



Redwood Coast Energy Authority

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BOARD OF DIRECTORS MEETING MINUTES

Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501

April 25, 2019
Thursday, 3:30 p.m.

Chair Michael Winkler 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. Notice of this meeting was posted on April 19, 2019. PRESENT: Alternate Director Chris Curran, Alternate Director Debra Garnes, Dwight Miller, Robin Smith, Alternate Director Jeremy Stanfield (arrived 3:53 p.m.), Chair Michael Winkler, Sheri Woo. ABSENT: Vice Chair Austin Allison, Summer Daugherty, Estelle Fennell, Dean Glaser, Frank Wilson. STAFF PRESENT: Power Resources Director Richard Engel; The Energy Authority Client Services Specialist Jaclyn Harr; Demand Side Management Director Lou Jacobson; Executive Director Matthew Marshall, Account Services Manager Mahayla Slackerelli; Redwood Coast Offshore Wind LLC Project Manager Tyler Studds; Clerk of the Board Lori Taketa.

ORAL COMMUNICATIONS

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

CONSENT CALENDAR

- 3.1 Approve Minutes of March 28, 2019, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.

Chair Winkler requested that item 3.1 be removed from the consent calendar.

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

M/S: Miller, Woo: Approve Consent Calendar items 3.2 and 3.3.

The motion passed on a unanimous voice vote. Ayes: Curran, Garnes, Miller, Smith, Winkler, Woo. Noes: None. Absent: Allison, Fennell, Stanfield. Abstentions: None.

REMOVED FROM CONSENT CALENDAR ITEMS

Chair Winkler corrected a reference to member of the public Pat Carr in the March 28, 2019, Board meeting minutes, which should be prefaced by "Mr." not "Ms."

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

M/S: Miller, Woo: Approve minutes of March 28, 2019, Board meeting as amended.

The motion passed on a unanimous voice vote. Ayes: Curran, Garnes, Miller, Smith, Winkler, Woo. Noes: None. Absent: Allison, Fennell, Stanfield. Abstentions: None.

OLD BUSINESS - Offshore Wind Project Update (Information only)

Executive Director Matthew Marshall introduced Redwood Coast Offshore Wind LLC Project Manager Tyler Studds, who is employed by project partner EDPR Offshore North America. Mr. Studds described the project's goals of generating renewable energy locally, driving economic development and helping to meet state and county renewable energy and greenhouse gas reduction goals. Near term project goals include acquiring a Bureau of Offshore Energy Management (BOEM) lease, securing a grid connection and securing power contracts. If all phases are completed as anticipated, the project could be operational in 2025.

Executive Director Marshall reviewed the BOEM north and central California offshore lease area development status, the Humboldt Bay Harbor District's focus on the Redwood Terminal 1 and adjacent 40 acres of industrial use zoned land as the proposed dock and on-shore development area to support offshore wind deployment, and a recent American Jobs Project report featuring offshore wind's job generation potential: <http://americanjobsproject.us/wp/wp-content/uploads/2019/02/The-California-Offshore-Wind-Project.pdf>.

Mr. Marshall reported that the Board Offshore Wind Subcommittee is discussing RCEA's relationship to the project company and is prioritizing project success, maintaining community decision making involvement, ratepayer investment returns proportional to project partner returns, and limiting financial risk.

The Directors discussed the project's job creation potential, challenges of locating manufacturing jobs in the area, and the goal of positioning Humboldt to serve the California central coast and Oregon offshore wind industry. Mr. Marshall reported that state Senator McGuire will host a Joint Committee on Fisheries and Aquaculture hearing on offshore wind energy development, fisheries and wildlife on May 3 at the Humboldt Bay Aquatic Center.

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

Alternate Director Jeremy Stanfield arrived at 3:53 p.m.

NEW BUSINESS

6.1 County Climate Action Plan Contract

Executive Director Matthew Marshall described RCEA's support role in the County's current multijurisdictional climate action plan development effort and the County's proposed contract with RCEA to provide additional technical support in determining the projected savings of, and strategies for implementing, different greenhouse gas emission reduction measures. Mr. Marshall stated staff is working to align the current RCEA Comprehensive Action Plan for Energy update with relevant sections of the County Climate Action Plan goals.

The directors discussed the County's climate action plan project schedule and schedule of public meetings, RCEA's proposed scope of work, funding sources for RCEA's work and the

need for clear delineations of County-contracted work and greenhouse gas inventory and CAPE update work funded by other sources.

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

M/S: Woo, Miller: Authorize the Executive Director to execute a contract with the County of Humboldt to provide Climate Action Planning support services after final review and approval of any revisions by RCEA General Counsel; and direct staff to present the executed contract to the Board at its May 2019 regular meeting.

The motion passed on a unanimous voice vote. Ayes: Curran, Garnes, Miller, Smith, Stanfield, Winkler, Woo. Noes: None. Absent: Allison, Fennell. Abstentions: None.

6.2 Energy Efficiency Program Administrator Status Election

Demand-Side Management Director Lou Jacobson reported that RCEA has provided energy-efficiency services to local government agencies, businesses and residents for the past 13 years. Staff is pursuing multiple potential funding streams to continue energy efficiency services in response to statewide changes in energy efficiency program funding.

The California Public Utilities Commission mandated that investor-owned utilities take energy-efficiency services out to bid in 2020. PG&E is considering RCEA's non-residential services bid abstract, one of three RCEA abstracts submitted, reflecting a move away from residential, education and outreach funding. PG&E's local government partnerships will also be taken out to bid. RCEA's current local government contract with PG&E is expected to be extended through June 2020. The CPUC is currently assessing the future of Regional Energy Networks, another potential energy efficiency funding avenue. RCEA and its rural hard-to-reach partners will submit comments to the CPUC. Staff proposes application for program administrator status so RCEA may directly administer CPUC energy efficiency funds. Energy efficiency plan preparation is the first step toward becoming a program administrator.

The directors discussed how Demand Side Management staff funding is reflected in the agency budget, the experience of other community choice energy organizations that have become program administrators, and next steps.

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

M/S: Miller, Garnes: Authorize staff to prepare an energy efficiency plan for Board approval that meets the requirements set forth in utility code section 381.1 (e)-(f) and furthered in CPUC decision 14-01-033.

The motion passed on a unanimous voice vote. Ayes: Curran, Garnes, Miller, Smith, Stanfield, Winkler, Woo. Noes: None. Absent: Allison, Fennell. Abstentions: None.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Winkler determined there was no quorum to conduct CCE business. General Counsel Diamond recommended the Board move agenda items seven and eight to the general business portion of the agenda, hear the presentations and defer any required action to a future meeting.

M/S: Miller, Woo: Move agenda items 7 and 8 from the Community Choice Energy Business to the General Business portion of the meeting agenda to hear presentations, deferring any required action to the next regular RCEA Board meeting.

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

The motion passed on a unanimous voice vote. Ayes: Curran, Garnes, Miller, Smith, Stanfield, Winkler, Woo. Noes: None. Absent: Allison, Fennell. Abstentions: None.

7. OLD BUSINESS - Energy Risk Management Quarterly Report (Information only)

Client Services Specialist Jaclyn Harr of The Energy Authority introduced herself and provided an Energy Risk Management quarterly update. In January 2019 the Board decided to stay with current portfolio goals of 40% renewable and 80% carbon-free energy and to reduce the rate discount relative to PG&E's rates to 1%, resulting in anticipated 2019 net revenues of \$900,000. Since January, anticipated changes in PG&E's rates and increased costs of renewable energy credits and other carbon-free products are expected to result in net revenue of \$4 million for this year, with net revenues falling slightly in subsequent years due to power generation rate changes.

The directors discussed reconsidering RCEA's 1% rate discount relative to PG&E's rates, PG&E's multiple generation rate changes this year, uncertainty in the energy market, the difficulty of procuring carbon-free energy from large hydropower, and the highly speculative nature of power charge indifference adjustment predictions given PG&E's bankruptcy filing.

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

8. NEW BUSINESS - PG&E Time of Use Transition Team Presentation (Information only)

PG&E's Pricing Products – Time of Use Transition and Accounts Services Manager Jessica Chancellor presented a report about PG&E's upcoming residential time of use billing transition. The CPUC requires that all investor owned utilities transition tiered rate customers to time of use rates to allocate costs more appropriately to when energy is being used. PG&E is seeking community choice aggregator support for its statewide campaign to avoid customer confusion. In general, customers will be incentivized to conserve electricity between 4-9 p.m. year-round. The time of use structure is generally beneficial for coastal ratepayers as electricity use tends to be low. Roughly one-third of RCEA customers will not see a change to their bills. About 38,000 of RCEA customers will be eligible to transition to time of use billing in June 2021. RCEA revenue impacts are estimated to be as much as \$800,000.

The Board needs to decide whether to implement the same time of use transition as PG&E and whether to provide bill protection by October 2019.

The directors discussed ways customers might shift their electricity use to adjust to rate changes, environmental benefits, cost recovery options, potential cost savings of joining PG&E's transition efforts, encouraging opting up to RePower+ to offset revenue loss, and PG&E's Customer Voice marketing focus groups.

Chair Winkler invited public comment.

Member of the public Ellen Golla stated that PG&E's time of use plan messaging, specifically recommending eating cold cuts for dinner, may be negatively interpreted by customers.

Chair Winkler closed public comment.

Chair Winkler adjourned the meeting at 5:49 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board

NEXT REGULAR MEETING

Thursday, May 23, 2019, 3:30 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501