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

July 23, 2020 -Thursday, 3:30 p.m.

Notice of this meeting was posted on July 17, 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 3:35 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. 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, David Grover, Michael Winkler, Sheri Woo. ABSENT: Dean Glaser, Frank Wilson. STAFF AND CONSULTANTS PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Power Resources Manager Jocelyn Gwynn, The Energy Authority Client Services Specialist Jaclyn Harr, Demand-Side Management Director Stephen Kullmann, Executive Director Matthew Marshall, Community Strategies Manager Nancy Stephenson, Board Clerk Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Grover reported that the City of Trinidad is working with RCEA to determine the viability of a local microgrid and that he is continuing Director Miller's work on this.

Director Winkler reported that the Eureka veterans and homeless housing zero net energy project that he worked on is now occupied. The City of Arcata Energy Committee is meeting again and its all-electric initiative subcommittee is moving forward.

ORAL COMMUNICATIONS

No member of the public offered any comments.

CONSENT CALENDAR

3.1 Approve Minutes of June 25, 2020, Board Meeting.
3.2 Approve Disbursements Report.
3.3 Accept Financial Reports.
3.4 Adopt Resolution 2020-4 Adopting an Amended Conflict of Interest Code and Authorize the Board Clerk to Submit the Amended Conflict of Interest Code to the Humboldt County Board of Supervisors as the Code Reviewing Body.
3.5 Approve Selection of M.J. Furniss & Associates to Provide Consulting Services to RCEA on Implementation of RePower Humboldt Strategic Plan Measures for an Amount Not to Exceed $199,674, and Authorize the Executive Director to Prepare

and Execute a Professional Services Agreement with M.J. Furniss & Associates for these Services, and All Applicable Documents.

There was no public comment or director discussion of the consent calendar.

M/S: Fennell, Grover: Approve consent calendar items.

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Allison confirmed that a CCE quorum was present.

OLD CCE BUSINESS

5.1 Energy Risk Management Quarterly Report

The Energy Authority Client Services Specialist Jaclyn Harr presented a quarterly report on factors affecting the CCE program.

The lowered weekday loads seen in March and April due to people not going to work have increased in the last three months. COVID's financial market disruptions to renewable power plant financing and impacts to supply chains are decreasing. Delayed business reopening may lead to continued lower wholesale power prices and lower RCEA loads in July.

RCEA's net revenue went up after biomass renewable energy certificates were sold in April. Customer non-payments are increasing due to COVID but are not as bad as anticipated. Non-payment will be tracked and reported to the Board in October. RCEA contracted with local economists to forecast local business sector COVID impacts.

Ms. Harr explained that every two years, load-serving entities are required by the CPUC to present integrated resource plans showing how they will meet their local load needs for the next ten years. The goals of this statewide exercise are to reduce emissions, maintain reliability and keep costs low. The ten-year planning horizon accommodates California's lengthy power plant design, permitting and construction process. Three contracts to meet plan requirements will be presented to the Board for approval in August, along with the next integrated resource plan. TEA has begun research for the 2022 integrated resource plan in preparation for meeting RCEA's internal goal of 100% renewable energy by 2025, and changes in how the CPUC will require resource adequacy (RA) to be procured. The CPUC's RA system was designed when just three investor-owned utilities did most of the procurement. The energy landscape has changed with the success of CCAs and direct access reopening. The CPUC will require that a central procurement entity procure local RA for all California load-serving entities, and the state has been divided into procurement areas based on transmission constraints. PG&E will procure RA for the northern California procurement area to which RCEA belongs. Ms. Harr described CCA concerns that their control over the cost of RA, and the incentive to build local resources, may be reduced. Executive Director Marshall explained that RCEA's incentive to build local resources will not be reduced due to the agency's energy development goals outlined in the RePower

Humboldt strategic plan. RCEA currently has excess resource adequacy, or available resources to turn on when needed, that can be used for local needs or sold to other entities. Future changes to the RA program are anticipated, and the directors requested a report on centralized procurement implementation, future changes and a suggested strategy for RCEA's portfolio resources.

It was explained that reliability should be considered in two ways: 1) statewide grid balancing, which mandated RA procurement; and 2) local reliability and resilience. The airport microgrid project provides both types of reliability because the project will operate on the utility side of the meter and also allow critical facilities to be islanded during an emergency. The behind-the-meter storage program that RCEA is developing is an innovative way to provide both grid-level reliability and local emergency response reliability.

The directors discussed flexible RA, or new resources that can go online quickly and shift the amount of power generated in response to California's daily solar power production fluctuation and evening peak demand periods. Currently natural gas power plants and storage facilities are the main source of flexible RA. As California continues to reduce emissions and retires natural gas plants, there will be an increased need for storage and battery flexible RA. TEA is tracking battery prices, which are still high, to see when battery flexible RA can be added to RCEA's portfolio as a primary RA strategy.

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

M/S: Winkler, Fennell: Accept Energy Risk Management quarterly report.

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

NEW CCE BUSINESS

6.1 Resource Adequacy (RA) and Long-Duration Storage Solicitations (Information only)

Power Resources Manager Jocelyn Gwynn updated the directors on two current solicitations: a request for proposals (RFP) for incremental resource adequacy capacity and a request for information (RFI) for long-duration energy storage.

Manager Gwynn explained RCEA's CPUC requirement to procure a total of 10.7 MW of new-build energy capacity RA between 2021 and 2023, the challenges of building new power plants by the 2021 deadline, and how RCEA is currently in negotiation for RA from two developers in partnership with Valley Clean Energy to meet the deadlines. The first, most challenging deadline will be met through an unconventional purchase of demand response aggregation, or pooled customer energy use reduction in response to reaching a certain electricity price or a shortage of electricity to meet demand. Leapfrog's demand response product is sourced from customers scattered across California. Another similar RCEA program will allow RCEA access to local behind-the-meter customer battery energy and will contribute to Humboldt County's grid reliability. This local program was originally developed to meet the resource adequacy requirement and develop local energy resiliency, but it became evident that it will not be possible to install enough storage in time to meet the 2021 requirements. Local battery storage will provide RA for RCEA's usual procurement requirement in addition to helping meet the CPUC's incremental RA requirement. Manager Gwynn explained RCEA's participation in a 13 CCA effort to gather information on long-duration storage technology which can discharge electricity at full capacity for eight hours or more. Typical current technology involves pumped hydroelectric facilities that are difficult to deploy due to environmental permitting and location constraints. The CCAs will evaluate and discuss submitted technology and RCEA may join in a multi-CCA request for offers based on the RFI results, with the goal of reducing reliance on natural gas energy during peak evening hours. Long-duration storage will become more valuable as the state requires load-serving entities to demonstrate reliability without natural gas plants.

The directors requested that RCEA educate local developers to build local capacity for long-term energy storage as well as development of heat pump use.

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

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

OLD BUSINESS

7.1 CAPE/RePower Humboldt status update Q2 (Information only)

Executive Director Matthew Marshall presented a progress report on measures identified in the 2019 update of the RePower Humboldt strategic plan, an update which will take place twice each year to ensure active plan implementation.

Mr. Marshall reported on work on transportation goals, including upgrades to RCEA's network of electric vehicle charging stations, Board-approved funding increases for the popular e-bike program and the possibility of providing an incentive to customers who install EV chargers in exchange for helping to balance the grid.

Mr. Marshall described the current status of the agency's major power resources projects, the airport microgrid and offshore wind development. The agency has an opportunity to develop additional community-scale microgrids in Hoopa and Willow Creek to replace PG&E's temporary, diesel-fueled microgrids. Staff is assisting the Humboldt Fishermen's Marketing Association in applying for a small grant to fund mitigation program development in anticipation of the potential fishing industry impacts of offshore wind and other harbor development. The Board recently increased capacity of the feed-in tariff program which, at full capacity, will create enough electricity to satisfy a sizable portion of the county's demand. The Cove small-hydro project has begun delivering energy and the Sandrini Sol project is on schedule to begin construction. The CCE program has state-mandated long-term power-procurement contracts with both companies. A recently-approved behind-the-meter storage program will add roughly 850 local customer energy storage systems that will allow continued use of solar energy during emergencies. The Board also approved a contract with a consultant who, among other RePower Humboldt implementation tasks, will investigate the feasibility of local small-hydro projects, a strategic plan goal.

Demand-Side Management Director Stephen Kullmann described past, current and future department initiatives. The Public Agency Solar Program provides solar site assessments, assistance with energy efficiency projects and battery storage for public agencies. The program has been instrumental in getting solar systems installed in schools. Other partners include the City of Trinidad, Kneeland Fire District and the Wiyot Tribe. A CCE-funded residential services program provides over-the-phone energy consultation, energy efficiency kits and referral to income-based programs. The CCE-funded LED buy-down program reduced the cost of Energy Watch incentives, making energy upgrades free for some agencies. This program ended this year along with the PG&E Energy Watch program. In the last year alone, the long-running Energy Watch partnership made direct installation of energy efficiency improvements possible for 223 local customers and created an estimated annual customer savings of $340,900. The Proposition 39 program is also nearing completion. Since its inception, the program paid out over $5 million locally to 22 education districts, funded lighting, refrigeration, and solar for schools, and provided RCEA's technical assistance, project management and assistance with securing funding. The Prop 39 program created annual savings in Humboldt County of over 3 million kWh of electricity and almost 6,000 gallons of diesel fuel through fuel-switching. Staff is developing the Citizen Sourced CCE-funded mobile home solar program's turnkey, pre-engineered and permitted "Solar-on-a-Stick" program, which may be expanded to include storage. Other CCE-funded programs under development are: the space and hot water heat pump rebate, which may also provide resource adequacy; the grocery refrigerant leak reduction program; and the Green Your Grow program. The department is now a program administrator, directly administering CPUC funds for residential and non-residential direct install programs. The program will focus on hard-to-reach customers and offer a greater variety of energy-saving measures than did the Energy Watch program. The PG&E local government partnership also began on July 1 and will provide public project management, Energy Star certification, capacity building and benchmarking assistance for government agencies. In the future, Director Kullmann envisions working more closely with the power resources team on resource adequacy and microgrid projects, providing more direct services to customers, building a comprehensive customer database to provide information to determine services that would best serve RCEA customers, and the possible formation of a CPUC-funded, statewide Rural Regional Energy Network that could extend services beyond Humboldt County to more rural customers.

Director Woo thanked the directors and staff for doing work that the Board envisioned when launching the Community Choice Energy program. Executive Director Marshall stated that a survey of Sonoma Clean Power customers showed they were most concerned with programs and tangible CCE benefits, rather than low rates and a green power portfolio. In applying those findings locally, staff is focusing on customer programs, local resilience and community microgrids in order to satisfy RCEA customer demands.

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

NEW BUSINESS

8.1 Award Contract for CPUC Program Administrator (PA) Reporting Services

Director Kullmann reported on the qualifications of two respondents to the request for proposals to provide required reporting and budget filing assistance as the agency takes on

CPUC program administrator duties. Frontier Energy has experience performing similar duties for other CCEs and RENs. The other respondent, Aiqueous, has no direct CPUC PA reporting experience.

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

M/S: Grover, Fennell: Award professional services agreement for CPUC Program Administrator reporting and budget filing to Frontier Energy in an amount not to exceed $60,000 for one year with two potential one-year extensions, and authorize the Executive Director to execute all applicable documents.

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

8.2 RCEA Racial Justice Action Plan Creation

Executive Director Marshall reported that Director Woo requested formation of an ad hoc Board racial justice action plan subcommittee last month. The subcommittee would work with staff and engage with outside entities when creating an agency racial justice action plan. The subcommittee would sunset when the action plan is brought back to the Board for approval.

Chair Allison invited public comment. City of Arcata resident Oona Smith described a best practice she learned at a recent California Transportation Commission presentation. When creating a racial justice action plan, it is important to recruit assistance from members of communities for which the agency wishes to create outcomes. Chair Allison closed the public comment period.

M/S: Fennell, Avis: Create an ad hoc Board subcommittee to assist staff in creating a racial justice action plan and appoint Stephen Avis, Chris Curran, David Grover and Sheri Woo to serve on this advisory body.

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

Chair Allison adjourned the meeting at 5:31 p.m.

Lori Taketa
Clerk of the Board