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 MINUTES

December 17, 2020 -Thursday, 3:30 p.m.

Notice of this meeting was posted on December 12, 2020. Vice Chair Estelle Fennell 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 Brown Act waivers included in Governor Newsom's COVID-19 State of Emergency Executive Order N-29-20 of March 17, 2020, and the Humboldt County Health Officer's March 30, 2020, Shelter-in-Place Order. Vice Chair Fennell stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Stephen Avis, Scott Bauer (arrived 3:34 p.m.), Chris Curran, Vice Chair Estelle Fennell, Sarah Schaefer, Frank Wilson, Sheri Woo. ABSENT: David Grover, Alternate Director Jeremy Stanfield. STAFF AND CONSULTANTS PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Executive Director Matthew Marshall, Account Services Manager Mahayla Slackerelli, Community Strategies Manager Nancy Stephenson, Board Clerk Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Incoming Director Sarah Schaefer of Arcata was welcomed to her first meeting.

Director Sheri Woo reported that the Humboldt Bay Municipal Water District will begin salvage logging at the top of the Mad River watershed after the recent fires and is considering the potential of zoning the bottom as a critical municipal water supply watershed.

Director Scott Bauer joined the meeting at 3:34 p.m. and was welcomed by Vice Chair Fennell.

Vice Chair Fennell announced that this would be her last meeting, thanked everyone for their efforts and stated how important this agency's work is. Vice Chair Fennell noted for the new directors that the agency was entering a challenging period.

ORAL COMMUNICATIONS

Vice Chair Fennell invited public comment. No member of the public came forward to speak or submitted public comment. Vice Chair Fennell closed the public comment period.

CONSENT CALENDAR

3.1 Approve Minutes of November 19, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Reappoint Norman Bell, Catherine Gurin, Richard Johnson, Luna Latimer and Kit Mann to the Community Advisory Committee for Two-Year Terms Ending on April 11, 2023.

3.5 Approve Amendment No. 6 to Agreement for Employment of Executive Director with Matthew Marshall.

3.6 Accept the Risk Management Team Report of the Annual Review of the Energy Risk Management Policy.

3.7 Adopt Resolution 2020-9 of the Redwood Coast Energy Authority Approving and Authorizing Loan "A8" From the United States Department of Agriculture, Rural Utilities Service (RUS) For Construction of The Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid and Authorize the Executive Director to Execute, After Final Review and Approval by RCEA General Counsel, All Associated Loan "A8" Documents.

Authorize the Executive Director to Make Minor Non-Material Revisions to the Loan "A8" Documents Prior to Executing, Subject to Approval of the General Counsel, as Necessary.

Adopt Resolution 2020-10 of the Redwood Coast Energy Authority Approving and Authorizing Collateral in Connection with Loan "A8" From the United States Department of Agriculture, Rural Utilities Service (RUS) for Construction of the Redwood Coast – Humboldt County Airport Front of the Meter Backup Energy Storage System Microgrid.

Director Woo requested that item 3.7 be removed from the consent calendar.

Vice Chair Fennell invited public comment. No member of the public came forward to speak or submitted public comment. Vice Chair Fennell closed the public comment period.

M/S: Avis, Woo: Approve all consent calendar items except item 3.7.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Fennell, Schaefer, Wilson, Woo. Noes: None. Absent: Grover, Stanfield.

REMOVED FROM CONSENT CALENDAR ITEMS

Director Woo requested information on item 3.7 due to the large loan amount and to familiarize the new Board members with the airport microgrid project. Executive Director Marshall described the USDA loan which would finance roughly half of the airport solar microgrid project. The project's large solar array and battery storage system is the first front-of-the-meter microgrid in PG&E's service area and is drawing interest from around the country and from Silicon Valley companies that are usually at the forefront of innovation. Because the system capacity exceeds the airport and Coast Guard station's demands, the microgrid can power those facilities almost indefinitely when islanded from the greater grid during power outages.

Vice Chair Fennell invited public comment. No member of the public came forward to speak or submitted public comment. Vice Chair Fennell closed the public comment period.

M/S: Woo, Avis: Approve consent calendar item 3.7.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Fennell, Schaefer, Wilson, Woo. Noes: None. Absent: Grover, Stanfield.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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

OLD CCE BUSINESS

5.1. CCE Customer Rate Setting for 2021

Account Services Manager Mahayla Slackerelli reported potential implementation timings for the rate discount decrease relative to PG&E's generation rates that the Board approved at its November 2020 meeting. Staff proposed spacing the rate change implementation to avoid billing confusion. RCEA's generation rates will remain lower than PG&E rates, however PG&E's anticipated rate decrease and simultaneous exit fee and transmission and distribution bill increases will likely result in increases to most customer bills.

The directors voiced suspicions that PG&E's generation rate decreases were aimed at eliminating CCE competition and stated that PG&E's deferment of infrastructure improvements to pay shareholder dividends resulted in disastrous wildfires followed by transmission and distribution rate increases to be borne by PG&E and CCE customers. The directors anticipated customer frustration resulting from upcoming bill changes and requested concerted, simple-to-understand outreach illustrating through graphics or video how payments to RCEA go toward the airport microgrid, offshore wind development and other projects to build local energy infrastructure and resilience, while PG&E profits are directed toward shareholders. Staff also requested support from the Board to communicate this message to residents.

Vice Chair Fennell invited public comment. Demand-Side Management Director Stephen Kullmann stated that through RCEA's CCE program, local ratepayers have helped bring energy efficiency improvements, solar energy and battery storage systems to schools, fire stations, local agencies and wastewater treatment plants. RCEA Administrative Specialist Meredith Morehead described the nature of customer calls and interactions regarding their bills. The directors commended Ms. Morehead for being an easy-to-reach, friendly, local contact for customers who want to know how to read their bills and how RCEA's Community Choice Energy program works. Community Strategies Manager Nancy Stephenson informed the Board that the North Coast Journal will publish an insert describing RCEA's local energy programs in the coming weeks. Vice Chair Fennell closed the public comment period.

M/S: Avis, Curran: Approve changing the RCEA customer electricity rates to 0.5% below PG&E generation rates, inclusive of all PG&E charges to CCA customers, to be implemented no sooner than 60 days from this meeting's agenda publication date of December 12, 2020.

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

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

7.1. Update on DG Fairhaven Biomass Power Purchase Agreement

Director Woo recused herself at 4:25 p.m. due to a remote conflict of interest. DG Fairhaven is a client of Director Woo's employer, SHN. Director Woo is a minority SHN shareholder and does not supervise any SHN employee working with DG Fairhaven.

Power Resources Director Richard Engel reported that since the agenda's publication, the DG Fairhaven biomass plant owner EWP Renewable Corporation notified RCEA that it is no longer interested in extending its power purchase agreement which ends at the end of December 2020 and no Board action is being requested at this time. The company had previously requested a contract extension to facilitate the plant's sale.

Director Engel reported that it is seeming unlikely that any future owner would use the existing plant's equipment for direction combustion biomass power production, however the facility's existing substation grid interconnection could potentially save a developer from going through a lengthy CAISO grid interconnection process. Following queries from Board directors at the November meeting, staff found that Humboldt Redwood Company (HRC) is interested in providing RCEA with some of the power for which the DG Fairhaven plant was contracted to provide. Staff will bring any proposed revisions to RCEA's power purchase agreement with HRC to the Board for consideration.

Vice Chair Fennell invited public comment. No member of the public came forward to speak or submitted public comment. Vice Chair Fennell closed the public comment period.

Director Woo returned to the meeting at 4:40 p.m.

NEW BUSINESS

8.1. California Community Power Super JPA Agreement

Power Resources Director Engel described community choice aggregator (CCA) efforts to jointly procure long-duration energy storage in anticipation of CPUC requirements to do so. Long-duration storage, defined as storage which can discharge at peak rate for at least eight hours, as opposed to current storage technology which typically lasts four hours, is a new technology which will require capitalization at a scale formerly achievable only by large investor-owned utilities. CCAs that pool resources would be able to compete to procure these mandated resources that the CPUC will be seeking to ensure grid stability when solar electricity production ends around sunset.

General Counsel Nancy Diamond described the joint powers agency structure that would allow the CCAs to pool resources to procure storage and power from large projects involving new technology such as offshore wind. The JPA operating expenses would be minimal and scaled to the participating CCA's size. RCEA's annual administrative cost payment is expected to be within Executive Director Marshall's spending authorization limit, or under $20,000. CCAs can choose whether to participate in any joint procurement and can withdraw from the JPA at any time. Liability will be limited to the JPA and will not extend to RCEA or its member agencies. All power purchase agreements will be brought to the Board for separate consideration.

Vice Chair Fennell invited public comment. No member of the public came forward to speak or submitted public comment. Vice Chair Fennell closed the public comment period.

M/S: Woo, Avis: Approve Resolution No. 2020-11, Approving the California Community Power Agency Joint Powers Agreement and Authorizing the Executive Director to Execute the Agreement.

The motion passed with a unanimous roll call vote. Ayes: Avis, Bauer, Curran, Fennell, Schaefer, Wilson, Woo. Noes: None. Absent: Grover, Stanfield.

General Counsel Nancy Diamond commended Executive Director Matthew Marshall on his selection as 2021 President of the California Community Choice Association (CalCCA) Board of Directors. Mr. Marshall thanked the Board for their leadership and good governance.

The directors thanked Vice Chair Fennell for her considerable efforts to establish RCEA's Community Choice Energy program and for her service as a Humboldt County Supervisor. Vice Chair Fennell thanked the Board and staff and wished everyone well.

There being no new information to consider in closed session Vice Chair Fennell adjourned the meeting at 5:12 p.m.

Lori Taketa
Clerk of the Board