



BOARD OF DIRECTORS MEETING MINUTES

March 25, 2021 -Thursday, 3:30 p.m.

Notice of this meeting was posted on March 22, 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 3:35 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](#). Executive Director Marshall stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Stephen Avis, Scott Bauer, Chris Curran, Dave Grover, Mike Losey, Sarah Schaefer, Frank Wilson, Mike Wilson, Sheri Woo. ABSENT: None. STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini; General Counsel Nancy Diamond; Power Resources Director Richard Engel; RCEA Consultant Michael Furniss, Community Advisory Committee Member Kit Mann, Executive Director Matthew Marshall; Community Strategies Manager Nancy Stephenson; Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Mike Wilson reported that the County is considering dig once policies requiring conduit installation for future electric vehicle infrastructure, broadband and telecommunications service expansion when digging up roads within unincorporated Humboldt County. The policy would be geared toward encouraging EV charging infrastructure in public rights of way where there may not be onsite parking.

ORAL COMMUNICATIONS

There were no comments on any non-agenda item in response to Chair Woo's call for public comments. Chair Woo closed the public comment period.

CONSENT CALENDAR

- 3.1 Approve Minutes of February 25, 2021, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Approve Professional Services Agreement with Calpine Energy Solutions LLC and Authorize the Executive Director to Execute the Agreement and All Associated Documents as Necessary, Contingent on Final Review and Approval by RCEA Legal Counsel.

Director Curran requested that item 3.4 be removed from the consent calendar. Chair Woo invited public comment. No member of the public asked to speak. Chair Woo closed the public comment period.

M/S: Grover, Avis: Approve all consent calendar items except 3.4.

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.

ITEMS REMOVED FROM CONSENT CALENDAR

Director Curran thanked staff for saving \$145,000 annually and moving the call center back to Humboldt County, adding that the community will appreciate having someone local to speak with when calling RCEA with bill questions.

M/S: Avis, Grover: Approve consent calendar item 3.4.

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.

Chair Woo stated that there was neither old nor new CCE business to conduct at this meeting.

NEW BUSINESS

8.1. Biomass Analysis

Power Resources Director Richard Engel explained that the Board authorized staff to negotiate a contract extension with Humboldt Sawmill Company (HSC) to comply with long-term procurement requirements and to attempt to obtain more favorable prices. To prepare the Board for contract consideration, staff provided an overview of biomass energy in RCEA's Community Choice Energy program, including public engagement and research efforts.

RCEA Consultant Michael Furniss described the County's remaining biomass facilities, biomass' role as a bridge solution providing baseload power until enough dispatchable non-emitting power sources, storage and grid solutions are built and online to address solar and wind intermittency, and the general decline of biomass power in the United States. Biomass is considered to be a climate solution according to state renewable classifications, is Humboldt County's only renewable local power source currently and there is a general desire not to export well-paying local power jobs out of the County.

The difficulty of establishing biomass energy's carbon neutrality was discussed and comparisons to fossil fuel's nonbiogenic carbon dioxide production were made. While biomass' substitution for fossil fuels can be beneficial, its particulate emissions' negative health impacts are problematic. The HSC plant's location in the narrow and windy Scotia/Rio Dell river canyon helps move the polluted air away from populated areas. While Scotia residents have not complained about the smoke, no good human exposure monitoring exists. HSC's biomass plant consumes over 50 truckloads of sawmill residue per day, leaving another 80 loads per day of local residue that is sent to an Anderson power plant or

otherwise disposed of. Global warming and local air pollution effects of past open burning practices were described. Humboldt County, 70% of which is forested, is California's top forest-product producer. An equivalent of 3.8 billion tons of CO₂ are stored in the county's forests. Biomass was described as a potentially appropriate energy source for this bioregion, comparable to solar in California's deserts and geothermal in Sonoma County.

Potential alternative mill residue uses were described, including compost, biochar and nano cellulose. Developing economically viable alternative uses for the county's mill waste could sequester several hundred tons of carbon per year.

Community Advisory Committee (CAC) member Kit Mann presented a report by the CAC Alternative Biomass Uses Subcommittee which was formed after hearing Humboldt State University graduating engineering students report their research results on the subject. The subcommittee determined that it is appropriate for RCEA to investigate non-power uses of biomass as RCEA is working with the County on the regional climate action plan which involves non-energy measures and finding alternative biomass uses is listed as a strategy in the agency's RePower strategic plan. Also, addressing climate change is the overarching goal of RCEA's mission. The subcommittee recommended addressing both mill waste and in-forest slash because of the need to reduce extreme wildfire hazards. The subcommittee focused on biochar and nano cellulose as options offering the best greenhouse gas reduction possibilities and the capability of handling the volume of waste generated. The group requested guidance on next steps for the subcommittee and for RCEA in the sphere of alternative biomass use.

Chair Woo invited public comment.

Member of the public Dan Chandler opposed a 10-year HSC contract, proposed meeting SB 350 requirements with out-of-county solar while waiting for offshore wind and supported developing alternative biomass uses. Mr. Chandler stated he was heartened by people's realization of the drastic and immediate changes that need to be made to avoid exceeding a 1.5 degree Centigrade temperature rise, and reiterated the need to cut emissions by 55% in the next 10 years.

Member of the public Nancy Ihara thanked the Board for their interest in alternative biomass uses, opposed the 10-year HSC contract as it would be an example of non-adaptive management and agreed with Mr. Furniss that biomass is not a permanent energy solution. Ms. Ihara supported investigating alternative biomass uses.

Member of the public Dr. Wendy Ring stated the need to prioritize clean over local energy production due to the urgent need for climate action. Alternative biomass use development will require planning and investment and Dr. Ring stated that the waste generator should bear some of the cost. RCEA needs to set a sunset date for local biomass support to incentivize HSC to begin planning. Dr. Ring asked the Board not to dismiss compost as an alternative use, citing a Lawrence Livermore National Laboratory report finding that all natural lands must be employed to draw down carbon, and access to woody mill waste is needed to create cheap compost for application at a massive scale to all agricultural land across the state.

Member of the public Martha Walden opposed a 10-year HSC contract and stated that climate goals will best be served through non-energy uses of mill waste such as composting,

biochar and other options. Ms. Walden supported RCEA studying and developing alternative biomass uses and planning to sunset biomass energy. Chair Woo closed the public comment period.

The directors discussed the following:

- There is urgency from a climate perspective to pursue demonstration biochar, nano cellulose and compost projects.
- RCEA should partner with the private sector, the forest products industry, government agencies, Humboldt State University and other CCAs on alternative biomass uses.
- The cities and county need to help garner funding to develop these alternative uses and to develop policies to use biomass products as they are being developed.
- Lumber prices are very high right now and mills will continue to produce waste.
- Trucking mill waste to out-of-area biomass plants adds carbon impacts.
- The County is considering nano cellulose's economic development potential for Samoa Peninsula.
- Wood chips and whole logs are being exported through Humboldt Bay. There is already interest in pellet and biofuel exports.
- HSC will still burn biomass for on-site electricity and use the waste heat to dry lumber.
- Other entities can purchase electricity from HSC if RCEA does not.
- Biomass' baseload power, or power that can be generated around the clock, gives the community energy resiliency. HSC energy comes with state renewable energy credits because it provides baseload power when the sun goes down and would be attractive to other offtakers because of this.
- Electrons used in Humboldt County come either from fossil fuel or local biomass.
- RCEA is already investing in developing local grid reliability and will continue to work with HBGS and HSC on resilience even if not procuring power from these entities.
- Earlier prices paid to HSC subsidized local biomass; subsequent negotiations brought prices down. Current negotiations aim to bring prices down to local market rates.
- Short- and long-term solutions are needed. Biochar, nano cellulose and composting are long-term solutions. There are no other local solutions for mill waste at present.
- The HSC contract needs to be flexible so waste can be shifted to non-combustion uses as technology and industries advance.
- Humboldt County produces 140 truckloads of waste daily. If HSC increases its daily power output to fulfill a 10-year contract with RCEA, only half of the waste material would be used. There would still be opportunity for alternative use product development and market creation as well as energy generation.

The directors supported the CAC continuing to work on alternative biomass uses, and for the Alternative Biomass Uses Subcommittee to be a step in developing a biomass technical advisory committee with representatives from many fields, which is a RePower strategic plan goal. The directors requested that the Alternative Biomass Uses Subcommittee bring a workable proposal to the Board for consideration at the April or May Board meeting.

M/S: M. Wilson, Avis: Accept Biomass Power in Humboldt County report and presentation from consultant Michael J. Furniss.

Accept Alternative Uses of Biomass Material in Humboldt County preliminary report from the Community Advisory Committee.

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

8.2 Board Meeting Duration and Frequency Adjustments

Executive Director Marshall reported on staff's recommendation to schedule special meeting study sessions quarterly or at the Board's pleasure to address topics requiring more explanation and community input and to focus regular meetings on action items.

The Board agreed on the usefulness of study sessions and the need to refine how meetings are conducted, especially as the directors change. Other suggestions included setting time limits on agenda items and moving consent calendar and perfunctory business to the end of the meeting.

The directors requested that special meetings be scheduled on days other than regular meeting days and that the directors invest time in reading staff reports to shorten in-meeting reports. The directors were reminded that the Executive Director and other staff are available to answer questions. Staff offered to provide requested information thorough white papers.

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

FUTURE AGENDA ITEMS

A report by RCEA Consultant Michael Furniss on the status of local micro hydropower was requested. A request for a report on wave energy converters will be addressed with a brief white paper to be shared with the Board.

CLOSED SESSION

Chair Woo invited public comment on closed session item 11.1. No one from the public asked to speak. Chair Woo closed the public comment period and the Board adjourned to closed session at 5:42 p.m. to discuss:

10.1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS Pursuant to Government Code § 54956.8 in re: APNs 001-104-001-000, 001-114-006-000, 003-062-027-000, 001-011-021-000, 002-062-008, 002-062-009, and 002-062-005: RCEA negotiator: Executive Director; Owner's negotiating party: Kramer Investment Corporation, Coldwell Banker Pacific Partners, the City of Eureka, and Ming Tree Realtors; Under negotiation: price and terms.

The directors reconvened in open session at 6:29 p.m. Chair Woo stated that there was nothing to report from closed session and adjourned the meeting at 6:29 p.m.

Lori Taketa
Clerk of the Board