



BOARD OF DIRECTORS MEETING AGENDA

May 28, 2020 - Thursday, 3:30 p.m.

COVID-19 NOTICE

RCEA AND HUMBOLDT BAY MUNICIPAL WATER DISTRICT OFFICES WILL NOT BE OPEN TO THE PUBLIC FOR THIS MEETING

Pursuant to California Executive Orders N-25-20 and N-29-20 and the Humboldt County Health Officer's March 30, 2020, Shelter-in-Place Order, the Board of Directors meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

Observe the Meeting: To maximize public safety and enable access, members of the public may observe the meeting online at <https://us02web.zoom.us/j/89946036852> or listen to the meeting by phone at (669) 900-6833 or (253) 215-8782. Enter webinar ID 899 4603 6852.

Submit Public Comment: Members of the public may provide comment before and during the meeting by emailing PublicComment@redwoodenergy.org. Emailed comments should identify the agenda item number in the subject line. Comments received before the agenda item is heard will be read into the record, with a maximum allowance of 3 minutes (approximately 500 words) per individual comment, subject to the Chair's discretion. Comments received after the agenda item is heard and before the meeting's end will be included in the meeting record but not read aloud during the meeting.

Written comment may also be mailed to RCEA at 633 Third Street, Eureka, CA 95501, "ATTN: 5/28/20 Board Meeting." Written comments should identify the agenda item number at the top of the comment and be postmarked by the meeting date to be included in the meeting record.

In compliance with the Americans with Disabilities Act, 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. Advance notification enables RCEA staff to make their best effort to reasonably accommodate access to this meeting while maintaining public safety.

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 of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public at www.redwoodenergy.org.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL 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.

3. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

3.1 Approve Minutes of April 23, 2020, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

5. OLD CCE BUSINESS

5.1. CCE Program Rates Update (Information Only)

6. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS – None.

8. NEW BUSINESS

8.1 Feed-in Tariff Program

Approve a 20-year power purchase agreement with Sunthurst Energy, LLC for the 999 kW Humboldt County Solar 1 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 2, LLC for the 1 MW North Coast Highway Solar 2 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve increase of feed-in tariff phase 1 programmatic capacity up to 6.5 MW to accommodate current applicants.

Approve feed-in tariff phase 2 with an additional 6 MW of capacity to be released August 1, 2020.

8.2 2020-2023 Energy Efficiency Program funding – PG&E Local Government Partnership Contract and RCEA-Administered CPUC Funding update

Approve contract with PG&E for a 2020-2023 Energy Efficiency Local Government Partnership Program and authorize the Executive Director to execute, after final review and approval by RCEA General Counsel, the contract and all associated documents as necessary.

8.3 Draft RCEA Fiscal Year 2020-21 Budget

Provide guidance and input to staff on draft FY20-21 budget.

9. STAFF REPORTS

9.1. Staff report by Executive Director Matthew Marshall.

10. FUTURE AGENDA ITEMS

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

11. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, June 25, 2020, 3:30 p.m.

Meeting location to be determined,
pending COVID physical distancing restrictions on meeting date.



DRAFT BOARD OF DIRECTORS MEETING MINUTES

April 23, 2020 - Thursday, 3:30 p.m.

Notice of this meeting was posted on April 17, 2020. Chair Austin Allison called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m., stating that the meeting was being conducted by teleconference pursuant to Brown Act waivers included in Governor Newsom's COVID-19 State of Emergency Executive Orders and in response to local efforts to reduce the spread of the virus. Chair Allison stated that the posted agenda outlined instructions for the public on listening to the meeting and providing written comment.

PRESENT: Chair Austin Allison, Stephen Avis, Chris Curran, Vice Chair Estelle Fennell, Dwight Miller, Frank Wilson, Michael Winkler, Sheri Woo. ABSENT: Dean Glaser. STAFF AND CONSULTANTS PRESENT: Power Resources Director Richard Engel, The Energy Authority Client Services Specialist Jaclyn Harr, Account Services Manager Mahayla Slackerelli, Community Strategies Manager Nancy Stephenson, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Fennell informed the meeting participants of that evening's County televised meeting with Health Officer Dr. Teresa Frankovich and Sheriff William Honsal to provide facts about Humboldt County's current health crisis.

ORAL COMMUNICATIONS

Staff read a comment submitted by member of the public Wendy Ring, MD, referring to an article linking long-term, low-level, fine particulate air pollution exposure similar to levels measured in Humboldt County with higher COVID vulnerability. Dr. Ring discouraged reliance on outdated clean air standards and renewable energy definitions and encouraged mill waste use that decreases carbon emissions. The directors spoke of the need to be increasingly aware of health issues when considering biomass contracts and that new scientific information on COVID-19 is still emerging. Staff clarified that the DG Fairhaven consent calendar item was included to inform the Board that the power plant's sale did not occur.

CONSENT CALENDAR

- 3.1 Approve Minutes of February 27, 2020, Board Meeting.
- 3.2 Approve Disbursements Reports.
- 3.3 Accept Financial Reports.
- 3.4 Appoint Amin Younes and Elizabeth Burks to the Community Advisory Committee for two-year terms ending on April 11, 2022.
- 3.5 Approve Amendment No. 5 to Agreement for Employment of Executive Director with Matthew Marshall.

- 3.6** Accept Update on DG Fairhaven Contract Assignment (Information only).
- 3.7** Accept Update on PG&E Carbon-Free Power Allocation (Information only).
- 3.8** Authorize the Executive Director to finalize an amendment for a two-year extension of the existing commercial office lease for RCEA's existing headquarters at 633 3rd Street, Eureka, CA.

Director Woo requested item 3.5 be removed from the Consent Calendar.

Chair Allison confirmed that no member of the public requested removal of any consent calendar item.

M/S: Fennell, Miller: Approve all consent calendar items except 3.5.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser.

REMOVED FROM CONSENT CALENDAR ITEMS

The directors thanked Executive Director Matthew Marshall for representing RCEA well locally, at the state level, nationally and internationally, and for leading the agency and the Board through the challenges of rapid expansion into Community Choice Energy well.

M/S: Fennell, Woo: Approve Amendment No. 5 to Agreement for Employment of Executive Director with Matthew Marshall.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Allison confirmed that a quorum was present to conduct CCE business.

NEW CCE BUSINESS

6.1 Energy Risk Management Quarterly Report

Power Resources Director Richard Engel described COVID-19 pandemic effects on the CCE program thus far. The Energy Authority Client Services Specialist Jaclyn Harr presented a report on COVID-19's impacts on the energy market, RCEA, and options for response.

COVID-19 responses have significantly lessened electricity demand and are delaying new energy project timelines with supply chain disruptions to renewable energy technologies and battery storage. The economic recession, decreased demand and customers' inability to pay is projected to decrease RCEA income. The power charge indifference adjustment (PCIA) or exit fee's anticipated increase later this year will also negatively impact revenue.

The Board's options for maintaining the CCE program's viability in this highly volatile market are to adjust renewable and carbon-free energy goals and customer rates. Because RCEA has aggressively pursued environmental goals, staff recommends the CCE program sell its portfolio's most valuable asset, PCC1 in-state renewable energy credits from the Humboldt Redwood Company (HRC) biomass contract that RCEA does not need to meet 2020

compliance requirements. All RCEA power purchasing commitments with HRC will still be met. Staff further recommends maintaining the 1%-lower-than-PG&E discount to provide financial stability. The discount and customer program funding can be increased in the future should the market outlook improve.

The directors expressed support for staff's suggestions to sustain the CCE program and discussed different programs to help customers with their energy bills, which are listed on RCEA's website at <https://redwoodenergy.org/covid-19/>. RCEA is working with partners statewide on cost recovery during this pandemic-triggered recession which could last for a year or longer. Staff will update the Board with greater frequency if forecasts change significantly. California Community Choice Association (CalCCA) is tracking state government discussion on infrastructure and resiliency economic stimulus projects. Federal government discussions have not yet begun. Directors further discussed biomass energy's benefits to the CCE program and community through local jobs and resiliency during public safety power shutoff events and acknowledged air quality challenges. The future possibility of returning to the CCE program's original power source allocations was mentioned.

Chair Allison confirmed that no public comment was received for this agenda item.

M/S: Fennell, Miller: Accept Energy Risk Management Quarterly Report and support staff's strategy of selling Category 1 renewable energy credits and maintaining the 1% below PG&E generation rate customer discount.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler. Noes: None. Abstain: None. Non-Voting: Woo. Absent: Glaser.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

NEW BUSINESS

8.1 100 MW Sandrini Solar Project Power Purchase Agreement

Power Resources Director Richard Engel reported on the status of meeting SB100 and SB350 mandates to increase percentages of procured renewable energy and of long-term renewable power contracts. The Board previously approved negotiating a 50 MW power purchase agreement with EDPR's Sandrini solar project to meet those requirements. The Terra Gen wind project's demise resulted in the loss of more long-term contracted renewable power and staff recommends increasing the amount of solar energy procured from the Sandrini project to the full 100 MW output which would provide 45% of the CCE program's current load. The negotiated price aligns with other solar offers and is reasonable to commit to for a long term. Should the project encounter COVID-related delays, a force majeure contract clause requires EDPR to provide replacement energy and renewable energy certificates from another source so RCEA still meets its state requirements.

Staff Director Engel described EDPR, which develops, finances and operates power projects in North America, Europe and South America. Most EDPR projects harness wind power, although many of their California and South Carolina projects harness power from the sun. The Sandrini project is located in Kern County on declining agriculture land with reduced water allocation and soil quality issues. It is projected to generate at 35% of nameplate capacity due to its favorable location and solar tracking features. Most Humboldt County solar

projects generate at 20-25% of nameplate capacity. The directors expressed support for this contract and the increase of renewable energy in RCEA's energy portfolio.

Member of the public Jesse Noell requested analysis, evaluation and synthesis of a Forbes.com article's representation of electric vehicle batteries as a source of CAISO demand-responsive energy storage resource adequacy through smart chargers.

Director Wilson left the meeting during this item's discussion due to technical difficulties.

M/S: Avis, Curran: Approve a 15-year power purchase agreement with EDP R CA Solar Park II LLC for the full 100 MW capacity of its Sandrini solar project, and authorize RCEA's executive director to execute all applicable documents.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

8.2 Feed-In Tariff Program – Approval of [1-5] Solar Power Purchase Agreements

Account Services Manager Mahayla Slackereill reported that feed-in tariff (FIT) power

procurement from local, small energy generators was specified as a CCE program launch period target. Staff designed a FIT program for local, renewable, community-scale energy projects with market-adjusting pricing last year. When fully subscribed at 6 MW, the FIT program will serve 2% of RCEA's load, or roughly 1,200 households' electricity needs. For scale, the Blue Lake Rancheria solar project generates 0.5 MW of electricity. Staff

recommends entering power purchase agreements for three projects that have completed the request for proposal (RFP) application process.

The directors discussed the possibility of increasing RCEA's local solar procurement to 20% of RCEA's total solar energy procurement, the possibility of doing a second RFP round for larger FIT projects with lower prices, how longer contract terms enable developers to find financing for these projects with long payback periods, and how the current behind-the-meter demand response RFP does not fulfill state renewable portfolio long-term contract requirements but can be counted toward resource adequacy requirements.

Chair Allison confirmed that no public comment was received for this agenda item.

M/S: Fennell, Miller.

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatcher Road A solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatcher Road B solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 1, LLC for the 1 MW North Coast Highway Solar 1 solar project, and authorize RCEA's executive director to execute all applicable documents.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

8.3 Long-Term Resource Adequacy Solicitation

Power Resources Director Richard Engel reported that the Sandrini solar power purchase agreement approved in this meeting will fulfill the CPUC's incremental resource adequacy (RA) 2023 requirements but commitments to procure new energy capacity that would be online by 2021 and 2022 were yet to be secured. Other CCAs are also challenged to meet these state requirements and Valley Clean Energy is interested in doing a joint proposal solicitation with RCEA, which could allow for economies of scale. While RA can come in many forms, battery energy storage project proposals are likely. The request for proposals needs to be issued right away so the projects can be brought online by the August 2021 deadline.

Chair Austin confirmed there were no public comments for this item.

M/S: Winkler, Fennell: Authorize staff to jointly issue with Valley Clean Energy a Request for Proposals for Incremental Resource Adequacy Capacity, in accordance with the terms provided.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

FUTURE AGENDA ITEMS

It was clarified that a recently received Redwood Coast Power, LLC letter was an unsolicited proposal and no contract procurements beyond those discussed at this meeting were currently under consideration.

Chair Allison adjourned the meeting at 5:31 p.m.

Lori Taketa
Clerk of the Board

NEXT REGULAR MEETING

Thursday, May 28, 2020, 3:30 p.m.

This meeting will be held via videoconference at a web address to be published.

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2020

Type	Date	Num	Name	Memo	Amount
Liability Check	03/10/2020	E-pay	EDD	499-0864-3 QB Tracking # -602613858	-3,946.22
Liability Check	03/10/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -602571858	-19,318.74
Liability Check	03/10/2020	E-pay	EDD	499-0864-3 QB Tracking # -602529858	-242.16
Bill Pmt -Check	03/10/2020	10475	Araiza, N.	Travel Reimbursement - EW	-7.30
Bill Pmt -Check	03/10/2020	10476	BESC, Inc.	Professional Services - February 2020	-1,620.00
Bill Pmt -Check	03/10/2020	10477	Braun Blaising Smith Wynne	Legal Services - Regulatory - January	-6,773.99
Bill Pmt -Check	03/10/2020	10478	VOID	VOID: February mileage reimbursement	0.00
Bill Pmt -Check	03/10/2020	10479	Campton Electric	LED lamps	-287.53
Bill Pmt -Check	03/10/2020	10480	City of Arcata	February High Energy Use Tax	-3,075.26
Bill Pmt -Check	03/10/2020	10481	City of Blue Lake	February Utility User Tax	-908.71
Bill Pmt -Check	03/10/2020	10482	City of Eureka-Water	Water service, 1/24-2/26/20	-182.02
Bill Pmt -Check	03/10/2020	10483	CSDA	L. Fischer: Webinar, CA Public Records Act	-55.00
Bill Pmt -Check	03/10/2020	10484	Developed Employment Services, LLC.	Facilities maintenance work	-99.61
Bill Pmt -Check	03/10/2020	10485	Donald Dame	Professional Services - February 2020	-218.75
Bill Pmt -Check	03/10/2020	10486	Engel, R.	R. Engel: CAISO Markets Training.	-83.34
Bill Pmt -Check	03/10/2020	10487	Enterprise	M. Marshall: car rental NCPA mtg	-237.19
Bill Pmt -Check	03/10/2020	10488	Fetters, Jake	Mileage reimbursement - February	-55.66
Bill Pmt -Check	03/10/2020	10489	Frontier Energy, Inc.	Professional Services - CPUC Support	-2,527.75
Bill Pmt -Check	03/10/2020	10490	GridSME	CAISO Markets Training Courses	-3,000.00
Bill Pmt -Check	03/10/2020	10491	Hilfiker Pipe Company, Inc.	Hilfiker Pipe Co. self-install rebate / Audit 6055.	-89.97
Bill Pmt -Check	03/10/2020	10492	Hilson, D.	Mileage reimbursement - February	-132.08
Bill Pmt -Check	03/10/2020	10493	HireRight	Background Check: new hires	-85.56
Bill Pmt -Check	03/10/2020	10494	Humboldt Bay Aquatic Center - University	Venue rental - 2/4/20	-348.00
Bill Pmt -Check	03/10/2020	10495	Humboldt Bay Coffee Co.	Office coffee	-51.90
Bill Pmt -Check	03/10/2020	10496	Liebert Cassidy Whitmore	ERC Membership	-4,557.00
Bill Pmt -Check	03/10/2020	10497	Local Worm Guy	Weekly compost pickup	-34.00
Bill Pmt -Check	03/10/2020	10498	Marshall, M.	Travel Reimbursement - CalCCA mtg	-367.16
Bill Pmt -Check	03/10/2020	10499	Means, M.	Mileage reimbursement - February	-87.75
Bill Pmt -Check	03/10/2020	10500	Mission Uniform & Linen	Mar. mat service, janitorial supplies	-7.57
Bill Pmt -Check	03/10/2020	10501	NextEra	RECs	-28,385.00
Bill Pmt -Check	03/10/2020	10502	PG&E EV Account	EV stations January	-313.06
Bill Pmt -Check	03/10/2020	10503	PG&E Utility Account	1/16-2/21/20 utilities	-919.46
Bill Pmt -Check	03/10/2020	10504	Pierson's Home Ctr	Facilities maintenance supplies	-112.73
Bill Pmt -Check	03/10/2020	10505	Ray Morgan Company	Printer Charges: 12/6-1/5/20	-126.63
Bill Pmt -Check	03/10/2020	10506	Recology	February garbage service	-90.72
Bill Pmt -Check	03/10/2020	10507	Redwood Community Radio	Radio underwriting	-780.00
Bill Pmt -Check	03/10/2020	10508	Scraper's Edge	RCEA logo placemats	-29.03
Bill Pmt -Check	03/10/2020	10509	SDRMA Dental	March Premium	-1,644.89
Bill Pmt -Check	03/10/2020	10510	Settelmayer, Matt	Mileage reimbursement - February	-129.66
Bill Pmt -Check	03/10/2020	10511	Suddenlink Communications	Phone & Internet access - March	-1,093.69
Bill Pmt -Check	03/10/2020	10512	Times Printing Company	Mailers	-2,284.23
Bill Pmt -Check	03/10/2020	10513	Trillium Charter School	Trillium Charter School self-install rebate/Audit 6056	-60.00
Bill Pmt -Check	03/10/2020	10514	Verizon Wireless	February tablet/cell service	-278.36
Bill Pmt -Check	03/10/2020	10515	Wells Fargo	Escrow agreement with PG&E for ACV	-5,000.00
Bill Pmt -Check	03/10/2020	10516	City of Arcata	February Utility User Tax	-8,423.69
Bill Pmt -Check	03/10/2020	10517	Brennan, K.	February mileage reimbursement	-56.81
Paycheck	03/10/2020	ACH	Employees	Payroll 2/15-2/29/20	-51,500.89
Bill Pmt -Check	03/12/2020	10518	VISA	February statement: 1/22-2/20/20	-9,614.27
Bill Pmt -Check	03/18/2020	10519	Boudreau, D.	Purchase reimbursement: Laptop computers - Costco	-5,515.42
Bill Pmt -Check	03/18/2020	10520	Owen, P.	Purchase reimbursement: Laptop computers - Costco	-3,274.96
Bill Pmt -Check	03/25/2020	ACH	DG Fairhaven Power, LLC	DG Fairhaven February 2020	-215,227.12
Bill Pmt -Check	03/25/2020	ACH	Humboldt Redwood Company	Humboldt Redwood Co. February 2020	-488,806.10
Bill Pmt -Check	03/25/2020	ACH	CalPine Corporation	Calpine February 2020 Costs	-73,395.30
Liability Check	03/25/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -416315858	-18,997.52

Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2020

Type	Date	Num	Name	Memo	Amount
Liability Check	03/25/2020	E-pay	EDD	499-0864-3 QB Tracking # -416294858	-3,695.17
Liability Check	03/25/2020	E-pay	EDD	499-0864-3 QB Tracking # -416272858	-135.77
Check	03/25/2020	10521-8	NEM Customers	NEM Closeout	-1,298.59
Bill Pmt -Check	03/25/2020	10529	Campton Electric	LED Stock	-5,094.08
Bill Pmt -Check	03/25/2020	10530	Central Office	Printing services- NEM brochures	-53.04
Bill Pmt -Check	03/25/2020	10531	VOID	VOID: Permits for upgrading EV stations	0.00
Bill Pmt -Check	03/25/2020	10532	CoPower	April premium - vision	-295.10
Bill Pmt -Check	03/25/2020	10533	County of Humboldt- Building Dept.	Permits for EV charging station upgrades	-200.00
Bill Pmt -Check	03/25/2020	10534	Developed Employment Services, LLC.	Facilities maintenance	-216.48
Bill Pmt -Check	03/25/2020	10535	DG Fairhaven Power, LLC	VOID: DG Fairhaven February 2020	0.00
Bill Pmt -Check	03/25/2020	10536	Environmental Indicator Accounting Svcs.	Services & support for climate action plan.	-2,660.00
Bill Pmt -Check	03/25/2020	10537	Greenlots	(18) SKY 1 year per port	-6,696.00
Bill Pmt -Check	03/25/2020	10538	Humboldt Builders' Exchange	PlanScan - scan plans to .pdf	-35.00
Bill Pmt -Check	03/25/2020	10539	Humboldt Lighting, LLC.	Contractor rebates	-13,270.16
Bill Pmt -Check	03/25/2020	10540	NGI, Inc.	Buddy's Auto Center contractor rebate:Audit 6071	-2,368.11
Bill Pmt -Check	03/25/2020	10541	North Coast Cleaning	February monthly cleaning service	-438.00
Bill Pmt -Check	03/25/2020	10542	NYLEX.net, Inc.	Onsite network support services - April	-3,200.00
Bill Pmt -Check	03/25/2020	10543	PG&E CCA	February CCE Charges	-22,111.04
Bill Pmt -Check	03/25/2020	10544	Platt/Rexel	Stock purchases	-9,997.65
Bill Pmt -Check	03/25/2020	10545	Ray Morgan Company	Printer Charges: 2/6-3/5/20	-148.19
Bill Pmt -Check	03/25/2020	10546	SDRMA Dental	April Premium	-1,461.51
Bill Pmt -Check	03/25/2020	10547	SDRMA Medical	April 2020 Premium	-23,137.68
Bill Pmt -Check	03/25/2020	10548	Shred Aware	Shredding services - March	-65.00
Bill Pmt -Check	03/25/2020	10549	Stephenson, Nancy	Purchase reimbursement: supplies for EV-Day event	-125.41
Bill Pmt -Check	03/25/2020	10550	Times Printing Company	Mailing and printing services	-2,753.43
Bill Pmt -Check	03/25/2020	10551	Winzler, John	Office Lease - April	-5,582.00
Liability Check	03/25/2020	10552	Umpqua Bank	Health Savings Accounts contributions	-426.36
Paycheck	03/25/2020	ACH	Employees	Payroll 3/1-3/15/20	-47,595.70
Liability Check	03/27/2020	E-pay	Internal Revenue Service	74-3104616 QB Tracking # -377232858	-30.78
Liability Check	03/27/2020	10553	Calvert	Deferred compensation contributions	-6,766.37
Bill Pmt -Check	03/27/2020	10554	Fischer, A.	Purchase reimbursement: Laptops from Costco	-6,433.41
Bill Pmt -Check	03/27/2020	10555	Enterprise	M. Marshall: car rental CalCCA mtg	-293.41
TOTAL					-1,131,043.20

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2019 through March 2020

	<u>Jul '19 - Mar 20</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total 4 GRANTS AND DONATIONS	270.00		
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	83,996.62	125,000.00	67.2%
Total 5100 · Revenue - program related sales	17,308.08	16,000.00	108.18%
Total 5400 · Revenue-nongovernment agencies	873,338.30	2,576,300.00	33.9%
Total 5500 · Revenue - Electricity Sales	39,582,416.67	53,482,965.00	74.01%
Total 5 REVENUE EARNED	40,557,059.67	56,200,265.00	72.17%
49900 · Debt Proceeds	0.00	2,730,300.00	0.0%
Total Income	40,557,329.67	58,930,565.00	68.82%
Gross Profit	40,557,329.67	58,930,565.00	68.82%
Expense			
Total 6 WHOLESALE POWER SUPPLY	31,607,013.33	42,295,190.00	74.73%
Total 7 PERSONNEL EXPENSES	1,734,260.99	3,026,492.00	57.3%
Total 8.1 FACILITIES AND OPERATIONS	1,769,673.50	4,539,920.00	38.98%
Total 8.2 COMMUNICATIONS AND OUTREACH	90,333.69	115,000.00	78.55%
Total 8.3 TRAVEL AND MEETINGS	38,640.06	68,000.00	56.82%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	163,944.71	184,000.00	89.1%
8410 · Contracts - Program Related Ser	88,466.33	435,000.00	20.34%
8420 · Accounting	7,546.34	68,950.00	10.95%
8430 · Legal	108,173.60	125,000.00	86.54%
8450 · Wholesale Services - TEA	449,553.15	602,401.00	74.63%
8460 · Procurement Credit - TEA	509,785.92	753,809.00	67.63%
8470 · Data Management - Calpine	659,685.21	882,348.00	74.77%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,987,155.26	3,051,508.00	65.12%
Total 8.5 PROGRAM EXPENSES	480,434.37	555,786.00	86.44%
Total 8.6 INCENTIVES & REBATES	248,108.19	881,500.00	28.15%
Total 9 NON OPERATING COSTS	48,245.65	169,518.00	28.46%
Total Expense	38,003,865.04	54,702,914.00	69.47%
Net Ordinary Income	2,553,464.63	4,227,651.00	60.4%
Net Other Income	-0.17		
Net Income	<u>2,553,464.46</u>	<u>4,227,651.00</u>	<u>60.4%</u>

Redwood Coast Energy Authority

Balance Sheet

As of March 31, 2020

	<u>Mar 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking Acct 0560	40,172.23
1071 · Umpqua Deposit Control Acct 8215	6,148,829.74
1075 · Umpqua Reserve Account 2300	2,000,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	8,209,686.42
Accounts Receivable	
1100 · Accounts Receivable	277,797.90
Total Accounts Receivable	277,797.90
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-415,780.54
1103 · Accounts Receivable-Other	4,100,695.46
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-42,417.91
1210 · Retentions Receivable	1,001.00
1499 · Undeposited Funds	9,290.02
Total Other Current Assets	3,674,503.03
Total Current Assets	12,161,987.35
Total Fixed Assets	151,725.39
Total Other Assets	134,880.00
TOTAL ASSETS	12,448,592.74
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	3,307,990.31
Total Credit Cards	4,259.61
Total Other Current Liabilities	265,974.35
Total Current Liabilities	3,578,224.27
Long Term Liabilities	
2703 · TEA Phase I & II	36,362.56
Total Long Term Liabilities	36,362.56
Total Liabilities	3,614,586.83
Equity	
2320 · Investment in Capital Assets	151,725.38
3203 · LTD - TEA Phase I & II	-36,362.56
3900 · Fund Balance	6,168,654.60
Net Income	2,549,988.49
Total Equity	8,834,005.91
TOTAL LIABILITIES & EQUITY	12,448,592.74



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 5.1

AGENDA DATE:	May 28, 2020
TO:	Board of Directors
PREPARED BY:	Mahayla Slackerelli, Account Services Manager
SUBJECT:	CCE Program Rates Update

SUMMARY

New Agricultural Rates

On March 1, PG&E implemented new agricultural rates in addition to the legacy rates available to customers. PG&E is offering these rates in anticipation of transitioning all customers to new time-of-use (TOU) rates. Customers may choose to transition early to these new rates, but in spring 2021 all non-residential customers with a few exceptions will be transitioned from their legacy rates to these new TOU rates. This new set of agricultural rates, AG-F, includes a flexible rate designed with pumping and irrigation activities in mind. This rate prompts customers to select two days of the week for inexpensive power, allowing customers to schedule their most energy intensive activities during those times. Customers may log on to their PG&E accounts to compare costs of appropriate rates for their accounts. RCEA is offering the new agricultural rates to customers with the standard 1% discount on PG&E's generation rate (see Attachment B).

Winter Rates

Humboldt County is a winter peaking energy region. Largely, RCEA's customers experience their highest bills in winter months (See Figure 1, next page). RCEA's office and Calpine's call center noted a small increase in customer calls about high bill concerns during the winter months, particularly in January after the holidays. In addition, the CCE program experienced a small increase in requests to opt out of the program centralized in February. However, numbers of customers opting out of the CCE program have since returned to their normal low levels.

May Rate Adjustment

On May 1, PG&E adjusted their electric rates including generation rates and the Power Charge Indifference Adjustment (PCIA). Total customer rates increased by about 2% for residential customers and 3% for commercial customers.

Accordingly, on May 15, RCEA adjusted its generation rates to maintain the standard 1% discount relative to PG&E's rates. In alignment with PG&E's generation rate increase, RCEA's rates increased by 5% on average for residential customers and by 9% for non-residential customers. However, the PCIA, which RCEA has to absorb in order to remain price competitive with PG&E, also increased by approximately 20% on average.

Future Rate Adjustments

It is likely that there will be another PG&E generation and PCIA rate adjustment in 2020, again triggering an RCEA rate adjustment. This adjustment is expected in the fall and could include a sizable increase to the PCIA. Staff is monitoring this issue closely.

FINANCIAL IMPACTS

The RCEA May rate adjustment constitutes a \$3.2 million increase to revenue as compared to the March forecasts.

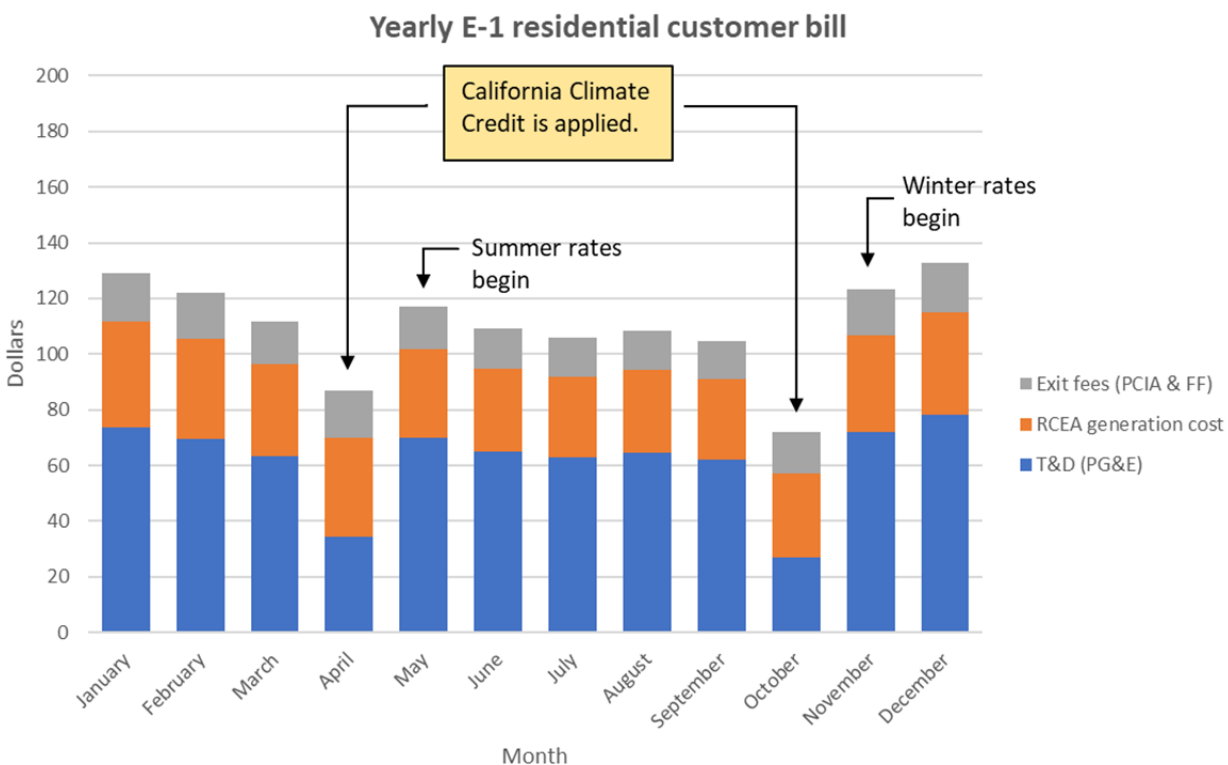
STAFF RECOMMENDATION

None – Information only.

ATTACHMENT A: May 2020 RCEA Residential Generation Rates

ATTACHMENT B: May 2020 RCEA Commercial, Industrial and Agricultural Generation Rates

Figure 1: RCEA Average Residential Customer Bills over an Annual Cycle (Note: This year as part of its COVID-19 response PG&E is applying the California Climate Credit normally seen in October to customers' May and June bills)





RCEA Community Choice Energy Program

Residential Generation Rates

Effective May 15th, 2020

Does not include transmission and distribution charges; see <https://www.pge.com/tariffs/ERS.SHTML> for complete PG&E rate schedules. PG&E rates are effective as of May 1, 2020 and subject to change

PG&E Equivalent Schedule	RCEA Rate Schedule	Time of Use Period	RCEA Rate	RCEA Rate Plus PG&E Fees ¹
E-1, EL-1, EM, EML, ES, ESL, ESR, ESRL, ET, ETL	E-1 Energy \$/KWH	Total	0.08231	0.11634
E-6, EL-6	E-6 Energy \$/KWH	Summer Peak	0.22800	0.26203
		Summer Part Peak	0.10630	0.14033
		Summer Off Peak	0.05662	0.09065
		Winter Part Peak	0.08420	0.11823
		Winter Off Peak	0.07054	0.10457
EV-A	EV-A Energy \$/KWH	Summer Peak	0.24012	0.27415
		Summer Part Peak	0.09809	0.13212
		Summer Off Peak	0.03237	0.06640
		Winter On Peak	0.06842	0.10245
		Winter Part Peak	0.02997	0.06400
		Winter Off Peak	0.06814	0.10217
EV2-A	EV2-A Energy \$/KWH	Summer Peak	0.14754	0.18157
		Summer Part Peak	0.10327	0.13730
		Summer Off Peak	0.06254	0.09657
		Winter On Peak	0.09123	0.12526
		Winter Part Peak	0.07887	0.11290
		Winter Off Peak	0.05562	0.08965
E-TOU-A	E-TOU-A Energy \$/KWH	Summer On Peak	0.16483	0.19886
		Summer Off Peak	0.09002	0.12405
		Winter On Peak	0.07836	0.11239
		Winter Off Peak	0.06421	0.09824
E-TOU-B	E-TOU-B Energy \$/KWH	Summer On Peak	0.18617	0.22020
		Summer Off Peak	0.08414	0.11817
		Winter On Peak	0.08039	0.11442
		Winter Off Peak	0.06178	0.09581
E-TOU-C	E-TOU-C Energy \$/KWH	Summer On Peak	0.13165	0.16568
		Summer Off Peak	0.07874	0.11277
		Winter On Peak	0.08337	0.11740
		Winter Off Peak	0.06849	0.10252

PG&E Equivalent Schedule	RCEA Rate Schedule	Time of Use Period	RCEA Rate	RCEA Rate Plus PG&E Fees ¹
E-TOU-D	E-TOU-D Energy \$/KWH	Summer On Peak	0.14365	0.17768
		Summer Off Peak	0.05953	0.09356
		Winter On Peak	0.10276	0.13679
		Winter Off Peak	0.08783	0.12186

¹PG&E fees include the Power Charge Indifference Adjustment and the Franchise Fee.

Voltage Discount - 4%

For rate schedules not segregated by service voltage, each component of the standard rate shall be discounted for primary or higher service voltage.



RCEA Community Choice Energy Program

Commercial, Industrial & Agricultural Generation Rates

Effective May 15th, 2020

Does not include transmission and distribution charges; see <https://www.pge.com/tariffs/ERS.SHTML> for complete PG&E rate schedules. PG&E rates are effective as of May 1, 2020 and subject to change

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
A-1	A-1-A	Energy (\$/KWH)	Summer Total	0.09957	0.13217
		Energy (\$/KWH)	Winter Total	0.05983	0.09243
A-1-X	A-1-B	Energy (\$/KWH)	Summer On Peak	0.11442	0.14702
		Energy (\$/KWH)	Summer Part Peak	0.09101	0.12361
		Energy (\$/KWH)	Summer Off Peak	0.06393	0.09653
		Energy (\$/KWH)	Winter Part Peak	0.09081	0.12341
		Energy (\$/KWH)	Winter Off Peak	0.07011	0.10271
		Energy (\$/KWH)	Winter Off Peak	0.07011	0.10271
A-10-S	A-10-A	Energy (\$/KWH)	Summer Total	0.08696	0.12208
		Demand (\$/KW)	Summer Total	5.72	5.72
		Energy (\$/KWH)	Winter Total	0.05992	0.09504
A-10-P	A-10-A-P	Energy (\$/KWH)	Summer Total	0.07686	0.11198
		Demand (\$/KW)	Summer Total	4.97	4.97
		Energy (\$/KWH)	Winter Total	0.05335	0.08847
A-10-T	A-10-A-T	Energy (\$/KWH)	Summer Total	0.06716	0.10228
		Demand (\$/KW)	Summer Total	3.91	3.91
		Energy (\$/KWH)	Winter Total	0.04659	0.08171
A-10-S-X	A-10-B	Energy (\$/KWH)	Summer On Peak	0.14031	0.17543
		Energy (\$/KWH)	Summer Part Peak	0.08573	0.12085
		Energy (\$/KWH)	Summer Off Peak	0.05794	0.09306
		Demand (\$/KW)	Summer Total	5.72	5.72
		Energy (\$/KWH)	Winter Part Peak	0.06995	0.10507
		Energy (\$/KWH)	Winter Off Peak	0.05306	0.08818
A-10-P-X	A-10-B-P	Energy (\$/KWH)	Summer On Peak	0.12854	0.16366
		Energy (\$/KWH)	Summer Part Peak	0.07848	0.11360
		Energy (\$/KWH)	Summer Off Peak	0.05212	0.08724
		Demand (\$/KW)	Summer Total	4.97	4.97
		Energy (\$/KWH)	Winter Part Peak	0.06492	0.10004
		Energy (\$/KWH)	Winter Off Peak	0.04920	0.08432
A-10-T-X	A-10-B-T	Energy (\$/KWH)	Summer On Peak	0.11398	0.14910
		Energy (\$/KWH)	Summer Part Peak	0.06757	0.10269
		Energy (\$/KWH)	Summer Off Peak	0.04253	0.07765
		Demand (\$/KW)	Summer Total	3.91	3.91
		Energy (\$/KWH)	Winter Part Peak	0.05590	0.09102
		Energy (\$/KWH)	Winter Off Peak	0.04148	0.07660

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
A-6	A-6	Energy (\$/KWH)	Summer On Peak	0.35334	0.38594
		Energy (\$/KWH)	Summer Part Peak	0.11616	0.14876
		Energy (\$/KWH)	Summer Off Peak	0.05844	0.09104
		Energy (\$/KWH)	Winter Part Peak	0.08366	0.11626
		Energy (\$/KWH)	Winter Off Peak	0.06633	0.09893
E-19-S,V	E-19-S	Energy (\$/KWH)	Summer On Peak	0.11419	0.14637
		Energy (\$/KWH)	Summer Part Peak	0.06696	0.09914
		Energy (\$/KWH)	Summer Off Peak	0.03567	0.06785
		Demand (\$/KW)	Summer On Peak	14.73	14.73
		Demand (\$/KW)	Summer Part Peak	3.64	3.64
		Energy (\$/KWH)	Winter Part Peak	0.06048	0.09266
		Energy (\$/KWH)	Winter Off Peak	0.04344	0.07562
E-19-S,R	E-19-R-S	Energy (\$/KWH)	Summer On Peak	0.27298	0.30516
		Energy (\$/KWH)	Summer Part Peak	0.10683	0.13901
		Energy (\$/KWH)	Summer Off Peak	0.04008	0.07226
		Energy (\$/KWH)	Winter Part Peak	0.06401	0.09619
		Energy (\$/KWH)	Winter Off Peak	0.04757	0.07975
E-19-P,V	E-19-P	Energy (\$/KWH)	Summer On Peak	0.10283	0.13501
		Energy (\$/KWH)	Summer Part Peak	0.05831	0.09049
		Energy (\$/KWH)	Summer Off Peak	0.02969	0.06187
		Demand (\$/KW)	Summer On Peak	13.10	13.10
		Demand (\$/KW)	Summer Part Peak	3.19	3.19
		Energy (\$/KWH)	Winter Part Peak	0.05230	0.08448
		Energy (\$/KWH)	Winter Off Peak	0.03675	0.06893
E-19-P,R	E-19-R-P	Energy (\$/KWH)	Summer On Peak	0.25805	0.29023
		Energy (\$/KWH)	Summer Part Peak	0.09647	0.12865
		Energy (\$/KWH)	Summer Off Peak	0.03360	0.06578
		Energy (\$/KWH)	Winter Part Peak	0.05543	0.08761
		Energy (\$/KWH)	Winter Off Peak	0.04043	0.07261
E-19-T,V	E-19-T	Energy (\$/KWH)	Summer On Peak	0.06104	0.09322
		Energy (\$/KWH)	Summer Part Peak	0.04642	0.07860
		Energy (\$/KWH)	Summer Off Peak	0.02706	0.05924
		Demand (\$/KW)	Summer On Peak	14.41	14.41
		Demand (\$/KW)	Summer Part Peak	3.61	3.61
		Energy (\$/KWH)	Winter Part Peak	0.04871	0.08089
		Energy (\$/KWH)	Winter Off Peak	0.03385	0.06603
E-19-T,R	E-19-R-T	Energy (\$/KWH)	Summer On Peak	0.24906	0.28124
		Energy (\$/KWH)	Summer Part Peak	0.09452	0.12670
		Energy (\$/KWH)	Summer Off Peak	0.03250	0.06468
		Energy (\$/KWH)	Winter Part Peak	0.05339	0.08557
		Energy (\$/KWH)	Winter Off Peak	0.03905	0.07123

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
E-20-S,V	E-20-S	Energy (\$/KWH)	Summer On Peak	0.10508	0.13603
		Energy (\$/KWH)	Summer Part Peak	0.06212	0.09307
		Energy (\$/KWH)	Summer Off Peak	0.03263	0.06358
		Demand (\$/KW)	Summer On Peak	14.27	14.27
		Demand (\$/KW)	Summer Part Peak	3.52	3.52
		Energy (\$/KWH)	Winter Part Peak	0.05588	0.08683
		Energy (\$/KWH)	Winter Off Peak	0.03990	0.07085
E-20-S,R	E-20-R-S	Energy (\$/KWH)	Summer On Peak	0.24643	0.27738
		Energy (\$/KWH)	Summer Part Peak	0.09801	0.12896
		Energy (\$/KWH)	Summer Off Peak	0.03543	0.06638
		Energy (\$/KWH)	Winter Part Peak	0.05787	0.08882
		Energy (\$/KWH)	Winter Off Peak	0.04245	0.07340
E-20-P,V	E-20-P	Energy (\$/KWH)	Summer On Peak	0.10896	0.13872
		Energy (\$/KWH)	Summer Part Peak	0.06175	0.09151
		Energy (\$/KWH)	Summer Off Peak	0.03270	0.06246
		Demand (\$/KW)	Summer On Peak	15.62	15.62
		Demand (\$/KW)	Summer Part Peak	3.69	3.69
		Energy (\$/KWH)	Winter Part Peak	0.05552	0.08528
		Energy (\$/KWH)	Winter Off Peak	0.03984	0.06960
E-20-P,R	E-20-R-P	Energy (\$/KWH)	Summer On Peak	0.26476	0.29452
		Energy (\$/KWH)	Summer Part Peak	0.09788	0.12764
		Energy (\$/KWH)	Summer Off Peak	0.03564	0.06540
		Energy (\$/KWH)	Winter Part Peak	0.05770	0.08746
		Energy (\$/KWH)	Winter Off Peak	0.04254	0.07230
E-20-T,V	E-20-T	Energy (\$/KWH)	Summer On Peak	0.06372	0.09133
		Energy (\$/KWH)	Summer Part Peak	0.04939	0.07700
		Energy (\$/KWH)	Summer Off Peak	0.03042	0.05803
		Demand (\$/KW)	Summer On Peak	18.61	18.61
		Demand (\$/KW)	Summer Part Peak	4.44	4.44
		Energy (\$/KWH)	Winter Part Peak	0.05164	0.07925
		Energy (\$/KWH)	Winter Off Peak	0.03708	0.06469
E-20-T,R	E-20-R-T	Energy (\$/KWH)	Summer On Peak	0.25929	0.2869
		Energy (\$/KWH)	Summer Part Peak	0.09235	0.11996
		Energy (\$/KWH)	Summer Off Peak	0.03288	0.06049
		Energy (\$/KWH)	Winter Part Peak	0.05338	0.08099
		Energy (\$/KWH)	Winter Off Peak	0.03930	0.06691
Agricultural Rates					
AG-1-A	AG-1-A	Energy (\$/KWH)	Summer Total	0.08141	0.11185
		Connected Load	Summer Total	1.53	1.53
		Energy (\$/KWH)	Winter Total	0.06020	0.09064
AG-1-B	AG-1-B	Energy (\$/KWH)	Summer Total	0.08512	0.11556
		Demand (\$/KW)	Summer Total	2.32	2.32
		Energy (\$/KWH)	Winter Total	0.06071	0.09115

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
AG-1-P-X	AG-1-B-P	Energy (\$/KWH)	Summer Total	0.08512	0.11556
		Demand (\$/KW)	Summer Total	1.46	1.46
		Energy (\$/KWH)	Winter Total	0.06071	0.09115
AG-R-A	AG-R-A	Energy (\$/KWH)	Summer On Peak	0.26913	0.29957
		Energy (\$/KWH)	Summer Off Peak	0.04801	0.07845
		Connected Load	Summer Total	1.51	1.51
		Energy (\$/KWH)	Winter Part Peak	0.05589	0.08633
		Energy (\$/KWH)	Winter Off Peak	0.04364	0.07408
AG-V-A	AG-V-A	Energy (\$/KWH)	Summer On Peak	0.23216	0.26260
		Energy (\$/KWH)	Summer Off Peak	0.04499	0.07543
		Connected Load	Summer Total	1.58	1.58
		Energy (\$/KWH)	Winter Part Peak	0.05420	0.08464
		Energy (\$/KWH)	Winter Off Peak	0.04220	0.07264
AG-V-B	AG-V-B	Energy (\$/KWH)	Summer On Peak	0.21505	0.24549
		Energy (\$/KWH)	Summer Off Peak	0.04584	0.07628
		Demand (\$/KW)	Summer Total	2.09	2.09
		Demand (\$/KW)	Summer On Peak	2.69	2.69
		Energy (\$/KWH)	Winter Part Peak	0.04194	0.07238
		Energy (\$/KWH)	Winter Off Peak	0.03170	0.06214
AG-4-A	AG-4-A	Energy (\$/KWH)	Summer On Peak	0.14890	0.17934
		Energy (\$/KWH)	Summer Off Peak	0.04945	0.07989
		Connected Load	Summer Total	1.55	1.55
		Energy (\$/KWH)	Winter Part Peak	0.05397	0.08441
		Energy (\$/KWH)	Winter Off Peak	0.04212	0.07256
AG-4-B	AG-4-B	Energy (\$/KWH)	Summer On Peak	0.10678	0.13722
		Energy (\$/KWH)	Summer Off Peak	0.05079	0.08123
		Demand (\$/KW)	Summer Total	2.74	2.74
		Demand (\$/KW)	Summer On Peak	2.92	2.92
		Energy (\$/KWH)	Winter Part Peak	0.04887	0.07931
		Energy (\$/KWH)	Winter Off Peak	0.03760	0.06804
AG-4-B-X	AG-4-B-P	Energy (\$/KWH)	Summer On Peak	0.10678	0.13722
		Energy (\$/KWH)	Summer Off Peak	0.05079	0.08123
		Demand (\$/KW)	Summer Total	2.06	2.06
		Demand (\$/KW)	Summer On Peak	2.92	2.92
		Energy (\$/KWH)	Winter Part Peak	0.04887	0.07931
		Energy (\$/KWH)	Winter Off Peak	0.03760	0.06804
AG-4-C	AG-4-C	Energy (\$/KWH)	Summer On Peak	0.12740	0.15784
		Energy (\$/KWH)	Summer Part Peak	0.06043	0.09087
		Energy (\$/KWH)	Summer Off Peak	0.03610	0.06654
		Demand (\$/KW)	Summer On Peak	6.79	6.79
		Demand (\$/KW)	Summer Part Peak	1.16	1.16
		Energy (\$/KWH)	Winter Part Peak	0.04301	0.07345
		Energy (\$/KWH)	Winter Off Peak	0.03255	0.06299

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
AG-5-A	AG-5-A	Energy (\$/KWH)	Summer On Peak	0.13616	0.16660
		Energy (\$/KWH)	Summer Off Peak	0.05407	0.08451
		Connected Load	Summer Total	4.23	4.23
		Energy (\$/KWH)	Winter Part Peak	0.05786	0.08830
		Energy (\$/KWH)	Winter Off Peak	0.04549	0.07593
AG-5-B	AG-5-B	Energy (\$/KWH)	Summer On Peak	0.13337	0.16381
		Energy (\$/KWH)	Summer Off Peak	0.02678	0.05722
		Demand (\$/KW)	Summer Total	5.15	5.15
		Demand (\$/KW)	Summer On Peak	6.44	6.44
		Energy (\$/KWH)	Winter Part Peak	0.04900	0.07944
		Energy (\$/KWH)	Winter Off Peak	0.01759	0.04803
AG-5-C	AG-5-C	Energy (\$/KWH)	Summer On Peak	0.10610	0.13654
		Energy (\$/KWH)	Summer Part Peak	0.04988	0.08032
		Energy (\$/KWH)	Summer Off Peak	0.02895	0.05939
		Demand (\$/KW)	Summer On Peak	12.00	12.00
		Demand (\$/KW)	Summer Part Peak	2.26	2.26
		Energy (\$/KWH)	Winter Part Peak	0.03523	0.06567
		Energy (\$/KWH)	Winter Off Peak	0.02571	0.05615
AG-5-C-P	AG-5-C-P	Energy (\$/KWH)	Summer On Peak	0.10610	0.13654
		Energy (\$/KWH)	Summer Part Peak	0.04988	0.08032
		Energy (\$/KWH)	Summer Off Peak	0.02895	0.05939
		Demand (\$/KW)	Summer On Peak	9.53	9.53
		Demand (\$/KW)	Summer Part Peak	2.26	2.26
		Energy (\$/KWH)	Winter Part Peak	0.03523	0.06567
		Energy (\$/KWH)	Winter Off Peak	0.02571	0.05615
AG-A1-A-S,P,T	AG-A1-A-S,P,T	Energy (\$/KWH)	Summer On Peak	0.19139	0.22183
AG-A2-A-S,P,T	AG-A2-A-S,P,T	Energy (\$/KWH)	Summer Off Peak	0.07291	0.10335
		Energy (\$/KWH)	Winter On Peak	0.06962	0.10006
		Energy (\$/KWH)	Winter Off Peak	0.04343	0.07387
AG-B-A-S,P,T	AG-B-A-S,P,T	Energy (\$/KWH)	Summer On Peak	0.21152	0.24196
		Energy (\$/KWH)	Summer Off Peak	0.08968	0.12012
		Energy (\$/KWH)	Winter On Peak	0.08439	0.11483
		Energy (\$/KWH)	Winter Off Peak	0.05845	0.08889
AG-C-A-S,P,T	AG-C-A-S,P,T	Energy (\$/KWH)	Summer On Peak	0.08444	0.11488
		Energy (\$/KWH)	Summer Off Peak	0.05525	0.08569
		Demand (\$/KW)	Summer On Peak	12.39	12.39
		Energy (\$/KWH)	Winter On Peak	0.06995	0.10039
		Energy (\$/KWH)	Winter Off Peak	0.04468	0.07512
AG-F-A1-S,P,T	AG-F-A1-S,P,T	Energy (\$/KWH)	Summer On Peak	0.15736	0.1878
AG-F-A2-S,P,T	AG-F-A2-S,P,T	Energy (\$/KWH)	Summer Off Peak (all day Wednesdays and Thursdays)	0.08099	0.11143
AG-F-A3-S,P,T	AG-F-A3-S,P,T		Winter On Peak	0.07090	0.10134
			Winter Off Peak (all day Wednesdays and Thursdays)	0.04471	0.07515

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
AG-F-B1-S,P,T	AG-F-B1-S,P,T	Energy (\$/KWH)	Summer On Peak	0.17945	0.20989
AG-F-B2-S,P,T	AG-F-B2-S,P,T	Energy (\$/KWH)	Summer Off Peak (all day Wednesdays and Thursdays)	0.09895	0.12939
AG-F-B3-S,P,T	AG-F-B3-S,P,T	Energy (\$/KWH)	Winter On Peak	0.08701	0.11745
		Energy (\$/KWH)	Winter Off Peak (all day Wednesdays and Thursdays)	0.06083	0.09127
AG-F-C1-S,P,T	AG-F-C1-S,P,T	Energy (\$/KWH)	Summer On Peak	0.09186	0.1223
AG-F-C2-S,P,T	AG-F-C2-S,P,T	Energy (\$/KWH)	Summer Off Peak (all day Wednesdays and Thursdays)	0.06215	0.09259
AG-F-C3-S,P,T	AG-F-C3-S,P,T	Demand (\$/KW)	Summer On Peak	12.3948	12.3948
		Energy (\$/KWH)	Winter On Peak	0.07759	0.10803
		Energy (\$/KWH)	Winter Off Peak (all day Wednesdays and Thursdays)	0.0514	0.08184
Standby Service					
S-TOU-P	S-TOU-P	Energy (\$/KWH)	Summer On Peak	0.09777	0.12237
		Energy (\$/KWH)	Summer Part Peak	0.07836	0.10296
		Energy (\$/KWH)	Summer Off Peak	0.05295	0.07755
		Reservation Charge (\$/KW)	Summer Total	0.47520	0.47520
		Energy (\$/KWH)	Winter Part Peak	0.08146	0.10606
		Energy (\$/KWH)	Winter Off Peak	0.06177	0.08637
		Reservation Charge (\$/KW)	Winter Total	0.47520	0.47520
S-TOU-T	S-TOU-T	Energy (\$/KWH)	Summer On Peak	0.07460	0.09920
		Energy (\$/KWH)	Summer Part Peak	0.05904	0.08364
		Energy (\$/KWH)	Summer Off Peak	0.03844	0.06304
		Reservation Charge (\$/KW)	Summer Total	0.38610	0.38610
		Energy (\$/KWH)	Winter Part Peak	0.06148	0.08608
		Energy (\$/KWH)	Winter Off Peak	0.04566	0.07026
		Reservation Charge (\$/KW)	Winter Total	0.38610	0.38610
Street and Outdoor Lighting					
LS-1, LS-2, LS-3, OL-1	LS-1	Energy (\$/KWH)	All Total	0.06557	0.09269
TC-1	TC-1	Energy (\$/KWH)	All Total	0.07632	0.10344

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
----------------------------	-----------------------	-------------	-----------------------	-----------------------	---

B Commercial and Industrial Rates

B-1	B-1	Energy (\$/KWH)	Summer On Peak	0.14300	0.14300
		Energy (\$/KWH)	Summer Part Peak	0.09426	0.12686
		Energy (\$/KWH)	Summer Off Peak	0.07366	0.10626
		Energy (\$/KWH)	Winter On Peak	0.08830	0.12090
		Energy (\$/KWH)	Winter Off Peak	0.07234	0.10494
		Energy (\$/KWH)	Winter Super Off Peak	0.05608	0.08868
B-6	B-6	Energy (\$/KWH)	Summer On Peak	0.14755	0.18015
		Energy (\$/KWH)	Summer Off Peak	0.07710	0.10970
		Energy (\$/KWH)	Winter On Peak	0.08467	0.11727
		Energy (\$/KWH)	Winter Off Peak	0.06778	0.10038
		Energy (\$/KWH)	Winter Super Off Peak	0.05153	0.08413
B-10-S	B-10-S	Energy (\$/KWH)	Summer On Peak	0.16477	0.19737
		Energy (\$/KWH)	Summer Part Peak	0.10370	0.13882
		Energy (\$/KWH)	Summer Off Peak	0.07145	0.10657
		Energy (\$/KWH)	Winter On Peak	0.10730	0.14242
		Energy (\$/KWH)	Winter Off Peak	0.07218	0.10730
		Energy (\$/KWH)	Winter Super Off Peak	0.03620	0.07132
B-10-P	B-10-P	Energy (\$/KWH)	Summer On Peak	0.15069	0.18581
		Energy (\$/KWH)	Summer Part Peak	0.09297	0.12809
		Energy (\$/KWH)	Summer Off Peak	0.06244	0.09756
		Energy (\$/KWH)	Winter On Peak	0.09660	0.13172
		Energy (\$/KWH)	Winter Off Peak	0.06331	0.09843
		Energy (\$/KWH)	Winter Super Off Peak	0.02733	0.06245
B-10-T	B-10-T	Energy (\$/KWH)	Summer On Peak	0.13844	0.17356
		Energy (\$/KWH)	Summer Part Peak	0.08226	0.11738
		Energy (\$/KWH)	Summer Off Peak	0.05250	0.08762
		Energy (\$/KWH)	Winter On Peak	0.08592	0.12104
		Energy (\$/KWH)	Winter Off Peak	0.05342	0.08854
		Energy (\$/KWH)	Winter Super Off Peak	0.01744	0.05256
B-19-S,V	B-19-S	Energy (\$/KWH)	Summer On Peak	0.10521	0.14033
		Energy (\$/KWH)	Summer Part Peak	0.07572	0.10790
		Energy (\$/KWH)	Summer Off Peak	0.05486	0.08704
		Demand (\$/KW)	Summer On Peak	14.77	14.77
		Demand (\$/KW)	Summer Part Peak	2.15	2.15
		Energy (\$/KWH)	Winter On Peak	0.08648	0.11866
		Energy (\$/KWH)	Winter Off Peak	0.05478	0.08696
		Energy (\$/KWH)	Winter Super Off Peak	0.01225	0.04443
		Demand (\$/KW)	Winter On Peak	1.75	1.75

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
B-19-P,V	B-19-P	Energy (\$/KWH)	Summer On Peak	0.08957	0.12175
		Energy (\$/KWH)	Summer Part Peak	0.06718	0.09936
		Energy (\$/KWH)	Summer Off Peak	0.04770	0.07988
		Demand (\$/KW)	Summer On Peak	12.63	12.63
		Demand (\$/KW)	Summer Part Peak	1.85	1.85
		Energy (\$/KWH)	Winter On Peak	0.07743	0.10961
		Energy (\$/KWH)	Winter Off Peak	0.04770	0.07988
		Energy (\$/KWH)	Winter Super Off Peak	0.00572	0.03790
		Demand (\$/KW)	Winter On Peak	1.30	1.30
B-19-T,V	B-19-T	Energy (\$/KWH)	Summer On Peak	0.07657	0.10875
		Energy (\$/KWH)	Summer Part Peak	0.06742	0.09960
		Energy (\$/KWH)	Summer Off Peak	0.04795	0.08013
		Demand (\$/KW)	Summer On Peak	9.66	9.66
		Demand (\$/KW)	Summer Part Peak	2.42	2.42
		Energy (\$/KWH)	Winter On Peak	0.07779	0.10997
		Energy (\$/KWH)	Winter Off Peak	0.04821	0.08039
		Energy (\$/KWH)	Winter Super Off Peak	0.00470	0.03688
		Demand (\$/KW)	Winter On Peak	0.93	0.93
B-19-S,S	B-19-R-S	Energy (\$/KWH)	Summer On Peak	0.23141	0.26359
B-19-S,R	B-19-S-S	Energy (\$/KWH)	Summer Part Peak	0.09719	0.12937
		Energy (\$/KWH)	Summer Off Peak	0.05907	0.09125
		Energy (\$/KWH)	Winter On Peak	0.10090	0.13308
		Energy (\$/KWH)	Winter Off Peak	0.05900	0.09118
		Energy (\$/KWH)	Winter Super Off Peak	0.02354	0.05572
B-19-P,R	B-19-S-P	Energy (\$/KWH)	Summer On Peak	0.20798	0.24016
B-19-P,S	B-19-R-P	Energy (\$/KWH)	Summer Part Peak	0.08568	0.11786
		Energy (\$/KWH)	Summer Off Peak	0.05064	0.08282
		Energy (\$/KWH)	Winter On Peak	0.08803	0.12021
		Energy (\$/KWH)	Winter Off Peak	0.05075	0.08293
		Energy (\$/KWH)	Winter Super Off Peak	0.01529	0.04747
B-19-T,R	B-19-R-T	Energy (\$/KWH)	Summer On Peak	0.17277	0.20495
B-19-T,S	B-19-S-T	Energy (\$/KWH)	Summer Part Peak	0.09208	0.12426
		Energy (\$/KWH)	Summer Off Peak	0.05036	0.08254
		Energy (\$/KWH)	Winter On Peak	0.08391	0.11609
		Energy (\$/KWH)	Winter Off Peak	0.05056	0.08274
		Energy (\$/KWH)	Winter Super Off Peak	0.01510	0.04728
B-20-S,V	B-20-S	Energy (\$/KWH)	Summer On Peak	0.10006	0.12982
		Energy (\$/KWH)	Summer Part Peak	0.07342	0.10318
		Energy (\$/KWH)	Summer Off Peak	0.05238	0.08214
		Demand (\$/KW)	Summer On Peak	14.46	14.46
		Demand (\$/KW)	Summer Part Peak	2.10	2.10
		Energy (\$/KWH)	Winter On Peak	0.08419	0.11395
		Energy (\$/KWH)	Winter Off Peak	0.05221	0.08197
		Energy (\$/KWH)	Winter Super Off Peak	0.00937	0.03913
		Demand (\$/KW)	Winter On Peak	1.84	1.84

PG&E Equivalent Rate	RCEA Rate Schedule	Charge Type	Time of Use Period	RCEA Rate Schedule	RCEA Rate plus PG&E Fees ¹
B-20-P,V	B-20-P	Energy (\$/KWH)	Summer On Peak	0.09706	0.12682
		Energy (\$/KWH)	Summer Part Peak	0.06895	0.09871
		Energy (\$/KWH)	Summer Off Peak	0.04935	0.07911
		Demand (\$/KW)	Summer On Peak	15.83	15.83
		Demand (\$/KW)	Summer Part Peak	2.18	2.18
		Energy (\$/KWH)	Winter On Peak	0.07917	0.10893
		Energy (\$/KWH)	Winter Off Peak	0.04940	0.07916
		Energy (\$/KWH)	Winter Super Off Peak	0.00717	0.03693
		Demand (\$/KW)	Winter On Peak	1.82	1.82
B-20-T,V	B-20-T	Energy (\$/KWH)	Summer On Peak	0.07912	0.10888
		Energy (\$/KWH)	Summer Part Peak	0.06203	0.09179
		Energy (\$/KWH)	Summer Off Peak	0.04297	0.07273
		Demand (\$/KW)	Summer On Peak	17.65	17.65
		Demand (\$/KW)	Summer Part Peak	4.21	4.21
		Energy (\$/KWH)	Winter On Peak	0.07830	0.10806
		Energy (\$/KWH)	Winter Off Peak	0.03951	0.06927
		Energy (\$/KWH)	Winter Super Off Peak	0.00077	0.03053
		Demand (\$/KW)	Winter On Peak	2.36	2.36
B-20-S,R	B-20-R-S	Energy (\$/KWH)	Summer On Peak	0.22490	0.25466
B-20-S,S	B-20-S-S	Energy (\$/KWH)	Summer Part Peak	0.09347	0.12323
		Energy (\$/KWH)	Summer Off Peak	0.05639	0.08615
		Energy (\$/KWH)	Winter On Peak	0.09955	0.12931
		Energy (\$/KWH)	Winter Off Peak	0.05626	0.08602
		Energy (\$/KWH)	Winter Super Off Peak	0.02087	0.05063
B-20-P,R	B-20-R-P	Energy (\$/KWH)	Summer On Peak	0.21531	0.24507
B-20-P,S	B-20-S-P	Energy (\$/KWH)	Summer Part Peak	0.08770	0.11746
		Energy (\$/KWH)	Summer Off Peak	0.05335	0.08311
		Energy (\$/KWH)	Winter On Peak	0.09307	0.12283
		Energy (\$/KWH)	Winter Off Peak	0.05340	0.08316
		Energy (\$/KWH)	Winter Super Off Peak	0.01801	0.04777
B-20-T,R	B-20-R-T	Energy (\$/KWH)	Summer On Peak	0.21445	0.24421
B-20-T,S	B-20-S-T	Energy (\$/KWH)	Summer Part Peak	0.09701	0.12677
		Energy (\$/KWH)	Summer Off Peak	0.04726	0.07702
		Energy (\$/KWH)	Winter On Peak	0.09685	0.12661
		Energy (\$/KWH)	Winter Off Peak	0.04437	0.07413
		Energy (\$/KWH)	Winter Super Off Peak	0.01190	0.04166
BEV-1	BEV-1	Energy (\$/KWH)	On Peak	0.23530	0.26019
		Energy (\$/KWH)	Off Peak	0.05457	0.07946
		Energy (\$/KWH)	Super Off Peak	0.02943	0.05432
BEV-2-S	BEV-2-S	Energy (\$/KWH)	On Peak	0.25438	0.27927
		Energy (\$/KWH)	Off Peak	0.05305	0.07794
		Energy (\$/KWH)	Super Off Peak	0.02791	0.05280
BEV-2-P	BEV-2-P	Energy (\$/KWH)	On Peak	0.24410	0.26899
		Energy (\$/KWH)	Off Peak	0.05008	0.07497
		Energy (\$/KWH)	Super Off Peak	0.02612	0.05101

Voltage Discount - 4%

For rate schedules not segregated by service voltage, each component of the standard rate shall be discounted

¹PG&E fees include the Power Charge Indifference Adjustment and the Franchise Fee.



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 8.1

AGENDA DATE:	May 28, 2020
TO:	Board of Directors
PREPARED BY:	Mahayla Slackerelli, Account Services Manager
SUBJECT:	Feed-in Tariff Contracts

SUMMARY

New Projects

In March 2019, the Board directed staff to implement a feed-in tariff (FIT) program to support local renewable energy production. This program offers above market pricing for renewable energy generation in Humboldt County up to 1 MW in capacity. It is open to all applicants who submit a completed application packet. The RCEA FIT includes a market adjusting pricing mechanism, which reduces the available price when demand is high and increases the price when there is less interest to attract more applicants. While the Board already approved the FIT program, including the 20-year power purchase agreement (PPA), the program guidelines give the Board final approval of individual contracts as well.

The FIT program received two new completed tariff applications for the Board to consider:

Humboldt County Solar 1 – This project is located on Highway 36 in Fortuna and will be 999 kilowatts of solar generation. The application has been proposed by Sunthurst Energy. This project was submitted on March 23, 2020, and secured a price of \$86/MWh. On May 6, staff determined that the application packet was complete. The projected commercial operation date for this project is September 30, 2021.

North Coast Highway Solar 2 – North Coast Highway Solar 2, a subsidiary of Borrego Solar, applied for the FIT program on May 1, 2020. This one-megawatt solar project will be sited in Hydesville. Due to the market adjusting pricing, it secured a price for energy of \$84/MWh. Staff was able to confirm the completeness of the application packet on May 18. The projected commercial operation date for this project is November 1, 2021.

Feed-in Tariff Program Extension

The FIT program has been successful in encouraging local renewable generation. The board has already approved contracts representing 3 MW of capacity and has two one-megawatt contracts currently before it for approval. In addition, staff is reviewing two more recently submitted applications, which would slightly surpass the programmatic six-megawatt capacity. Staff recommends expanding the maximum capacity to 6.5 MW to accommodate the most recent applications.

During the launch phase of the CCE program, the board set a goal of 15 MW of local wholesale solar generation. The recent success of the FIT program and the Redwood Community Airport Microgrid have brought RCEA up to about 9 MW of that goal, assuming all FIT applications currently in process are approved by the Board. Staff proposes a second phase of the FIT program to support an additional 6 MW of local renewable energy to reach the 15 MW goal. Phase 2 of the FIT program would reset to the baseline price, but staff recommends reducing that price to \$75/MWh from the original \$80/MWh and subsequently shifting down the price ceiling and floor to \$85/MWh and \$65/MWh respectively. As was suggested at last month's board meeting, staff will investigate increasing the capacity for individual projects above the 1 MW cap. Staff proposes to launch phase 2 of the FIT program August 1, giving sufficient time to update materials with final review and approval of any revisions by legal counsel.

Regarding the feed-in tariff in general, staff have received some inquiries from elected officials and members of the public about the permitting process for these projects and why RCEA is entering into contracts before this process takes place. The attached infographic from the Solar Energy Industries Association shows the steps in a typical large solar development project. As shown, negotiation and execution of a PPA normally takes place early in the development process, prior to permitting, financing, and construction. This is necessary because the developer needs to demonstrate the long-term financial security that comes with a committed buyer of the power before they can secure the financing needed to permit and build the project. The sequence of events for a FIT-scale project is similar to that shown in the infographic, though considerably accelerated due to the small size of the projects, with projects expected to be online within 18 months of applying for the tariff. In entering into a PPA, RCEA and the developers both must accept the risk of a project failing for any reason to make it through the permitting process.

FINANCIAL IMPACTS

New Projects

The Sunthurst project, at \$86/MWh, would be approximately 232% of average international utility-scale (typically multi-megawatt scale) solar cost of energy. However, this price is only 75% of average commercial-scale cost of energy, which is a better comparison for capacity size. Similarly, the North Coast Highway Solar 1 project, at \$84/MWh, is 227% of the average international utility-scale solar cost of energy. The price for this project is 73% of the average commercial-scale costs.

It is also important to note that these projects would constitute a modest portion of RCEA's energy portfolio. Combined, the two FIT projects are forecasted to produce 3,979 MWh per year. RCEA's yearly load is 650,000 MWh. Together these two projects would contribute about 0.6% of RCEA's load.

Feed-in Tariff Program Extension

The proposed FIT program extension would add 6 MW of capacity to the program, which would cost approximately \$800,000 to \$1,000,000 per year including energy and renewable energy credits. The reduced price for the program would bring it closer to market costs for renewable energy. This additional capacity would bring the FIT program's percentage of total customer load up to 4%.

STAFF RECOMMENDATION

Approve a 20-year power purchase agreement with Sunthurst Energy, LLC for the 999 kW Humboldt County Solar 1 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 2, LLC for the 1 MW North Coast Highway Solar 2 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve increase of feed-in tariff phase 1 programmatic capacity up to 6.5 MW to accommodate current applicants.

Approve feed-in tariff phase 2 with an additional 6 MW of capacity to be released August 1, 2020.

CITATIONS

Lazard, Levelized Cost of Energy Analysis – Version 13.0, (2019, November). Retrieved from <https://www.lazard.com/perspective/lcoe2019>

ATTACHMENT

- “Ideal Development Timeline for a Utility-Scale Solar Power Plant (250 MW),” Solar Energy Industries Association graphic



Powerpoint slides presented at the meeting.

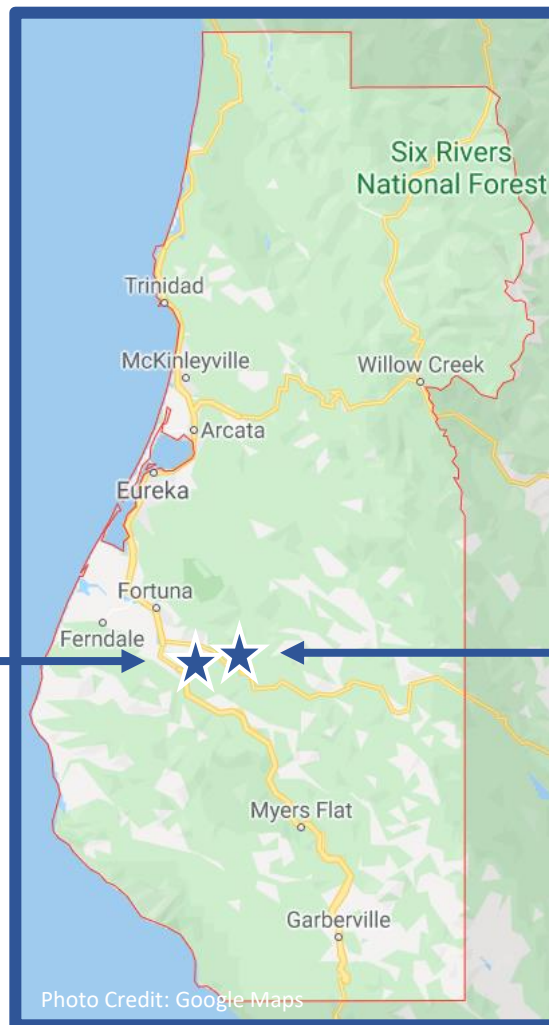
Feed-in Tariff Renewable Generation Program

- Approved by the Board March 2019
- Support local renewable energy generation with:
 - above market prices
 - standardized applications
 - 20-year contract
- Market adjusting pricing → different prices for contracts
- Limited programmatic space



Feed-in Tariff Renewable Generation Contracts: Completed Proposals

Humboldt Community Solar 1: one-megawatt solar project outside of Fortuna. Expected operation date 9/30/21.

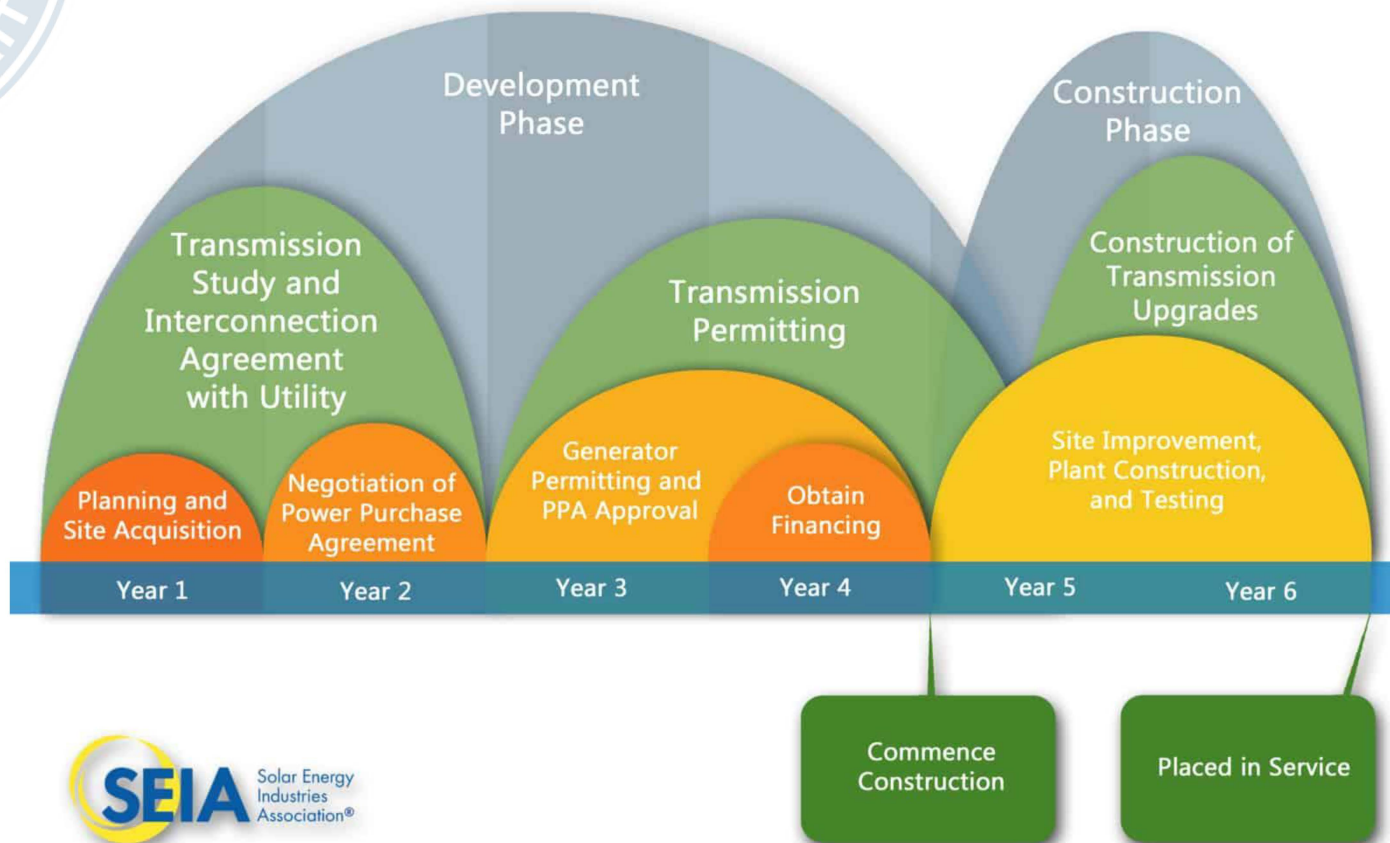


North Coast Highway Solar 2: one-megawatt solar project outside Hydesville. Expected operation date 11/1/21.

Note: 1.5 MWs of project capacity is currently under review by staff.



Ideal Development Timeline for a Utility-Scale Solar Power Plant (250 MW)





Feed-in Tariff Renewable Generation Program

Current Phase 1 Capacity	6 MW
Proposed Phase 1 Capacity with Extension	6.5 MW
Proposed Phase 2 Capacity	6 MW



REDWOOD COAST Energy Authority

STAFF REPORT Agenda Item # 8.2

AGENDA DATE:	May 28, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	2020-2023 Energy Efficiency Program Funding

SUMMARY

In 2019 RCEA began pursuing two sources of energy efficiency program funding for 2020-2023: a new PG&E Local Government Partnership Contract and an allocation of CPUC energy efficiency funding that will be directly administered by RCEA. The process for securing these sources of funding has taken many months, but both are currently on track to be in place by July 2020 as planned.

PG&E Local Government Partnership Contract

RCEA has implemented energy efficiency programs through a local government partnership program with PG&E dating back to the creation of RCEA in 2003; up until the launch of the CCA program in 2017 the partnership contract with PG&E was RCEA's primary source of funding. Based on evolving CPUC direction, PG&E made the decision to discontinue its long-standing local government partnership program structure and replace it with a competitive solicitation process. RCEA's current partnership contract with PG&E is set to end in June 2020.

In 2019 RCEA submitted a proposal for a new/refreshed partnership program through PG&E's competitive solicitation process. RCEA's proposal was ultimately selected and staff has negotiated a proposed 3-year contract (attached). The proposed contract differs from RCEA's historic PG&E program funding in that it does not include any customer rebate funding or direct energy-project installation services, rather it is focused solely on customer support services, including energy audits, workshops, customer referrals to other programs, and other technical assistance for local governments, businesses, and residents. The level of funding is also significantly reduced compared to past PG&E partnership funding.

RCEA-Administered CPUC Energy Efficiency Funding

As a community choice aggregator, RCEA has the option to request an allocation of energy efficiency program funding for local programs directly administered by RCEA (as opposed to contracting for funding that is administered by PG&E). In the fall of 2019 RCEA filed with the CPUC to request local program funding for a 3-year period beginning in July 2020.

RCEA's request has proceeded through the CPUC review and public comment process, and a draft CPUC resolution of approval is currently on the consent calendar for the May 28, 2020, CPUC business meeting (CPUC resolution attached). If the resolution is approved by the CPUC, RCEA will receive \$1,896,704 for local energy efficiency programs for 2020-2023.

The PG&E partnership contract funding will complement RCEA-administered programs; the PG&E contract is focused on technical assistance and customer-support services, whereas the RCEA-administered funding will be focused on direct-implementation of energy upgrade projects.

FINANCIAL IMPACTS

The PG&E Partnership contract will provide a total of \$765,727 of program funding over the 3-year contract period. When combined with the RCEA-administered funds up for approval on May 28, a total of \$2,662,431 over the next 3 years will be provided. This equates to \$887,477 per year of efficiency program funding. RCEA historic PG&E contract funding has been approximately \$1.16 million per year.

STAFF RECOMMENDATION

Approve contract with PG&E for a 2020-2023 Energy Efficiency Local Government Partnership Program and authorize the Executive Director to execute, after final review and approval by RCEA General Counsel, the contract and all associated documents as necessary.

ATTACHMENTS

1. CA Public Utilities Draft Resolution Certifying Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan.
2. Proposed PG&E Local Government Partnership Program Implementation Agreement (Full document text is available online at <https://redwoodenergy.org/about/board-of-directors/>.)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID: 18333

RESOLUTION E-5050

May 28, 2020

R E S O L U T I O N

RESOLUTION E-5050: Certification of Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan

PROPOSED OUTCOME:

- This Resolution certifies Redwood Coast Energy Authority's request in Advice Letter 4-E and Supplemental Advice Letters 4-E-A, 4-E-B and 4-E-C to Elect to Administer their Energy Efficiency Program Administration Plan, submitted pursuant to Public Utilities Code Section 381.1(e) and (f) and California Public Utilities Commission direction in D.14-01-033.

SAFETY CONSIDERATIONS:

- Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan will likely have limited, but positive impact on safety by improving customer health and safety through the installation of more efficient equipment that should improve in-door air quality and provide safer operation than the replaced equipment.

ESTIMATED COST:

- The California Public Utilities Commission approves a budget for Redwood Coast Energy Authority of \$1,896,704 over the course of their three-year Energy Efficiency Program Plan. This funding will come from Pacific Gas and Electric's Energy Efficiency Portfolio Budget and thus not result in any incremental costs for Pacific Gas and Electric's ratepayers.

By Advice Letter 4-E, filed on September 18, 2019, Supplemental 4-E-A, filed on October 21, 2019, Supplemental 4-E-B filed on November 6, 2019 and Supplemental 4-E-C filed on January 24, 2020.

SUMMARY

Public Utilities Code Section (Section) 381.1,¹ gives Community Choice Aggregators (CCAs) the option to elect to become an administrator of cost-effective energy efficiency (EE) programs, subject to California Public Utilities Commission (CPUC) adoption of a CCA's EE Program Administration Plan (EE plan) that has been approved by the CCA's governing board. Redwood Coast Energy Authority (RCEA) submitted a three-year budget request of \$1,896,704 to the CPUC on September 18, 2019, via Tier 3 Advice Letter (AL) 4-E, supplemental AL 4-E-A on October 21, 2019, supplemental AL 4-E-B on November 6, 2019, and supplemental AL 4-E-C on January 24, 2020, to elect to administer their EE plan for their customers.

This resolution approves RCEA's request to elect to administer their EE plan according to the criteria set forth in the Section 381.1(e) and (f) (1) - (6) and CPUC direction in Decision (D.)14-01-033. The budget that RCEA requested to receive to fund their EE plan is \$1,896,704. Pacific Gas and Electric (PG&E) is ordered to transfer \$1,896,704 to RCEA for their three-year EE Plan.

BACKGROUND

Sections 331.1, 366.2, and 381.1 enable cities and or counties to form a CCA. The legislation allows CCAs to offer procurement services to electric customers within their boundaries. Senate Bill 790 (Leno) modified Section 381.1(a) and added subsections (d)-(g). Subsections (a)-(d) authorize a CCA to "apply" to administer cost-effective EE and conservation programs by "allow[ing] CCAs to access EE funds from, and provide EE programs to, both their customers *and* other utilities' customers."² CCAs pursuing this approach must file a formal application to administer EE, which complies with the CPUC's prior decisions and resolutions regarding the content of IOUs' applications to administer EE.³ An alternative "elect" approach differs from the "apply" approach in that Section 381.1(e) and (f) expressly limits CCAs' EE offerings to only customers who

¹ All statutory references are to the Public Utilities Code unless otherwise noted will be referred to as "Section."

² D.14-01-033, COL 4.

³ D.14-01-033, OP 2.

are served by the CCA. CCAs that pursue the “elect to administer” option do not need to file applications – they file their EE plans as Tier 3 ALs.⁴

Section 381.1(e) states:

The impartial process established by the CPUC shall allow a registered community choice aggregator to elect to become the administrator of funds collected from the aggregator’s electric service customers and collected through a non-bypassable charge authorized by the CPUC, for cost-effective energy efficiency and conservation programs, *except those funds collected for broader statewide and regional programs authorized by the CPUC*. (Emphasis added)

Section 381.1(f) states:

A community choice aggregator electing to become an administrator of energy efficiency shall submit an EE plan, approved by its governing board, to the CPUC for the administration of cost-effective energy efficiency and conservation programs for the aggregator’s electric service customers that includes funding requirements, a program description, a cost-effectiveness analysis, and the duration of the program. The CPUC shall certify that the EE plan submitted does all the following:

1. Is consistent with the goals of the programs established pursuant to Sections 381.1 and 399.4;
2. Advances the public interest in maximizing cost-effective electricity savings and related benefits;
3. Accommodates the need for broader statewide or regional programs;
4. Includes audit and reporting requirements consistent with the audit and reporting requirements established by the CPUC pursuant to this Section;

⁴ D.14-01-033, OP 6.

5. Includes evaluation, measurement, and verification protocols established by the community choice aggregator; and
6. Includes performance metrics regarding the community choice aggregator's achievement of the objectives listed in paragraphs (1) to (5), inclusive, and in any previous plan.

On June 20, 2012, Administrative Law Judge Fitch issued a ruling in Rulemaking (R.)09-11-014 regarding procedures for CCAs to become administrators of EE programs through Section 381.1(a) – the application process to administer an EE program to all customers in their service territory – and through Section 381.1(e) and (f), the election process to administer EE programs only to the CCA's customers. In the interim, the ruling directed CCAs on how to make such requests "while the permanent procedures for program cycles beginning in 2015 are under consideration and finalized by the CPUC."⁵

Ordering Paragraph (OP) 6 of D.14-01-033 establishes that CCAs that elect to administer EE programs shall file their EE plan through a Tier 3 advice letter, which is not considered either effective or approved without a CPUC resolution.⁶ OP 7 of D.14-01-033 asserts the materials submitted by a CCA who elects to administer EE programs must contain sufficient information for the CPUC to certify the CCA's EE plan meets the six requirements in Section 381.1(f).⁷ OP 8 of D.14-01-033 directs the CCAs to also conduct financial and management audits of its EE programs and provide a copy of the audits to the CPUC.⁸ Finally, D.14-01-033 set the formula for the maximum funding that a CCA who elects to administer can request when establishing a budget:

CCA maximum funding = Total electricity energy efficiency non-bypassable charge collections from the CCA's customers – (total electricity EE non-bypassable charge collections from the CCA's customers * % of the

⁵ ALJ's June 20, 2012 Ruling on REN and CCA Administration of EE at p. 2, located at: <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=62166>.

⁶ D.14-01-033, OP 6.

⁷ D.14-01-033, OP 7.

⁸ D.14-01-033, OP 8.

applicable Investor Owned Utility (IOU) portfolio budget that was dedicated to statewide and regional programs in the most recently authorized program cycle).^{9,10}

On September 18, 2019, RCEA filed their EE plan via a Tier 3 AL (4-E) and submitted supplemental ALs 4-E-A on October 21, 2019, 4-E-B on November 6, 2019, and 4-E-C on January 24, 2020. In ALs 4-E, 4-E-A, 4-E-B and 4-E-C, RCEA provided the CPUC with additional details about their proposed programs, as well as their estimate of the formula set forth in D. 14-01-033 for the maximum funding that they could request as a CCA who elects to administer EE programs.

RCEA's Proposed EE Plan

RCEA proposes two programs with a combined budget of \$1,896,704 over three years to implement, market and evaluate their EE programs over three years starting in July of 2020. The two programs are a Non-Residential Direct Install program and a Residential Direct Install program. RCEA's EE plan has a forecasted cost effectiveness of 1.08 for their TRC and a 1.12 PAC.¹¹

RCEA's Non-Residential Direct Install program will replace PG&E's Regional Small and Medium Business Direct Install Local Government Partnership (LGP) with RCEA, which sunsets on June 30, 2020. The Non-Residential Direct Install program will fill gaps where existing and future regional third-party providers are not able to effectively serve RCEA's geographically constrained customers and will prioritize cost-effective energy efficiency services to:

- RCEA non-residential hard-to-reach ("HTR") customers, regardless of demand or annualized kWh;
- All public sector entities including member agencies, K-12 and special districts; and

⁹ ALJ's June 20, 2012 Ruling on REN and CCA Administration of EE at p. 10.

¹⁰ D.14-01-033, pg 22.

¹¹ RCEA AL 4-E-A, pg 3.

- All non-HTR customers who show an intent to participate in a PG&E regional or statewide programs, but do not receive timely service.

RCEA's Non-Residential Direct Install program will provide no-and low-cost installations of prescribed measures tailored to the Humboldt County market. RCEA proposes to offer the following measures:

- LED interior lighting (calculated)
- LED exterior lighting (calculated)
- Refrigeration efficiency
- Variable frequency drives
- Programmable thermostats

The three-year requested budget for the Small Commercial Direct Install program is \$1,566,856. RCEA expects that first-year gross energy savings for the program will be 1,100,788 kWh, with demand savings of 81 kW. Additional measures of success will include, but not be limited to services to:

- HTR customers exceeding 85% of all rendered services;
- Project conversion rates sustained at or above 50%; and
- Distributed energy resource services from multiple funding streams.

The program has a forecasted TRC test of 1.23 and a PAC test of 1.29.

The Residential Direct Install program will provide no-cost installations of prescribed measures tailored to the Humboldt County market. This will allow for a more effective alignment of offered products and services to opportunity.

RCEA proposes, but will not be limited to, the installation of the following measures:

- Smart thermostats
- Low-flow faucet aerators
- Low-flow showerheads

The three-year program budget for Residential Direct Install is \$329,796. The residential program has limited offerings and will only deliver a first-year total of

34,748 gross kWh and a demand reduction of 3.2 kW. The residential program is not forecasted to be cost-effective, therefore other measures of success are critical:

- Number of residents served;
- Additional, and separately funded, integrated demand side management services provided; and
- Number of referrals made to regional, state, and third-party programs.

The program has a forecasted TRC test of 0.32 and a PAC test of 0.32.

RCEA's Compliance with Maximum Funding Request

RCEA requested a total amount of \$1,896,704 to implement and evaluate their two EE programs over a three-year period. The formula established for the maximum funding a CCA can request who elects to administer an EE Program Administration Plan is as follows:

CCA maximum funding = Total electricity energy efficiency non-bypassable charge collections from the CCA's customers – (total electricity EE non-bypassable charge collections from the CCA's customers * % of the applicable IOU portfolio budget that was dedicated to statewide and regional programs in the most recently authorized program cycle.¹²

D.14-01-033 adopted the definitions for "regional" and "statewide" programs to be excluded from the maximum funding a CCA can request as follows:

- "Statewide Programs" – Programs, as defined and designated by the CPUC, that are offered throughout the four IOU service territories on a generally consistent basis. Evaluation, Measurement and Verification budgets are included in statewide programs, as these budgets are overseen by CPUC staff across all four IOUs on a consistent basis.¹³

¹² D.14-01-033, pg 22.

¹³ D.14-01-033, pg 25.

- “Regional Programs” – Programs offered to all eligible customers throughout an individual IOU’s service territory in which a CCA is offering service, but not necessarily offered in other IOU service territories. This includes state and institutional government partnerships. This does not include any programs that are offered only in a geographic subset of an IOU territory.¹⁴

In RCEA’s AL 4-E-C, RCEA provides the following inputs to the formula for the maximum funding they can request. First, RCEA estimates that the total electricity energy efficiency non-bypassable charge collections from the RCEA’s customers is \$7,219,403 annually.¹⁵ RCEA estimates that \$19,637,519 out of a total budget of \$224,238,257 or 8.8% of PG&E’s total budget is dedicated to local programs.¹⁶ RCEA then multiplied \$7,219,403 by 0.088 to get a cap of annual available dollars that are available to RCEA of \$635,307 and a three year cap not to exceed \$1,905,922. However, RCEA is not requesting to receive the maximum amount of funding available, instead they are requesting \$1,896,704.¹⁷

RCEA’s Compliance with Meeting Criteria Established in Section 381.1(f)(1) - (6)

Pursuant to Section 381.1(f), the CPUC must certify that a CCA proposal to elect to administer a ratepayer funded EE Program Administration Plan meet the six criteria, specified in paragraphs (1) - (6), which include:

1. Is consistent with the goals of the programs established pursuant to Sections 381.1 and 399.4;
2. Advances the public interest in maximizing cost-effective electricity savings and related benefits;
3. Accommodates the need for broader statewide or regional programs.
4. Includes audit and reporting requirements consistent with the audit and reporting requirements established by the CPUC pursuant to this section;

¹⁴ Ibid.

¹⁵ RCEA AL 4-E, p. 7.

¹⁶ RCEA AL 4-E, Attachment 1, p. 46.

¹⁷ Ibid.

5. Includes evaluation, measurement, and verification protocols established by the community choice aggregator; and
6. Includes performance metrics regarding the community choice aggregator's achievement of the objectives listed in paragraphs (1) to (5), inclusive, and in any previous plan.

RCEA provided the following responses in AL 4-E to justify their proposed EE Plan and compliance with the six criteria in Section 381.1(f).

Consistency with the Goals in Sections 381.1. and 399.4

RCEA states that their non-residential and residential programs will deliver cost-effective energy savings to its customers while remaining consistent with CPUC goals. RCEA believes their programs are consistent with broader regional or statewide energy efficiency programs and are designed to integrate demand side management activities in a way that will value stack the deployment of distributed energy resources.

By acting as point of contact for RCEA customers, RCEA will simplify the goals set forth in Section 381.1. This will ensure that local and statewide goals are met, such as those associated with SB 350.

Advances the public interest in maximizing cost-effective electricity savings and related benefits

RCEA responds that their proposed EE plan complies with cost-effectiveness requirements in 381.1, as the programs have a combined TRC test of 1.08 and PAC test of 1.12.

Accommodation of Statewide and Regional Programs

RCEA states that they have developed a strong brand as the electricity provider devoted to local decision making on power generation, energy conservation, and sustainability throughout Humboldt County. RCEA adds that they will clearly brand their efforts as unique from the existing electric utility and are well known to their constituents. The EE programs that RCEA elects to administer will be clearly distinguished as unique programs offered exclusively to RCEA customers. Program

marketing will be targeted to RCEA customers and will clearly describe which customers will be eligible to participate.

Auditing and Reporting

RCEA performs annual financial audits using generally accepted accounting principles specific to government entities. These reports are publicly available and will be provided to the CPUC upon request. As a CCA, once RCEA's EE plan is certified and programs begin, current auditing procedures will be extended to include EE program administration data. This will ensure appropriate accounting controls for energy efficiency program funds. Per requirements of the Governmental Accounting Standards Board Statement No. 34, the management's discussion and analysis will be included to supplement the basic financial statements.

To evaluate the effective use of resources and management procedures, RCEA will also complete all regulatory filings and reports as directed by CPUC staff. These documents will provide the results of program efforts that can be evaluated against the performance metrics identified by RCEA, including adherence to cost-effectiveness requirements. RCEA will take all necessary actions to remain compliant with additional auditing and reporting requirements.

EM&V Protocols

RCEA states they will contract with an independent third-party to perform process evaluations or market studies to determine the effectiveness and needs for the successful implementation of programs. RCEA-led studies will be performed according to the CPUC oversight process of IOU Evaluation Measurement and Verification ("EM&V") projects as detailed in the Energy Efficiency EM&V Plan.

RCEA will be subject to the same protocol as the IOUs for CPUC-directed impact evaluations to determine actual energy savings, benefits, costs, and goal achievement as directed in D.05-01-055. RCEA will dedicate no more than 4% of total program budget during the three-year program to evaluation efforts.

Performance Metrics

To ensure that RCEA is prioritizing cost-effective services to HTR customers, RCEA will track and report the percentage of total services to HTR customers to ensure it exceeds 85%.

Additional performance metrics will include:

- Percentage of customers audited who install at least one program measure;
- Percentage of recommended measures installed by non-residential customers.
- Integration of separately funded and distributed energy resources in both the nonresidential and residential service spaces;
- Evaluation, Measurement, and Verification process, tracking, and incorporation into program design; and
- Progress toward achieving RCEA's 2025 goal of 100% clean and renewable power using the Clean Net Short methodology—energy efficiency is a critical aspect of balancing demand to supply.

NOTICE

RCEA states this advice letter and related supplements were mailed and distributed in accordance with General Order 96-B, Section IV. As required by General Order 96-B, Section IV RCEA served these advice letters to the relevant parties on the R.13-11-005 and A.17-01-013 service lists.

PROTESTS, COMMENTS AND REPLIES

On October 8, 2019, PG&E filed comments on RCEA's AL 4-E and on October 15, 2019, RCEA filed a reply to PG&E's comments. On November 14, 2019, The California Public Advocates Office (Cal Advocates) filed a protest to RCEA's supplemental ALs 4-E-A and 4-E-B on November 14, 2019 and RCEA filed a reply to Cal Advocates protest on November 21, 2019. All comments, protests and RCEA's replies were timely filed.

PG&E's Comments

In PG&E's comments on RCEA AL 4-E, they provide further context to why they cut the budget to RCEA's LGP and in particular RCEA's Residential Direct Install program. PG&E claimed that these budget reductions were as a result of two factors. The first factor is general cost-effectiveness concerns due to declining avoided costs and

increasingly aggressive baselines have made meeting cost-effectiveness requirements challenging for PG&E's EE portfolio.¹⁸ PG&E states that this has resulted in declining budgets overall for low TRC programs, even though those programs deliver on other policy objectives, such as serving HTR customers and supporting disadvantaged communities.¹⁹ The second factor PG&E identifies for the budget cuts to the RCEA LGP, is the fact that the RCEA's LGP program has historically relied heavily on lighting, which has decreased potential savings in the Potential and Goals Study²⁰ and thus a decreased budget in PG&E's Annual Budget Advice Letter.²¹

In its comments, PG&E also asks that the CPUC consider the funding impacts of the increasing administrative and coordination work that would result from the approval of RCEA's request.²² They state that if RCEA's request is approved, PG&E may need to reassess funding levels in its portfolio for overlapping offerings, such that all ratepayers receive the best value for the projects performed in RCEA's territory.²³ PG&E adds that if RCEA can deliver a program with a "Total Resource Cost test that exceeds what it has been able to deliver through its historic programs with PG&E,"²⁴ then it may not be the best use of PG&E's energy efficiency program budget to continue to support similar, overlapping activities within its portfolio.

Finally, PG&E points out that should RCEA's AL be approved, it will increase coordination costs for PG&E's EE portfolio.²⁵ Consequently, PG&E requests that if RCEA's request is approved, the CPUC consider these and similar administrative costs when assessing the cost-effectiveness of PG&E's EE portfolio.²⁶

RCEA's Reply

¹⁸ PG&E's Response Comment to RCEA's AL 4-E, pg 2.

¹⁹ Ibid.

²⁰ 2019 Energy Efficiency Potential and Goals Study, prepared by Navigant Consulting, Inc., for the CPUC. Reference No. 205201. July 1, 2019.

²¹ Advice 4136-G/5627-E: PG&E's 2020 Energy Efficiency Annual Budget Advice Letter. September 2019.

²² PG&E's Response Comment to RCEA's AL 4-E, pg 3.

²³ Ibid.

²⁴ RCEA 004-E, Attachment 1, p.20.

²⁵ PG&E's Response Comment to RCEA's AL 4-E, pg 4.

²⁶ PG&E's Response Comment to RCEA's AL 4-E, pg 4.

RCEA notes that they appreciate the context that PG&E provided and the clarifications that PG&E offered regarding budget reductions and cost effectiveness challenges.

They conclude that they look forward to working with PG&E in 2020 and beyond to ensure that all customers have access to EE programs.²⁷

Cal Advocates Protest

Cal Advocates filed a protest to RCEA's supplemental ALs 4-E-A and 4-E-B, expressing several concerns.

First, Cal Advocates states that the CPUC should require RCEA to reduce their budget to comply with the budget guidelines in D.14-01-033. Cal Advocates adds that although "RCEA does not explain how it reached a figure of 88 percent for statewide and regional programs, a review of PG&E's 2019 EE program budgets shows that the correct share is approximately 90 percent. This means that the maximum funding share that should be available to RCEA is approximately 10 percent, not 12 percent."²⁸

According to Cal Advocates, PG&E dedicated either 9.7 or 10.1 percent of its total 2019 budget to LGPs depending on whether PG&E's advice letter or submission to CEDARS is correct.²⁹ Therefore, Cal Advocates states the amount of funding available for RCEA's proposed EE programs is \$946,873 to \$985,919 annually.³⁰ Finally, Cal Advocates adds that if the CPUC authorizes PG&E's 2020 EE budget before issuing a disposition of RCEA's AL 4-E and supplements, the CPUC should update these budget calculations to reflect the share of funding for LGP programs in PG&E's 2020 budget.³¹

Cal Advocates concludes that the discrepancies discussed suggest significant questions remain as to whether RCEA's proposed EE portfolio meets the minimum cost-

²⁷ RCEA Reply to PG&E's Response Comment to RCEA's AL 4-E, pg 2.

²⁸ Cal Advocates Protest to RCEA's ALs 4-E-A and 4-E-B, pg 3.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

effectiveness threshold required for program approval pursuant to D.14-01-033.³² Since RCEA's compliance with the CPUC's requirements in D.14-01-033 cannot be verified with the information RCEA provided in its Supplemental Advice Letter, the CPUC must require RCEA to address these discrepancies before approving its advice letter.³³ Specifically, to ensure compliance with D.14-01-033, Cal Advocates states that the CPUC must require RCEA to clarify and explain its cost-effectiveness analysis and, if necessary, submit a corrected cost-effectiveness analysis for stakeholder and CPUC review.³⁴

RCEA's Reply

RCEA's reply describes how they came up with their calculation that 12% of PG&E's programs should be classified as local and claim that their requested budget falls under the maximum amount of funding that they could request.³⁵

RCEA adds that the measure values in the Cost Effectiveness Tool ("CET") inputs align with policy requirements. Outputs were generated by the CEDARS CET.³⁶ The participant costs and incentives costs are equal for several measures.³⁷ This resulted in a TRC equal to the PAC and therefore at the measure level the cost effectiveness test results are equal, they add that several of the 2020 ABALs had measures where the TRC is equal to PAC.³⁸

RCEA also acknowledges that direct-install labor and material costs were categorized as incentives in the inputs and should be re-categorized for cases in which the program will pay the upfront costs,³⁹ and they note that measure-level adjustments will be

³² Cal Advocates Protest to RCEA's ALs 4-E-A and 4-E-B, pg 5.

³³ Ibid.

³⁴ Ibid.

³⁵ RCEA's Reply to Cal Advocates Protest to RCEA's ALs 4-E-A and 4-E-B, pg 2.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

ongoing.⁴⁰ Therefore, RCEA concludes their portfolio has met the cost effectiveness requirements set forth in D.14-01-033.⁴¹

DISCUSSION

Review of Funding Request

First, we note that in the formula for a CCA's maximum funding to elect to administer EE programs, the applicable IOU portfolio budget should include funding from the most recently authorized program cycle:

CCA maximum funding = Total electricity energy efficiency non-bypassable charge collections from the CCA's customers – (total electricity EE non-bypassable charge collections from the CCA's customers * % of the applicable IOU portfolio budget that was dedicated to statewide and regional programs **in the most recently authorized program cycle**).⁴²

The last CPUC-approved EE budget for PG&E was included in its EE 2020 Budget AL 4136-G/5627-E and supplemental 4136-G-A/5627-E-A, for an amount of \$224,238,257.⁴³ To determine the percentage of the total amount of the non-bypassable funds for their EE plan that RCEA is eligible for the CPUC staff categorized what programs and budgets are "statewide" and "regional" programs and excluded from the calculation for a CCAs' maximum funding.

For the purposes of this calculation, the CPUC considers the following EE programs as "statewide" or "regional": the Residential Energy Efficiency program; the Commercial Energy Efficiency program; the Industrial Energy Efficiency program; the Agricultural Energy Efficiency program; the Lighting program; the Integrated Demand Side Management program; the Finance program; the Codes and Standards program; the

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² D.14-01-033, pg 22.

⁴³ PG&E budget as approved of in the non-standard disposition of PG&E ALs 4136-G/5627-E and supplemental 4136-G-A/5627-E-A.

Emerging Technology program and the Workforce Education and Training program; Third-Party programs that serve PG&E's entire service territory; and the Institutional and Government Core Energy Efficiency Partnerships. The total budget for these programs is \$204,600,738. Finally, local or geographically restricted programs that are included for determining the percentage of RCEA's non-bypassable funds that can be used for their EE Plan includes the Local Government Energy Action Resources (LGEAR),⁴⁴ Strategic Energy Resources (SER)⁴⁵ and the New Third-Party Placeholder for Public LGPs.⁴⁶ These programs have a total budget of \$19,637,519.⁴⁷

To determine RCEA's maximum EE funding the CPUC divided the total budget of the programs that are not categorized as "statewide" or "regional" by PG&E's total EE budget or \$19,637,519 divided by \$224,238,257, to get a percentage of the budget not categorized as "statewide" or "regional", which is 8.8%. Finally, we multiplied 8.8% by the total electricity EE non-bypassable charge from RCEA customers which is \$7,219,403 to get the maximum funding that RCEA can request of \$635,307 annually and \$1,905,922 over the three-year period, based on sales forecasts provided by RCEA. However, since RCEA is requesting less than the maximum amount, the CPUC will approve RCEA's budget request of \$1,896,704 as requested in RCEA AL 4-E-C.

Review of Compliance with Section 381.1 (f) Criteria

Consistency with Goals in Sections 381.1 and 399.4

Section 381.1 encourages the procurement of cost-effective EE and conservation programs by CCAs that advance the public interest and accommodate the need for broader statewide and regional programs. Section 399.4 (a) states that prudent EE investments should continue to be made in order to "produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electric distribution grid."

⁴⁴ For more information on LGEAR see: <https://cedars.sound-data.com/programs/PGE2110051/details/2020>.

⁴⁵ For more information on SER see: <https://cedars.sound-data.com/programs/PGE2110052/details/2020>.

⁴⁶ For more information on the Third Party Placeholder for LGPs see: New 3P Placeholder - Public LGP see: https://cedars.sound-data.com/programs/PGE_3P_Pub/details/2020.

⁴⁷ See Appendix A Table 1 "PG&E Total Portfolio Budget Breakdown by Funding Category" for a breakdown of how the CPUC categorized PG&E's EE programs.

Consistent with the guidance on cost-effectiveness in Sections 381.1 and 399.4(a), the RCEA EE plan forecasts the achievement of cost-effective reductions in energy and demand, with a TRC of 1.08 and a PAC of 1.12.

Section 399.4(b)(1) states that, in evaluating energy efficiency investments, the CPUC shall require that:

If a customer or contractor is the recipient of a rebate or incentive offered by a public utility for an energy efficiency improvement or installation of energy efficient components, equipment, or appliances in a building, the public utility shall provide the rebate or incentive only if the customer or contractor certifies that the improvement or installation has complied with any applicable permitting requirements, including any applicable specifications or requirements set forth in the California Building Standards Code (Title 24 of the California Code of Regulations), and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed.

RCEA states their programs will fully follow Section 399.4 requirements that participants comply with applicable permitting requirements. Participating contractors will be required to pull permits as required by the California Energy Commission's building codes.⁴⁸ Section 399.4(c) states "the CPUC, in evaluating energy efficiency investments under its statutory authority, shall also ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into program portfolio design and that local governments, community-based organizations, and energy efficiency service providers are encouraged to participate in program implementation where appropriate."

First, RCEA has implemented their proposed Residential Direct Install program from 2006-2018 and are currently implementing a Non-Residential Direct Install program under their LGP contract. In addition, given that the program intends that HTR

⁴⁸ RCEA AL 4-E, Attachment 1, pg 20.

customers will exceed 85% of all rendered services RCEA appears to have tailored their programs to serve the large percentage of HTR customers in their territory.⁴⁹

In addition, the Residential Direct Install program seeks to fit the needs of the sizable number customers of customers who do not qualify for the income-based programs and who may not be able to afford the expensive Home Upgrade program.⁵⁰ In addition, the programs Non-Residential program will focus on efficient lighting, HVAC and refrigeration measure, while the Residential program will offer smart thermostats, efficient showerheads and aerators. We consider the measure mix appropriate given that RCEA's territory for the market segments that they propose to serve, given RCEA's focus on direct install measures. RCEA is located in Humboldt County, far from major population centers that have likely better access to eligible EE contractors and their customers may be more limited in the what type of EE measures are available to them. As such, the programs are designed to address local and regional interests, incorporate a CCA and the member government into the portfolio design, and are programs that RCEA has experience implementing as part of the Redwood Coast Energy Watch LGPP. Thus, the efforts of RCEA's EE plan sufficiently meet the achievability requirements of 399.4(c).

Section 399.4(d)(2) states that the CPUC, in a new or existing proceeding, shall review and update its policies governing energy efficiency programs funded by utility customers. In updating its policies, the CPUC shall, at a minimum do all the following:

1. Authorize market transformation programs with appropriate levels of funding to achieve deeper energy efficiency savings.
2. Authorize pay for performance programs that link incentives directly to measured energy savings. As part of pay for performance programs authorized by the CPUC, customers should be reasonably compensated for developing and implementing an energy efficiency plan, with a portion of their incentive reserved pending post project measurement results.

⁴⁹ RCEA AL 4-E, pg 10.

⁵⁰ RCEA AL 4-E, Attachment 1, pg 11.

3. Authorize programs to achieve deeper savings through operational, behavioral and retrocommissioning activities.

CPUC staff interprets Section 399.4(d)(2) to refer to the ratepayer funded EE portfolio as offered throughout the state and not require every individual Program Administrator's (PA's) EE offerings to meet all the policies outlined in Section 399.4(d)(2). The EE portfolios as offered by California's ratepayer funded PAs throughout the state meet these objectives and thus so would RCEA's EE plan.

Therefore, the CPUC certifies that RCEA's EE plan has demonstrated compliance with the criteria set forth in Section 381.1(f)(1).

Advances the Public Interest in Maximizing Cost-Effective Electricity Savings and Related Benefits

RCEA's forecasts a TRC of 1.08 and PAC test of 1.12 for RCEA's EE plan as filed meets the minimum threshold for cost effectiveness of a CCA who elects or applies to administer EE programs for the first three years. Therefore, the CPUC certifies that RCEA's EE plan has demonstrated compliance with the criteria set forth in Section 381.1(f)(2).

Accommodation of Statewide and Regional Programs

Accommodation of statewide and regional programs as defined in Section 381.1(f)(3) and D.14-01-033 includes the clear requirement that "a CCA should include in its plan marketing and branding strategies to minimize customer confusion, and to otherwise distinguish between CCA programs and any similar statewide or regional programs that may also be ongoing."⁵¹

RCEA claims that they have clearly branded their efforts as unique from the existing electric utility and we are well-known to their constituents.⁵² They add that the energy efficiency programs that RCEA elects to administer will be clearly distinguished as

⁵¹ D.14-01-033, pg 19.

⁵² RCEA AL 4-E, pg 9.

unique programs offered exclusively to RCEA customers by RCEA.⁵³ In addition, program marketing will be targeted to RCEA customers and will clearly describe which ratepayers will be eligible to participate.

RCEA states they will continue to work with PG&E through their Lead Local Partner solicitation and this effort will be branded as a direct partnership with PG&E administered under the auspices of the CPUC.

Finally, RCEA commits to leveraging statewide and regional programs when and where they are best positioned to provide the best service to their customer base.⁵⁴ In addition, RCEA will effectively identify the pertinent program implementers to customers and will coordinate with PG&E and third-party programs to ensure that RCEA customers have the most accurate, up-to-date materials on available programs.⁵⁵

The CPUC believes that RCEA has provided sufficient information showing that their marketing materials will clearly distinguish their two EE programs from other PAs' programs and will target only RCEA customers. While there may be some confusion should RCEA also become a 3rd Party Implementer under PG&E's local public sector solicitation, we believe that RCEA's proposal should alleviate that concern. Finally, RCEA plans to work with PG&E and 3rd Party Implementers in their region to ensure that the customers have access to all available opportunities. Thus, RCEA in the CPUC's view has complied with the requirement to "Accommodate Statewide and Regional Programs."

Auditing and Reporting

Decision 14-01-033 states that a "CCA should conduct financial and management audits of its energy efficiency programs and provide a copy of the audits to the CPUC upon request. The financial audit will consist of a review of the financial statements of the CCA's EE operations to determine that the statements are accurate, complete, and consistent with CPUC policy and standard accounting practices. The management

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ibid.

audit will assess the CCA's management procedures and the effective use of resources in implementing their EE portfolio."⁵⁶

When performing annual financial audits RCEA claims they currently uses generally approved auditing practices specific to government entities, which are publicly available and will be provided to the CPUC on request.⁵⁷ RCEA adds that once their EE Plan is certified and the programs begin, current auditing procedures will be extended to include EE program administrative data.⁵⁸ They also claim that they will also complete all regulatory filings and reports as directed by the CPUC.⁵⁹ These documents will provide the results of program efforts that can be evaluated against the performance metrics identified by RCEA, including adherence to cost-effectiveness requirements. Thus, the CPUC certifies that the RCEA is compliant with the auditing and reporting requirements set forth in Section 381.1(f)(4).

EM&V Protocols

D.14-01-033 requires the CCA to establish its own EM&V protocols. The CPUC's role is to certify that a CCA's plan includes EM&V protocols. That said, the CPUC encourages CCAs to use the same EM&V requirements that apply to other energy efficiency PAs. In its advice letter, the CCA should describe clearly and completely the EM&V protocols it will use.⁶⁰

In analyzing RCEA's EM&V plan it is clear that they understand the roles of the Energy Division (ED) and PAs and which types of evaluations each are responsible for completing. RCEA also states that they will adhere to the same protocol as the IOUs for ED's impact evaluations to estimate actual energy savings, benefits, costs, and goal achievement, as directed in D.05-01-055.⁶¹ RCEA requests a budget of \$47,250 during the three-year program to conduct process evaluations to qualitatively evaluate the

⁵⁶ D.14-01-033, pg 29.

⁵⁷ RCEA AL 4-E, pg 9.

⁵⁸ Ibid.

⁵⁹ Ibid

⁶⁰ Ibid.

⁶¹ Ibid.

program and market.⁶² The amount requested is appropriate as it is under the 4% cap for EM&V considering RCEA's requested budget. The CPUC certifies RCEA's EM&V protocols as set forth in Section 381.1(f)(5).

Performance Metrics

D.14-01-033 states that "the CCA should provide reports that meets the requirements and format the CPUC has established for IOUs and RENS, as set forth in the Policy Manual Version V."⁶³ The process for developing Program Performance Metrics (performance metrics) is described in Appendix 2 of D.09-09-047. The proposed performance metrics shall comply with the following principles:

1. The metrics shall be designed for simplicity and cost effectiveness when considering data collection and reporting requirements.
2. Integrated metrics shall be developed for programs that employ more than one technology or approach, such as whole building programs.
3. Program models and logic should be dynamic and change in response to external, e.g., market conditions, and internal conditions.
4. The metrics shall link short-term and long-term strategic planning goals and objectives to identified program logic models.
5. Performance metrics shall be maintained and tracked in the EEGA database (or a similar database to be determined under the guidance of CPUC staff).

To ensure that RCEA is prioritizing cost-effective services to HTR customers, they will track and report percentage of total services to HTR customers to ensure it exceeds 85%. Additional performance metrics offered by RCEA will include:

- Percentage of customers audited who install at least one program measure;
- Percentage of recommended measures installed by non-residential customers;
- Integration of separately funded and distributed energy resources in both the nonresidential and residential service spaces;

⁶² RCEA AL 4-E-C, pg 3.

⁶³ D.14-01-033, pg 30.

- Evaluation, Measurement, and Verification process, tracking, and incorporation into program design; and
- Progress toward achieving RCEA's 2025 goal of 100% clean and renewable power using the Clean Net Short methodology—energy efficiency is a critical aspect of balancing demand to supply.⁶⁴

RCEA's list of metrics submitted could be improved, especially in providing a clearer metric that states how "the metrics shall link their short-term and long-term strategic planning goals and objectives to identified program logic models." For instance, RCEA's list does not appear to CPUC staff to have at least one performance metric for each of the five objectives listed in paragraphs (1) to (5) of Section 381.1(f).

However, Resolutions E-4518 and E-4917, which approved both Marin Clean Energy's and Lancaster Choice Energy's request for certification to elect to administer its EE plan also found similar problems with a lack of clarity for the proposed metrics and suggested that the metrics could have been improved by identifying the units of measurement that will be used to determine them.⁶⁵ That resolution concluded that these "subtle changes do not lead us to deny MCE's request for certification of its plan; while recognizing that improvements could be made."⁶⁶ Similarly, we determine that RCEA's metrics could be improved, but sufficient enough to not deny RCEA's request for certification, as it has met the criteria set forth in Section 381.1(f)(6).

Analysis of Party Comments/Protest and RCEA Reply Comments

The CPUC Should Consider the Funding Impacts on PG&E's Administration and Coordination That Would Result from the Approval of RCEA's Request

The CPUC agrees with PG&E that with more PAs offering EE programs there will be the need for increased coordination with other PAs who overlap service territory. However, PG&E does not offer an actionable solution for the CPUC to consider and in

⁶⁴ RCEA AL 4-E, Attachment 1, pg 22.

⁶⁵ Resolution E-4518, pg 18 and Resolution E-4917-E, pg 27.

⁶⁶ Resolution E-4518, pg 18.

addition the CPUC believes that this request is a much broader question that is not unique to RCEA, but common for all PAs with overlapping territory. Thus, we believe that this question, should the CPUC want to consider it, would be best handled in the EE Proceeding and is out of scope for this resolution.

The CPUC Should Require RCEA to Reduce Their Budget to Comply with the Budget Guidelines in D.14-01-033

In their protest to RCEA's ALs 4-E-A and 4-E-B, Cal Advocates believes that the budgets should be reduced, and that the percentage of PG&E's 2019 budget dedicated to "local" programs is lower than RCEA's calculation. The CPUC generally agrees with Cal Advocates, but would note that because of the disposition of PG&E's 2020 ABAL on December 20, 2019, RCEA filed supplemental RCEA AL 4-E-C based on the approval in PG&E's approved budget for 2020.

In the supplemental 4-E-C, RCEA cut the percentage of funds going to "local" programs from 12% to about 8.6%, reduced the non-bypassable c collection from \$9,761,576 to \$7,219,403 and total budget request from \$3,280,386 to \$1,896,703 over three years. As shown in the discussion section, CPUC staff ran their own calculations and found them to be slightly less than the maximum funding that RCEA filed in AL 4-E-C. In addition, Cal Advocates did not express additional concerns with the budget request in RCEA AL 4-E-C and thus we find the protest by Cal Advocates to RCEA's ALs 4-E-A and 4-E-B moot with the filing of supplemental 4-E-C.

Cal Advocates Found Discrepancies that Suggests Significant Questions About RCEA's Ability Meet the Minimum Cost-Effectiveness Threshold

In their protest to RCEA's ALs 4-E-A and 4-E-B, Cal Advocates believes that RCEA's supplements failed to justify that they will achieve a cost-effective set of programs. As in the discussion of the protest by Cal Advocates above, we believe that the protest is moot with the filing of RCEA's AL 4-E-C, which provided a new section detailing measure changes and the expiration of certain workpapers starting January 1, 2020, and subsequently reduced the forecast installations and savings for measures based on the budget and removed measures that have been retired.

In addition, RCEA filed their forecasted uptake for specific high-volume measures, the subsequent forecasts and savings calculations behind their forecast. We believe that Cal Advocates is justified in claiming that they have concerns that RCEA will meet their forecasted TRC and PAC and the CPUC shares those concerns. Based on empirical data, some of which Cal Advocates provided in their protest to the 2020 Annual Budget Advice Letters, there are often inconsistencies between forecasts, reported claims and evaluated savings.⁶⁷ That being said in reviewing RCEA's AL 4-E-C, CPUC staff did not find instances where RCEA incorrectly used the cost-effectiveness tool. Thus, we will reject Cal Advocates protest about RCEA having "significant" discrepancies in their AL as a problem identified with ALs 4-E-A and 4-E-B, which the CPUC believes was corrected for in 4-E-C. However, CPUC staff will monitor RCEA's performance and ensure that they use the correct workpapers, Database for Energy Efficiency Resources assumptions for measures and savings calculation methodology to ensure that they use the most current assumptions.

COMMENTS

Public Utilities Code Section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the CPUC. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS:

1. Redwood Coast Energy Authority exercised its election right under Public Utilities Code Section 381.1(e) and (f) and D.14-01-033 by submitting its Energy Efficiency Program Administration Plan as a Tier 3 advice letter to the California Public Utilities Commission and serving it on all parties on the R.13-11-005 and A.17-01-013 service lists on September 18, 2019—along with a first supplemental

⁶⁷ The Public Advocates Office's Protest of Energy Efficiency Annual Budget Advice Letters for Program Year 2020, filed September 23, 2019, pg 8.

filed on October 21, 2019, a second supplemental filed on November 6, 2019 and third supplemental filed on January 24, 2020.

2. Decision 14-01-033 adopted a methodology and definition of terms to determine the maximum amount of eligible funding Community Choice Aggregators may elect to administer.
3. Using the adopted methodology from D.14-01-033, the maximum amount of funds Redwood Coast Energy Authority would be eligible to collect funds for the administration of its Energy Efficiency Program Administration Plan is \$1,896,704.
4. Decision 14-01-033 provided further guidance to Community Choice Aggregators who elect to administer energy efficiency programs on how to seek California Public Utilities Commission approval to elect to administer ratepayer funded energy efficiency programs without filing a formal application. The decision adopted the processes in Public Utilities Code Section 381.1(e) – (g) and the June 20, 2012 Administrative Law Judge’s ruling in R.09-11-014.
5. Redwood Coast Energy Authority’s Energy Efficiency Program Administration Plan was approved by its governing board and contains the plan’s funding requirements, a program description, a cost-effectiveness analysis, and the duration of the program.
6. To administer their Energy Efficiency Program Administration Plan, Redwood Coast Energy Authority seeks \$1,896,704 in funds collected by Pacific Gas and Electric from Redwood Coast Energy Authority’s customers through non-bypassable charges (specifically, the Procurement Energy Efficiency Revenue Adjustment Mechanism and the Public Purpose Program Revenue Adjustment Mechanism).
7. Redwood Coast Energy Authority’s requested funding is approved, and the California Public Utilities Commission directs Pacific Gas and Electric to transfer \$1,896,704 to Redwood Coast Energy Authority to implement their Energy Efficiency Program Administration Plan.
8. Redwood Coast Energy Authority’s Energy Efficiency Program Administration Plan is consistent with the goals of the programs established pursuant to Public

Utilities Code Sections 381.1 and 399.4 and D.14-01-033 and meets the Public Utilities Code Section 381.1(f)(1) criteria.

9. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan forecasted Total Resource Cost meets the required cost effectiveness threshold.
10. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan meets the Public Utilities Code Section 381.1(f)(3) criteria.
11. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan meets the Public Utilities Code Section 381.1(f)(4) criteria.
12. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan includes evaluation, measurement, and verification protocols established by the Community Choice Aggregator. Redwood Coast Energy Authority's energy efficiency evaluation, measurement, and verification proposal therefore meets the Public Utilities Code Section 381.1(f)(5) criteria.
13. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan meets the Public Utilities Code Section 381.1(f)(6) criteria.

THEREFORE, IT IS ORDERED THAT:

1. Redwood Coast Energy Authority's Energy Efficiency Program Administration Plan, as submitted on September 18, 2019, is certified pursuant to Public Utilities Code Section 381.1(f).
2. Pacific Gas and Electric shall transfer to Redwood Coast Energy Authority \$1,896,704, which Redwood Coast Energy Authority requested and which California Public Utilities Commission staff found was slightly less than the maximum funding Redwood Coast Energy Authority could request utilizing the formula adopted in D.14-01-033.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities CPUC of the State of California held on May 28, 2020; the following Commissioners voting favorably thereon:

ALICE STEBBINS

Executive Director

APPENDIX A

Table 1. PG&E Total Portfolio Budget Breakdown by Funding Category

	PG&E’s approved budget request in 4136-G/5627-E or the 2020	PG&E’s approved budget request in 4136-G/5627-E or the 2020
--	---	---

	Annual Budget AL	Annual Budget AL
Program Category	Budget Excluded	Budget Included
Statewide and Regional	\$204,600,738 ⁶⁸	\$0
Local	\$0	\$19,637,519
Total Included	\$19,637,519	
Total Portfolio	\$224,238,257	
% Included	0.088	
% Excluded	0.92	

Table 2. Calculation of RCEA Maximum Funding

RCEA Maximum Funding	Total Electricity EE Non-bypassable Charges from RCEA Customers	% of PG&E's Budget Not Dedicated to Statewide and Regional Programs
1,905,922	\$21,658,209	8.8%

⁶⁸ According to D.14-01-033, pg 25 EM&V is considered "Statewide Program."



**THIRD PARTY ENERGY EFFICIENCY
LOCAL GOVERNMENT PARTNERSHIP
PROGRAM IMPLEMENTATION AGREEMENT**

Between

Pacific Gas and Electric Company

And

Redwood Coast Energy Authority

DRAFT

Complete text of this draft agreement can be found at <https://redwoodenergy.org/about/board-of-directors/>



STAFF REPORT
Agenda Item # 8.3

AGENDA DATE:	May 28, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Fiscal Year 2020-22 Preliminary Draft Budget

SUMMARY

Attached is a preliminary draft of the FY20-21 RCEA annual budget. The current COVID-19 pandemic creates significant uncertainty around numerous major budget elements, including customer energy usage, wholesale power market prices, and the ability to implement customer programs and capital improvement projects. Staff is working closely with The Energy Authority to update forecasts on an ongoing basis as new information becomes available. Staff has tried to use conservative assumptions throughout the budget to hedge against the high degree of uncertainty created by current circumstances. Some notable elements of the budget include:

REVENUES

- **Government Agencies:** Includes approximately \$632,200 in RCEA-administered CPUC funding for energy efficiency programs (pending CPUC approval), as well as \$185,000 in state funding for upgrades to RCEA's EV charging station networks.
- **Non-government Agencies:** Includes approximately \$1,339,000 in pass-through CA Energy Commission grant funding from HSU Sponsored Programs Foundation for the Airport Microgrid project, and about \$217,000 from the new PG&E local government energy efficiency program partnership contract.
- **Electricity Sales:** RCEA's largest source of revenue by far, this line item has a significant degree of uncertainty due to both regulatory/PG&E-rate uncertainty as well as the evolving impacts of COVID-19. The budget contains a conservative forecast, representing a significant ongoing reduction in customer load (commensurate with the more negative "high-impact" scenario presented in the April Board meeting's quarterly risk management report) as well as a significant increase in customer non-payments.

EXPENSES

- **Wholesale power supply:** The unknown duration and magnitude of COVID-19 impacts on wholesale power markets causes an increased degree of uncertainty with forward-looking power cost forecasts. The budget incorporates the cost-reduction strategies presented at the April Board meeting (maintaining a 1% generation discount and selling Humboldt Redwood Company PCC1 renewable energy credits), which will result in a projected 2020 power mix of approximately 32% RPS-eligible renewables, 38% hydropower, and 30% system power.

For 2021, the forecast assumes a return to RCEA's standard, more ambitious power content performance targets (~44% RPS renewables, ~36% hydropower, and ~20% systems power). RCEA currently has some flexibility in its 2021 wholesale power procurement

position, and so there will be an opportunity to consider additional cost-savings measures in the second half of the fiscal year should the need arise.

- **Personnel:** The draft budget represents a slight reduction from the current year's budget due to a reduction in the number of limited-term intern positions. (There were several long-standing vacancies in the current year that have resulted in the current year's staffing costs trending well under budget.)
- **Facilities and Operations:** This line item includes over \$6 million in facilities capital development, predominantly the construction of the Airport Microgrid. The timeline for construction of the microgrid has been pushed back due to COVID-19 impacts, but the current schedule still aims to complete construction in the 2020-21 fiscal year (some costs originally expected to fall in the current year have been pushed out past June). This budget line item also includes approximately \$115,000 for RCEA's share of annual CalCCA funding/dues, and \$150,000 for development and first-year costs of new database and IT solutions for the management of RCEA customer programs.
- **Incentives and Rebates:** This includes \$136,000 in customer incentives funded through the RCEA-administered CPUC efficiency program funding, as well as CCE-funded customer program rebates. The draft budget includes a roll-over of \$280,000 in unspent CCE-funded customer program budget allocations from FY19-20, along with a proposed \$185,000 of additional funding to continue and/or expand the programs approved in 2019, for a total of \$465,000 in FY20-21 customer program funding (note that this amount does not include "soft-costs" for CCE-funded programs, including RCEA staff time associated with administering these programs and the associated programmatic services provided to customers by RCEA staff).
- **Debt Proceeds:** The USDA has had ongoing delays with the processing of RCEA's loan for the non-grant funded costs of the Airport Microgrid (these delays appear to potentially be advantageous, as USDA interest rates have been significantly lowered in recent months). However, their process is nearing completion and the loan should be in place before construction begins this year.

In the current fiscal year RCEA incurred about \$1.4 million in costs that were paid out of general funds but that are intended to be rolled into the approximately \$6 million loan financing. The \$6 million in loan funding is being matched by \$5 million in CA Energy Commission grant funding (through HSU), so the ultimate asset value of the microgrid to RCEA will exceed the out-of-pocket (financed) costs invested in the project.

The draft budget does not currently include costs or financing associated with the planned purchase and renovation of a new RCEA office; when estimates for the RCEA office budget are further developed they will be presented to the Board for consideration/approval.

Staff will provide a presentation on the preliminary draft budget at the meeting, and will be working with the Board's finance subcommittee in early June to review and refine the details of the draft budget in advance of presenting a final proposed budget to the Board at the June meeting.

STAFF RECOMMENDATION

Provide guidance and input to staff on draft FY20-21 budget.

ATTACHMENTS

1. Preliminary Draft Fiscal Year 2020-21 RCEA Budget

Redwood Coast Energy Authority
Preliminary Draft
Fiscal Year 2020-21 Budget

	Jul '19 - Mar 20	FY19-20 Budget	Preliminary Draft FY20-21 Budget
Ordinary Income/Expense			
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	\$ 84,267	\$ 125,000	\$ 857,300
Total 5100 · Revenue - program related sales	\$ 17,308	\$ 16,000	\$ 13,500
Total 5400 · Revenue-nongovernment agencies	\$ 873,338	\$ 2,576,300	\$ 1,556,600
5500 · Revenue - Electricity Sales			
Total 5510 · Electricity Sales	\$ 39,701,539	\$ 53,805,981	\$ 43,931,400
5580 · Uncollectable Accounts	\$ (119,122)	\$ (323,016)	\$ (880,000)
Total 5500 · Revenue - Electricity Sales	\$ 39,582,417	\$ 53,482,965	\$ 43,051,400
Total 5 REVENUE EARNED	\$ 40,557,330	\$ 56,200,265	\$ 45,478,800
Total Income	\$ 40,557,330	\$ 56,200,265	\$ 45,478,800
Expense			
Total 6 WHOLESALE POWER SUPPLY	\$ 31,607,013	\$ 42,295,190	\$ 36,445,000
Total 7 PERSONNEL EXPENSES	\$ 1,734,261	\$ 3,026,492	\$ 2,963,200
Total 8.1 FACILITIES AND OPERATIONS	\$ 1,769,674	\$ 4,539,920	\$ 6,578,650
Total 8.2 COMMUNICATIONS AND OUTREACH	\$ 90,334	\$ 115,000	\$ 110,650
Total 8.3 TRAVEL AND MEETINGS	\$ 38,640	\$ 68,000	\$ 18,000
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	\$ 163,945	\$ 184,000	\$ 120,000
8410 · Contracts - Program Related Ser	\$ 88,466	\$ 435,000	\$ 382,500
8420 · Accounting	\$ 7,546	\$ 68,950	\$ 75,000
8430 · Legal	\$ 108,174	\$ 125,000	\$ 125,000
8450 · Wholesale Services - TEA	\$ 449,553	\$ 602,401	\$ 620,500
8460 · Procurement Credit - TEA	\$ 509,786	\$ 753,809	\$ 650,500
8470 · Data Management - Calpine	\$ 659,685	\$ 882,348	\$ 913,450
Total 8.4 PROFESSIONAL & PROGRAM SRVS	\$ 1,987,155	\$ 3,051,508	\$ 2,886,950
Total 8.5 PROGRAM EXPENSES	\$ 480,434	\$ 555,786	\$ 625,850
Total 8.6 INCENTIVES & REBATES	\$ 248,108	\$ 881,500	\$ 546,000
Total 9 NON OPERATING COSTS	\$ 48,246	\$ 169,518	\$ 35,500
Total Expense	\$ 38,003,865	\$ 54,702,914	\$ 50,209,800
Net Ordinary Income	\$ 2,553,465	\$ 1,497,351	\$ (4,731,000)
Other Income/Expense			
Debt Proceeds - USDA Microgrid Loan	\$ -	\$ 2,730,300	\$ 6,000,000
Net Other Income	\$ -	\$ 2,730,300	\$ 6,000,000
Net Income	\$ 2,553,465	\$ 4,227,651	\$ 1,269,000

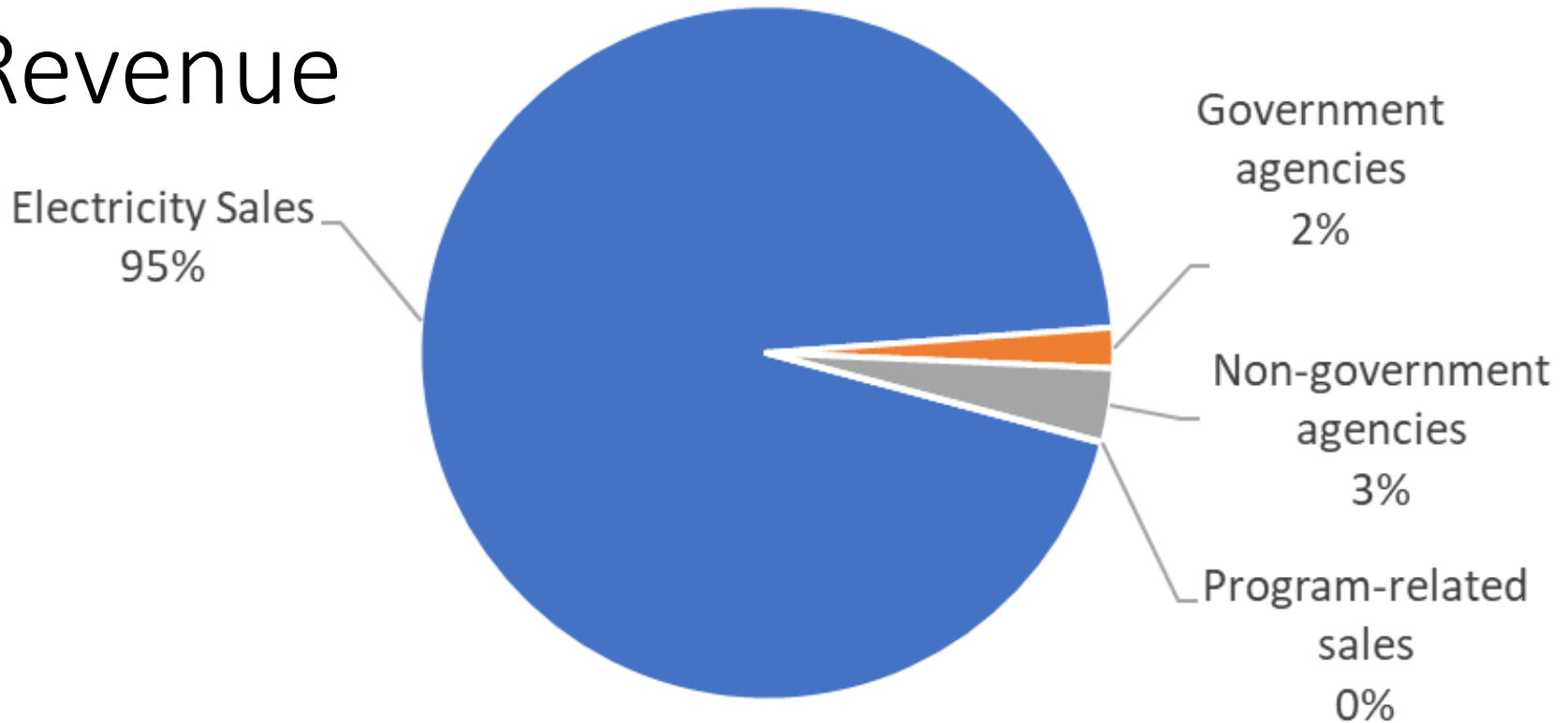
Powerpoint slides presented at the meeting.

Fiscal Year 2020-21 Preliminary Draft Budget

Key Factors Affecting the Budget

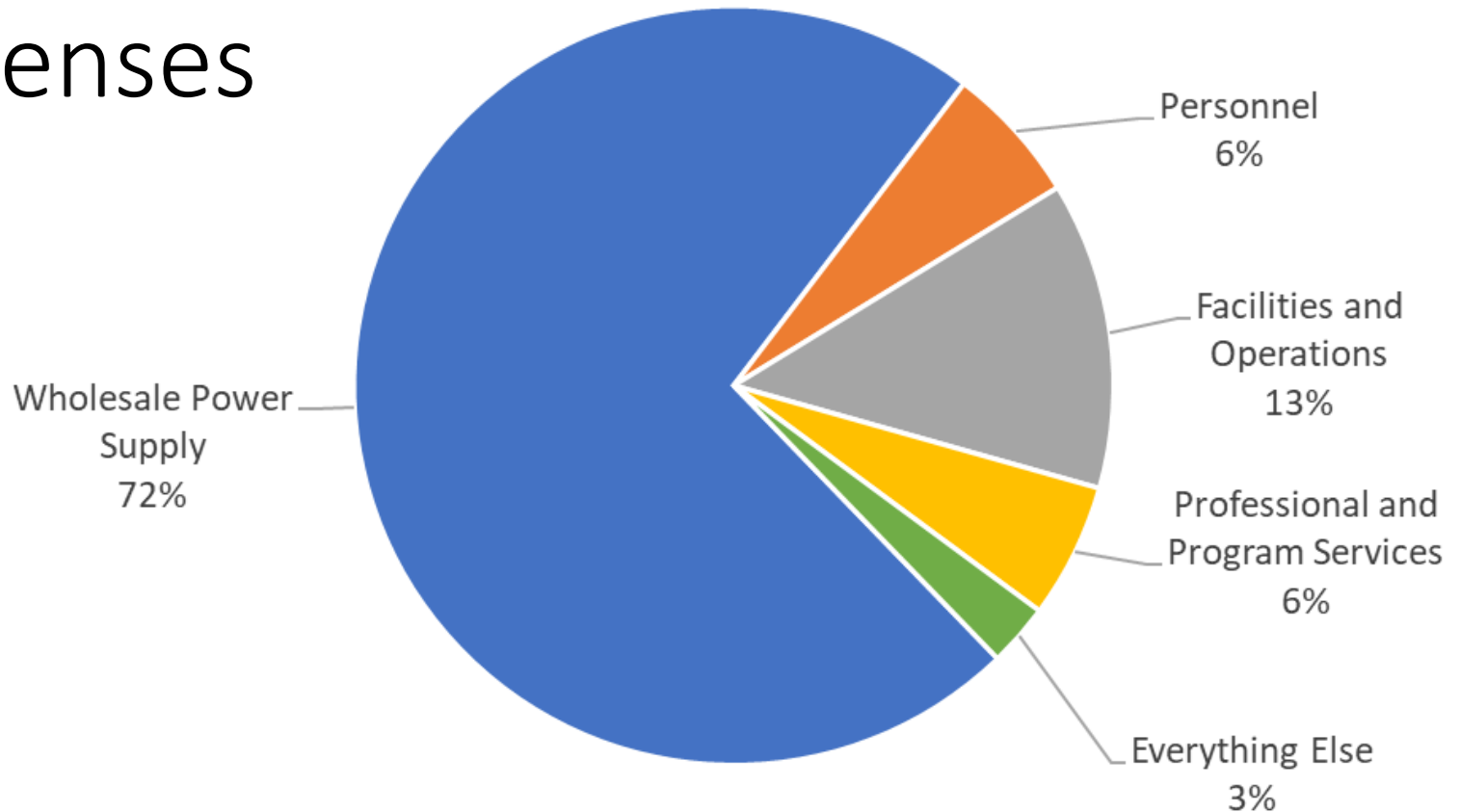
- Main budget driver is the community choice energy program -- electricity sales revenue and wholesale power supply costs
- COVID-19, impacts expected to include:
 - Reduced customer loads
 - Customer bill payment delays, non-payment
 - Wholesale power prices
 - *Energy efficiency customer programs*
- Airport microgrid project final construction and associated USDA financing and State grant funding

Revenue



- **Gov agencies:** RCEA-administered efficiency program funding, State EV-charging station upgrade funding
- **Non-gov:** HSU sponsored program Foundation pass-through microgrid grant funding, PG&E efficiency contract
- Additional other income not included above: \$6 million in microgrid USDA loan financing debt proceeds

Expenses



- **Facilities and Operations:** includes capital facility development -- microgrid construction and EV charging station investments
- **Wholesale Power:** includes 2020 cost-saving measures, assumes return to regular power portfolio content objectives in 2021
- **“Everything else” includes:** communications/outreach, travel, program expenses, incentives and rebates, and non-operating costs

Highlights and Comparison to FY19-20 Budget

- Electricity sales revenue and wholesale power costs both significantly reduced from current year
 - Significant uncertainty around the ultimate scale and duration of COVID-19 impacts
 - Budget based on conservative (negative) assumptions
 - Flexibility of some 2021 power procurement decisions provides ability to adapt to changing circumstances
 - Net revenue for calendar 2021 currently expected to be significantly reduced compared to previous years, but forecasts project ability to maintain current rate discount to PG&E and achieve power-content objectives without dipping into reserves

Highlights and Comparison to FY19-20 Budget

- Reduction in PG&E efficiency contract funding, mostly offset by RCEA-administered program funding
- Final construction of microgrid
 - project schedule changes resulted in some costs being shifted from FY19-20 into FY20-21
 - USDA loan processing delays shifting loan start into FY20-21; about \$1.4 million in project costs incurred in FY19-20 that will be rolled into the loan
- Personnel costs & program and professional services remaining generally consistent (slightly reduced)
- Other costs: some adjustments up and down, in total generally consistent (overall slightly reduced)

Next steps

- Board Finance Committee meeting early June
- Update forecasts, refine/finalize proposed budget
- **Present final proposed budget for consideration/adoption at June Board meeting**
- Develop and finalize office relocation budget for Board review/approval
- July-Dec, continually monitor COVID-19 and regulatory impacts, update forecasts, and evaluate the need for adjustments to 2021 power procurement strategies



REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 9.1**

AGENDA DATE:	May 28, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director Staff Report

SUMMARY

At the Board meeting the Executive Director will provide a report on RCEA's COVID-19 response and other operational updates.

STAFF RECOMMENDATION

N/A – Information only.