



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS MEETING DRAFT MINUTES

October 28, 2021 - Thursday, 3:30 p.m.

Notice of this meeting was posted on October 23, 2021. Chair Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:32 p.m., stating that the teleconference meeting was being conducted pursuant to the AB 361 Brown Act open public meeting law revisions signed into law on September 16, 2021, and Governor Newsom's State of Emergency Proclamation of March 4, 2020. Chair Woo stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Vice Chair Stephen Avis (left meeting at 5:15 p.m.), Scott Bauer, Chris Curran, David Grover, Mike Losey, Sarah Schaefer (left meeting at 5 p.m.), Frank Wilson, Mike Wilson, Chair Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Power Resources Director Richard Engel; Power Resources Manager Jocelyn Gwynn; Renewable Properties Founder and President Aaron Halimi; Executive Director Matthew Marshall; Customer Service Coordinator Summer Sanderson; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa.

1.1. Teleconference Meeting Authorization

Board Clerk Taketa reviewed the revised Brown Act meeting law virtual meeting requirements and requested the directors to approve Resolution 2021-7 to allow the Board, Community Advisory Committee and subcommittees of those bodies to meet virtually for the next 30 days.

Chair Woo invited public comment. No member of the public commented. Chair Woo closed the public comment period.

M/S: Avis, Grover: Adopt Resolution No. 2021-7 Ratifying Governor Newsom's March 4, 2020, State of Emergency Proclamation and Authorizing Remote Teleconference Meetings of RCEA's Legislative Bodies for the Period October 28, 2021, through November 27, 2021, Pursuant to Brown Act Revisions.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

REPORTS FROM MEMBER ENTITIES

Director Mike Wilson reported that other counties have contacted him asking about how to engage in offshore wind development and that Humboldt County is far ahead in this area because a Community Choice Energy program was established here. Director Wilson predicted that a West Coast county coalition on offshore wind will be formed.

Chair Woo reported that Ruth Lake is full and that both generators are operating.

ORAL COMMUNICATIONS

There were no comments from the public on non-agenda items. Chair Woo closed the public comment period.

CONSENT CALENDAR

- 4.1** Approve Minutes of September 23, 2021, Board Meeting.
- 4.2** Approve Disbursements Report.
- 4.3** Accept Financial Reports.
- 4.4** Approve CA Energy Commission Grant Agreement ARV-21-035 for \$200,000 for Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure Blueprint Development and Authorize the Executive Director to Execute the Amendment and All Associated Documents.

No director nor member of the public requested items be removed from the consent calendar.

M/S: M. Wilson, Grover: Approve all consent calendar items.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Chair Woo confirmed there was a quorum to conduct CCE business.

OLD CCE BUSINESS

6.1 Proposal for Non-Standard Rate Agreement with Nordic Aquafarms

Chair Woo recused herself due to a conflict of interest at 3:42 p.m. Her employer, SHN, has a contract with Nordic Aquafarms. Vice Chair Avis facilitated this discussion.

Power Resources Director Engel reported that Nordic Aquafarms expressed interest in negotiating a non-standard electricity rate with RCEA's CCE program. When fully built, Nordic Aquafarms would be the largest electricity user in Humboldt County with a 22 MW average full load starting around 2030, and smaller loads during construction phases prior to that date. Nordic Aquafarms' electrical usage would be well within historic industrial electrical usage levels on the Samoa Peninsula, which decreased starting around 2000. Nordic Aquafarms has also received permission to purchase direct access electricity, which is usually procured from sources only minimally meeting California renewable energy standards.

As a condition of approving non-standard rate negotiation, the Board had reserved the right to form ad hoc subcommittees to monitor and provide input on negotiation frameworks and progress. The Board delegated contract execution authority to the Executive Director. Staff time and contract development costs were discussed, as was the scale of Nordic Aquafarms' electricity use in the context of future offshore wind power generation, and the company's commitment to RCEA's green energy goals. The directors agreed that an ad hoc committee should be formed due to the potential contract's novelty and size.

Vice-Chair Avis invited public comment.

Member of the public George Baker, who is working with Nordic Aquafarms and RCEA on the non-standard rate, stated that Nordic's permit filings demonstrate a commitment to meeting RCEA's renewable and non-carbon electricity goals, whether with RCEA or with other power providers.

Marianne Naess, Executive Vice President Commercial of Nordic Aquafarms, stated her company's commitment to RCEA's non-carbon, renewable standards regardless of electricity provider. Water to water cooling plans are included in Phase II of the project to reduce energy consumption. The company's goal is to be able to procure clean energy by the time the facility's large energy usage begins. The goal of bringing salmon aquafarms to the U.S. was to eliminate air freight to reach American consumers.

Humboldt Baykeeper Director Jennifer Kalt reported that a consortium of environmental groups submitted comments on the mitigated negative declaration strongly suggesting an agreement with RCEA rather than PG&E for energy procurement because of RCEA's renewable energy standards. Ms. Kalt encouraged formation of an ad hoc committee.

Vice Chair Avis closed the public comment period and thanked Nordic Aquafarms for their support of RCEA goals.

M/S: M. Wilson, Grover: Establish an ad hoc committee with members Curran and Losey to monitor and provide input on staff negotiations with Nordic Aquafarms on a non-standard electric generation rate for the company's proposed aquaculture facility.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None. Recused: Woo.

Chair Woo returned to the meeting at 4:13 p.m.

NEW CCE BUSINESS

7.1. California Community Power Procurement Update

Power Resources Director Engel reported on the Long-Duration Energy Storage request for offers (RFO) in which RCEA is currently participating through the California Community Power (CC Power) joint powers agency. The RFO seeks to jointly procure 500 MW of energy storage which can discharge over a period of 8 hours and be online by 2026. This storage promotes grid reliability as renewable source generation from solar and wind fluctuates. A total of 51 offers have been evaluated by seven participating CC Power members. While a diversity of storage technologies was represented in the respondents, lithium-ion batteries, the current industry storage standard, were at an advantage due to proven reliability. To diversify technologies and potential benefits, the participating CC Power members established a category for non-lithium-ion battery technology for separate consideration.

LS Power's Kern County Tumbleweed long-duration storage project emerged as the current front runner in this procurement process. The project is scheduled to be operational by 2024. RCEA will procure the smallest share of the total CC Power procurement. RCEA's share may

increase by up to 25% of its current share should a participating Community Choice Aggregator (CCA) become unable to participate in the procurement. The CC Power JPA is expected to approve the Tumbleweed agreement by December 8. Participating CCA boards must approve participation agreements between December 2021 and March 2022.

CC Power is also preparing another RFO solicitation for a Firm Clean Energy Resources CPUC-mandated procurement. These resources must be renewable or have zero-emissions, or both and run at full output 80 percent of the time, which wind and solar cannot do. New geothermal or biomass projects are likely respondents for this solicitation. Staff seeks authorization to participate in this joint procurement due to the expense of developing new energy projects or adding new capacity to an existing resource. RCEA's share of the procurement would be for 3.5 MW. Procuring electricity from the existing DG Fairhaven biomass plant would not satisfy this compliance requirement.

The directors discussed the upstream environmental costs of lithium mining in Nevada and on the Pacific Ocean floor, and consequences of growing electricity demand occurring simultaneously with decreased fossil fuel use. A director commented on how climate solutions are not consequence-free panaceas to the problem of growing electricity demand. Large-scale seawater battery technology was mentioned as a potential solution for the area.

Chair Woo invited public comment. No member of the public commented. Chair Woo closed the public comment period.

M/S: M. Wilson, Bauer: Authorize staff to continue to participate in negotiations for procurement of long-duration energy storage from LS Power's Tumbleweed project, with a goal of bringing the Board a Project Participation Share Agreement for approval subsequent to approval of an Energy Storage Services Agreement by the California Community Power Board.

Approve RCEA participation in California Community Power's solicitation for firm clean resources.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson. Noes: None. Absent: None. Abstain: None. Non-Voting: Woo.

OLD BUSINESS

8.1 Hatchery Road Project Delay and Re-Application

Power Resources Manager Gwynn reported that Blue Lake Hatchery Road solar feed-in tariff projects that were originally scheduled to come online in December 2021 and April 2022 are now scheduled to come online in April 2023 due to PG&E interconnection delays. PG&E determined that a new control building must be constructed, and underground cable laid to connect to PG&E's distribution system. These infrastructure upgrade costs increased the project's interconnection costs. With RCEA's FIT program's pricing adjusting mechanism, the price per MWh that RCEA will pay increases when there are few proposals. The Hatchery Road projects' developer, Renewable Properties, proposes terminating two lower-priced power purchase agreements and reapplying to take advantage of the FIT program's higher current price to maintain project viability. While RCEA would pay \$550,000 more over the 20-

year terms, the agency's goals include local renewable power development. Renewable Properties would not have exclusive rights to the increased grid capacity and RCEA customers would not own the infrastructure. The upgrade would enable more local, renewable resources to be brought online within approximately five miles of the Blue Lake substation.

Renewable Properties Founder and President Aaron Halimi stated this was the first time in many years of U.S. solar project development where he had seen a utility mis-scope interconnection upgrades to the point that costs would render the project unfeasible. Mr. Halimi thanked staff for their support of contract termination and reapplication, and stated there was time to explore interconnection line undergrounding with PG&E.

Chair Woo invited public comment. No member of the public came forward to speak. Chair Woo closed the public comment period.

M/S: M. Wilson, Avis: Approve the Revised Power Purchase Agreements for Hatchery Road C & D with RPCA Solar 5 LLC and authorize the Executive Director to execute the agreements.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Grover, Losey, Schaefer, F. Wilson, M. Wilson, Woo. Noes: None. Absent: None. Abstain: None.

Director Schaefer left the meeting at 5 p.m. and Vice Chair Avis left at 5:15 p.m.

NEW BUSINESS

9.1 Consideration of Potential New RCEA JPA Members

Executive Director Marshall reported that representatives from Del Norte and Trinity Counties have inquired about joining RCEA as joint power agreement (JPA) signers. Mr. Marshall wished to ascertain the Board's openness to additional membership before exploring the matter further. The JPA allows adjacent neighboring counties and government agencies within those counties to join the JPA by majority vote of the existing Board. Director Mike Wilson received an inquiry from a Del Norte County Supervisor about RCEA membership as a means to engage in offshore wind development as the county currently lacks capacity to do this. CCE and non-CCE membership options were described. If joining the CCE, Del Norte County and Crescent City's weighted vote would be in the middle-range of the current member jurisdiction. Trinity County's weighted vote would be similar to that of Blue Lake or Rio Dell.

The directors discussed the positive and negative aspects of expanded membership. Concerns expressed included unwieldy boards and service areas, potential changes to RCEA's mission, and added power charge indifference adjustment (exit fee) volatility from Del Norte customers leaving Pacific Power for RCEA. Potential benefits discussed included further spread of RCEA's mission and message, procurement savings from the unused Trinity River hydropower allocation, and a good ally in Del Norte County, whose offshore wind resource could be considered for development after the Humboldt lease area.

The Board provided direction that they would not want to have RCEA expand its membership and expend significant time and resources outside of Humboldt County unless there were

tangible benefits to RCEA's current customers and goals. Taking that into consideration, the Board agreed that Executive Director Marshall and Director Mike Wilson should speak with the Del Norte representative once more while expressing the Board's hesitancy to invite additional membership. There was some support for discussion with Trinity County.

No member of the public responded to Chair Woo's invitation to speak. Chair Woo closed the public comment period.

STAFF REPORTS

10.1. Report from Executive Director (Information only)

Executive Director Marshall stated there was nothing to report on offshore wind. Staff compiled [a report on agency work this month](#) which can be shared with the public, staff and Board members of their respective jurisdictions and which can be found on the RCEA Board webpage. Arcata Police Department Business Manager Eileen Verbeck will begin work as RCEA's Deputy Executive Director in November and will be introduced to the Board at next month's meeting.

No member of the public responded to Chair Woo's invitation for comment.

FUTURE AGENDA ITEMS

There were no requests for future agenda items from the directors or the public.

CLOSED SESSION

Chair Woo invited public comment on agenda item 12.1 – Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

There was no public comment on this item and the Board adjourned to closed session at 5:31p.m.

The Board reconvened in open session at 5:44 p.m.

Chair Woo stated there was nothing to report out from closed session and adjourned the meeting at 5:44 p.m.

Lori Taketa

Clerk of the Board