REDWOOD COAST EnergyAuthority

Budget

Fiscal Year 2026-27

Considered for Adoption: July 23, 2026

Table of Contents

Executive Director's Message

Elizabeth Burks

RCEA EXECUTIVE DIRECTOR

Welcome to the Redwood Coast Energy Authority FY 2026-2027 Budget. This fiscal year ending June 30, 2027, marks RCEA's 24th anniversary as a local joint powers authority and the 10th anniversary of the Community Choice Energy (CCE) program. As RCEA matures as an organization and electricity provider, we continue to find ways to implement meaningful programs in Humboldt County and beyond, and harness outside funding to make local dollars go further.

The FY 2026-2027 recommended budget includes $73.1 million in revenues and $78.7 million in expenses and will require the use of cash reserves to balance the budget. The budget was developed based on delivering 556,176 megawatt hours of energy to customers, realizing more than $17.9 million of State contracts and grant revenues, and providing 39 full-time jobs.

The financial position of RCEA continues to be of utmost concern as we face volatility of the Power Charge Indifference Adjustment (PCIA), wholesale power costs, and affordability. This budget represents efforts to provide clean power and useful programs to our customers, minimize electricity rate increases, and maintain minimum financial reserves consistent with our Reserve Policy while also delivering clean power and useful programs for our customers.

556,176

megawatt hours of energy to customers

$17.9M

in contracts and grant revenues

39

full-time jobs

For the first time, RCEA's retail rates (electricity generation rate plus the PCIA fee) will be above Pacific Gas & Electric Company (PG&E) retail rates. This step is not something we take lightly but is necessary to ensure the health of the organization. PCIA reform will be necessary to ensure competitive rates in the coming years.

The Northern Rural Energy Network (NREN) continues to roll out customer energy-savings programs under the current business plan cycle. Officially launched in 2025, NREN programs bring public purpose funds, paid by all electricity consumers within PG&E's service territory, back to Humboldt County to help reduce energy costs and improve the comfort of our residences and businesses. NREN now fully supports 13 full-time RCEA employees, including administration and implementation staff, as well as a portion of RCEA's overhead costs.

Budget Highlights

- Continued focus on financial health of the organization, including maintaining a minimum financial reserve of $26 million as cash-on-hand.
- A 100% renewable and carbon-free power portfolio.
- NREN-funded customer programs including energy efficiency assessments for homes, businesses, and government facilities; rebates and incentives for energy efficiency improvements; and workforce, education and training activities.
- Popular e-bike and electric vehicle rebate program for customers
- Hiring a Director of Engagement and Regional Climate Planning, which will allow RCEA to begin leading Regional Climate Action Plan efforts.
- A partnership with the Humboldt Bay Harbor, Recreation, and Conservation District, funded by the California Energy Commission, to assist with community outreach related to developing the heavy-lift marine terminal that will support future offshore wind development.

As RCEA navigates the risks and volatility within state and national energy policy and the California energy market, this budget allows a balance of RCEA's continued financial resilience, sensitivity to affordability, and delivery of customer programs. In the coming years, RCEA will continue to collaborate, lead, and innovate to bring tangible and practical solutions that create opportunities for all in our community to be part of, and benefit from a more sustainable future.

Introduction

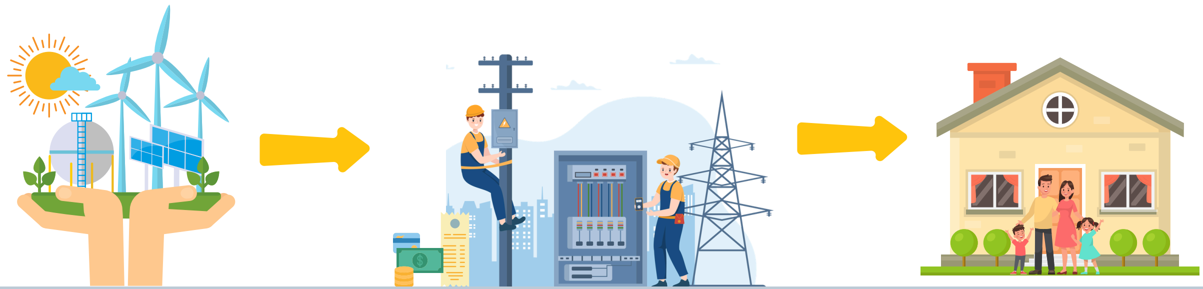
RCEA was created to serve as a local leader in the effort to advance secure, sustainable, and affordable energy resources in Humboldt County. Founded as a Joint Powers Authority in 2003, RCEA's mission is to lead, coordinate, and integrate regional efforts to create a cleaner, greener energy future for our community. In 2017, we launched the Community Choice Energy (CCE) program, taking on the responsibility of purchasing renewable electricity for Humboldt County customers, directly empowering local control over energy choices. Revenues generated through the CCE program are invested back into the Humboldt County community through customer programs, education, and the development of local renewable energy projects.

Redwood Coast Energy Authority's mission and purpose as established through the formation of the Joint Powers Agency is to:

> *"Develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency and advance the use of clean, efficient and renewable resources available in the region."*

This mission continues to drive our work and motivate our team.

How it Works

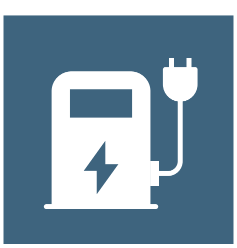


RCEA	PG&E	YOU
Generation	**Delivery**	**Customer**
RCEA purchases renewable energy and uses revenue to invest in the creation of new local renewable energy sources.	PG&E delivers energy using their poles and wires. They also maintain this equipment and handle billing.	As an RCEA customer, you benefit from competitive rates, local control, and cleaner energy.
This is the Generation portion of your bill.	This is the Delivery portion of your bill.	Thanks for being an RCEA customer!

As a Community Choice Energy Provider:

RCEA purchases power from renewable sources like wind and solar, and PG&E continues to deliver it to your home or business through its infrastructure.

Customers are automatically enrolled in RCEA’s program, though you can choose to opt out at any time.



Our programs also include support for energy efficiency, electric vehicles, and local renewable energy projects.

Customer Benefits

Why Choose Redwood Coast Energy Authority?

Competitive Rates

Redwood Coast Energy Authority is committed to competitve and stable electricity generation rates.

Powered By the Community

We are powered by the communities we serve, not by corporate shareholders.

Renewable Energy

Every RCEA customer receives 100% renewable and carbon-free electricity and access to energy saving programs and rebates.

Local Governance

RCEA customers and community members benefit from a unique governance model that prioritizes local decision-making. Unlike traditional electricity providers like PG&E, RCEA is a not-for-profit locally governed Joint Powers Agency, empowering Humboldt County residents to shape their energy future.

Our Board of Directors and Community Advisory Committee work together to ensure that community priorities drive the decisions we make. This collaborative approach not only supports renewable energy adoption and sustainability but also creates opportunities for public participation in shaping programs, policies, and investments.

Member Agencies

The County of Humboldt

Arcata

Blue Lake

Blue Lake Rancheria

Eureka

Ferndale

Fortuna

Rio Dell

Trinidad

Yurok Tribe

Board of Directors

RCEA customers and community members benefit from a community-focused approach where local government leaders make decisions about our energy. Our public Board meetings are your chance to stay informed, share your opinions, and help shape the future of energy in Humboldt County. Board members are appointed by RCEA's member agencies: the County of Humboldt, the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, the Blue Lake Rancheria, and the Yurok Tribe.

Sarah Schaefer
Vice Chair, City of Arcata

Elise Scafani
City of Blue Lake

Mike Wilson
County of Humboldt

Scott Bauer
City of Eureka

Skip Jorgensen
City of Ferndale

Carlos Diaz
City of Fortuna

Frank Wilson
City of Rio Dell

Jack Tuttle
City of Trinidad

Michael Gerace
Chair, Yurok Tribe

Jason Ramos
Blue Lake Rancheria

Community Advisory Committee

The Community Advisory Committee (CAC) was established by the Redwood Coast Energy Authority Board of Directors to enhance public engagement and provide valuable input and decision-making support to the Board. The CAC plays a critical role in ensuring that RCEA programs and initiatives align with community priorities.

Carol Schmitt
At-Large

Hope Sakho
At-Large

Norman Bell
Arcata

Kit Mann
Blue Lake

Vacancy
Blue Lake Rancheria

Luna Latimer
County 1

Ethan Lawton
County 2

Benjamin Fordham
County 3

Deborah Dukes
Eureka

Dennis Leonardi
Ferndale

Vacancy
Fortuna

Vacancy
Rio Dell

Richard Johnson
Trinidad

Vacancy
Yurok Tribe

FY 2025-26 Accomplishments

100% of RCEA's electricity is from renewable and carbon-free sources

RCEA achieved this goal on schedule in 2025, reflecting our commitment to a clean energy future.

Regional Resilience Grant Program (RRGP) solar trailers delivered

Through the RRGP, RCEA delivered mobile solar trailers that provide clean, resilient power for community events, emergency response, and critical needs during outages. These trailers are already helping reduce reliance on fossil-fueled generators while increasing local energy resilience.

Exceptional local customer service

Our customer service team continues to be a point of pride. In FY 2025-26, staff answered 1,492 customer calls, providing trusted, local support to help customers understand their bills, explore programs, and make informed energy choices.

Foster Clean Power is online

Foster Clean Power is the first new-build, utility-scale solar and storage project under a power purchase agreement with RCEA to be completed in our Humboldt County service area. It now generates enough electricity for about 3,000 homes right here from the Arcata Bottoms. This project is an important step toward increasing local renewable generation and keeping energy investments close to home.

Northern Rural Energy Network residential programs launched

RCEA administers residential energy programs across 17 rural Northern California counties and brings these programs home to Humboldt County. Along with partners Lake Area Planning Council, Mendocino Council of Governments, and the Sierra Business Council, the Northern Rural Energy Network (NREN) helps customers save energy and money. In FY 25-26, RCEA distributed 463 Energy Efficiency Kits and $99,049 in energy efficiency rebates locally. Plus, staff conducted 30 phone-based energy assessments and provided custom reports.

Northern Rural Energy Network
YOUR LOCAL ENERGY SOLUTIONS

E-bike and EV rebates

Our popular e-bike and electric vehicle rebate programs helped residents afford lower-emission ways to get around. In FY 25-26, RCEA provided 57 EV rebates (value of $114,000) and 83 E-Bike vouchers (redeemed value of $41,550).

New charging stations added to REVNet

RCEA continued expanding the Rural Electric Vehicle Network (REVNet), adding new public EV charging stations across Humboldt County to support cleaner transportation and reduce range anxiety for local drivers. In FY 25-26, we added 10 new Level 2 charging ports. We now have 76 ports at 39 stations throughout the County.

Community outreach across the county

Our team was out in the community all year, sharing information about RCEA programs and the benefits of community choice energy. In FY 2025-26, we delivered 24 community presentations and participated in 33 events throughout Humboldt County.

Strengthening organizational capacity

RCEA completed an internal reorganization focused on more closely aligning departments with RCEA's core mission and activities. A classification and compensation study was completed by an outside consultant, resulting in the adoption of a new salary schedule and the institution of a 34-hour work week.

Building purchase

After years of searching for a building to house staff under the same roof, RCEA purchased 718 3rd Street, Eureka, on June 4, 2026. Future renovations will include a Board and public meeting room, and allow RCEA to collect lease revenue for part of the building.

Background Documents

RCEA Joint Powers Agreement

The Amended Joint Powers Agreement is the governing document that establishes the Redwood Coast Energy Authority as a joint powers authority and defines its purpose, powers, membership, and governance structure. It outlines how participating agencies collaborate to administer regional energy programs, including Community Choice Aggregation, and sets the rules for Board voting, member responsibilities, amendments, and withdrawal.

RePower Humboldt

The Redwood Coast Energy Authority's Comprehensive Action Plan for Energy. RePower Humboldt serves as RCEA's strategic plan.

Energy Risk Management Policy

The Energy Risk Management Policy establishes RCEA's Energy Risk Management Program, including functions and procedures to manage the risks associated with power procurement activities. To help RCEA increase the likelihood of achieving its goals, this policy specifies management responsibilities, organizational structures, risk management standards, and operating controls and limits necessary to identify and manage RCEA's exposure to risk.

Reserve Policy

RCEA's Reserve Policy sets a suitable cash balance to meet target levels of annual operating expenses. This cash balance provides for the following objectives: maintain long-term RCEA financial independence and rate stability; meet RCEA strategic objectives; secure favorable commercial terms with vendors and power providers; support RCEA's pursuit of and maintenance upon receiving, a credit rating; provide a source of funds for unanticipated expenditures; and make cash available for other operational needs as approved by the Board of Directors.

Investment Policy

The Investment Policy provides objectives and guidelines to RCEA officers and employees for the management of cash, deposits, and investments at RCEA. This policy covers all funds and investment activities under the direct authority of RCEA, as set forth in the California Government Code, Sections 53600 et seq.

Procurement Policy

The Procurement Policy establishes clear guidelines for authorization, soliciting, and appropriate conduct of purchasing activities relating to the acquisition of approved goods and services. This policy is intended to promote impartial, transparent, and fair processes that seek to provide the best value for RCEA and ensure compliance with federal and state requirements. All purchases must be made in accordance with this policy, other RCEA policies and procedures, as well as any and all applicable laws and are subject to audit at any time.

FY 2026-27 Priorities

Financial Health

- Maintain reserves
- Maintain affordability & explore options for rate setting
- PCIA reform

Operations

- Begin RCEA office construction
- Provide exceptional customer service
- Make Redwood Coast Airport Microgrid and REVNet self-sustaining

Vision Setting

- Strategic Plan Update
- Strengthen Community Advisory Committee engagement

Regional Coordination

- Lead the Regional Climate Action Plan
- Increase coordination with member agencies

Programs

- Full launch & implementation of the NREN programs.
- EV & E-bike rebates
- Tribal Energy Resilience and Sovereignty project, Regional Resilience Grant Program, Local Government Program

Budget

Fiscal Year 2026-27 Summary

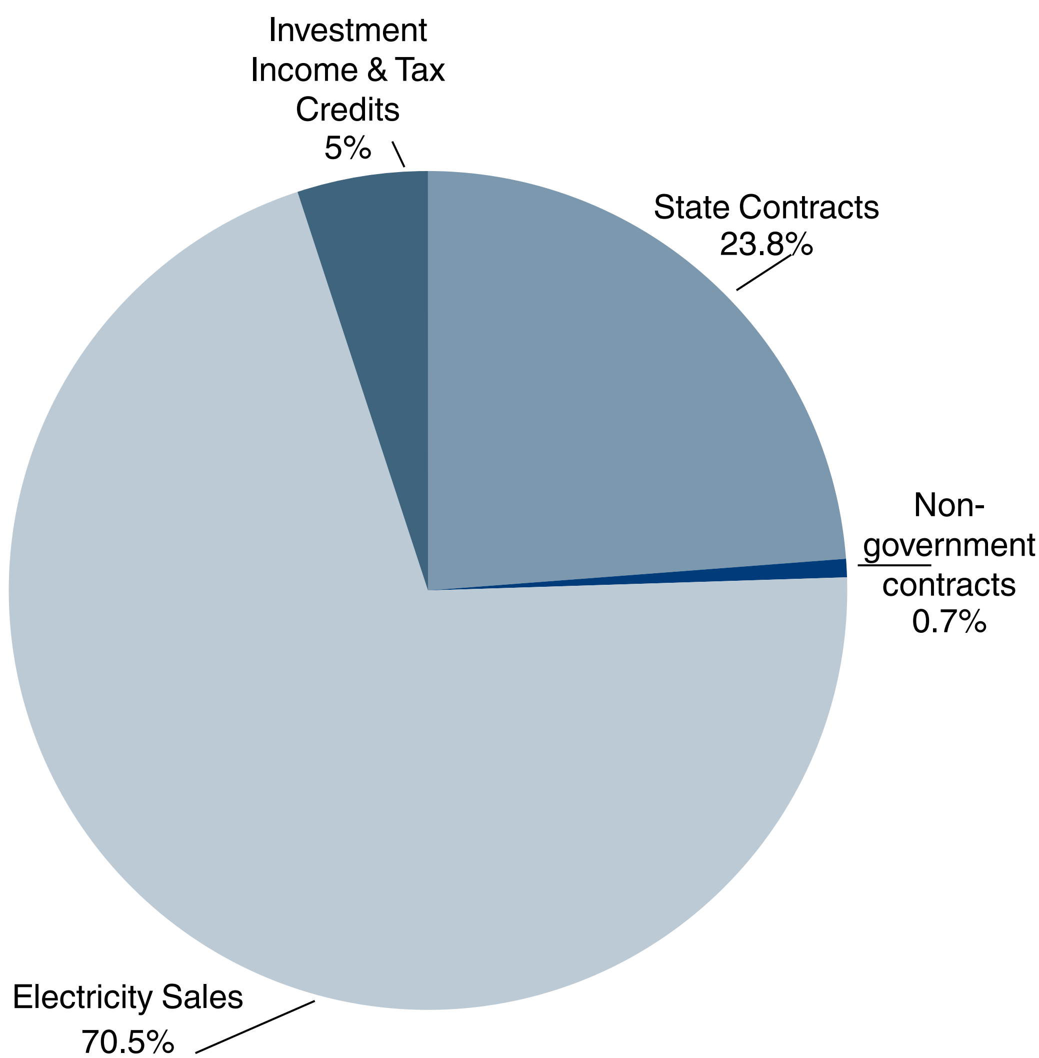
Redwood Coast Energy Authority Fiscal Year 2026-2027 Budget Summary

Revenues		Mid-year Amended FY 2025-26	Recommended FY 2026-27	Variance $	Variance %
	State Contracts	$11,086,773	$17,395,782	$6,309,009	56.9%
	Non-government Contracts	$426,888	$515,532	$88,645	20.8%
	Electricity Sales	$55,972,669	$51,511,502	-$4,461,167	-8.0%
	Investment Income & Tax Credits	$1,000,000	$3,683,142	$2,683,142	268.3%
Total Revenues		**$68,486,330**	**$73,105,958**	**$4,619,629**	**6.7%**

Expenses		Mid-year Amended FY 2025-26	Recommended FY 2026-27	Variance $	Variance %
By Expense Type					
	Wholesale Power Supply	$49,327,598	$53,053,147	$3,725,549	7.6%
	Personnel	$5,364,096	$6,848,843	$1,484,746	27.7%
	Facilities and Operations	$1,773,801	$1,412,926	-$360,875	-20.3%
	Communications and Outreach	$291,246	$383,463	$92,217	31.7%
	Professional and Program Services	$9,758,191	$12,447,435	$2,689,244	27.6%
	Incentives and Rebates	$1,682,655	$4,454,047	$2,771,392	164.7%
	Non Operating	$129,200	$129,300	$100	0.1%
By Department					
	Deputy Executive Director/Facilities	$576,948	$579,673	$2,724	0.5%
	General and Administraive	$3,229,883	$2,861,033	-$368,849	-11.4%
	Power Resources	$53,366,828	$58,340,770	$4,973,942	9.3%
	Engagement & Regional Climate Planning	$264,260	$568,291	$304,030	115.0%
	Customer Programs	$10,888,867	$16,379,393	$5,490,526	50.4%
Total Expense		**$68,326,787**	**$78,729,160**	**$10,402,373**	**15.2%**
Contribution to/(from) Net Position		$159,542	-$5,623,202	-$5,782,744	-3624.6%

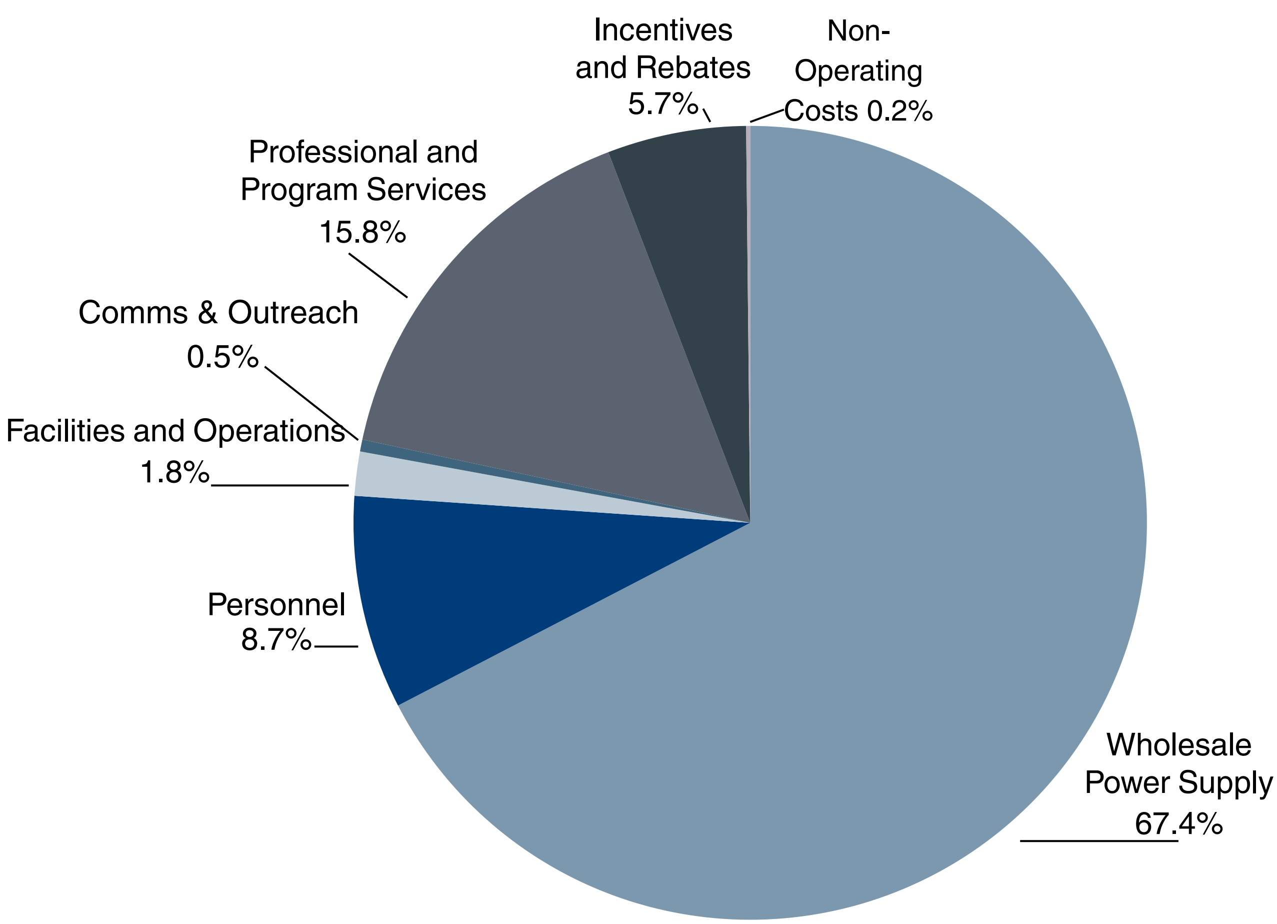
Revenues

	FY 2026-2027
State Contracts	$17,395,782
Non-government Contracts	$515,532
Electricity Sales	$51,511,502
Investment Income & Tax Credits	$3,683,142
Total	**$73,105,958**



Expenses

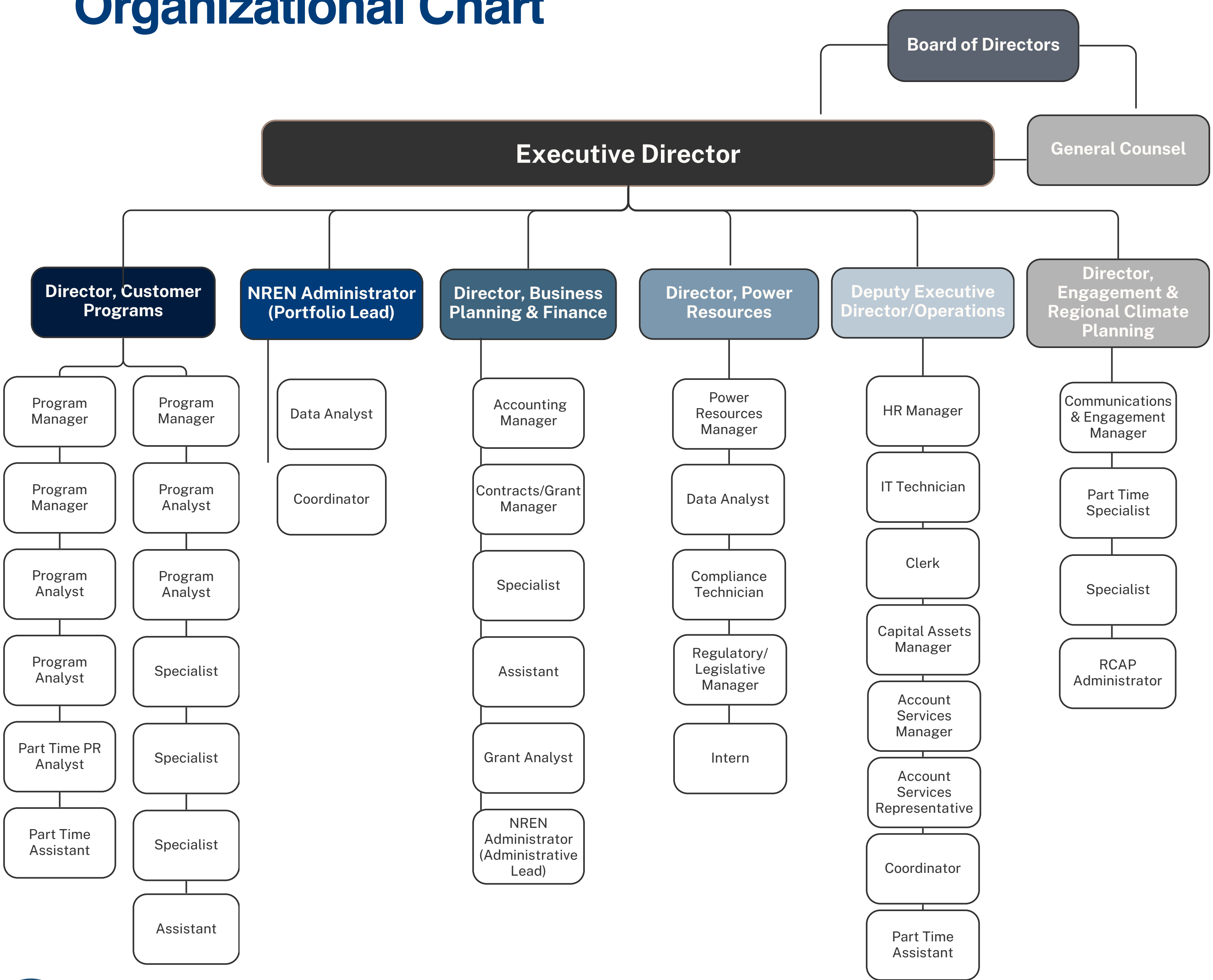
	FY 2026-2027
Wholesale Power Supply	$53,053,147
Personnel	$6,848,843
Facilities and Operations	$1,412,926
Communications and Outreach	$383,463
Professional and Program Services	$12,447,435
Incentives and Rebates	$4,454,047
Non Operating	$129,300
Total	**$78,729,160**



Department Overview

In March 2026, the RCEA Board approved an update to the agency's organizational structure. Some changes were effective immediately, such as renaming the Demand Side Management Department as the Customer Programs Department. Other changes will be implemented in Fiscal Year 26-27, such as forming the Department of Engagement and Regional Climate Planning and hiring an in-house general counsel.

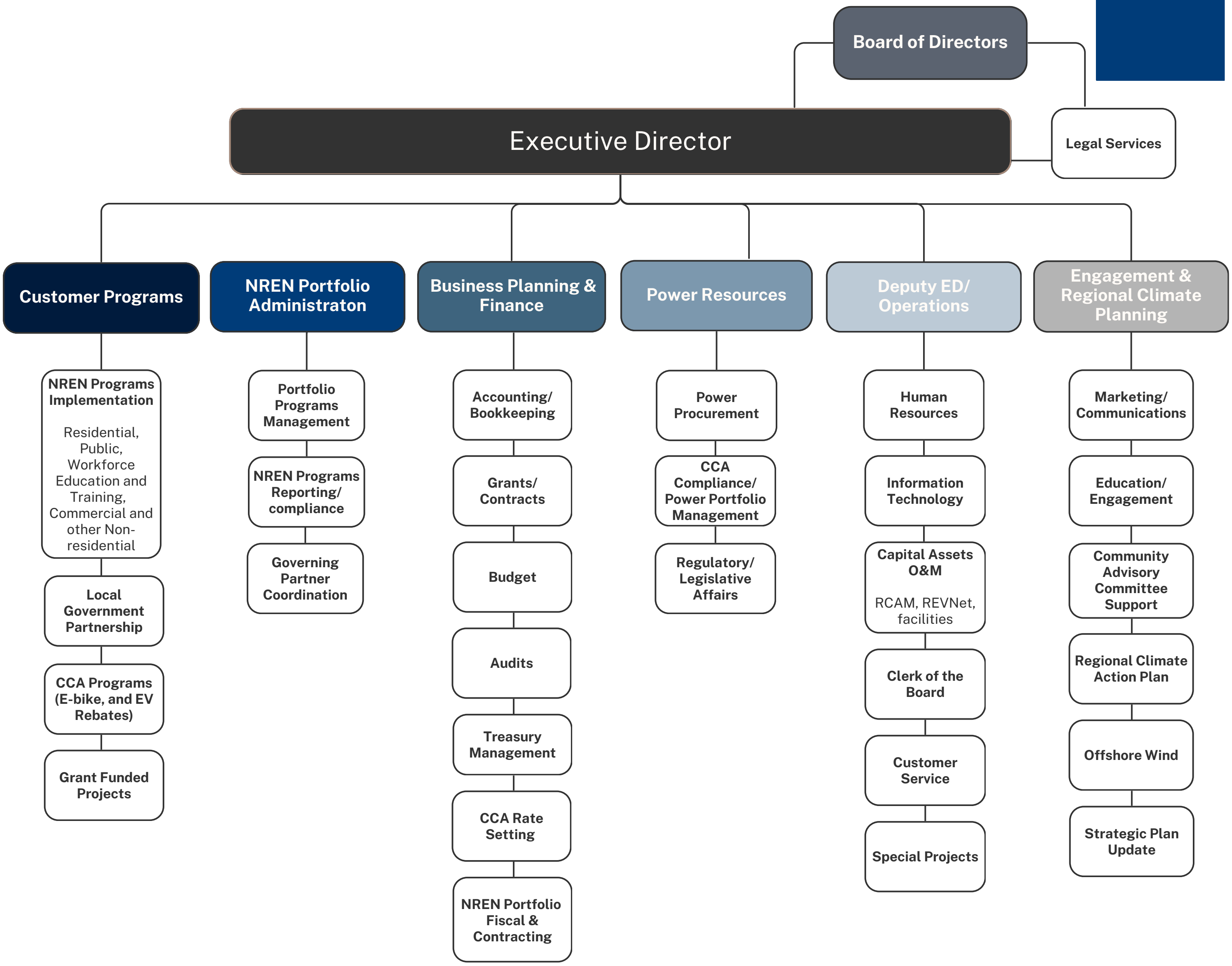
Organizational Chart



•This organizational chart does not reflect direct reports/supervision.
•Note: Part-time and limited-term positions are approved by the Executive Director.

Board Approved: 3.36.26

Functional Organization Chart



RCEA has five organizational departments fulfilling the following operational functions: Deputy Executive Director/Operations, Business Planning and Finance, Power Resources, Customer Programs, and Engagement and Regional Climate Planning. Each department has a director who reports to the Executive Director. Additionally, the NREN Portfolio (Programs) Administrator reports to the Executive Director. The in-house General Counsel (once hired) is appointed by the Board of Directors and receives administrative direction from the Executive Director..

Deputy Executive Director/ Operations

The Deputy Executive Director/Operations Department includes management of human resources, information technology, data security, infrastructure assets/facilities, the Board clerk, as well as special projects as needed, including coordinating RCEA's role in realizing federal funding for the TERAS project. Customer/account service functions will be transferred to this department in the coming fiscal year, for a total of eight full-time and one part-time employee. There is currently one vacancy (Administrative Specialist) that will not be filled for at least six months as a cost-saving measure.

Infrastructure projects that RCEA owns and operates include the Redwood Coast Airport Microgrid and Rural Electric Vehicle Charging Network (REVNet).

REVNet currently offers 76 charging ports in 23 locations around Humboldt County. RCEA staff maintain these stations with the help of electricians when necessary. Budgeted revenue from charging fees is estimated each year based on usage patterns. This budget proposes a slight increase to the charging fees to ensure that the revenue generated from the stations covers the cost to operate and maintain them.

RCEA's newest asset is the commercial building at 718 and 720 3rd Street, Eureka. This will become RCEAs' new office location after construction to build out the vacant warehouse is complete. Associated planning and construction costs are still being contemplated and are not included in this budget. Known costs associated with the purchase, including insurance, are included in the budget under General & Administrative costs. The building has a long-term tenant, and rental revenue is included under General & Administrative Non-government contracts.

Expenses	**Infrastructure Assets & TERAS**
Personnel	$209,173
Facilities	$297,500
Professional Services	$73,000
Total	**$579,673**

Business Planning and Finance

The Business Planning and Finance Department manages all accounting functions, including accounts payable and accounts receivable; finalizing payroll; financial reporting and financial audit support; purchasing; grants and contracts compliance and legal support coordination; as well as special projects as needed, such as coordinating the cost of service and rate study, and energy prepayment transactions. The Director of this department is RCEA's treasurer and is responsible for daily cash management, investing consistent with the Investment Policy, maintaining cash reserves consistent with the Reserve Policy, and preparing and managing the annual budget. This department will also be responsible for the CCE program's retail rate setting this coming fiscal year, and supervision of the NREN portfolio administrative lead, a role that will work in conjunction with the NREN portfolio programs lead.

This department currently includes four full-time employees. There are three vacancies (Contracts and Grants Manager, Finance Coordinator, and Financial Assistant) on this team. The recommended budget includes freezing the Contracts and Grants Manager position anticipating that a full-time General Counsel will take up much of the grants and contracts management workload. Upon final award for the TERAS project, staff will revisit hiring a Contracts and Grants Manager to take over work from the Deputy Executive Director. The Finance Coordinator will remain vacant for the full year, and the Financial Assistant will not be filled for at least six months as a cost saving measure.

The Business Planning and Finance department works across departments but is largely an indirect expense included in the General & Administrative budget category.

Expenses	**General & Administrative**
Personnel (including all employee Paid Time Off)	$2,182,489
Facilities & Operations	$567,244
Communications & Outreach	$16,000
Professional Services	$92,000
Non-Operating	$3,300
Total	**$2,861,033**

Power Resources

The Power Resources Department manages wholesale power purchasing and other key components of being an electricity load-serving entity in California. The department issues solicitations for energy procurement, analyzes offers received, and negotiates and manages energy product contracts. Department staff collaborates closely with several external partners in planning and managing RCEA's power portfolio, including The Energy Authority, and with California Community Power on joint energy procurement with other CCAs. This department handles dozens of CCA-specific State compliance filings and works closely with the California Community Choice Association on policy advocacy. All regulatory and legislative tracking and advocacy efforts are led from this department, mostly as applicable to RCEA's CCA function, but serving other RCEA departments as needed.

The department currently includes five full-time employees and one part-time employee.

Expenses	**Power Resources**
Power Supply	$53,053,147
Personnel	$1,706,157
Communications & Outreach	$125,500
Professional & Programs Services	$2,699,966
Incentives (Net Energy Metering)	$630,000
Non-Operating	$126,000
Total	**$58,340,770**

Engagement and Regional Climate Planning

The Engagement and Regional Climate Planning Department was recently adopted onto RCEA's organizational chart. The department will not directly replace the previous Infrastructure Planning and Transportation Department, the functions of which have been divided between the Customer Programs and Operations Departments. Instead, the department represents a renewed RCEA focus on community engagement and regional planning activities.

This department will house the Community Strategies team and work on the Regional Climate Action Plan, as well as coordinate an overdue strategic plan update for RCEA. This department will also provide support and staffing to RCEA's Community Advisory Committee and participate in State and regional offshore wind planning and engagement efforts and special projects as needed, including the Harbor District's Waterfront Facility Improvement Program Grant.

The Community Strategies team is responsible for RCEA education, outreach, and marketing. This group will be supervised by the Executive Director until the Department Director is hired. This department currently includes three full-time and one part-time employee. The budget includes filling the Director position by October 2026. The Regional Climate Action Plan Administrator position will be filled once external funding becomes available.

Expenses	**Engagement & Regional Climate Planning**
Personnel	$344,191
Communications & Outreach	$192,100
Professional & Programs Services	$32,000
Total	**$568,291**

Customer Programs

The Customer Programs Department includes 12 full-time staff and one part-time employee to implement the NREN, which focuses on increasing energy efficiency in residences and businesses in 17 Northern California counties, the PG&E-funded Local Government Partnership program to increase energy efficiency at public agencies, and maintaining RCEA's Energy Efficiency Lending Library and CCE customer rebate programs, including the E-bike voucher and electric vehicle rebate programs.

Additionally, the Customer Programs Department takes on special projects as needed, which currently includes implementing the construction of solar plus battery storage energy systems at several remote fire stations funded through the Governor's Office of Land Use and Climate Innovation, Regional Resilience Grant Program.

Expenses	**Customer Programs**
Personnel	$2,406,833
Direct Operations	$547,082
Communications & Outreach	$50,963
Professional & Programs Services (including pass-thru funding)	$9,550,469
Incentives & Rebates	$3,824,047
Total	**$16,379,393**

Debt Service and Cash Reserves

RCEA maintains a loan from the Federal Financing Bank, granted through the Rural Utilities Service for the construction of the Redwood Coast Airport Microgrid. The annual debt service for this loan totals $381,199.68 for principal and interest. Interest expenses are included in this budget under Non-operating Costs.

The Board adopted the RCEA Reserve Policy in January 2025 which defines cash reserves as RCEA's unrestricted cash position and sets the reserve target at between 120 and 180 days of forecasted annual CCE operating expenses. The target is $26 million for this fiscal year's budget. Energy markets and forecasted retail rates can change drastically during the fiscal year and may change the net revenue projections. Maintaining cash reserves is crucial to stabilizing rates and continuing operations. Having a healthy reserve has the added benefit of improving RCEA's creditworthiness, which in turn reduces operating costs associated with maintaining credit and posting security deposits.