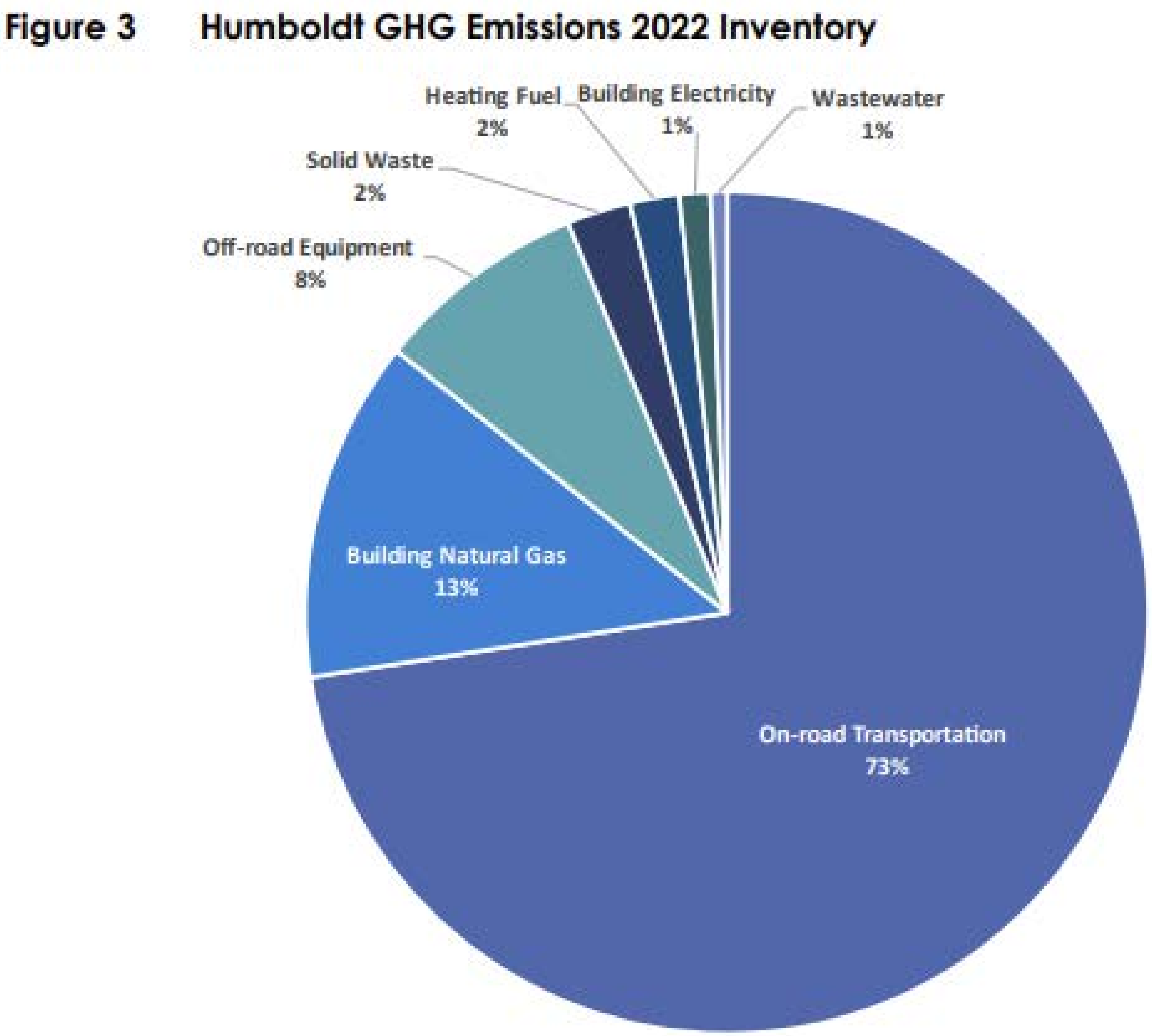
Regional Climate Action Plan

RCEA Board of Directors Meeting

Beth Burks
Executive Director

January 22, 2026

Regional Climate Action Plan



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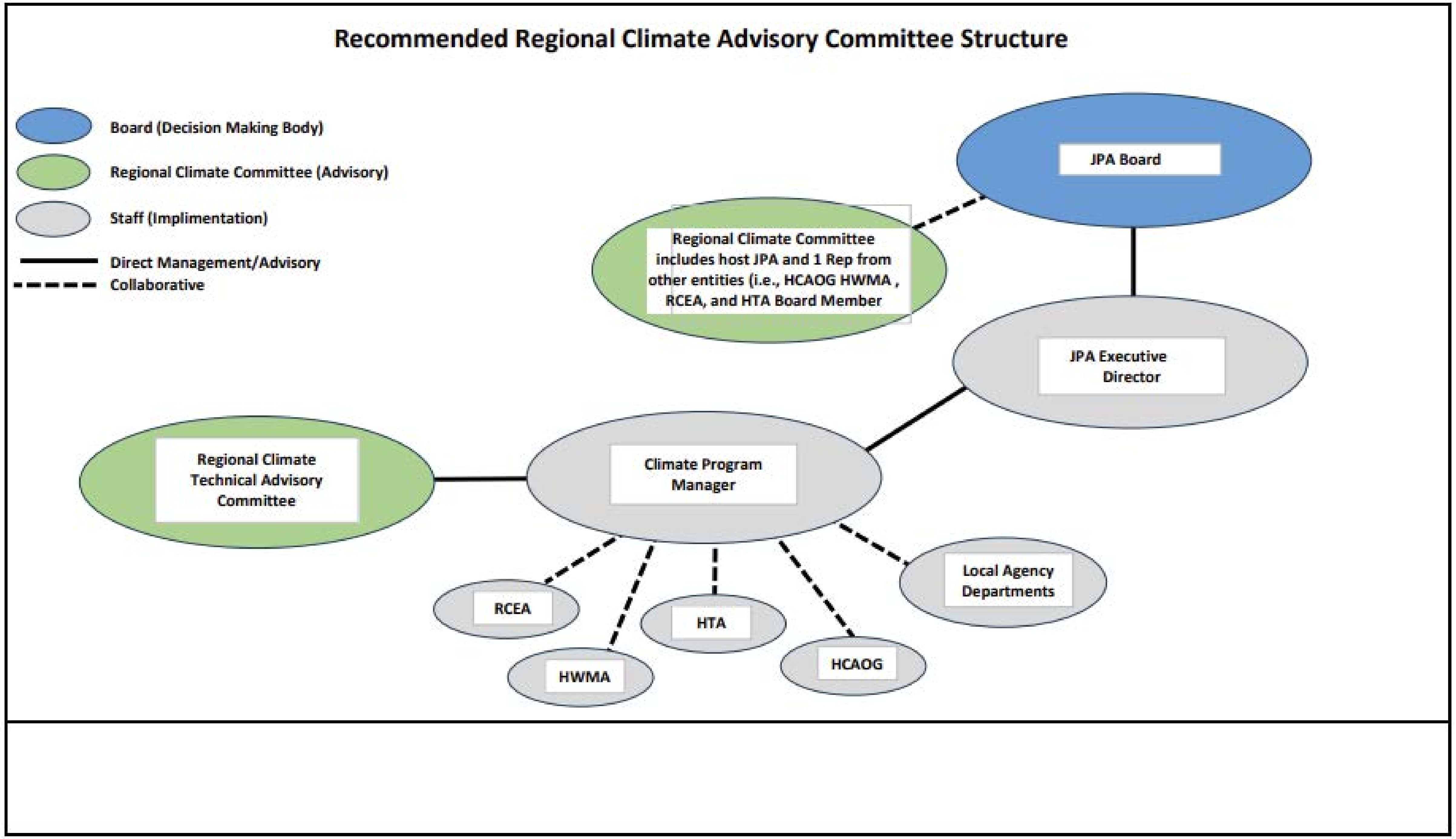
REDWOOD COAST EnergyAuthority

Regional Climate Committee



Regional Climate Manager

- Leads the implementation and monitoring of the regional climate action plan
- Facilitates Regional Climate Committee Activities
- Coordinates with regional partners/ jurisdictions
- Pursues outside funding

- Initially funded through contributions from jurisdictions, with long term funding at least partially offset by grants.

Action Requested:

- Provide direction to staff to further explore RCEA as the host for the RCAP Regional Climate Committee and regional climate manager.

Items that would come back for decision: feedback from working group, funding and staffing plan, and sample MOU's with jurisdictions

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