



BOARD OF DIRECTORS MEETING MINUTES

August 26, 2021 - Thursday, 3:30 p.m.

Notice of this meeting was posted on August 21, 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 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 Woo stated that the posted agenda contained public teleconference meeting participation instructions.

PRESENT: Vice Chair Stephen Avis, Scott Bauer, Chris Curran, David Grover, Mike Losey, Frank Wilson, Mike Wilson, Chair Sheri Woo. ABSENT: Sarah Schaefer. STAFF AND OTHERS PRESENT: Business Planning and Finance Director Lori Biondini, RCEA General Counsel Nancy Diamond, Power Resources Director Richard Engel, Power Resources Manager Jocelyn Gwynn, Community Advisory Committee nominee Christopher Honar, Executive Director Matthew Marshall, Power Resources Specialist Colin Mateer, Community Strategies Coordinator Summer Sanderson, Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Vice Chair Avis reported that the City of Ferndale is issuing a request for proposals to install solar panels on their police department and wastewater treatment plant buildings to connect to already-installed Tesla battery systems. PG&E is clearing trees along power lines in the Mendocino Forest to minimize fire risk in that area.

Director Losey reported that Fortuna's Tesla energy storage system is up and running. The solar and battery pack systems are saving the city money on energy usage and will provide a non-gas-powered emergency power back-up system.

Director Bauer reported that the City of Eureka is experiencing delays with getting approval from PG&E for the grid interconnection of their Tesla battery system. Director Losey described Fortuna's similar problems and stated that PG&E has gained experience working with Tesla power packs and better understands the technical issues involved.

ORAL COMMUNICATIONS

Member of the public Daniel Chandler emailed an article from the Vox Future Perfect newsletter to the Board which quantified the number of deaths due to extreme heat from global warming per metric ton of CO₂ emitted. Mr. Chandler opposes the ten-year Humboldt Sawmill Company contract extension due to the power source's CO₂ emissions. No other member of the public offered comment.

CONSENT CALENDAR

- 3.1 Approve Minutes of July 22, 2021, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Appoint Christopher Honar to the Community Advisory Committee for a Term Ending April 11, 2023.
- 3.5 Approve Proposed Revisions to the Feed-In Tariff (FIT) Power Purchase Agreement (PPA) Template; Direct General Counsel to Draft Amendments Consistent with the Revisions to Existing FIT Program PPAs with RPCA Solar 5 LLC (4 separate PPAs), North Coast Highway Solar 1 LLC, and North Coast Highway Solar 2 LLC; and Authorize RCEA's Executive Director to Execute Said Six FIT PPA Amendments.
- 3.6 Authorize Staff to Solicit Bids and Secure Construction for Electric Vehicle Charging Stations at the Humboldt County Airport as Appropriate for a Total Aggregate Budget Not to Exceed \$79,000, and to Seek Reimbursement Through the CALeVIP Program, and Authorize the Executive Director to Execute All Applicable Documents.

Chair Woo requested that item 3.4 be removed from the consent calendar. Directors Curran and Losey requested that item 3.5 be removed. No member of the public requested consent calendar item discussion.

M/S: M. Wilson, Grover: Approve all consent calendar items except items 3.4 and 3.5.

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

REMOVED FROM CONSENT CALENDAR ITEMS

Mr. Honar introduced himself to the directors. Mr. Honar worked for RCEA about seven years ago when the agency was much smaller. He is now employed as a Facilities Manager for a large Arcata cannabis extraction facility and is focused on the operation's energy consumption and sustainability. Discussions with current Community Advisory Committee member Katy Gurin convinced Mr. Honar that the committee presented a good volunteer opportunity. Director Mike Wilson nominated Mr. Honar because he is a capable, community-minded person who views issues in a systemic way.

Director Curran requested an update from staff on the proposed feed-in tariff power purchase agreement (PPA) modifications. Power Resources Manager Gwynn described the six PPAs for projects in development along Hatchery Road in Blue Lake and in Hydesville. The developers are experiencing delays and will not be able to come online by the agreed upon dates. The PPA requires the developers to pay delay damages which staff has come to see as punitive given common delays of 12 months or longer due to lengthy interconnection processes with PG&E. The current delay damage amount is not conducive to encouraging local solar generation development. The project development size limit is also being standardized to slightly less than 1 MB to simplify the PG&E interconnection process.

M/S: M. Wilson, Grover: Approve consent calendar item 3.4 - Appoint Christopher Honar to the Community Advisory Committee for a Term Ending April 11, 2023; and 3.5 - Approve Proposed Revisions to the Feed-In Tariff (FIT) Power Purchase Agreement (PPA) Template; Direct General Counsel to Draft Amendments Consistent with the Revisions to Existing FIT Program PPAs with RPCA Solar 5 LLC (4 separate PPAs), North Coast Highway Solar 1 LLC, and North Coast Highway Solar 2 LLC; and Authorize RCEA's Executive Director to Execute Said Six FIT PPA Amendments.

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

Chair Woo confirmed that a quorum was present to conduct Community Choice Energy business.

OLD CCE BUSINESS

5.1 2020 Power Source Disclosure Attestation

Power Resources Manager Jocelyn Gwynn reported on the 2020 Power Content Label. A greenhouse gas (GHG) emissions intensity section is now part of the power source disclosure program and is included in this year's customer mailer. RCEA's significant financial challenges over the past two years and the Board's resulting decisions to scale back initial renewable energy procurement in excess of state requirements are reflected in the agency's current power mix. Staff pointed out that these short-term procurement decisions make less of an impact on countering climate change than will the long-term procurement portfolio the agency is working toward that will include new renewable power generating resources such as the feed-in tariff solar projects that will be constructed in Humboldt County.

The directors inquired about the unspecified power sources that make up about 150 MWh of the agency's RePower energy portfolio. This energy product is purchased on the wholesale CAISO spot market and is comprised of a proportional mix of all California power resources including natural gas and large hydro. There was discussion of how encouraging customers to opt up to Repower+ can help increase renewables in the agency's portfolio prior to 2023, when newly-built long-term contracts such as the Sandrini Solar Project will begin and significantly change RCEA's power portfolio.

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

M/S: Losey, Grover: Adopt Resolution 2021-4 Attesting to the Veracity of RCEA's 2020 Power Source Disclosure Report and Power Content Label.

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

NEW CCE BUSINESS

6.1 Wave Energy Update (Information only)

Power Resources Director Richard Engel presented a report prepared by Power Resources Specialist Colin Mateer on wave energy. Different technologies to tap this global storehouse

of kinetic energy were depicted. Much as a variety of terrestrial wind energy technologies were under development 30 years ago and one format is widely used now, staff expects to see one dominant wave energy format emerge in the future. To date there are no utility scale wave energy projects. PG&E explored the economic viability of wave energy with their Humboldt County WaveConnect project which ended in 2010 due to technological and regulatory challenges. Recently a company called Atargis expressed interest in testing air foil design-inspired wave technology off the Humboldt Coast. Staff will update the Board with this project's developments. Oregon State University began testing technology in June with their PacWave project south of Newport, Oregon. A local Arcata consulting firm has done permitting work for PacWave South. As wave energy technology is developing slowly, the Board requested an update every two or three years, or if there are any developments.

There was no public comment on this item and the CCE Business portion of the meeting was concluded.

OLD BUSINESS

7.1 Quarterly Budget Report – Fiscal Year 2020-2021 Fourth Quarter (Information only)

Business Planning and Finance Director Lori Biondini reported on preliminary end of fiscal year 2020-2021 budget numbers. USDA loan document delays had the largest impact on anticipated revenues. Microgrid construction delays mitigated the impact, as did savings for most other budget line items such as meeting and training travel, and pandemic-related slowdowns in program rebate and incentive disbursements and outreach events. RCEA's power price hedging strategy and conservative power procurement decisions buffered the agency from extremely volatile energy prices. Agency revenues are anticipated to begin to recover in this fiscal year as USDA loan proceeds are realized and state funding for unpaid customer bills becomes available in January 2022.

There was no public comment on this item.

STAFF REPORTS

9.1 Update by Executive Director Matthew Marshall on Offshore Wind and In-Person Brown Act Meetings

Executive Director Marshall reported that the Harbor District successfully submitted a \$56 million U.S. Department of Transportation grant proposal at the end of July. The RCEA Board approved a \$50,000 contribution to help complete the proposal. An \$11 million state budget allocation specifically for Humboldt harbor offshore wind energy infrastructure development matching funds enabled the grant application. Grant awards will likely be announced at the end of the year. The Bureau of Ocean Energy Management (BOEM) conducted two scoping meetings this week explaining the site assessment environmental impact study process. The Humboldt call area auction is expected to take place in the fall of 2022.

An additional \$800,000 in state funds was allocated for a new technology study on long-duration storage in Humboldt County to support offshore wind. This relatively small-scale storage study recognizes Humboldt's energy export grid constraints. Staff will investigate whether the CEC is willing to link this storage development with RCEA's share of mandated long-duration storage procurement after the Diablo Canyon nuclear power plant is retired. One of RCEA's Board-supported goals is to create local energy reliability resources and

getting local projects to fulfil the new state requirements would be ideal. Staff will bring a grid reliability resource request for proposals (RFPs) to the Board next month. The RFP will not be limited to shovel-ready projects to create more opportunity for local project development. Staff is interested in how offshore wind energy can be integrated with these long-duration storage resources.

Chair Woo paraphrased Humboldt Baykeeper's Jen Kalt's comments at the BOEM scoping meeting. Ms. Kalt described how, through successful outreach, people on the North Coast were able to develop a Marine Life Protection Act Zone Agreement that addressed environmental and fishery concerns. Ms. Kalt warned BOEM not to make offshore wind a divisive issue in the community as has happened with past projects. Staff described how Congressman Huffman set a good precedent by inviting not just RCEA, Harbor District and Schatz Energy Research Center representatives to accompany the Secretary of the Interior on her Humboldt Bay visit but included representatives from the Wiyot Tribe and the Humboldt Fishermen's Marketing Association.

Executive Director Marshall described how local jurisdictions and agencies are awaiting an extension of Governor Newsom's teleconference meeting waivers or legislation outlining hybrid in-person and virtual meeting Brown Act requirements. Staff is tracking active legislation and investigating potential meeting venues and technology that would enable hybrid meetings. There was no public comment on this agenda item.

CLOSED SESSION

As there were no comments from the public regarding the closed session item 11.1 - CONFERENCE WITH REAL PROPERTY NEGOTIATIONS Pursuant to Government Code § 54956.8 in re: APNs 001-104-001-000 and 001-011-021-000; RCEA negotiator: Executive Director; Owner's negotiating party: Kramer Investment Corporation and the City of Eureka; Under negotiation: price and terms, the Directors adjourned to closed session at 4:52 p.m.

Chair Woo reconvened the meeting at 5:40 p.m. and stated that the Board created an ad hoc Office Relocation Subcommittee comprised of Vice Chair Avis and Directors Bauer and Mike Wilson to support real property negotiations, acquisition and development related to RCEA's relocation to a new office space. No member of the public commented on this.

Chair Woo adjourned the meeting at 5:41 p.m.

Lori Taketa
Clerk of the Board