



STAFF REPORT
Agenda Item # 7.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Dana Boudreau, Director of Operations
SUBJECT:	ACV Microgrid bid update, approvals for fence installation and tree removal

SUMMARY

Redwood Coast Energy Authority is partnering with Humboldt State University's Schatz Energy Research Center (SERC), PG&E, and the County of Humboldt to build a 7-acre, 2.5 MW solar array and battery energy storage system at the California Redwood Coast – Humboldt County Airport.

The site requires a new fence to secure the project site from the Aviation Operations Area at the start of construction and through the life of the project, and removal of trees and brush along the southern perimeter fence line to prevent an 11% reduction in annual energy production that would be caused by shading from this vegetation.

In September 2019, the Board authorized staff to obtain site control from the County and issue a request for proposals for installation of a new fence at the airport. In October 2019, the Board authorized staff to issue a request for proposals for removing trees along the southern boundary of the microgrid project site.

In November 2019, the County Public Works offered the option of the County conducting the fence installation and tree removal, streamlining activities by using the County's uniform cost accounting and informal bid process. At the November meeting the Board authorized the option of reimbursing the County for: a) brush removal and site work in preparation for fence installation; and/or b) fence installation; and/or c) tree removal.

Following these approvals last fall, several factors affected the ability to move forward with County support on the fence and tree work. Based on Federal Aviation Administration (FAA) oversight, no site improvements can commence until:

- FAA Approval of the Environmental Assessment (EA) Package including, but not limited to, completing the EA FAA review and approval, required publications, timelines, and public comment periods.
- Completion of the appraisal of the proposed leasehold area.
- FAA review and approval of the ground lease agreement, inclusive of the appraised value of the leasehold.

Final FAA approval is still pending, and several key documents remain in final review including the lease agreement and site appraisal. The current best estimate for final FAA approval is September 1, 2020.

Given this schedule and the risk of further compressing an autumn construction timetable, the project team chose to move forward with the fence installation and tree removal process through an RCEA RFP as authorized in the September and October 2019 Board meetings. Although staff greatly appreciated the County's offer to assist with the fence and tree work, it was determined that RCEA

and project partners have the best ability to directly coordinate preliminary site work in coordination with major construction scheduled for Fall 2020.

To conditionally prepare for tenant improvements pending a finalized lease agreement and FAA approval, on June 2, 2020, staff obtained interim approval from the County of Humboldt Department of Aviation to proceed with bidding efforts; see attachment.

After receiving this interim approval staff issued bid solicitations on June 3, 2020, to:

- 1) Construct an FAA approved fence to contain the project lease area and secure the runway area of the airport (bids due by 3:00 p.m., June 23, 2020).
- 2) Clear trees along the southern end of the project site to prevent shading of the solar array (bids due by 3:30 p.m., June 23, 2020).

The public bid openings will be held immediately following the deadlines for bid submissions on the afternoon of June 23, 2020. Staff is seeking approval to award bids to awardees to be named during the Board meeting.

FINANCIAL IMPACTS

The estimated project value is \$97,000 for the fence installation, and \$150,000 for the tree removal.

RECOMMENDED ACTIONS

Note: Following the public bid opening on June 23, 2020, the winning bidder will be posted on the RCEA website, <https://redwoodenergy.org/>.

Award bid for Airport Microgrid Project fence installation to **CR Fence Company Inc. dba Humboldt Fence Company** in the amount of **\$94,500.00** and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

Award bid for Airport Microgrid Project tree removal work to **Ford Logging dba Pacific Earthscape** in the amount of **\$76,427.00** and issue a Notice to Proceed pending final FAA approval; and authorize the Executive Director to execute all applicable documents.

ATTACHMENT

1. County of Humboldt Department of Aviation; Interim Approval, Fence Installation and Tree Removal
2. Fence Installation Bid Tabulation
3. Notice of Award – Fence Installation
4. Tree Removal Bid Tabulation
5. Notice of Award – Tree Removal



COUNTY OF HUMBOLDT

DEPARTMENT OF AVIATION
3561 Boeing Ave., McKinleyville, CA 95519
Phone: (707) 839-5401

June 2, 2020

Mr. Matthew Marshall
Executive Director
Redwood Coast Energy Authority (RCEA)

RE: Interim Approval
Fence Installation and Tree Removal
ACV Microgrid Project

Mr. Marshall,

I hope this letter finds you well. In the interest of assisting RCEA to proceed with bidding efforts and to secure bids for the anticipated fence installation and removal of trees on the planned leasehold for the Microgrid Project, I am providing you this letter to grant interim approval to proceed with the bidding process for these two items. Please provide written confirmation that RCEA understands this is an interim approval and will become final upon completion of the following items:

- FAA Approval of the Environmental Assessment (EA) Package including, but not limited to, completing the EA FAA review and approval, required publications, timelines, and public comment periods.
- Completion of the appraisal of the proposed leasehold area.
- FAA review and approval of the ground lease agreement, inclusive of the appraised value of the leasehold.

To be clear, construction will not proceed including the issuance of a Notice to Proceed with construction until the County has completed the above listed processes with the FAA, and the County of Humboldt and RCEA have fully executed the ground lease agreement and all relevant documents.

Please contact my office should you have any questions regarding this matter.

Thank You,

Cody Roggatz, C.M.
Director of Aviation
County of Humboldt

Cc: Mr. Dana Boudreau-Operations Director, RCEA

Project: Fence Installation for ACV Microgrid

Bid No. N/A

Bids received electronically by no later than 3:00 pm, June 23, 2020

Bidder	Total Bid Amount	Received	Bid Walk	CSLB	DIR #
CR Fence Company Inc. dba Humboldt Fence Company	\$94,500.00	6/23/2020 09:23am	Y	808339	1000003061
Crusader Fence Company Inc.	\$135,408.00	6/19/2020 3:55pm	Y	1056652	1000449929

NOTICE OF AWARD

To: CR Fence Company Inc. dba Humboldt Fence Company

Project Description: Fence Installation for ACV Microgrid

Redwood Coast Energy Authority has considered the bid submitted by you for the above described work in response to its Notice Inviting Bids for the Project.

You are hereby notified that your bid has been accepted in the amount of: Ninety-Four Thousand Five Hundred Dollars (\$94,500.00).

You are required to execute the Contract and furnish the required Performance Bond and Payment Bond using the bond forms provided in the Contract Documents and the required certificates of insurance within ten (10) calendar days from the date of issuance of this Notice.

If you fail to execute the Contract and to furnish the bonds and insurance within ten (10) calendar days from the date of issuance of this Notice, RCEA will be entitled to consider all your rights arising out of its acceptance of your bid as abandoned and your Bid Bond forfeited. RCEA will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to RCEA.

Dated this 26th day of June 2020.

By: _____
Authorized Signature

Receipt of this above Notice of Award is hereby acknowledged by:

_____, this is the ____th day of June 2020.

By: _____

Title: _____

Project: Tree Removal for ACV Microgrid

Bid No. N/A

Bids received electronically by no later than 3:30 pm, June 23, 2020:

Bidder	Total Bid Amount	Received	Bid Walk	CSLB	DIR #
Ford Logging dba Pacific Earthscape	\$60,551.00	6/23/2020 09:25am	Y	793279	1000004081
Corner Bit Excavation	\$142,000.00	Non-responsive	Y	1038923	1000028080

NOTICE OF AWARD

To: Ford Logging dba Pacific Earthscape

Project Description: Fence Installation for ACV Microgrid

Redwood Coast Energy Authority has considered the bid submitted by you for the above described work in response to its Notice Inviting Bids for the Project.

You are hereby notified that your base bid and Add/Alt. #2 have been accepted in the amount of: Seventy-Six Thousand Four Hundred Twenty-Seven Dollars (\$76,427.00).

You are required to execute the Contract and furnish the required Performance Bond and Payment Bond using the bond forms provided in the Contract Documents and the required certificates of insurance within ten (10) calendar days from the date of issuance of this Notice.

If you fail to execute the Contract and to furnish the bonds and insurance within ten (10) calendar days from the date of issuance of this Notice, RCEA will be entitled to consider all your rights arising out of its acceptance of your bid as abandoned and your Bid Bond forfeited. RCEA will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to RCEA.

Dated this 26th day of June 2020.

By: _____
Authorized Signature

Receipt of this above Notice of Award is hereby acknowledged by:

_____, this is the ____th day of June 2020.

By: _____

Title: _____

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STAFF REPORT
Agenda Item # 7.2

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Fiscal Year 2020-22 Proposed Budget

SUMMARY

Attached is the proposed FY20-21 RCEA annual budget. This attachment includes a detailed breakdown of the budget by key program areas. Following the May Board meeting budget presentation, staff worked with The Energy Authority (TEA) to refine forecasts for the coming year and reviewed the proposed budget with the Board Finance Subcommittee on June 10, 2020.

Some notable elements of the budget include:

REVENUES

- **Government Agencies:** Includes approximately \$632,200 in RCEA-administered CPUC funding for energy efficiency programs, as well as \$74,000 in state funding for upgrades to RCEA's EV charging station networks.
- **Non-government Agencies:** Includes approximately \$1,339,000 in CA Energy Commission grant funding passed through to RCEA 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% renewable portfolio standard (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 approximately \$6 million in facilities capital development, predominantly the construction of the Airport Microgrid, but also including \$161,000 in investments in RCEA's public EV charging network. 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. This budget line item also includes approximately \$100,000 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 incentive 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 incentive funding.
- **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. 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 proposes working with the Board Finance Subcommittee to evaluate and refine the next steps for this project.

The regulatory and market uncertainty that RCEA typically has to manage have been amplified by the COVID-19 pandemic, which creates increased 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 TEA to monitor the situation and 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.

STAFF RECOMMENDATION

Adopt proposed FY20-21 budget.

ATTACHMENTS

1. Proposed Fiscal Year 2020-21 RCEA Budget (with programmatic details)
2. Budget presentation slides.

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	COMMUNITY CHOICE ENERGY (CCE) - POWER RESOURCES			
	Core Power Resources	Airport Solar Microgrid	Redwood Coast Offshore Wind	TOTAL Power Resources
Income				
5 REVENUE EARNED				
Total 5000 · Revenue - government agencies	-	-	-	-
Total 5100 · Revenue - program related sales	-	-	-	-
Total 5400 · Revenue-nongovernment agencies	-	1,339,500	-	1,339,500
5500 · Revenue - Electricity Sales				-
5510 · Electricity Sales	42,646,500	-	-	42,646,500
5512 · NEM Rebates	(30,000)	-	-	(30,000)
5580 · Uncollectable Accounts	(853,000)	-	-	(853,000)
Total 5500 · Revenue - Electricity Sales	41,763,500	-	-	41,763,500
Total 5 REVENUE EARNED	41,763,500	1,339,500	-	43,103,000
9500 DEBT PROCEEDS	-	6,000,000	-	6,000,000
Total Income	41,763,500	7,339,500	-	49,103,000
Expense				
Total 6 WHOLESALE POWER SUPPLY	36,074,000	-	-	36,074,000
Total 7 PERSONNEL EXPENSES	694,631	40,000	35,000	769,631
Total 8.1 FACILITIES AND OPERATIONS	100,000	5,891,500	-	5,991,500
Total 8.2 COMMUNICATIONS AND OUTREACH	90,050	-	-	90,050
Total 8.3 TRAVEL AND MEETINGS	5,700	-	2,000	7,700
8.4 PROFESSIONAL & PROGRAM SRVS				
8400 · Regulatory	100,000	-	-	100,000
8410 · Contracts - Program Related Ser	250,000	-	45,000	295,000
8420 · Accounting	-	-	-	-
8430 · Legal	62,000	-	18,000	80,000
8450 · Wholesale Services - TEA	620,500	-	-	620,500
8460 · Procurement Credit - TEA	650,500	-	-	650,500
8470 · Data Management - Calpine	913,450	-	-	913,450
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,596,450	-	63,000	2,659,450
Total 8.5 PROGRAM EXPENSES	618,500	-	-	618,500
Total 8.6 INCENTIVES & REBATES	-	-	-	-
Total 9 NON OPERATING COSTS	-	-	-	-
Total Expense	40,179,331	5,931,500	100,000	46,210,831
Net Income	1,584,169	1,408,000	(100,000)	2,892,169

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	DEMAND-SIDE MANAGEMENT (DSM)			
	Core DSM Services and Programs (CCE)	PG&E Local Government Partnership Program	RCEA- Administered CPUC Efficiency Program	TOTAL DSM
Income				
5 REVENUE EARNED				
Total 5000 · Revenue - government agencies	-	-	623,217	623,217
Total 5100 · Revenue - program related sales	-	-	-	-
Total 5400 · Revenue-nongovernment agencies	-	217,100	-	217,100
5500 · Revenue - Electricity Sales				
5510 · Electricity Sales	-	-	-	-
5512 · NEM Rebates	-	-	-	-
5580 · Uncollectable Accounts	-	-	-	-
Total 5500 · Revenue - Electricity Sales	-	-	-	-
Total 5 REVENUE EARNED	-	217,100	623,217	840,317
9500 DEBT PROCEEDS	-	-	-	-
Total Income	-	217,100	623,217	840,317
Expense				
Total 6 WHOLESALE POWER SUPPLY	-	-	-	-
Total 7 PERSONNEL EXPENSES	810,333	117,842	260,959	1,189,134
Total 8.1 FACILITIES AND OPERATIONS	156,000	-	-	156,000
Total 8.2 COMMUNICATIONS AND OUTREACH	2,150	5,000	4,100	11,250
Total 8.3 TRAVEL AND MEETINGS	2,850	3,200	2,800	8,850
8.4 PROFESSIONAL & PROGRAM SRVS				
8400 · Regulatory	10,000	-	10,000	20,000
8410 · Contracts - Program Related Ser	30,000	12,000	35,000	77,000
8420 · Accounting	-	-	-	-
8430 · Legal	10,000	-	-	10,000
8450 · Wholesale Services - TEA	-	-	-	-
8460 · Procurement Credit - TEA	-	-	-	-
8470 · Data Management - Calpine	-	-	-	-
Total 8.4 PROFESSIONAL & PROGRAM SRVS	50,000	12,000	45,000	107,000
Total 8.5 PROGRAM EXPENSES	1,200	500	1,000	2,700
Total 8.6 INCENTIVES & REBATES	306,000	-	136,000	442,000
Total 9 NON OPERATING COSTS	-	-	-	-
Total Expense	1,328,533	138,542	449,859	1,916,934
Net Income	(1,328,533)	78,558	173,358	(1,076,617)

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	TRANSPORTATION		
	Electric Transportation General (CCE)	Public EV Charging Network	TOTAL Transportation
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	-	74,000	74,000
Total 5100 · Revenue - program related sales	-	9,000	9,000
Total 5400 · Revenue-nongovernment agencies	-	-	-
5500 · Revenue - Electricity Sales			
5510 · Electricity Sales	-	-	-
5512 · NEM Rebates	-	-	-
5580 · Uncollectable Accounts	-	-	-
Total 5500 · Revenue - Electricity Sales	-	-	-
Total 5 REVENUE EARNED	-	83,000	83,000
9500 DEBT PROCEEDS	-	-	-
Total Income	-	83,000	83,000
Expense			
Total 6 WHOLESALE POWER SUPPLY	-	-	-
Total 7 PERSONNEL EXPENSES	186,944	-	186,944
Total 8.1 FACILITIES AND OPERATIONS	-	161,000	161,000
Total 8.2 COMMUNICATIONS AND OUTREACH	2,500	-	2,500
Total 8.3 TRAVEL AND MEETINGS	500	-	500
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	-	-	-
8410 · Contracts - Program Related Ser	2,000	-	2,000
8420 · Accounting	-	-	-
8430 · Legal	-	-	-
8450 · Wholesale Services - TEA	-	-	-
8460 · Procurement Credit - TEA	-	-	-
8470 · Data Management - Calpine	-	-	-
Total 8.4 PROFESSIONAL & PROGRAM SRVS	2,000	-	2,000
Total 8.5 PROGRAM EXPENSES	6,350	-	6,350
Total 8.6 INCENTIVES & REBATES	159,000	-	159,000
Total 9 NON OPERATING COSTS	-	-	-
Total Expense	357,294	161,000	518,294
Net Income	(357,294)	(78,000)	(435,294)

Proposed Redwood Coast Energy Authority Fiscal Year 2020-2021 Budget

6-19-20

Account	STRATEGIC PLANNING	GENERAL & ADMINISTRATIVE	PROPOSED FISCAL YEAR 2020-2021 BUDGET
Income			
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	40,100	-	737,317
Total 5100 · Revenue - program related sales	-	-	9,000
Total 5400 · Revenue-nongovernment agencies	-	-	1,556,600
5500 · Revenue - Electricity Sales			-
5510 · Electricity Sales	-	-	42,646,500
5512 · NEM Rebates	-	-	(30,000)
5580 · Uncollectable Accounts	-	-	(853,000)
Total 5500 · Revenue - Electricity Sales	-	-	41,763,500
Total 5 REVENUE EARNED	40,100	-	44,066,417
9500 DEBT PROCEEDS	-	-	6,000,000
Total Income	40,100	-	50,066,417
Expense			
Total 6 WHOLESALE POWER SUPPLY	-	-	36,074,000
Total 7 PERSONNEL EXPENSES	51,187	641,748	2,838,644
Total 8.1 FACILITIES AND OPERATIONS	-	297,984	6,606,484
Total 8.2 COMMUNICATIONS AND OUTREACH	-	10,200	114,000
Total 8.3 TRAVEL AND MEETINGS	-	1,400	18,450
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	-	-	120,000
8410 · Contracts - Program Related Ser	32,000	-	406,000
8420 · Accounting	-	75,000	75,000
8430 · Legal	-	35,000	125,000
8450 · Wholesale Services - TEA	-	-	620,500
8460 · Procurement Credit - TEA	-	-	650,500
8470 · Data Management - Calpine	-	-	913,450
Total 8.4 PROFESSIONAL & PROGRAM SRVS	32,000	110,000	2,910,450
Total 8.5 PROGRAM EXPENSES	-	-	627,550
Total 8.6 INCENTIVES & REBATES	-	-	601,000
Total 9 NON OPERATING COSTS	-	35,500	35,500
Total Expense	83,187	1,096,832	49,826,078
Net Income	(43,087)	(1,096,832)	240,339

Fiscal Year 2020-21 Proposed Budget

Key Factors Affecting the Budget

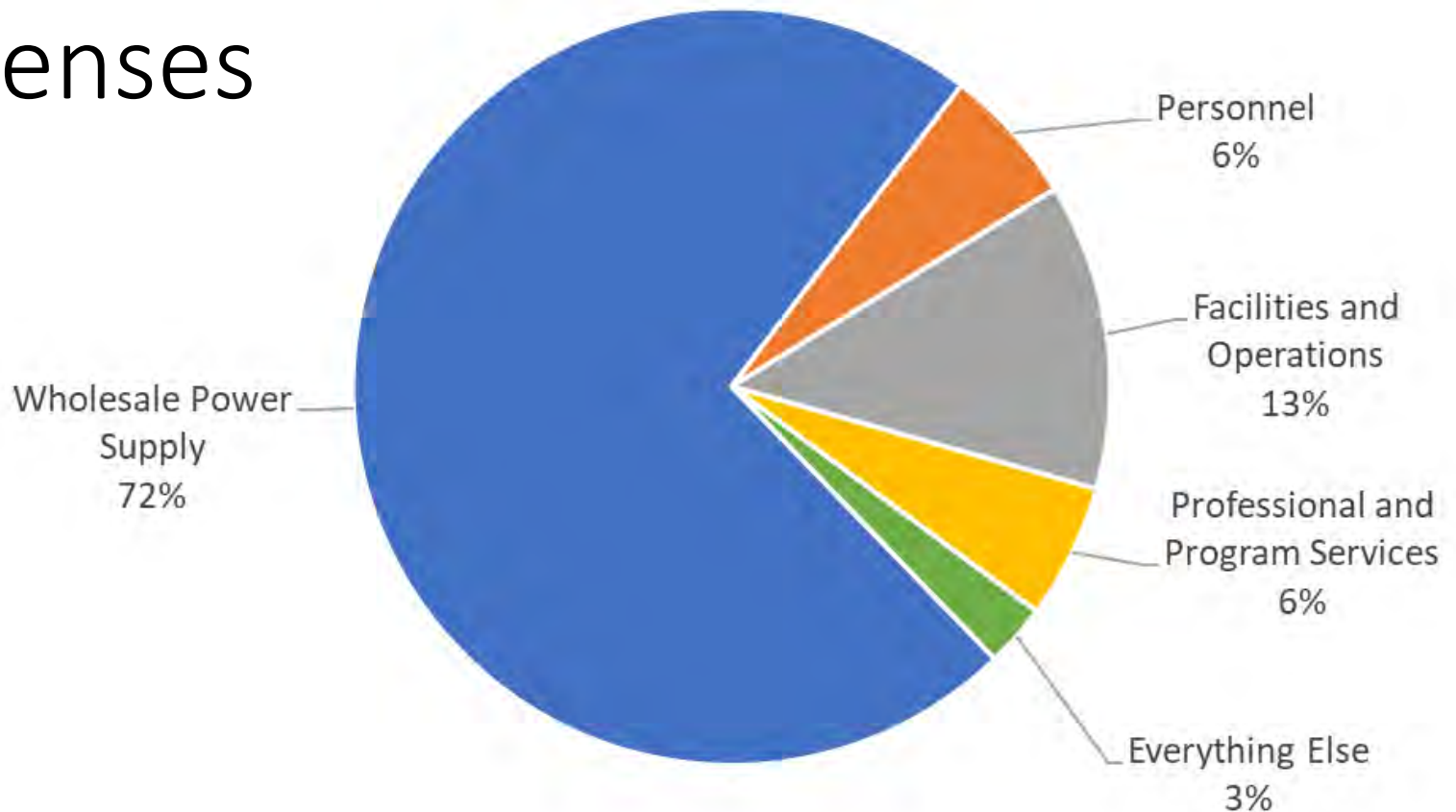
- Main budget driver is the community choice energy program -- electricity sales revenue and wholesale power supply costs
- COVID-19, impacts expected to include:
 - Reduced customer loads
 - Customer bill payment delays, non-payment
 - Wholesale power prices
 - *Energy efficiency customer programs*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

Revenue



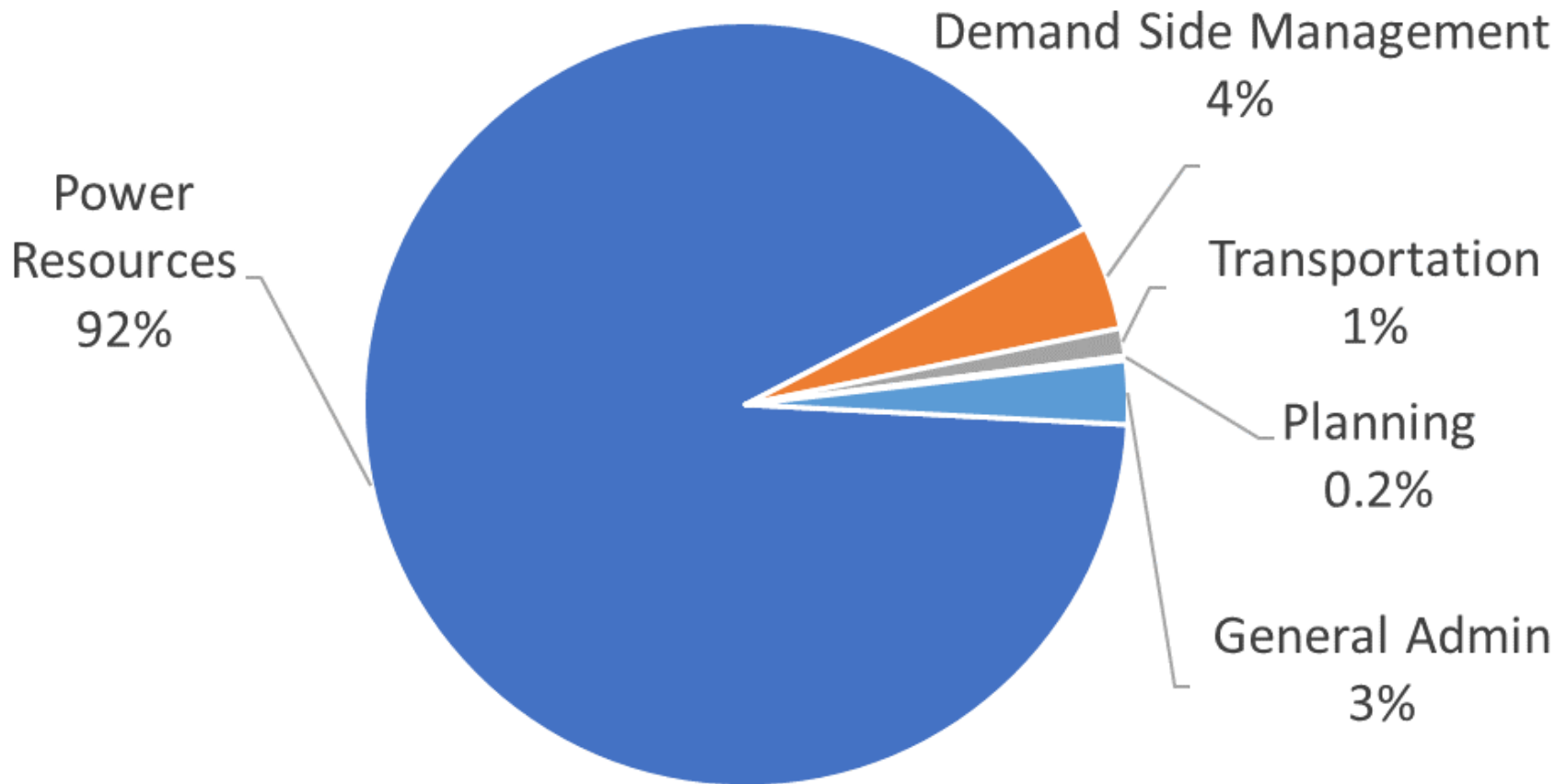
- **Gov agencies:** RCEA-administered efficiency program funding, State EV-charging station upgrade funding
- **Non-gov:** HSU sponsored program Foundation pass-through microgrid grant funding, PG&E efficiency contract
- Additional other income not included above: \$6million in microgrid USDA loan financing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

Expenses

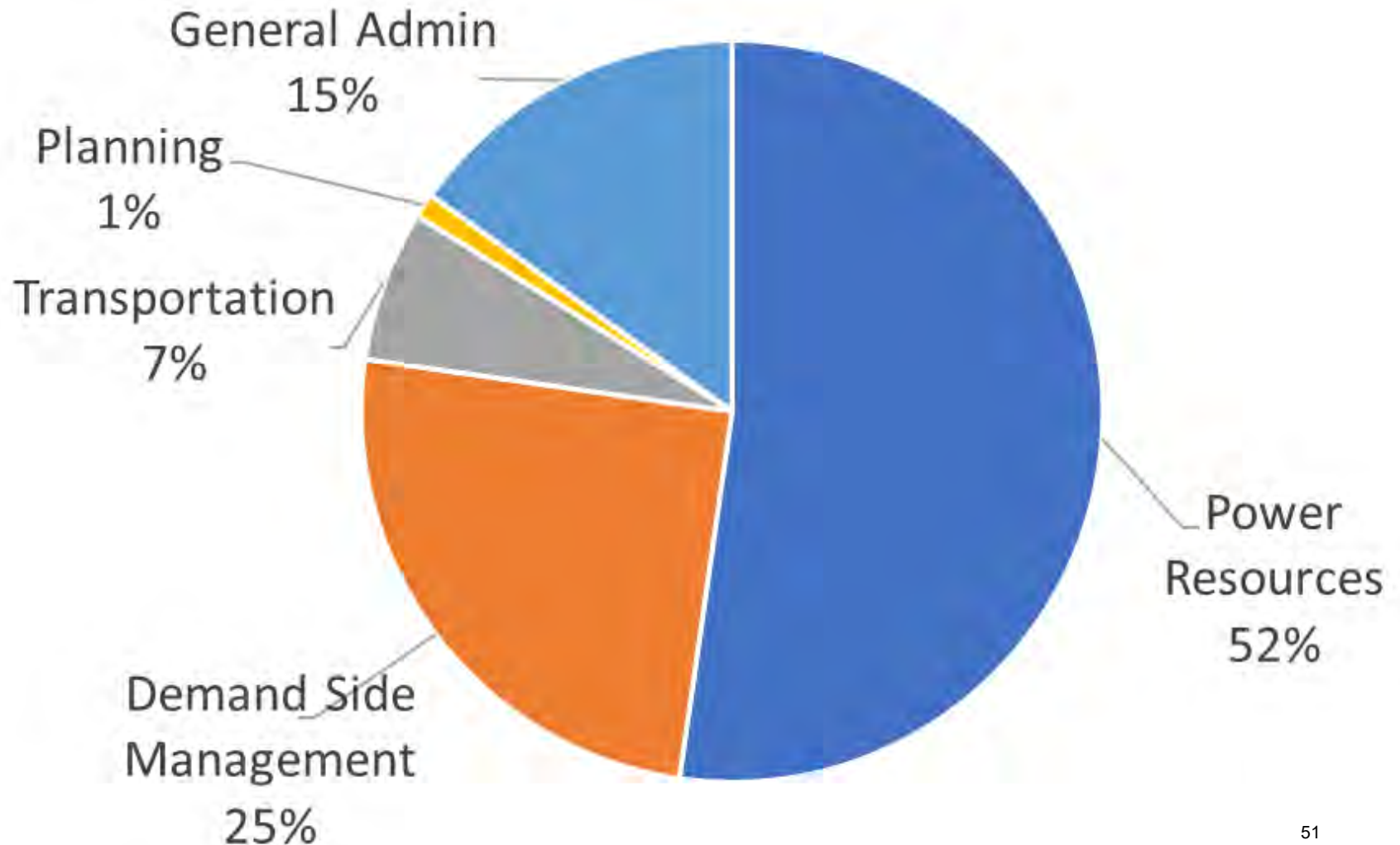


- **Facilities and Operations:** includes capital facility development -- microgrid construction and EV charging station investments
- **Wholesale Power:** includes 2020 cost-saving measures, assumes return to regular power portfolio content objectives in 2021
- **“Everything else” includes:** communications/outreach,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

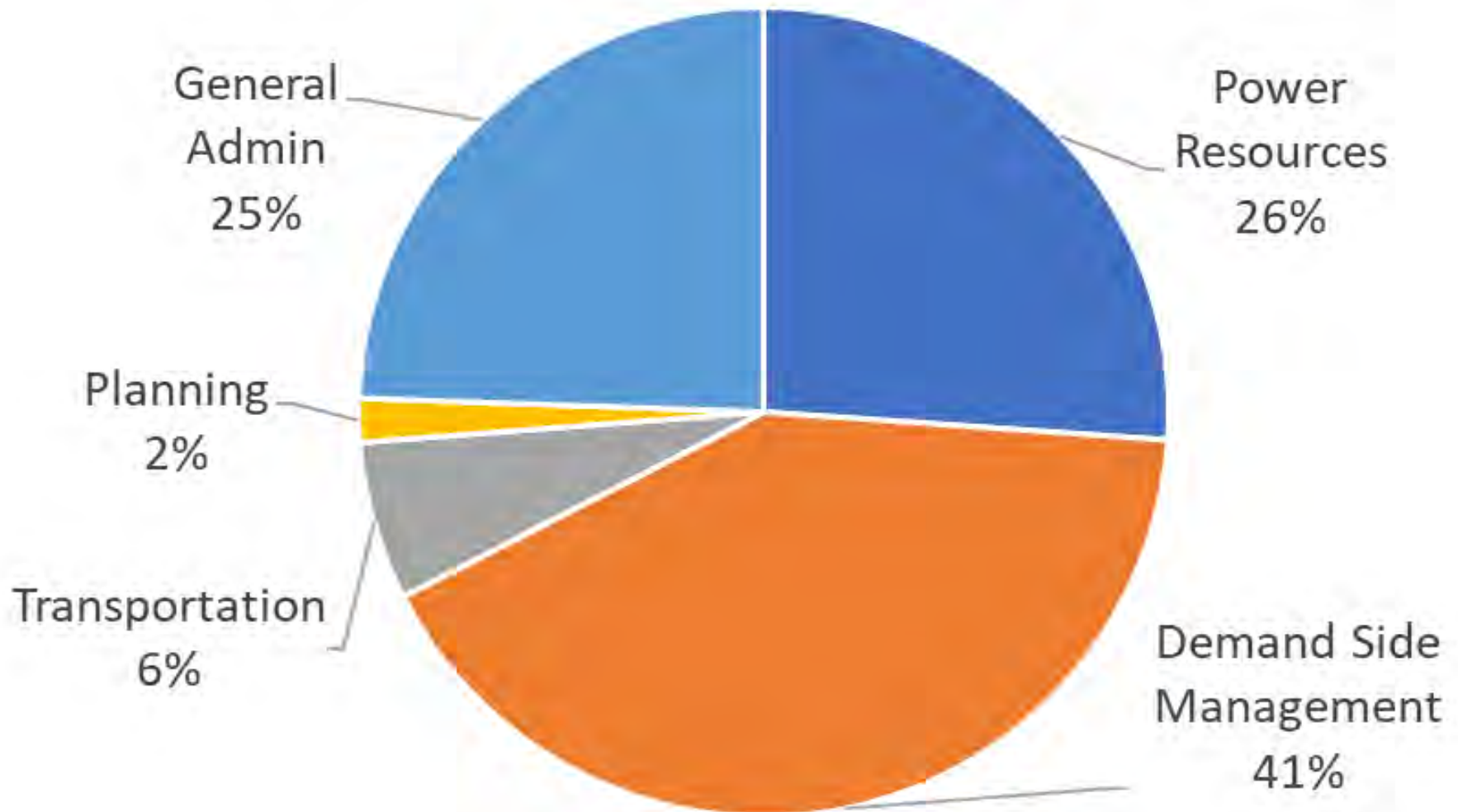
Expenses by Program Area



Expenses by Program, not including power supply



Personnel Budget by Program



Power Resources Projects

Airport Microgrid

- \$1.3 million in FY20-21 grant funding
- \$6 million USDA loan funding -- about \$1.4million in project costs incurred in FY19-20 that will be rolled into the loan

Offshore wind

- \$100K budgeted; timeline of activity dependent on BOEM and currently uncertain

Small, run-of-river hydro power assessment

- \$200K budgeted (consulting services); this is a unaddressed item in the Board's CCE-Program Guidelines

Customer Programs

- Demand side management – evolving focus to more integrated services, including distributed generation (historically focused almost exclusively on efficiency)
- Efficiency still strongly support by new CPUC funding and PG&E contract
- Transportation electrification remains small but important program area

Proposed CCE-funded Incentive Programs

Mobile Home Solar	50,000
Public Agency Technical Assist.	55,000
Heat Pumps	50,000
Grocery Refrigeration	16,000
Green Your Grow	35,000
EV Charging	74,000

Roll forward from FY19-20	280,000
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Residential kits	50,000
Heat pumps	50,000
EV charging/E-bikes	85,000

Addition to FY19-20 roll-forward	185,000
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Total FY20-21	465,000
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Energy market and COVID-19 impacts

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 assumptions
- Flexibility of some 2021 power procurement decisions provides ability to adapt to changing circumstances

Reserves Targets

- As of April reserves at ~\$9.9 million

Board-adopted targets for 2022:

- \$10 million minimum; \$35 million if feasible



Office Building Project (not incorporated into budget)

- Potential site current list price \$995,000
- @ ~\$1.5million total purchase/remodel cost:
annual expense = to current lease
- High estimate \$5.1 million (\$150/sq ft remodel of entire building including basement) and no tenants for extra ~16,000 sq ft: about \$200,000/yr above current lease
- Staff proposes working with Board Finance Subcommittee to evaluate and refine next steps

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REDWOOD COAST **Energy**Authority

STAFF REPORT **Agenda Item # 8.1**

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Resolution on Racial Justice

SUMMARY

In light of the recent national and global discussion on racial justice, staff recommends that the Board issue a resolution to commit to racial justice.

FINANCIAL IMPACT

None.

STAFF RECOMMENDATION

Adopt Resolution 2020-3 Adopting a Commitment to Racial Justice

ATTACHMENTS:

1. A Resolution of the Board of Directors of the Redwood Coast Energy Authority Adopting a Commitment to Racial Justice

RESOLUTION NO. 2020-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDWOOD COAST ENERGY AUTHORITY ADOPTING A COMMITMENT TO RACIAL JUSTICE

WHEREAS, the murder of George Floyd by a Minneapolis police officer on May 25, 2020, and many other such incidents have catalyzed a national movement against police brutality, racism and white supremacy more broadly; and

WHEREAS, RCEA endeavors to end structural and institutional racism; and

WHEREAS, Humboldt County has a history of racial injustice which continues through the present day, dating back to white settlers forcefully removing Indigenous peoples from their land through government-sanctioned murder and violence and the expulsion of the entire Chinese immigrant population; and

WHEREAS, Indigenous, Black, Latinx, Asian, and other people of color have experienced discrimination throughout the history of the United States including redlining policies that have resulted in them being disproportionately affected by environmental pollutants caused by energy generation among other sources; and

WHEREAS, Indigenous, Black, Latinx, Asian, and other people of color have been subject to structural economic racism resulting in substantial disparities in household wealth as compared to white families; and

WHEREAS, RCEA is committed to supporting the economic viability of Humboldt County; and

WHEREAS, RCEA is committed to environmental justice, which is integrally linked to racial justice.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Redwood Coast Energy Authority adopts a commitment to racial justice.

BE IT FURTHER RESOLVED that RCEA staff is directed to:

1. Increase RCEA's involvement in CalCCA's Environmental Justice and Equity Committee.
2. Add equity and inclusion activities to new job descriptions, future revisions of existing job descriptions, and staff work plans.
3. Seek ways to ensure diversity and inclusion in hiring and promotion, observing the legal limitations on such practices set by state and national statutes.
4. Increase engagement with the local tribes and work directly with the tribes on a long-term plan for meaningful collaboration.
5. Explicitly address inclusion in selection, design, and implementation of RCEA's programs and projects, and in our public outreach and education materials to ensure that communities and organizations of Indigenous, Black, Latinx, Asian, and other people of color are optimally served.
6. Create a racial justice action plan to bring back to the Board of Directors for approval.

Adopted this ____ day of _____, 2020

ATTEST:

Austin Allison, RCEA Board Chair

Lori Taketa, Clerk of the Board

Date: _____

Date: _____

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution 2020-3 passed and adopted at a regular meeting of the Redwood Coast Energy Authority, County of Humboldt, State of California, held on the ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Clerk of the Board, Redwood Coast Energy Authority

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STAFF REPORT
Agenda Item # 9.1

AGENDA DATE:	June 25, 2020
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Executive Director Staff Report

SUMMARY

PG&E has prepared Humboldt Bay Generating Station to island the county during public safety shutoff events outside of Humboldt County and is installing temporary generation capacity to island the Willow Creek and Hoopa substations.

At the Board meeting the Executive Director will provide a report on PG&E's local preparations to reduce Public Safety Power Shutoff customer impacts and an update on the evaluation of options for County of Humboldt bond financing to support local energy independence and resilience.

STAFF RECOMMENDATION

N/A – Information only.

ATTACHMENTS

1. June 12, 2020, PG&E press release: "Humboldt Bay Generating Station Ready to Serve as a Direct Local Power Source During Emergencies, Reducing Impact of PSPS Events"
2. Map of Areas to Remain Energized During a PSPS Event
3. Willow Creek Substation Spec Sheet
4. Hoopa Substation Spec Sheet

Company Info

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Humboldt Bay Generating Station Ready to Serve as a Direct Local Power Source During Emergencies, Reducing Impact of PSPS Events

Plant's New Set-Up Reflects PG&E's Engagement with Humboldt County Leaders, Customers, in the Past, Local Customers Might Have Been Affected by a Nearby Public Safety Power Shutoff Even if Severe Weather Wasn't Forecast Locally

Release Date: June 12, 2020

Contact: PG&E External Communications (415) 973-5930

EUREKA, Calif. — Pacific Gas and Electric Company (PG&E) today announced the Humboldt Bay Generating Station (HBGS) can now provide power directly to customers, if needed, during emergencies, including Public Safety Power Shutoff (PSPS) events and other events outside Humboldt County that are impacting the county. This is part of the company's continuing effort to reduce impacts on its customers during a PSPS event and other wide-spread power outages.

Known as "islanding," the re-configuring of the plant will allow portions of Humboldt County to be separated from the larger grid and energized exclusively from HBGS when transmission sources that import, export and stabilize power to nearby areas are impacted. Areas that can be powered by the HBGS include 20 cities and towns such as Eureka, Arcata, McKinleyville and Fortuna as well as some tribal communities.

"This represents a significant milestone, not just in Humboldt County where customers will benefit directly, but for all of the customers in our service area who will benefit as we look for innovative solutions to reduce the impact of Public Safety Power Shutoffs," said Andy Veseey, PG&E Utility CEO and President.

Depending on the situation, as many as 67,000 customers who might have lost power when areas outside Humboldt County face extreme weather conditions, will remain energized, due to PG&E's changing of the plant's set-up. The size of the energized area is scalable to the scope of the potential PSPS event and other conditions that could be impacting the grid at the time.

A team of approximately 70 people from the company's Power Generation, Electric Operations, local Customer Care team and other departments worked over the past six months to make this happen. The most recent effort included a successful test of the system's capabilities on May 9. PG&E will continue to fine-tune the system and make additional transmission upgrades to improve functionality in the coming months.

"Our residents and businesses endured hardships during safety shutoffs even when there wasn't a wildfire threat in Humboldt County. PG&E leadership answered our calls to make sure they did everything they can to reduce impacts next time. We thank PG&E for its dedication to serving the county with safe and reliable power," said Rex Bohn, First District Supervisor for Humboldt County.

Sheriff Billy Honsal of Humboldt County agrees reliable power is needed now more than ever.

Media Contact Info

For Media Inquiries Only:
415-973-5930

Media Inquiry Form

Customer Service Questions :
1-800-743-5000

Winter Storm Kit

Company Profile (PDF, 246 KB)

Carbon Monoxide Safety (PDF, 133 KB)

Customer Safety (PDF, 221 KB)

Media Safety (PDF, 242 KB)

Storm and Outage Safety (PDF, 244 KB)

Notification of Power Outages (PDF, 242 KB)

Call 811 Before Digging (PDF, 220 KB)

About PG&E

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCOG), is one of the largest combined natural gas and electric utilities in the United States.

Company Profile

Officers

Investor Relations

Corporate Responsibility and Sustainability Report

Electric Power Mix

PG&E Currents News Site

Energy Facts

By going solar, you can offset more than a pound of CO₂ each solar kilowatt hour.

"Especially during these difficult times when we are worried about everyone's health and safety, we don't need to worry about an event outside the county impacting our power right now," Honsal said.

Vesey praised the partnership of Supervisor Bohn, Sheriff Honsal, St. Joseph's Hospital, Eureka Chief Executive Dr. Roberta Luskin-Hawk and other community leaders.

"As soon as the last PSPS event of 2019 ended, we set a goal to complete direct local powering capabilities before this next wildfire season. The team worked on air permitting, design changes, and testing activities to reach this goal. Safety was at the forefront of everyone's minds, especially during the pandemic. We thank the community for its support in helping us with this major achievement," Vesey said.

The HBGS employs 17 full-time workers in Humboldt County and contributes more than \$4 million a year in property taxes and local sales taxes to Humboldt County. Operating since 2010, the 163-megawatt power plant uses 10 reciprocating engines that run on natural gas, with diesel fuel as a backup.

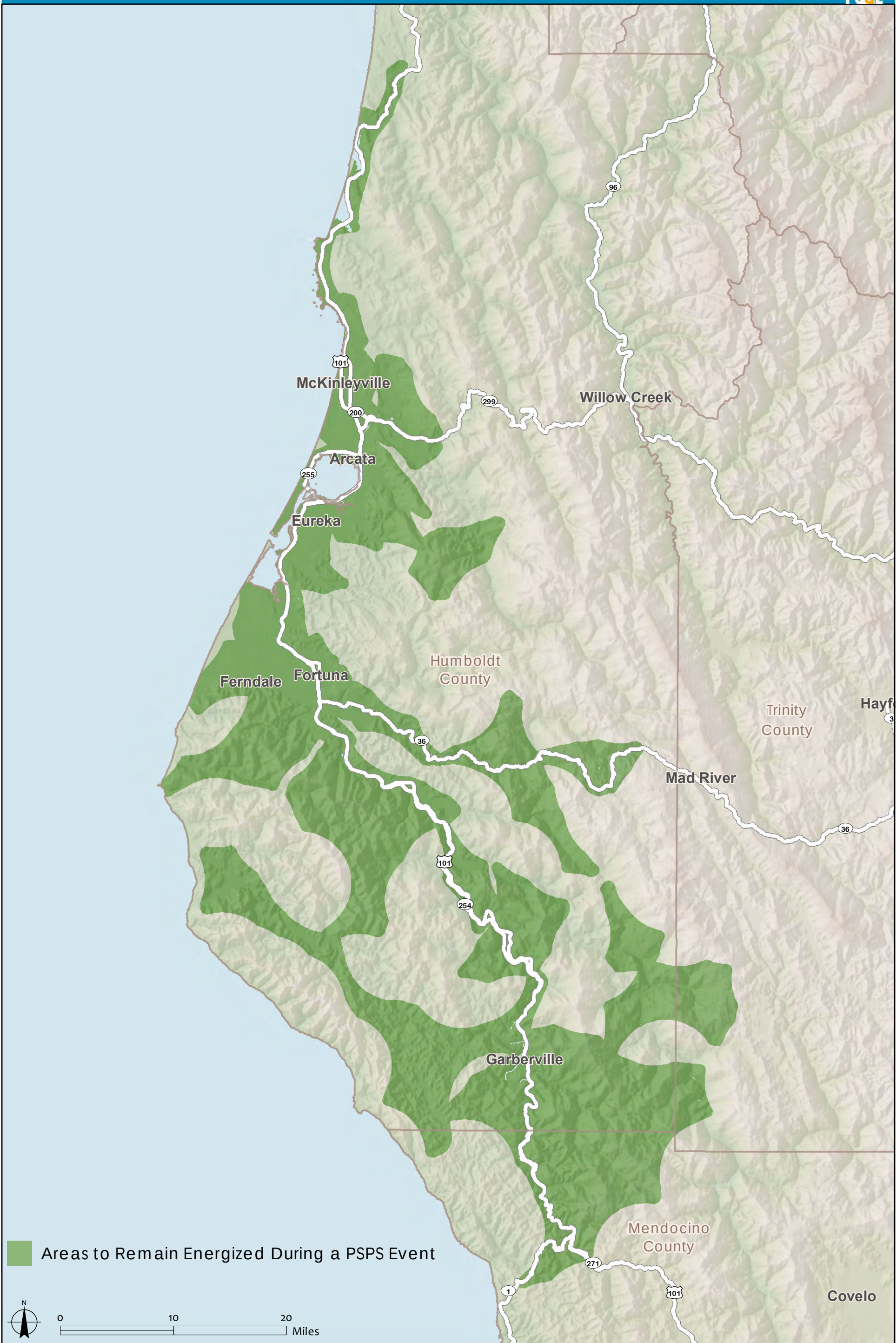
It is important for all Humboldt County customers to prepare for power outages. If there is a wildfire threat within the islanded area, PG&E could shut off the power for safety in Humboldt County. The sole purpose of a PSPS is to reduce the risk of major wildfires during severe weather. In 2020, PG&E has pledged to make any PSPS events smaller in size, shorter in duration and smarter for customers. For more information about how you can prepare for emergencies and PSPS events, visit PG&E's Safety Action Center at [safetyactioncenter.pge.com](https://www.pge.com/safetyactioncenter).

Forward-Looking Statements

This news release includes forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans and strategies of PG&E Corporation and Pacific Gas and Electric Company (the "Utility"), including but not limited to statements regarding the size of the energized area during future PSPS events. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in PG&E Corporation and the Utility's joint Annual Report on Form 10-K for the year ended December 31, 2019, and their joint Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and their subsequent reports filed with the Securities and Exchange Commission. PG&E Corporation and the Utility undertake no obligation to publicly update or revise any forward-looking

About PG&E

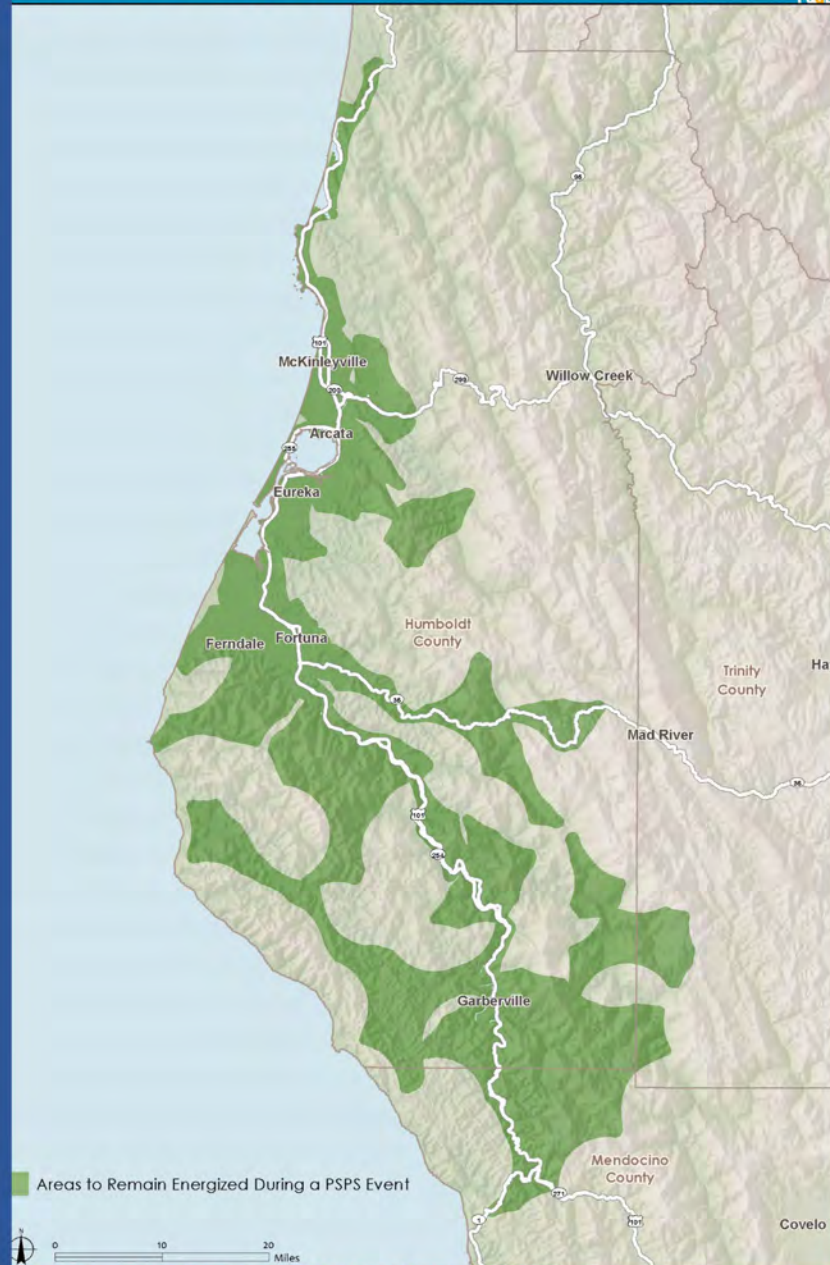
Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](https://www.pge.com) (NYSE:PCG), is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, with more than 23,000 employees, the company delivers some of the nation's cleanest energy to 16 million people in Northern and Central California. For more information, visit [pge.com](https://www.pge.com) and [pge.com/news](https://www.pge.com/news).



All information disclosed in this map is provided "as is, with all faults." PG&E expressly disclaims all warranties and conditions of any kind, express or implied, regarding the accuracy, completeness, intended use, improper use or release, or other attributes of the information disclosed in the map.

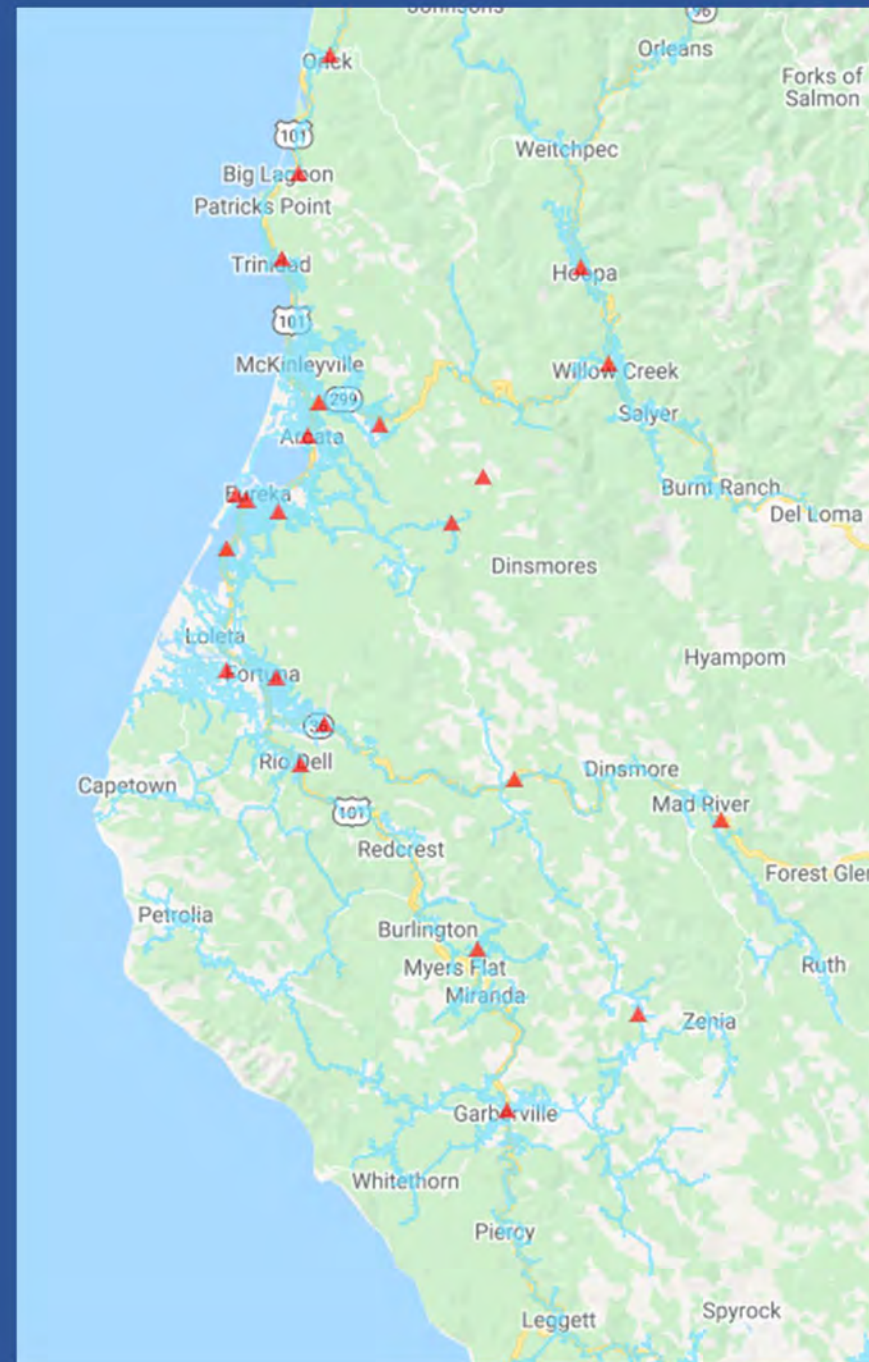
Humboldt Islanding Project

PG&E



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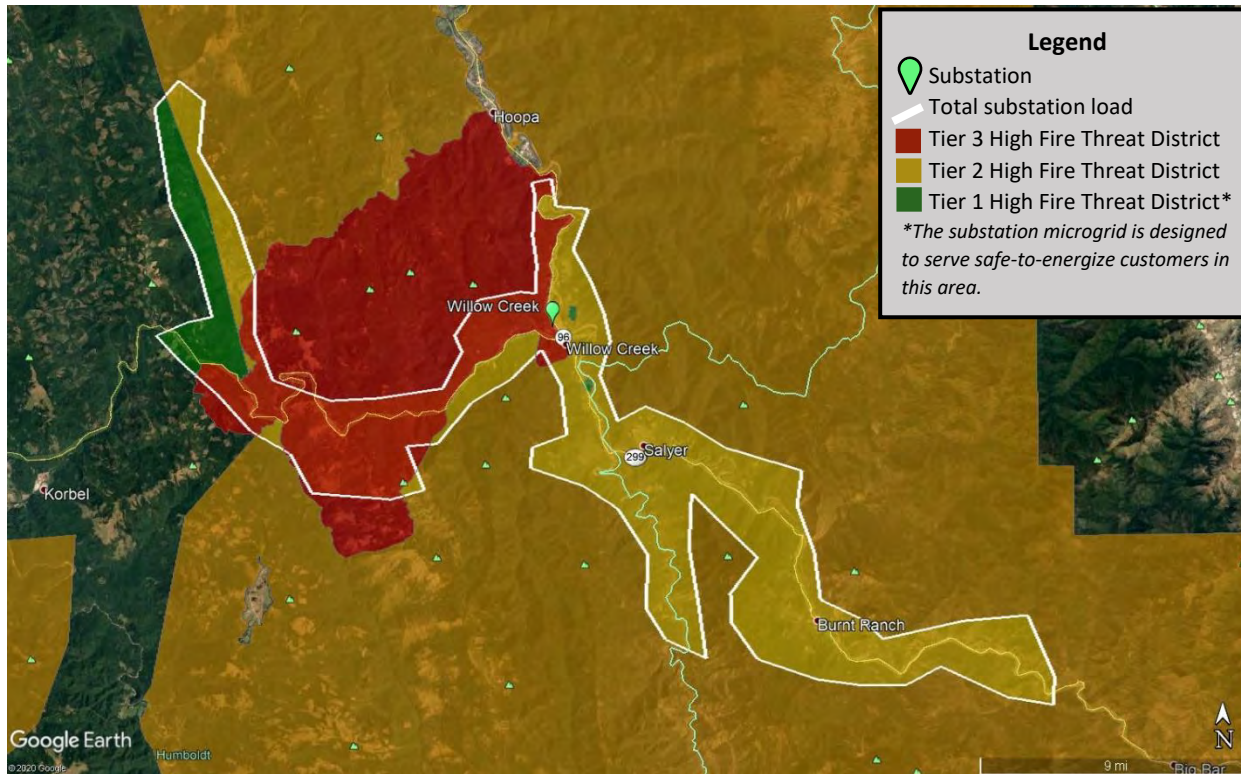


Willow Creek Substation

700 State Hwy 96, Willow Creek, CA

Substation Information:

City	Willow Creek
County	Humboldt
CCA	Redwood Coast Energy Authority
Local Air District	North Coast Unified Air Quality Management District
Preparation Type	Temporary generation will be connected at the substation and its functionality will be tested.
Target Date for Preparation Type	August 2020



Customer Experience:

During a PSPS event, customers served by the proposed Willow Creek substation microgrid would expect the following process/communications, if it is feasible to energize the substation with temporary generation:

- Standard and ongoing outage notifications and alerts related to the PSPS event.
- An alert from PG&E notifying customers of the potential usage of the Willow Creek substation microgrid.
- An outage while PG&E works to establish temporary generation to serve the microgrid.
- Temporary generators operating at the generation site.
- A second outage as PG&E works to reconnect Willow Creek to the surrounding electric grid once it is safe to re-energize lines serving the area.

Please note: At this time, PG&E is preparing the Willow Creek substation to receive temporary generation during 2020 PPS events. The ability to energize the substation microgrid with temporary generation during a PPS event will be subject to operational constraints, the specific circumstances of each PPS event, and the available supply of temporary generation.

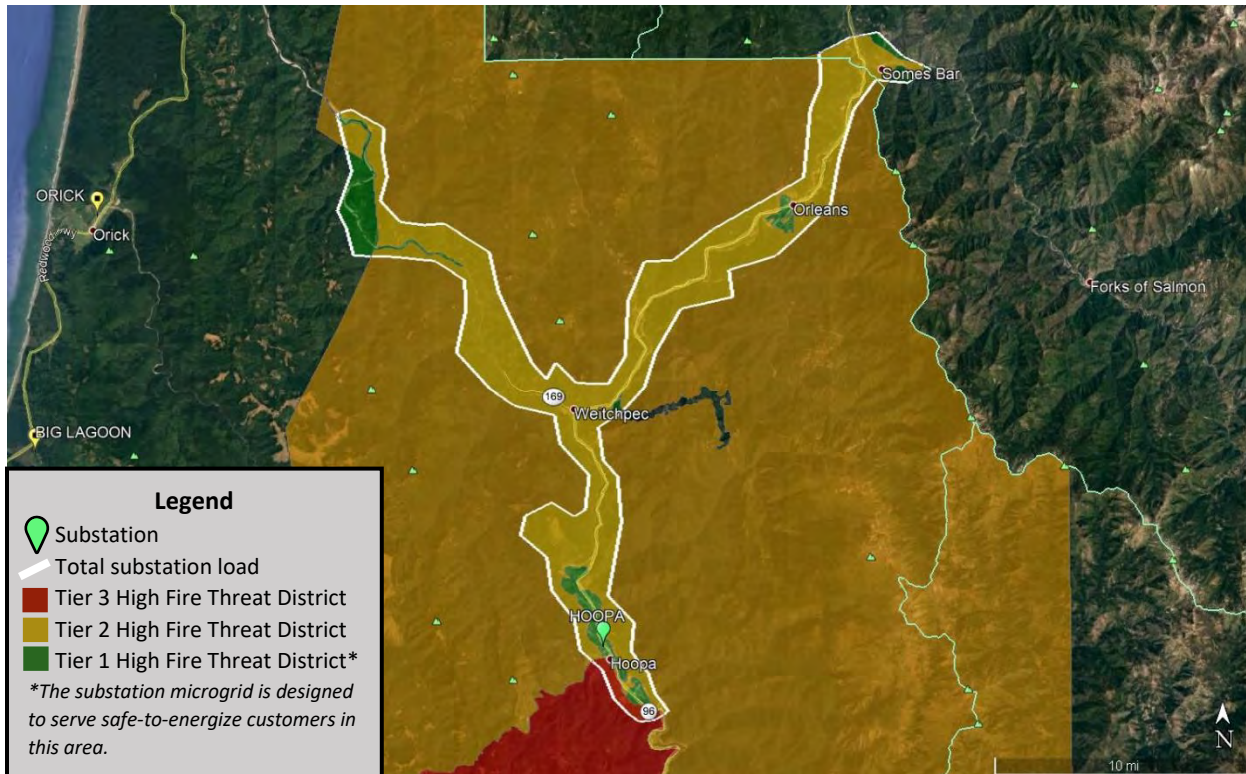


Hoopa Substation

Hwy 96 N/O Loop Rd

Substation Information:

City	Hoopa
County	Humboldt
CCA	Redwood Coast Energy Authority
Local Air District	North Coast Unified Air Quality Management District
Preparation Type	Temporary generation will be connected at the substation and its functionality will be tested.
Target Date for Preparation Type	August 2020



Customer Experience:

During a PSPS event, customers served by the proposed Hoopa substation microgrid would expect the following process/communications, if it is feasible to energize the substation with temporary generation:

- Standard and ongoing outage notifications and alerts related to the PSPS event.
- An alert from PG&E notifying customers of the potential usage of the Hoopa substation microgrid.
- An outage while PG&E works to establish temporary generation to serve the microgrid.
- Temporary generators operating at the generation site.
- A second outage as PG&E works to reconnect Hoopa to the surrounding electric grid once it is safe to re-energize lines serving the area.

Please note: At this time, PG&E is preparing the Hoopa substation to receive temporary generation during 2020 PSPS events. The ability to energize the substation microgrid with temporary generation during a PSPS event will be subject to operational constraints, the specific circumstances of each PSPS event, and the available supply of temporary generation.

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