



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING MINUTES

Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501

January 23, 2020
Thursday, 3:30 p.m.

Chair Michael Winkler called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:29 p.m. Notice of this meeting was posted on January 16, 2020. PRESENT: Vice Chair Austin Allison, Stephen Avis, Chris Curran, Estelle Fennell (arrived 3:31 p.m.), Dean Glaser, Dwight Miller, Frank Wilson, Chair Michael Winkler, Sheri Woo (arrived 3:38 p.m.). STAFF AND CONSULTANTS PRESENT: Business Planning and Finance Director Lori Biondini, RCEA General Counsel Nancy Diamond, Acting Executive Director Richard Engel, Acting Clerk of the Board Lexie Fischer, Power Resources Manager Jocelyn Gwynn, Account Services Manager Mahayla Slackerelli, and The Energy Authority Client Services Manager Jaclyn Harr.

REPORTS FROM MEMBER ENTITIES

Director Glaser spoke about household appliance damage during the recent power outages and stressed the importance of high-quality power surge protection equipment. He requested that Board meeting discussion of biomass cogeneration plant climate change impacts be broadened to include volcanic particulate emission impacts on climate change.

ORAL COMMUNICATIONS

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

CONSENT CALENDAR

- 3.1** Approve Minutes of December 21, 2019, Board Meeting.
- 3.2** Approve Disbursements Report.
- 3.3** Accept Financial Reports.
- 3.4** Approve the 2020 RCEA Board Meeting Calendar.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Miller, Glaser: Approve consent calendar items.

The motion passed with a unanimous vote. Ayes: Allison, Avis, Curran, Fennell, Glaser, Miller, Wilson, Winkler. Absent: Woo.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Winkler confirmed a quorum was present to conduct CCE business.

OLD CCE BUSINESS

5.1. Energy Risk Management Quarterly Report

Acting Director Richard Engel presented a staff report on the Energy Risk Management Quarterly Report. Director Woo arrived at 3:38 p.m.

The Energy Authority Client Services Manager Jaclyn Harr made a presentation of the energy risk management updates since the last quarterly report to the Board in October, providing an overview of RCEA net revenues over time and emerging risk factors including updates to California's Renewable Portfolio Standard (RPS) compliance requirements.

The directors discussed:

- Clarification for some of the acronyms used in the presentation
- How RCEA might strategize to hedge against our risk of failing to meet compliance requirements in the case of a drought year, considering RCEA's only long-term contract for renewable energy is with a small-hydro plant
- How RCEA's needs for renewables, and in particular renewables in long-term contracts, will rise significantly in compliance period 4 (2021-2024)
- The nuances of procuring long-term renewable energy contracts at competitive prices while all the other California Community Choice Aggregators (CCAs) have similar goals and tasks
- How the compliance requirements and specific MW values were determined by the State
- How incremental Resource Adequacy (RA) is calculated differently than other energy products
- How the reopening of Direct Access opportunities will add an element of RCEA revenue uncertainty.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Allison, Miller: Accept Energy Risk Management quarterly report.

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

5.2. CCE Program Rate Adjustment (Information only)

Manager of Account Services Mahayla Slackerelli presented a staff report detailing the recent rate adjustment, noting that the adjustment was extremely minor, but that staff decided to continue with the task of changing RCEA rates when prompted by a PG&E rate change.

Director Allison inquired whether RCEA should track and publicize how much carbon the agency is saving in its procurement practices compared to PG&E.

The directors discussed the staff time and resources needed to execute a rate change and whether RCEA should consider making some procedural changes to nullify the need for an RCEA rate change when a PG&E rate change is quite insignificant, as was experienced this month.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

5.3. Report from Public Safety Power Shutoff (PSPS) Ad Hoc Subcommittee (Information only)

Acting Executive Director Richard Engel invited Chair Winkler to give a report from the ad hoc subcommittee meeting. Chair Winkler spoke about the meeting discussion, particularly about obtaining access to PG&E staff with technical expertise and authority to answer pressing questions such as what areas the community can rely on to be energized during subsequent PSPS events.

The Directors discussed the need for more reliable communication with PG&E and the possible reasons for increased numbers of PG&E tree-trimming contractors over the last couple months, and received an update that the subcommittee is awaiting a response to the letter they sent to PG&E.

Chair Winkler invited public comment.

A member of the public stated that microgrids will help fix this larger problem.

A member of the public stated that a huge source of frustration and misinformation during the last outage was the label of “Humboldt” referring to areas outside of Humboldt County. Staff confirmed that this was communicated to PG&E and PG&E staff stated this would be clarified prior to the next PSPS season.

Member of the public Jesse Noell inquired about the impact of a resident installing a 10 kW residential solar system on RCEA’s 2021 5.4 MW resource adequacy procurement share, and whether this residential system created any reduction in demand. Director Engel described some complexities of counting distributed, behind-the-meter solar energy towards state resource adequacy requirements, including the need to aggregate small resources to a minimum grouping of 100 kW. Only 15% of solar nameplate capacity can be counted toward the state RA value requirement, which means that about 800 kW of residential solar nameplate capacity would need to be aggregated to meet the minimum 100 kW of RA.

Chair Winkler closed public comment.

NEW CCE BUSINESS

6.1. Energy Risk Management Policy

Acting Director Richard Engel presented a staff report, noting that there are two substantive changes to the policy in response to regulatory and RA market value changes. Staff proposes increases in procurement decision-making limits to address these changes.

The directors discussed the decision-making and potential public feedback impacts of removing the hedging strategy’s quantitative component, the current decision before the Board to approve which body decides different sized transactions, and RCEA’s relative transparency compared with other CCEs in disclosing market-sensitive information in individual power purchase agreements.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Allison, Miller: Adopt Resolution 2020-1 of the Redwood Coast Energy Authority adopting updates to the Energy Risk Management Policy.

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

6.2. Development of New Local Utility-Scale Renewable Energy Projects

Acting Director Richard Engel presented a staff report, detailing the current state of local energy project planning and the significant shortfall in meeting projected energy load demands. He requested Board guidance on prioritizing the agency's RePower strategic plan strategies to meet state-required renewable energy procurement goals.

The directors discussed:

- Their continued support for RCEA to pursue a mix of local on- and off-shore wind generation, in addition to solar generation
- A general request for more categories of information, such as projected generation capacity, for the different types of potential renewable generation projects, to help the directors prioritize and focus their support
- The desire for public direction on suitable areas for onshore wind development
- The possibility of updating the original RePower Humboldt renewable energy strategic plan
- How RCEA would need to issue a new Request for Proposals (RFP) in order to receive any new local renewable project proposals
- How local, small-scale energy developers can apply now to sell up to 1 MW of renewable, including solar, energy to RCEA through a feed-in tariff program. Staff clarified that RCEA policy allows multiple projects under 1 MW at one site to qualify for the feed-in tariff, but PG&E would not allow these systems to connect as separate generators.

Chair Winkler invited public comment.

Member of the public Michael McKaskle stated that the opposition to the onshore wind project was specific to issues on land, and that he wouldn't anticipate a similar type of opposition for offshore wind projects. Mr. McKaskle suggested looking at the total carbon equation and forest carbon sequestration when supporting biomass. He thanked the Board for the Public Agency Solar Program.

Member of the public Ken Miller stated that he doesn't like to hear prejudice against solar and suggested that RCEA budget for attending solar conferences, leave local solar feasibility to marketplace experts, and promote a County solarization policy. He described the Tesla rooftop solar lease program and noted that our community does not need to do all the projects ourselves. He mentioned other areas that have utilized a mixture of public and private distributed solar projects.

Member of the public Jesse Noell asked why the State puts up roadblocks for community members to combine solar systems to contribute to meeting California renewable power and resource adequacy procurement goals and why load reduction is not factored in to state requirements. He mentioned that he was at UPS yesterday and asked why there is no solar- and low-carbon transportation in their fleet and asked for some answers on these matters.

Schatz Energy Research Center Senior Managing Engineer Jim Zoellick stated that RCEA should certainly continue to support rooftop solar but noted that other utility-scale projects will move RCEA much further toward renewable energy goals and requirements. He also commented that increasing RCEA's conference attendance is not as effective in attracting developers to our area as issuing RFPs, which RCEA has already done with only one local response. He noted the complexities and timing of adding distributed solar to the grid. He stated that local floating offshore wind is not a certainty and could face many hurdles before coming to fruition. He stated the need for renewable energy diversity, that local onshore wind remains promising, and the community's need to find a viable local onshore wind project site.

Member of the public Ken Miller stated that encouraging entrepreneurs to offer diverse marketplace options to individual Humboldt residents is what he suggested, rather than the RFP method of attracting large development projects. He added that Monument Ridge development also has negative biological and cultural impacts.

Member of the public Michael McKaskle stated that Terra Gen did not want to develop Monument Ridge because they would only obtain a 4.5% return on investment there.

A member of the public described negative rooftop solar leasing experiences in Southern California.

Chair Winkler closed public comment.

The directors discussed:

- How RCEA can support development of both small- and large-scale renewable energy generation projects to meet goals
- How the Public Safety Power Shutoffs spurred interest in new residential rooftop solar and how providing landlords support for rental property solar and small solar energy producer aggregation support may be program development areas
- How RCEA may consider prioritizing staff time in the future specifically towards vehicle-to-grid and solar-plus-storage initiatives.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

Airport Microgrid Critical Facility Islanding Project Update (Information only)

Schatz Energy Research Center Senior Managing Engineer Jim Zoellick presented a report, providing background about the Airport Microgrid Project as well as the project timeline, major milestones and details about the current status of the project.

The directors discussed the construction timeline that schedules ground-breaking in July and conclusion by the end of the calendar year. The directors also discussed the timeline for Federal Aviation Administration review and approval.

Chair Winkler invited public comment.

Upon inquiry by member of the public Deborah Dukes about the airport EV charging stations, Mr. Zoellick responded that the chargers will be level 2.

Chair Winkler closed public comment.

NEW BUSINESS

8.1 Election of Officers

Acting Director Richard Engel presented a staff report.

The directors discussed their interests and nominations for the Chair seat, and broadly discussed their support to rotate the seats annually.

M/S: Woo, Fennell: Appoint Director Allison as RCEA Board Chair for a one-year term.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

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

The directors discussed their interests and nomination for the vice chair seat.

M/S: Woo, Wilson: Appoint Director Fennell as RCEA Board Vice Chair for a one-year term.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

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

M/S: Avis, Wilson: Authorize Chair Allison and Vice Chair Fennell as signers on RCEA bank accounts.

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

8.2 Finance Subcommittee

Director Lori Biondini presented a staff report about the finance subcommittee.

The directors discussed their interests and nominations for the appointments to the subcommittee.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Allison, Fennell: Appoint Director Woo, Director Winkler, and Director Curran to the Finance Subcommittee for one-year terms ending on the first regular Board meeting of 2021.

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

8.3 Community Advisory Committee

Acting Director Richard Engel presented a staff report.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Allison, Wilson: Appoint Director Avis as Board Liaison to the Community Advisory Committee to serve through December 2020.

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

M/S: Allison, Avis: Appoint Director Winkler as alternate Board Liaison to the Community Advisory Committee to serve through December 2020.

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

CLOSED SESSION

Director Winkler invited public comment on the closed session items. There being no public comment, the directors adjourned to closed session at 6:29 p.m. to discuss the following:

11.1. Closed Session to meet with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California.

11.2. Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

The directors reconvened to open session at 7:12 p.m. Director Winkler stated there was nothing to report from closed session.

Director Winkler adjourned the meeting at 7:12 p.m.

Lexie Fischer
Acting Clerk of the Board