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BOARD OF DIRECTORS MEETING MINUTES

June 25, 2020 - Thursday, 3:30 p.m.

Notice of this meeting was posted on June 19, 2020. Chair Austin Allison called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 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. Chair Allison stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Chair Austin Allison, Stephen Avis, Chris Curran, Vice Chair Estelle Fennell, Dwight Miller, Michael Winkler, Dean Glaser, Frank Wilson, Sheri Woo. STAFF AND CONSULTANTS PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Power Resources Manager Jocelyn Gwynn, Demand-Side Projects Manager Mike Avcollie, Community Strategies Manager Nancy Stephenson, Executive Director Matthew Marshall, Board Clerk Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Miller reported that the Trinidad City Council unanimously passed a resolution supporting planning for a Greater Trinidad Electricity Microgrid, a more reliable water supply and alternatives to Trinidad's broadband; that he resigned from the Trinidad City Council and that Alternate Director David Grover and staff thanked Director Miller for his long service on the RCEA Board and wished him well.

ORAL COMMUNICATIONS

Chair Allison invited public comment. Member of the public and Trinidad City Councilmember David Grover thanked Director Miller for his guidance and stated that he would do his best as a Director on the RCEA Board. Chair Allison closed the public comment period.

CONSENT CALENDAR

3.1 Approve Minutes of May 28, 2020, Board Meeting.
3.2 Approve Disbursements Report.
3.3 Accept Financial Reports.
3.4 Accept Update on Sunthurst Energy Feed-in-Tariff Application Retractions and the Resulting Program Capacity Release for New Applications.

Director Woo requested that item 3.3 be pulled from the Consent Calendar. No member of the public requested that any Consent Calendar items be removed.

M/S: Avis, Miller: Approve consent calendar items 3.1, 3.2 and 3.4.
The motion passed with a unanimous roll call vote. Ayes: Allison, Avis, Curran, Fennell, Glaser, Miller, Wilson, Winkler, Woo. Noes: None.

REMOVED FROM CONSENT CALENDAR ITEMS

Staff clarified that line 1101 on the balance sheet labeled "Other Current Assets – Allowance for Doubtful Accounts" was an amount set aside to cover uncollectible bill payments and that the annual amount was roughly doubled in the upcoming year's budget in anticipation of COVID pandemic-related non-payment. Unpaid bill amounts have increased slightly since March.

Chair Allison invited public comment. No one came forward to speak. Chair Allison closed the public comment period.

M/S: Woo, Avis: Accept Financial Reports, consent calendar item 3.3.

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Allison confirmed that a CCE quorum was present.

OLD CCE BUSINESS

5.1 Power Procurement Compliance Updates (Information only)

Power Resources Manager Jocelyn Gwynn gave an overview of three compliance filings that the Community Choice Energy department is working to complete. Manager Gwynn explained and answered questions about the Integrated Resource Plan, which is filed every two years with the California Public Utilities Commission and which reports how RCEA's CCE power procurement would help meet statewide higher and lower greenhouse gas (GHG) emission target scenarios in 2030. She explained the Renewable Portfolio Standards Procurement Plan, which outlines how RCEA would help to meet state and local procurement targets specifically for renewable power; and how the airport microgrid, the Sandrini Solar Project and the Board's recently approved feed-in-tariff projects will be listed as new build contracts in this filing. Ms. Gwynn described how the annual Power Source Disclosure is used to develop a Power Content Label that is mailed annually to customers and which will report the power sources RCEA used to meet its customer load during the previous year.

Staff clarified that the reported future energy portfolios do not include DG Fairhaven's energy output, that 2% of RCEA customers have opted-up to the CCE program's REpower+ 100% renewable energy mix, and how the agency has focused on increasing the percentage of renewables in the entire portfolio. The directors requested additional outreach to increase the percentage of CCE customers opting up to 100% renewable energy. Staff further clarified that the battery storage numbers are lower in the lower GHG emission scenario because part of the out-of-area large battery storage capacity would be replaced with local, behind-the-

meter customer and critical facility storage which is counted as demand-response and which would also contribute local energy resiliency during emergencies.
Chair Allison invited public comment.

To member of the public and alternate Trinidad Board member David Grover's inquiry on pumped, long-duration storage, staff explained that this type of energy storage usually involves multiple reservoirs where water is pumped to a higher reservoir during periods of surplus energy generation and released through a hydro-electric facility when energy is needed. This stored energy can be deployed seasonally, whereas battery storage is designed for short term storage and daily use. There are limited locations where these storage methods can be deployed.

Chair Allison closed public comment.

5.2 Distributed Energy Resource Request for Proposals Update

Power Resources Manager Jocelyn Gwynn and Demand-Side Projects Manager Mike Avcollie reported on the two pre-qualified developers who responded to the request for proposals for up to 5MW of behind-the-meter energy storage capacity which can help fulfill RCEA's state-mandated resource adequacy requirement, provide local energy resilience, reduce customer utility bills and decarbonize the grid by reducing the energy load during the evenings when more polluting resources are typically used to satisfy increased energy demand. Staff is evaluating and interviewing the two respondents: TRC, which focuses on providing mostly battery storage to larger, municipal and industrial commercial customers as well as for multi-family, affordable housing; and Swell Energy which focuses on providing no-cost solar and battery systems to lower-income and tribal residential customers. RCEA would control the batteries to offset customer load. In exchange the customer would own a low- or no-cost battery system to connect to their solar array to use as a back-up generator when the power is out.

The directors expressed interest in contracting with both companies with their different areas of focus and discussed how the impacts of battery manufacturing are preferable to the use of combustion generators during a power outage. Staff explained that battery decommissioning responsibility will be addressed during contract negotiations and that retraction of state SGIP funding is unlikely despite the current economic downturn. Staff also reported that battery storage would be considered in the next feed-in-tariff requests for proposals for local renewable energy providers.

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

M/S: Fennell, Avis: Approve the behind-the-meter distributed resource adequacy request for proposals shortlist of TRC and Swell Energy, with final selection pending further deliberation by the review team.

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

5.3 Biomass Procurement Update and Response to Unsolicited Proposal from Redwood Coast Power

Executive Director Marshall reported that while the DG Fairhaven biomass plant remains idle, the company's contract with RCEA is in effect through 2020. The plant's potential output is not included in RCEA's long-term local resource planning and RCEA expects to procure power from other sources by 2030. While the biomass plant is aging, its interconnection capacity with the electrical grid is valuable and the facility has many possible future uses. The plant's owners are negotiating with prospective buyers. Redwood Coast Power's biomass plant is on leased land and the Blue Lake City Council did not extend the lease beyond 2025.

A director requested future consideration of biochar production, which was included in Redwood Coast Power's unsolicited proposal, while another director stated that biochar production was beyond RCEA's scope of electricity purchase and sale. A request was made for more information on potential development opportunities for aging biomass plants.

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

M/S: Allison, Fennell: Direct the Executive Director to respond to David O'Neill's April 11, 2020, letter and to inform Mr. O'Neill that RCEA's Community Choice Energy program has no current plans to acquire additional biomass electricity and that the power purchase agreement between DG Fairhaven and RCEA remains in effect.

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

NEW CCE BUSINESS

6.1 Hydropower, Bioenergy, and Climate Consulting Request for Proposals

Power Resources Director Engel reported on three target areas of the Repower Humboldt 2019 strategic energy plan update to be addressed by a consulting request for proposals: hydropower, bioenergy and climate action planning. Local, low-impact hydropower opportunities have been identified that could complement solar and wind energy availability and additional consulting assistance is needed to address several biomass-related goals. Forest management and land use climate change expertise is also needed to assist in the current multi-jurisdiction climate action plan development.

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

M/S: Miller, Woo: Authorize staff to develop and issue a request for proposals for consulting services on implementation of strategic plan measures, focusing on local hydropower, bioenergy, and climate action planning.

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

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

7.1 Airport Microgrid Project Fence Installation and Tree Removal Bid Awards

Executive Director Marshall reported that while the Board approved working with the County to do a request for proposals (RFP) for airport microgrid project tree removal and fence building, early work that is needed to move the microgrid project forward, changing conditions have made it more expedient for RCEA to do the RFP as originally planned. The low bid for tree removal was below the estimated cost and local companies submitted both low bids.

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

M/S: Fennell, Miller:

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.

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

7.2 RCEA Fiscal Year 2020-2021 Budget Discussion and Possible Adoption

Executive Director Marshall reported that the Board Finance Subcommittee met to review the budget in detail and described COVID impacts to electricity sales and wholesale power costs, airport microgrid project delays, and increased focus on deploying solar, storage and a larger range of projects that can be done on the customer-side of the meter. Mr. Marshall reviewed expenses by program and key projects, and the new CPUC and PG&E contracts to administer energy efficiency program funding and provide energy technical assistance to local government partners. Mr. Marshall stated that conservative assumptions were made in budget planning due to unknown impacts of COVID and potential regulatory changes. He reminded the directors that power procurement targets and the budget can be adjusted at the end of the year if needed. Costs associated with the purchase and renovation of an office building were not included in the budget and staff proposed working with the Board Finance Subcommittee to investigate possible next steps.

The directors discussed the continuing moderate reserve fund growth rate despite volatile conditions and the potential impact of new building expenses on agency cash flow. Executive Director Marshall reported that the CCE launch period loan from The Energy Authority will be repaid by June 2021.

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

M/S: Woo, Fennell: Adopt RCEA FY 2020-2021 budget.

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

NEW BUSINESS

8.1 Resolution on Racial Justice

Executive Director Marshall presented a staff-proposed resolution supporting racial equity and suggesting actions RCEA can take to promote racial justice within the agency and in the community. The directors acknowledged the racism at the root of the current national protests and discussed what actions the agency might consider taking beyond non-biased hiring practices currently required by law. Director Glaser expressed disappointment in the proposal, refuted the existence of environmental racism in Humboldt County and stated that the resolution goes against the agency's mandate to remain neutral. Director Woo expressed interest in assisting staff on the agency's racial justice action plan.

Member of the public and alternate Board member David Grover expressed support of the resolution as an acknowledgement of wrongs currently existing in society.

Demand-Side Project Manager Derek Hilson, speaking as a member of the public, stated his support for the resolution and read action guidelines for allies of people experiencing racism.

M/S: Miller, Avis: Adopt Resolution 2020-3 Adopting a Commitment to Racial Justice.

The motion passed with the following roll call vote. Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: Glaser.

STAFF REPORTS

9.1 Update by Executive Director Matthew Marshall on Public Safety Power Shutoff developments, the County energy resiliency bond measure and other agency news.

Executive Director Marshall reported that PG&E determined which areas around Humboldt Bay could remain energized during public safety power shutoff events when there is no fire risk in Humboldt County. Maps of the areas PG&E will power with temporary diesel generators around Willow Creek and Hoopa were presented. Mr. Marshall described the opportunity to replace the temporary diesel generators with renewable resources which could be used under normal conditions as well as during PSPS events.

Director Glaser left 6:27 p.m.

The directors thanked PG&E and County Supervisor Bohn for working cooperatively to make progress toward avoiding another disruptive economic event.

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

FUTURE AGENDA ITEMS

Director Woo requested discussion on establishing an ad hoc subcommittee to assist staff with a racial equity action plan.

Executive Director Marshall acknowledged Director Miller for his long service on the Board, stating that his contributions have been larger in scale than the percentage of the County he represented.

Chair Allison adjourned the meeting at 6:38 p.m.

Lori Taketa
Clerk of the Board