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 AGENDA

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

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at *www.redwoodenergy.org*.

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral and written communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

3. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted on one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

3.1 Approve Minutes of April 25, 2019, Board Meeting.
3.2 Approve Disbursements Report.
3.3 Accept Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

5. OLD BUSINESS

5.1 Offshore Wind Project Investment

Approve RCEA investment in the Redwood Coast Offshore Wind Project, not to exceed $300,000 in FY19-20 and $250,000-500,000 per year in subsequent years up to total maximum investment not to exceed $2.5million.

5.2 Comprehensive Action Plan for Energy and County Climate Action Plan Update (Information only)

5.3 Salary Schedule Update and New Deferred Compensation Plan

Approve 1) the proposed revised salary schedule, effective July 1, 2019, and 2) the addition of a 457(b) deferred compensation plan with 4% employer contribution to RCEA employee benefits package.

5.4 Airport Microgrid Project – USDA Loan Requirements

Adopt Resolution No. 2019-2, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving an Interconnection of Distributed Resources Policy.

6. NEW BUSINESS

6.1 FY18-19 Budget Update and Proposed Revision

Approve proposed revisions to the FY18-19 Annual Budget.

6.2 Draft FY19-20 Annual Budget

Provide input and direction to staff and the Finance Subcommittee on the draft budget.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Residential Time-of-Use Rate Transition

Direct staff to transition flat-rate residential customers to the TOU rate in June of 2021 in partnership with PG&E.

Direct staff to offer bill protection to appropriate rate-transition customers for the first year.

Direct staff to maintain CCA residential customer rates consistent in structure with PG&E's residential customer rates through the transition period to residential time-of-use rates.

8. NEW CCE BUSINESS

8.1 CCE Customer Programs

Approve Community Advisory Committee and staff-recommended CCE customer programs and associated 2019-20 funding allocations.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Auditor Selection Update by Executive Director Matthew Marshall.

9.2 Community Choice Energy Updates on Feed-In Tariff, Rate Change, Net Energy Metering Payout and Electric Vehicle Rate Migration by Power Resources Director Richard Engel and Account Services Manager Mahayla Slackerelli.

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NEXT REGULAR MEETING
Thursday, June 27, 2019, 3:30 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501

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BOARD OF DIRECTORS DRAFT MEETING MINUTES

Humboldt Bay Municipal Water District Office **April 25, 2019**
828 7th Street, Eureka, CA 95501 **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.

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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.

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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

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Redwood Coast Energy Authority
Disbursements Report
As of March 31, 2019

Accrual Basis

Type	Date	Num	Name	Memo	Amount
Check	03/01/2019	9268	CoPower	Vision Premium	-341.90
Bill Pmt -Check	03/07/2019	ACH	The Energy Authority	CAISO Invoice #20190307-Mar	-73,183.34
Paycheck	03/08/2019	9297	Paycheck	Payroll	-2,479.38
Bill Pmt -Check	03/08/2019	9298	Bishop, M.	Purchase reimbursement: glass pane for HR office	-189.88
Bill Pmt -Check	03/08/2019	9299	Braun Blaising Smith Wynne	Legal Services - Regulatory	-8,771.37
Bill Pmt -Check	03/08/2019	9300	CalCCA	Advance Expense Reimbursements	-13,750.00
Bill Pmt -Check	03/08/2019	9301	Central Office	Lamination & copies	-60.39
Bill Pmt -Check	03/08/2019	9302	City of Arcata	Food Works self-install rebate/Audit 5629.	-345.72
Bill Pmt -Check	03/08/2019	9303	City of Eureka-Water	Water service, 1/25-2/26/19	-158.16
Bill Pmt -Check	03/08/2019	9304	Cooper & Sons Electrical Services	Installed 2nd circuit for car charging station	-541.91
Bill Pmt -Check	03/08/2019	9305	Diamond, Nancy	February legal services	-15,221.75
Bill Pmt -Check	03/08/2019	9306	Donald Dame	Professional Services	-306.25
Bill Pmt -Check	03/08/2019	9307	Enterprise Tolls	Toll Fine: A. Campbell	-9.95
Bill Pmt -Check	03/08/2019	9308	FedEx	Residential box mailing	-16.97
Bill Pmt -Check	03/08/2019	9309	Headwaters Fund - Interest	RCEA loan February 2019 Interest 3846000 80019(	-50,000.00
Bill Pmt -Check	03/08/2019	9310	Humboldt Lighting, LLC.	Audit rebates	-21,036.93
Bill Pmt -Check	03/08/2019	9311	Local Government Commission	February 2019 CivicSpark Services	-2,318.18
Bill Pmt -Check	03/08/2019	9312	Mission Uniform & Linen	Mission Linen self-install rebate/Audit 5541	-894.01
Bill Pmt -Check	03/08/2019	9313	North Coast Cleaning	Feb 2019 Cleaning Service	-438.00
Bill Pmt -Check	03/08/2019	9314	NYLEX.net, Inc.	Server install	-4,162.96
Bill Pmt -Check	03/08/2019	9315	PG&E EV Account	EV stations January	-380.58
Bill Pmt -Check	03/08/2019	9316	PG&E Utility Account	January utilities/lighting upgrade financing	-1,342.38
Bill Pmt -Check	03/08/2019	9317	Recology	February garbage service	-90.72
Bill Pmt -Check	03/08/2019	9318	SDRMA Medical	April Premium	-20,049.12
Bill Pmt -Check	03/08/2019	9319	Sonoma County Office of Education	January 2019 Professional Services.	-104.00
Bill Pmt -Check	03/08/2019	9320	Stitch Witch	Merchandise Order - vest	-61.89
Bill Pmt -Check	03/08/2019	9321	Suddenlink Communications	Internet access	-1,106.30
Bill Pmt -Check	03/08/2019	9322	Times Printing Company	Mailings	-916.79
Bill Pmt -Check	03/08/2019	9323	Trinidad Union Elementary School	Trinidad Elementary self-install rebate/Audit 4093.	-4,771.31
Bill Pmt -Check	03/08/2019	9324	Visual Concepts	Stickers	-51.89
Bill Pmt -Check	03/08/2019	9325	Burks, K.	February mileage reimbursement	-119.02
Bill Pmt -Check	03/08/2019	9330	Hilson, D.	February mileage reimbursement	-193.20
Bill Pmt -Check	03/08/2019	9331	Jacobson, L.	Travel reimbursement	-484.90
Bill Pmt -Check	03/08/2019	9333	McMahon, J.	Mleage reimbursement	-168.68
Bill Pmt -Check	03/08/2019	9334	Means, M.	February mileage	-35.79
Bill Pmt -Check	03/08/2019	9337	Ponting, W.	February mileage reimbursement	-118.27
Bill Pmt -Check	03/08/2019	9338	Terry, P.	February mileage reimbursement	-75.11
Paycheck	03/08/2019	3081901	Payroll	Payroll	-41,740.08
Bill Pmt -Check	03/15/2019	ACH	The Energy Authority	TEA Invoice #20190315	-2,962,406.35
Bill Pmt -Check	03/18/2019	ACH	Staples Charge Account	February Statement	-432.15
Bill Pmt -Check	03/19/2019	ACH	PG&E - ACV	Interconnection Request Fee & Independent Study I	-10,800.00
Bill Pmt -Check	03/21/2019	ACH	The Energy Authority	CAISO Invoice #20190321-Mar	-64,386.28
Bill Pmt -Check	03/22/2019	ACH	Humboldt Redwood Company	Humboldt Redwood CO. February 2019	-596,339.02
Bill Pmt -Check	03/22/2019	ACH	DG Fairhaven	DG Fairhaven February 2019	-234,806.76
Bill Pmt -Check	03/22/2019	ACH	CalPine Corporation	Calpine February 2019 Costs	-73,007.75
Liability Check	03/22/2019	E-pay	EDD	499-0864-3 QB Tracking # 526139226	-3,401.42
Liability Check	03/22/2019	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 526147226	-17,034.14
Liability Check	03/22/2019	E-pay	EDD	499-0864-3 QB Tracking # 526153226	-148.43
Liability Check	03/22/2019	E-pay	EDD	499-0864-3 QB Tracking # 526169226	-3,691.29
Liability Check	03/22/2019	E-pay	Internal Revenue Service	74-3104616 QB Tracking # 526178226	-18,431.16
Liability Check	03/22/2019	E-pay	EDD	499-0864-3 QB Tracking # 526185226	-134.87
Paycheck	03/25/2019	9326	Paycheck	Payroll	-2,479.38
Liability Check	03/25/2019	9327	Umpqua Bank	74-3104616 HSA Contributions	-698.72
Liability Check	03/25/2019	9328	Calvert	74-3104616 IRA Contributions	-11,494.05
Bill Pmt -Check	03/25/2019	9329	Winzler, John	Office Lease - April	-4,350.00
Bill Pmt -Check	03/25/2019	9339	Avcollie, M.	February mileage reimbursement	-99.76
Bill Pmt -Check	03/25/2019	9340	Best Cleaners	Coverall & linens laundering	-12.50
Bill Pmt -Check	03/25/2019	9341	Biondini, L.	February mileage reimbursement	-9.05

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/25/2019	9344	BMW of Humboldt Bay	BMW self-install rebate/Audit 5651.	-2,422.52
Bill Pmt -Check	03/25/2019	9345	Braun Blaising Smith Wynne	Legal Services - Regulatory	-9,806.72
Bill Pmt -Check	03/25/2019	9346	City of Arcata	Utility taxes	-8,552.76
Bill Pmt -Check	03/25/2019	9347	City of Blue Lake	February Utility User Tax	-636.86
Bill Pmt -Check	03/25/2019	9348	David L. Moonie & Co., LLP	Annual accounting records close, auditing.	-1,304.00
Bill Pmt -Check	03/25/2019	9349	Department of the Treasury	Payroll taxes	-2,193.20
Bill Pmt -Check	03/25/2019	9350	Developed Employment Services, LLC.	Facilities maintenance work	-42.78
Bill Pmt -Check	03/25/2019	9351	Enterprise	L. Jacobson travel 01/28-02/01/19	-403.95
Bill Pmt -Check	03/25/2019	9352	Enterprise Tolls	Toll Fine: A. Campbell	-8.95
Bill Pmt -Check	03/25/2019	9353	HCOE	Business cards	-336.00
Bill Pmt -Check	03/25/2019	9354	Hoby's Market	Hoby's Market self-install rebate/Audit 4741.	-876.13
Bill Pmt -Check	03/25/2019	9355	Hog Island Oyster Co.	Hog Island self-install rebate/Audit 5459.	-3,382.94
Bill Pmt -Check	03/25/2019	9356	HSU Fdn FCEV ARV-14-055	January contract services 000163/SP33794	-8,227.32
Bill Pmt -Check	03/25/2019	9357	Humboldt Lighting, LLC.	Mad River Plumbing self-install rebate/Audit 5675	-615.67
Bill Pmt -Check	03/25/2019	9358	Mad River Union	Grande ad - Lighting Fair	-121.00
Bill Pmt -Check	03/25/2019	9360	Northern CA Safety Consortium	Sexual Harassment Training	-250.00
Bill Pmt -Check	03/25/2019	9361	NYLEX.net, Inc.	Onsite network support services - April	-3,200.00
Bill Pmt -Check	03/25/2019	9362	Owen, P.	HR Training "How to Conduct an Investigation"	-25.00
Bill Pmt -Check	03/25/2019	9363	PG&E CCA	February CCE Charges	-21,874.30
Bill Pmt -Check	03/25/2019	9364	Platt/Rexel	Bulb recycling	-3,763.41
Bill Pmt -Check	03/25/2019	9370	Scotia Union Elementary School	Scotia self-install rebate/Audit 4632.	-4,644.18
Bill Pmt -Check	03/25/2019	9371	SDRMA Dental	April Premium	-1,246.73
Bill Pmt -Check	03/25/2019	9372	Shred Aware	Shredding services	-135.00
Bill Pmt -Check	03/25/2019	9373	Times Printing Company	Printing services	-1,209.76
Bill Pmt -Check	03/25/2019	9374	Verizon Wireless	February tablet/cell service for field staff/mobile bro	-228.60
Bill Pmt -Check	03/25/2019	9375	Mission Uniform & Linen	Mar mat service, janitorial supplies	-60.14
Paycheck	03/25/2019	3251901	Payroll	Payroll	-44,805.15
TOTAL					**-4,390,573.23**

Redwood Coast Energy Authority
Visa
As of March 31, 2019

	Type	Date	Num	Name	Memo	Amount	Balance
2006 · VISA-3748							**2,765.25**
	Credit Card Charge	03/01/2019		Square	Card Reader Fee	50.00	2,815.25
	Credit Card Charge	03/01/2019	10516	SnuggPro	Modeling report - job #125182	25.00	2,840.25
	Credit Card Charge	03/01/2019	3178	Amazon.com	First aid supplies	17.98	2,858.23
	Credit Card Charge	03/04/2019	5000	AT&T	Phone services	955.87	3,814.10
	Credit Card Charge	03/05/2019	9781	Amazon.com	Waste Cartridge - 6400 copier	134.48	3,948.58
	Credit Card Charge	03/07/2019	ADB01474480	Adobe Systems, Inc.	Acrobat Pro DC & Creative Cloud membershi	249.93	4,198.51
	Credit Card Charge	03/09/2019	ADD02885344	Adobe Systems, Inc.	Acrobat Pro DC	14.99	4,213.50
	Credit Card Charge	03/12/2019	7539	Pitney Bowes-Rental	Postage meter reader rental	61.56	4,275.06
	Credit Card Charge	03/14/2019	2756	Amazon.com	Janitorial supplies	141.04	4,416.10
	Credit Card Charge	03/16/2019		U-Verse	December DSL 11/9 - 12/8/16	95.89	4,511.99
	Credit Card Charge	03/16/2019	4504	AT&T	Internet Services	55.00	4,566.99
	Credit Card Charge	03/18/2019	4019	Amazon.com	Amazon Prime	14.09	4,581.08
	Credit	03/18/2019	February	VISA	February Statement 1/19/19-2/21/19	15.02	4,596.10
	Credit Card Charge	03/19/2019	MC05912377	MailChimp	Monthly plan 1001-1500 subscribers.	20.00	4,616.10
	Credit Card Charge	03/25/2019		Uberconference	Conference call subscription	11.06	4,627.16
Total 2006 · VISA-3748						1,861.91	4,627.16
TOTAL						**1,861.91**	**4,627.16**

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Redwood Coast Energy Authority
Balance Sheet
As of March 31, 2019

	Mar 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1010 · Petty Cash	414.35
1050 · GRANTS & DONATIONS 3840	15,204.58
1060 · Umpqua Checking-9271	372,568.76
1070 · OLD Umpqua Dep Cntrl Acct 1687	80,790.73
1071 · Umpqua Deposit Cntrol Acct 8215	2,529,605.96
1075 · Umpqua Reserve Account 2300	3,250,000.00
8413 · COUNTY TREASURY 3839	5,065.52
Total Checking/Savings	6,253,649.90
Total Accounts Receivable	1,083,649.01
Other Current Assets	
1101 · Allowance for Doubtful Accounts	-261,309.54
1103 · Accounts Receivable-Other	6,544,188.50
1120 · Inventory Asset	21,715.00
1202 · Prepaid Expenses	-26,355.25
Total 1210 · Retentions Receivable	36,500.57
1499 · Undeposited Funds	38,957.90
Total Other Current Assets	6,353,697.18
Total Current Assets	13,690,996.09
Fixed Assets	
1500 · Fixed Asset	236,690.39
1600 · Accumulated depreciation	-84,965.00
Total Fixed Assets	151,725.39
Total Other Assets	4,100.00
TOTAL ASSETS	**13,846,821.48**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	2,875,050.40
Total Credit Cards	1,792.94
Other Current Liabilities	
2001 · Accounts Payable-Other	1,838,204.72
2012 · PG&E Deferred Revenue	-11,700.00
Total 2100 · Payroll Liabilities	121,988.64
Total 2210 · Retentions Payable	0.56
Total Other Current Liabilities	1,948,493.92
Total Current Liabilities	4,825,337.26
Total Long Term Liabilities	161,045.20
Total Liabilities	4,986,382.46
Equity	
2320 · Investment in Capital Assets	150,452.99
3900 · Fund Balance	8,343,660.21
Net Income	366,325.82
Total Equity	8,860,439.02
TOTAL LIABILITIES & EQUITY	**13,846,821.48**

Redwood Coast Energy Authority
Profit & Loss Budget vs. Actual
July 2018 through March 2019

	Jul '18 - Mar 19	Budget	% of Budget
Ordinary Income/Expense			
Income			
4 GRANTS AND DONATIONS			
Total 4500 · Revenue - government grants	765,954.53		
Total 4 GRANTS AND DONATIONS	765,954.53		
5 REVENUE EARNED			
Total 5000 · Revenue - government agencies	119,362.32	111,600.00	107%
Total 5100 · Revenue - program related sales	11,416.07	18,000.00	63%
Total 5400 · Revenue-nongovernment agencies	927,529.32	1,210,000.00	77%
5500 · Revenue - Electricity Sales			
Total 5510 · Electricity Sales	34,225,541.19	51,940,000.00	66%
5580 · Uncollectable Accounts	-102,702.00	-160,000.00	64%
Total 5500 · Revenue - Electricity Sales	34,122,839.19	51,780,000.00	66%
Total 5 REVENUE EARNED	35,181,146.90	53,119,600.00	66%
Total Income	35,947,101.43	53,119,600.00	68%
Gross Profit	35,947,101.43	53,119,600.00	68%
Expense			
Total 6 WHOLESALE POWER SUPPLY	29,661,178.87	39,880,000.00	74%
Total 7 PERSONNEL EXPENSES	1,686,408.31	2,253,700.00	75%
8.1 FACILITIES AND OPERATIONS			
Total 8130 · Capital Development - Facility	760,854.53		
8.1 FACILITIES AND OPERATIONS - Other	209,330.44	211,400.00	99%
Total 8.1 FACILITIES AND OPERATIONS	970,184.97	211,400.00	459%
Total 8.2 COMMUNICATIONS AND OUTREACH	74,005.64	108,200.00	68%
Total 8.3 TRAVEL AND MEETINGS	31,211.75	48,000.00	65%
8.4 PROFESSIONAL & PROGRAM SRVS			
8400 · Regulatory	82,228.14	94,600.00	87%
8410 · Contracts - Program Related Ser	90,170.39	362,200.00	25%
8420 · Accounting	18,804.00	55,000.00	34%
8430 · Legal	118,143.96	150,000.00	79%
8450 · Wholesale Services - TEA	436,459.41	585,000.00	75%
8460 · Procurement Credit - TEA	527,287.42	800,000.00	66%
8470 · Data Management - Calpine	655,976.10	1,100,000.00	60%
Total 8.4 PROFESSIONAL & PROGRAM SRVS	1,929,069.42	3,146,800.00	61%
Total 8.5 PROGRAM EXPENSES	469,682.67	1,268,000.00	37%
Total 8.6 INCENTIVES & REBATES	354,049.06	460,000.00	77%
Total 9 NON OPERATING COSTS	404,984.92	565,800.00	72%
Total Expense	35,580,775.61	47,941,900.00	74%
Net Income	**366,325.82**	**5,177,700.00**	**7%**

REDWOOD COAST EnergyAuthority

STAFF REPORT

Agenda Item # 5.1

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Offshore Wind Project Investment

BACKGROUND

In 2012, RCEA adopted the Humboldt County Comprehensive Action Plan for Energy (CAPE), RCEA's primary guiding document, which established specific strategic action items relevant to the development of the region's offshore wind energy resources. Action items included:

- Working with utilities and private companies to develop off-shore wind energy demonstration projects;
- Supporting emerging energy technology development from local and non-local sources;
- Collaborating with local economic development entities to attract technology developers, manufacturers and energy service providers to the County;
- Collaborating with local jurisdictions to identify and pre-assess locations and facilities that could appropriately support energy generation projects and/or other energy-related business ventures; and
- Working with local economic development entities and financial institutions to develop programs and resources that facilitate local community investment in and/or ownership of energy efficiency and renewable energy projects.

RCEA also initiated RePower Humboldt, a community-wide visioning effort to define a strategic plan for achieving energy independence and security in Humboldt County. Finalized in 2013 with the support of HSU's Schatz Energy Research Center, the California Energy Commission, PG&E and many community stakeholders, the RePower Humboldt Strategic Plan identifies "pursuing opportunities for off-shore wind energy research, development and demonstration" as an important objective. Community stakeholders further prioritized "local acceptance, participation, and control" as a key criterion for future renewable energy resource development projects.

Between 2015-2017 RCEA's local government members approved RCEA's establishment as the County's community choice aggregator charged with providing electricity generation service to Humboldt County ratepayers in tandem with PG&E and providing local control over electricity supply. The Board adopted Guidelines for the CCA Program's Launch Period Strategy and Targets in 2016 after a series of community input gathering workshops. The resulting guidelines lay out power portfolio goals for near- and long-term local renewable energy generation, including pursuing the development of offshore wind energy.

In 2018, RCEA issued a request for qualifications to seek project partners to provide the needed technical and financial resources to develop the local offshore wind resource while maintaining a local stake in planning and potential development off the Humboldt County coastline. In April 2018, the Board approved joint development of a public-private partnership agreement between RCEA, Principle Power, Inc., Aker Solutions, Inc., and EDPR Offshore North America, LLC.

Project activities to date include a Bureau of Ocean Energy Management outer continental shelf renewable energy commercial unsolicited lease request, California Independent System Operator grid interconnection study initiation, and beginning work with the Humboldt Bay Harbor District to address the offshore wind project's harbor infrastructure needs.

SUMMARY

The RCEA Board Offshore Wind Subcommittee has been working with staff and legal counsel to evaluate options for RCEA's ongoing role in the development of the Redwood Coast Offshore Wind project.

The cooperation agreement between RCEA, EDPR, Principle Power, and Aker Solutions is structured to be an initial step in laying the foundation for future agreements. Specifically, the cooperation agreement (summary attached) outlines that during phase 1 (pre-lease) EDPR, Principle, and Aker will establish a project company, Redwood Coast Offshore Wind, LLC, that will be the jointly-owned entity that will develop, own and operate the wind farm.

The cooperation agreement also lays out that once the project company is established with EDPR, Principle, and Aker as the initial equity investors that RCEA will 1) enter into a public private partnership agreement with the project company, and 2) RCEA will have the option to take an equity investor position in the project company. In alignment with this proposed investment structure RCEA has cost-shared with the other partners various project costs over the last year.

The current decision to be made by the Board is whether or not to continue to move forward under the equity investment model (with the associate financial risks and potential returns on investment) outlined in the cooperation agreement, or to structure the public private partnership agreement to transition RCEA's role to a more arms-length relationship with the project company and RCEA's development partners.

After reviewing and evaluating the options and considerations associated with this decisions, the Board Offshore Wind Subcommittee is recommending that RCEA proceed–at a financially prudent level—with continuing forward as a equitable investor-partner in the project as outlined in the cooperation agreement.

At the meeting staff will provide a presentation on the above information along with additional details on the factors informing the Subcommittee's recommendation (presentation slides attached).

RECOMMENDED ACTION

<u>Approve RCEA investment in the Redwood Coast Offshore Wind Project, not to exceed $300,000 in FY19-20 and $250,000-500,000 per year in subsequent years up to total maximum investment not to exceed $2.5million.</u>

Next Steps:
The RCEA Board Offshore Wind Subcommittee will work with staff and legal counsel to develop, in collaboration with RCEA's consortium partners, a public private partnership agreement and associated RCEA financial investment structure with Redwood Coast Offshore Wind LLC that will be presented to the full board for approval.

ATTACHMENTS

1. Cooperation Agreement Summary
2. Presentation Slides

SUMMARY OF MATERIAL AGREED TO TERMS (AUGUST 20, 2018)

COOPERATION AGREEMENT

To Engage in Preparatory Activities
For the Development of
Redwood Coast Offshore Wind Energy

Between:

Aker Solutions, Inc.
EDPR Offshore North America LLC
Principle Power, Inc.
and
Redwood Coast Energy Authority

1. **Cooperation Agreement Structure**.

   a. Overview. Cooperation Agreement outlines Parties' responsibilities and memorializes agreement on activities to be executed as part of development and operation of *an approximate 100MW to 150 MW floating offshore wind energy project off the coast of Humboldt County* ("Project"). Full Project implementation is expected to occur over seven phases (each a "Phase"). Agreement focuses on Phase 1 completion, and sets forth anticipated activities deemed necessary for completion of subsequent Project Phases.

   b. Parties. The Parties other than RCEA are referred to as the "Consortium." The special purpose vehicle that will own, manage and operate Project is referred to as the "Project Company." Each Party expected to bring the following to the Project:

RCEA	- Participation in the Project Equity - Local community access - Local Community outreach - Political access and strategy - Site control through lease application - Power off-take - Power off-take strategy - Communications, Media and Policy Support
PPI	- Participation in the Project Equity - Project Management - Economic analysis - Site Assessment, Spatial Planning and Leasing Support

	- Community and Supply Chain Outreach - Design/Engineering and Licensing: Preliminary studies, Permitting Support, FEED, Detailed Design, Exclusive Technology Licensing - Construction and Commissioning Support - Floating systems O&M - Decommissioning Support - Communications, Media and Policy Support
ASI	- Participation in the Project Equity - Project Management - Cost estimations - Design/Engineering: Preliminary studies, FEED, detail design - Offshore electrical system design - Supply chain Management - HS&E Management - Construction Planning - Industrialization - Procurement - Fabrication - Installation Overall system O&M services - Overall system decommissioning support
EDPR	- Participation in the Project Equity - Project Financing - Project Management, - Permitting, Leasing and Regulatory Compliance - Stakeholder outreach - Wind Resource Assessment and Site Assessment - Relationship with Wind Turbine OEMs, - Grid connection - Electrical Design - Offtake negotiations - Operations Management

c. Additional Agreements Contemplated. Cooperation Agreement contemplates the following additional future agreements:

1) Public private partnership (PPP) Agreement between RCEA and Consortium or Project Company to define the rights and obligations of Parties during post-site control, development and operation phases of Project;
2) One or more power purchase agreements (PPA) between Project Company and RCEA and/or other off takers;
3) One or more separate agreements by, between, and among the Parties and Project Company to implement Project development and operation; and
4) One or more separate agreements during Phase 1 by individual Parties and/or the Project Company with third parties to facilitate Project development and operation.

2. **Project Execution**. Project Execution assumes the issuance of non-competitive lease. If there is expression of interest by others, the Parties will revise the Project Execution Plan to account for the auction process. Project Execution is organized into seven phases, each with a scope, timeline and budget. Project scope and timelines are as follows, Project budgets are confidential:

   a. Phase 1: Pre-site control (estimated completion: Q1 2019 or Q3 2020)

      1) BOEM Lease Application
      2) Creation of Project Company
      3) Preliminary Supply Chain analysis (including Initial Harbor Assessment)
      4) Initial Evaluation of Power Off-take Options
      5) Preliminary Economic Analysis
      6) Preliminary Technical Assessment (Initial Site Assessment and Farm Layout)
      7) Community/Stakeholder Outreach and Consensus-building
      8) Communications and Media Strategy
      9) Legislative and regulatory action plan and strategy

   b. Phase 2: Early Development

      1) Preliminary Engineering Works (estimated completion: Q2 2021)
      2) Preliminary Procurement and Supply Chain Works
      3) Site Assessment Plan (SAP)
      4) Commercial Fishing Benefit Agreement
      5) Community Benefit Agreement
      6) CAISO Interconnection Agreement
      7) Power Purchase Agreement(s) (PPA)
      8) Secure construction financing

   c. Phase 3: Late Development (estimated completion: Q3 2022)

      1) Full Engineering Works
      2) Full Procurement Works
      3) Obtain financing for harbor land access and upgrades
      4) Secure harbor access rights
      5) COP approval
      6) Permitting
      7) Completion of all Engineering, Procurement and Licensing

   d. Phase 4: Financing and pre-construction (estimated completion: Q4 2022)

      1) Harbor upgrades
      2) Project final design
      3) Final Certification and Due diligence
      4) Financial Close

e. Phase 5: Construction (estimated completion: 2024)

1) Construction and Installation procurement
2) Full implementation of Project procurement
3) Commissioning and grid interconnection

f. Phase 6: Commercial Operation (estimated completion: 2049)

1) Commercial Operations
2) Maintenance Operations

g. Phase 7: Project lease renewal/repowering or decommissioning (estimated completion: TBD)

1) Decommissioning
2) Repowering Process
3) Lease Renewal Process

h. Revisions to Phases 2-7. Information received and/or knowledge obtained during execution of Project may form basis for changes to the anticipated activities of Phases 2-7, as negotiated in good faith by Parties with goal of achieving best Project outcome.

3. Phase 1 Project Team. Parties to set up dedicated Project Team to implement Phase 1, which will initially include a Project Manager. Both will report to the Steering Committee (see below). Once Project Company is created, Project Team will be contracted or hired by Project Company, and Project Team and Project Manager will report to the governing body of the Project Company.

4. Project Company.

a. Creation. To be created by the Consortium during Phase 1 with a mutually agreed upon corporate structure. Its sole purpose will be development of Project. After creation, it will become primarily responsible for development of the Project. Name of Project Company will be: Redwood Coast Offshore Wind LLC.

b. Funding. Initially, to be funded and staffed by the Consortium members according to respective equity contributions [*confidential*].

c. Separate Contracts. Project Company may engage any of the Parties or third parties to provide services to Project Company as necessary to complete Project.

5. Exclusivity. Parties will not undertake any activities with third parties for the development (or preparation) of another offshore wind project along Humboldt County coast, except to as necessary to achieve of Project goals and spur broader market and/or project development on West Coast, so long as such activities are not detrimental to Project.

6. Obligations of RCEA

a. Project Company Assistance. RCEA to reasonably assist Project Company in:

1) Successfully achieving commercial operation of the Project;
2) Obtaining all permits and necessary approvals during Project life-cycle.

b. PPA. To execute a long-term power purchase agreement ("PPA") with Project Company that will enable Project Company to achieve non-recourse financing.

c. Lease conveyance. To convey to Project Company the lease rights received from BOEM.

7. License of WindFloat Technology. PPI to grant non-exclusive, non-sublicensable limited use WindFloat technology license to Project Company, for use in Project. License fee and terms to be negotiated between PPI and Project Company/ remaining parties in Consortium.

8. Term and Termination.

a. Term. Cooperation Agreement commences on the Effective Date, and continues until the earlier of: (a) site control, or (b) termination of this Agreement by one of the following:

1) Mutual agreement of Parties in writing;
2) BOEM Lease put up for auction and awarded to a third-party;
3) BOEM Lease not awarded to RCEA, the Consortium or the Project Company by 31 January 2021;
4) Material breach by a Party, after notice and opportunity to cure; and
5) Violation of a party's confidentiality, trademarks, or intellectual property rights.

9. Governance of Project Company.

a. Steering Committee. Phase 1 work to be coordinated through Steering Committee until creation of Project Committee. Steering Committee to be created immediately, comprised of one senior manager from each Party and one alternate. In the case of RCEA, Executive Director to designate members. Each Party to be represented by a single vote. Unanimous vote required for all decisions. Decisions of Steering Committee to bind all Parties.

b. Key Decisions of the Steering Committee. To make all decisions pertaining to Project Execution Plan unless delegated to the Project Manager. In particular, Steering Committee to:

1) Appoint members of a Project Team;
2) Approve procurement strategy and processes;
3) Approve stakeholder engagement strategy in particular with BOEM, fishermen and Department of Defense;
4) Approve engagement with key industrial contractors;
5) Grant exclusivity;
6) Approve any new partnership;
7) Approve amendments to Project Execution Plan;

8) Control and audit expenditures under the Project Execution Budget.

10. <u>Dispute Resolution</u>. Parties to settle all controversies, claims, disputes or differences by arbitration in accordance with the Rules of the American Arbitration Association ("AAA"). Parties to share equally in compensation and expenses of the arbitrators as well as all fees imposed by the AAA, and to be responsible for their own costs and legal fees, if any. Arbitrators to award costs, expenses and legal fees to prevailing party.

11. <u>Indemnification</u>. Mutual indemnification of Parties for damages dues to the indemnifying Party's breach. RCEA's to retain governmental immunities as provided by federal and state constitutions or by law.

12. <u>Material General Provisions</u>.

a. <u>Publicity</u>. Marketing, advertising, promotional materials, press releases or other public announcements regarding Agreement and Project to be made only after receiving prior written consent of the other Parties.

b. <u>Costs and Expenses</u>. Except as otherwise stated, costs and expenses incurred in connection with Agreement to be paid by the Party incurring costs and expenses.

c. <u>Force Majeure</u>. No Party is in breach of Agreement if it is prevented from performing any of the obligations under this Agreement by reason of severe weather and storms; levee breaches; earthquakes or other natural occurrences; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of terrorism; acts of legislative, judicial, executive or administrative authorities; or any other circumstances which are not within its reasonable control.

d. <u>Governing Law and Venue</u>. Agreement and related actions to be governed by California laws. Venue for any action under Agreement shall be Humboldt County, California.

e. <u>Assignment</u>. Rights and obligations of a Party are not assignable or otherwise transferrable without written prior consent of the other Parties, except that EDPR may assign Agreement to an Affiliate without the written consent of the other Parties.

f. <u>No Third-Party Beneficiaries</u>. Agreement not intended to benefit any third Parties.

Offshore Wind Public-Private Partnership Options

Background

- CAPE/RePower (2013) -> CCE Program Guidelines (2016)
- Developer interest (2017) -> RFQ for development partners (Feb 2018)
- RCEA lease request -> BOEM Humboldt Call Area (now)

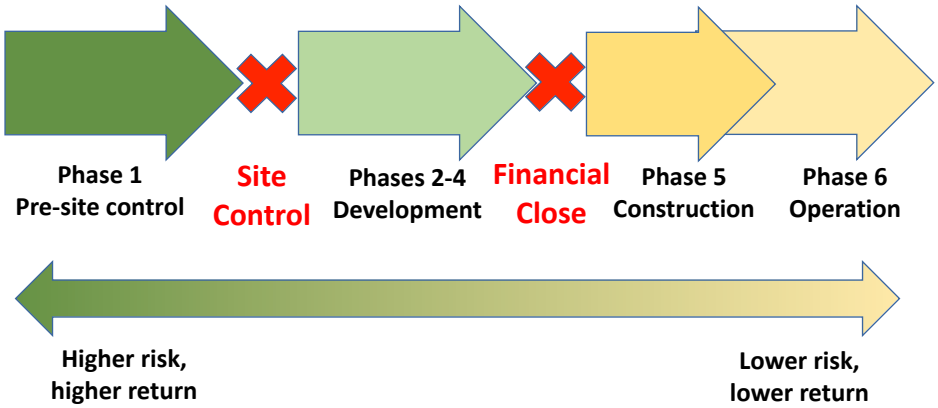
Current Agreements:

- Cooperation Agreement with EDP Renewables, Principle Power, and Aker Solutions
- MOU with Humboldt Fishermen's Marketing Association
- MOU with Humboldt Bay Harbor District

Cooperation Agreement

- Between consortium (EDPR, Principle, Aker) partners and RCEA for initial work
- Identifies that consortium will set up the project company – Redwood Coast Offshore Wind LLC - in phase 1
- Public-private partnership agreement will then be established between RCEA and the Project Company
  - Other subsequent agreements: Power purchase agreement, services contract(s) for any work performed by RCEA on behalf of the project (example: organizing community meetings).

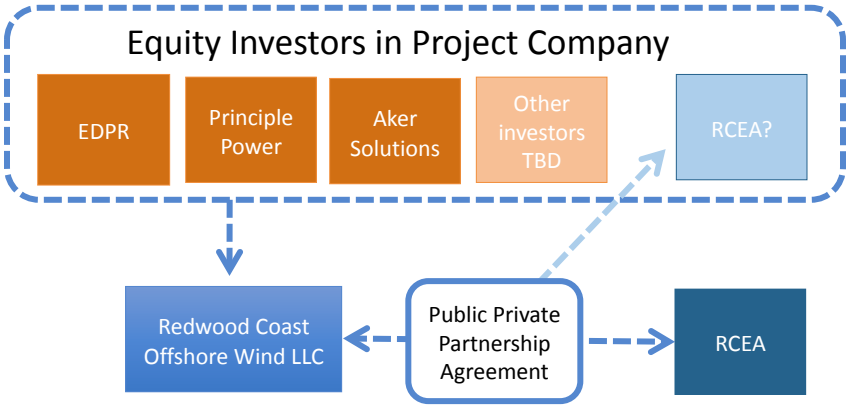
Project timeline



Risk and return on investments

Structure of project company ownership outlined in the cooperation agreement

- EDPR, Principle, and Aker stand up project company and are initial owners
- Once project company is established, RCEA has the option to take an equity position during phase 1
- RCEA equity position bought-out by project partners at financial close, RCEA transitions to just power off-taker during construction and operations phases

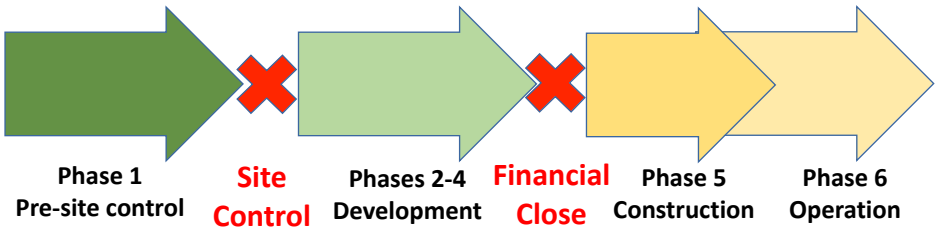


Current Decisions:

Should the public-private partnership agreement include RCEA continuing to be an investor in the project with an equitable return on investment to the private project partners?

If so, at what financial level?

RCEA potential participation and funding investment options

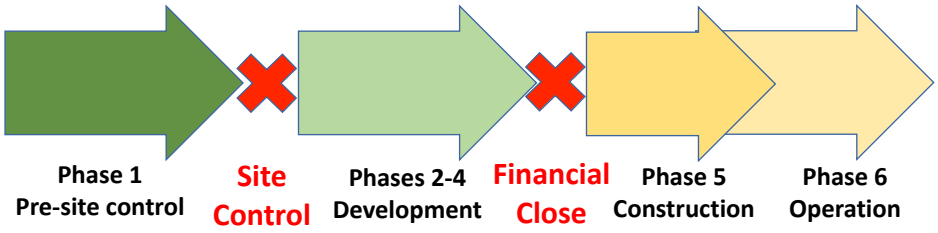


Phase 1 cost $2.7M + Lease cost:

- $400K CAISO Deposit - RCEA paid ¼, $100K
- $1.1M CAISO security posting - RCEA paid ¼, $273.5K
- ~$1.2M cooperation agreement budget (pre-dev. activities) – ¼ ~$300K
- $XXM? Lease bid – *RCEA not expected to cost share*

Phases 2-4 cost: ~$25-30M

Phase 5 cost: ~$500M



RCEA funds would be at risk until financial close, with varying returns based on the risk level of each phase. "Typical" returns on equity ~10-15% per year.

Example/conceptual annual return rates if project is successful:

Phase 1 funding: 12-15%

Phase 2 funding: 10-12%

Phase 5 funding: 8-10%

Example: $100K invested in 2019 at 15% would be worth ~$190K at financial close in 2024 (or ~$0 if project fails)

Participation as outlined in the cooperation agreement (high end)

RCEA cost-shares up through financial close - equal co-funding of phase 1 would be $675K into 2020 + cost-share equally through phases 2-4 would be ~$1.5M/year, **total ~$6.7M for 2019-2024**.

- Pros: RCEA an equitable partner in project decision, receives same return on investment as private entities.
- Cons: Significant RCEA funds at risk (except for about ½ CAISO costs which could be returned).

Low risk – Low reward option

RCEA does not participate in project company, is reimbursed $373.5K contributed to date.

- Pros: low risk, simple structure.
- Cons: limited local control in development process, the value of RCEA's support efforts would have to be quantified into the PPA price (could be complex to value and negotiate the details of that).

Recommendation: **Participation as outlined in the cooperation agreement, with budget limits:**

RCEA cost-shares up through financial close Phase 1 costs and $250-500K/year (based on available budget) for phases 2-4; total not to exceed $2.5M.

- Pros: RCEA an equitable partner in project decision, receives same return on investment as private entities.
- Cons: Manageable amount of RCEA funds at risk – about 0.5-1% of annual revenue between 2019-2024.

Additional Considerations:

- Potential valuation of non-cash contributions regardless of path forward
  - Example: being an "anchor" off-taker reduces project risk – what is that worth?
- Could chose to not cash-out at financial close and maintain ongoing returns over the life of the project
- Cost-sharing prior to site control is riskiest period – but conversely if someone else gets the lease, value of some of the work to date is transferable
  - Examples: CAISO grid position has value; MOU with fishermen has value

Next step

- Develop and enter into Public Private Partnership Agreement with project company.
  - Needs to happen soon so that RCEA role/relationship is established well in advance of BOEM auction.
- If RCEA continued investment approved, bring back options/recommendation for the structure for RCEA equity role (contractual financial return structure? RCEA-designated non-profit equity owner?)
- Future step: Develop Power Purchase Agreement

Questions & Discussion

REDWOOD COAST EnergyAuthority

STAFF REPORT
Agenda Item # 5.2

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Comprehensive Action Plan for Energy and Climate Action Plan Update

BACKGROUND

In September 2012, the Humboldt County Comprehensive Action Plan for Energy (CAPE) was adopted. The CAPE is RCEA's primary strategic planning document and identifies implementation measures specific to fulfilling RCEA's mission, as well as RCEA's role as the regional energy authority.

The original CAPE consists of numerous strategies and objectives grouped under the following categories:

- Regional Energy Planning and Coordination
- Energy Reliability and Security
- Economic Development
- Built Environment Efficiency
- Education
- Energy Efficiency Related to Water & Waste
- Transportation

In April 2019 RCEA initiated the process of updating the CAPE, motivated by several factors:

- The County of Humboldt, with RCEA's assistance, is currently working in coordination with the 7 Cities to develop a Humboldt County 2040 Climate Action Plan. Updating the CAPE in parallel with the development of the County-wide Climate Action Plan will allow for more efficient public input and will ensure that RCEA's targets and strategies are aligned with those of the County and the Cities.
- The energy landscape in Humboldt County has changed over the past seven years, and strategies within the CAPE need to be updated to align with this new landscape.
- RCEA has subsequently developed several other strategic planning documents that should be integrated into the CAPE to create a single, streamlined action plan.

The initial step in the CAPE update consisted of a strategic plan audit. Goals and objectives from RCEA's various strategic planning documents are currently being reviewed to determine applicability and inclusion in the new CAPE.

In chronological order, these documents include:

- Comprehensive Action Plan for Energy (2012)
- RePower Humboldt: A Strategic Plan for Renewable Energy Security and Prosperity (2013)
- North Coast Plug-in Electric Vehicle Readiness Plan (2014)
- Northwest California Alternative Fuels Readiness Plan (2016)
- Board Adopted CCA Program Guidelines (2016)
- North Coast Resource Partnership Resilience and Energy Assessment for Key Assets in Humboldt County (2017)
- County General Plan Energy Element (2017)
- North Coast Resource Partnership Climate Mitigation Report for the North Coast Region of California (2018)
- North Coast and Upstate Fuel Cell Vehicle Readiness Project (2019)

The CAPE update timeline is coordinated with the County-wide Climate Action Plan timeline; this timeline is current as of 5-15-19:

Estimated Date	**CAPE Activity**	**Climate Action Plan Activity**
April 2019	• Begin CAPE update work.	• Present greenhouse gas emissions forecasts to jurisdictions to inform GHG target reductions for 2040.
May	• Complete strategic planning audit. • Identify potential strategies to eliminate, revise, and retain in the development of the new CAPE.	• Quantify and present draft GHG reduction measures to jurisdictions • Arcata local public workshop for input (5/20).
June	• Draft new/updated set of CAPE strategies in preparation for regional public workshop, present to the RCEA Board. • Develop public-facing webpage.	• Local public workshops for input: Willow Creek, Redway (6/2), McKinleyville (6/12), Fortuna, Blue Lake, Trinidad • Stakeholder group meetings
July	• Present CAPE update at large Climate Action Plan regional workshop (early to mid-July). • Incorporate public input into strategies.	• Complete final list of GHG reduction measures. • Present final list of measures during large regional public workshop (early to mid-July). • Stakeholder group meetings.
August	• Complete draft of comprehensive CAPE report (strategies and narrative)	• Complete draft of comprehensive Climate Action Plan (strategies and narrative). • Begin CEQA review of Climate Action Plan. • Draft implementation toolkit.

September to November	• Present CAPE during second round of public climate action plan workshops. • Complete final draft of CAPE report. • Present CAPE final Draft to Board for review (September/October). • Present final CAPE to Board for adoption (November).	• Distribute public draft of Climate Action Plan. • Second round of public workshops.
December 2019/January 2020	• Incorporate new CAPE targets/content into the CCE Program's Integrated Resource Plan (update due to the CPUC in spring of 2020).	• Complete draft CEQA Document. • Hold CEQA Public Review Period.

FINANCIAL IMPACT

Staff time for the CAPE update is included the labor budgets for the CCE program and RCEA's PG&E 2019 Energy Watch contract.

RCEA work to support the County-wide Climate Action Plan development will be primarily funded through the contract with the County that the RCEA Board approved in April (attached); RCEA is contributing $25,000 in match funding to the Climate Action Plan project funded through the PG&E Energy Watch contract. Additionally, $35,000 of 2018 Energy Watch funding was allocated to provide mini grants to all of RCEA's member-cities to help fund their participation in the County-wide Climate Action Plan development effort.

STAFF RECOMMENDATION

No action; informational item.

ATTACHMENTS:

1. RCEA Comprehensive Action Plan for Energy (adopted in 2012).
2. Final draft contract with County of Humboldt Contract for Climate Action Plan activities (County Board of Supervisors to vote on contract execution during their June 11 meeting).

Humboldt County

Comprehensive Action Plan for Energy

Adopted September 2012

REDWOOD COAST EnergyAuthority

Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

Telephone:
707-269-1700 (local)
1-800-931-RCEA (toll free)

Fax:
707-269-1777

Email:
info@redwoodenergy.org

Website:
www.RedwoodEnergy.org

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Executive Summary

Consistent with Humboldt County's General Plan, the County of Humboldt recognizes the Redwood Coast Energy Authority (RCEA) as the regional energy authority to foster, coordinate, and facilitate countywide strategic energy planning, implementation, and education through a Comprehensive Action Plan for Energy (CAPE). This action plan consists of implementation measures specific to the functions of RCEA as the regional energy authority for Humboldt County and in alignment with the mission and purpose stated in RCEA's Joint Powers Agreement, which 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.

The CAPE strategies target the following objectives:

> **Regional Energy Planning & Coordination:** Facilitate coordinated strategic energy planning within Humboldt County, provide a forum for addressing countywide energy issues, and assist local jurisdictions with completing greenhouse gas inventories, climate action plans, and general plan energy elements.
>
> **Energy Reliability & Security:** Coordinate with utility providers and other local governments on energy emergency planning and response, evaluate transmission and distribution systems, and conduct a climate change risk assessments and develop adaptation plans.
>
> **Economic Development:** Support the development of emerging energy technologies, attract and support energy-sector businesses and ventures, and provide training and workforce development assistance for jobs in the energy field.
>
> **Built Environment Efficiency:** Develop and implement programs which encourage energy efficiency and renewable energy retrofits in existing buildings, and support local implementation of state-wide energy efficiency standards and goals.
>
> **Education:** Through a variety of channels, provide the community with comprehensive education and information on energy conservation, energy planning, renewable energy, and energy-efficiency.
>
> **Water & Waste:** Support water and waste conservation initiatives that will result in reduce energy demand and or renewable energy generation.
>
> **Transportation:** Encourage energy-efficient, health-promoting modes of travel such as walking, bicycling, and public transit, and support the adoption of alternative fuels.
>
> **Energy Generation & Utility Services:** Promote policies which seek to meet local energy needs with a diversity of renewable energy resources, distributed generation, and cogeneration.

This action plan shall be periodically updated by the RCEA Board and presented to the Humboldt County Board of Supervisors for review.

Introduction

ENERGY FUELS OUR EVERYDAY LIVES

In Humboldt County, as in all parts of the United States, we depend on energy 24 hours a day, and we continuously benefit from direct and indirect use of energy resources. Energy is so pervasive in our daily lives that it can sometimes be taken for granted. From the sun we draw heat, light, and solar power; we depend on it to grow our food, forests, flowers, etc. We depend on fossil fuels to get us to work, school, the local shops, and the hospital; to transport our food, commodities, mail, and even garbage; we depend on it to visit exotic places by plane (and to get to the airport), or to visit a friend by car. Electricity enables us to work after the sun goes down; we depend on it to light our offices, classrooms, and streets; to keep our food cold and our ice cream frozen; to pump water through pipes; and to transmit information during this electronic age. Energy in a diversity of forms fuels our industries and business ventures: from powering lumber mills to dairy farms; from firing ceramics to pizzas, and from brewing beer to baking bread. Energy generation and transmission is also an industry in and of itself. Clearly, reliance on energy resources characterizes a large part of our everyday lives.

The production and consumption of energy also affects our daily lives in more indirect ways, particularly with regard to the environment. The burning of fossil fuels has led to damaging environmental effects such as acid rain, smog, water pollution, and global warming. Exploratory drilling and extraction of non-renewable energy sources (such as coal, petroleum, and natural gas), and their attendant infrastructure, has resulted in the degradation of other natural resources, for example forests, coastal communities, and rainforests. Although these areas may be far away, the environmental impacts can reach Humboldt County.

In Humboldt County, energy is used as a transportation fuel and as electrical and heat energy in homes, businesses, industries, and agriculture. In 2010 it is estimated that Humboldt County spent $460 million to meet local energy demands, the majority of which left the county. Approximately half of the energy was used as a transportation fuel (gasoline and diesel), with large amounts also used to meet end use electrical demands and end use natural gas heating demands. Primary energy sources were comprised mainly of natural gas, gasoline, diesel, and biomass (wood waste and firewood).

REDWOOD COAST ENERGY AUTHORITY MISSION AND PURPOSE

The purpose of the Redwood Coast Energy Authority 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 for the benefit of the Member agencies and their constituents. To further that purpose, the Redwood Coast Energy Authority will work toward the following goals:

A. To lead, coordinate and integrate regional efforts that advance secure, sustainable, clean and affordable energy resources.

B. To develop a long-term sustainable energy strategy and implementation plan.

C. To increase awareness of, and enhance access to, energy conservation, energy efficiency, and renewable energy opportunities available to the region.

D. To add value to, but not duplicate, energy services offered by utilities and others serving the region.

E. To keep key decision makers and stakeholders informed of policy, regulatory, and market changes that are likely to impact the region.

F. To support research, development, demonstration, innovation, and commercialization of sustainable energy technologies by public and private entities operating in Humboldt County.

G. To develop regional capabilities to respond to energy emergencies and short-term disruptions in energy supply, infrastructure, or markets that could adversely affect Humboldt residents and businesses.

The CAPE is intended to support achieving these goals through strategies that specifically address: Regional Energy Planning & Coordination, Energy Reliability & Security, Economic Development, Built Environment Efficiency, Education, Water & Waste, Transportation, and Energy Generation & Utility Services.

VISION STATEMENT

The below vision statement was developed through the public comment process for the original draft of the Energy Element prepared by RCEA. It expresses the community qualities and characteristics that the CAPE aspires to achieve, expressed as how Humboldt County could be described in 2030.

In 2030…

Humboldt County is no longer a net importer of energy. We achieve a high degree of energy independence and self-sufficiency through high levels of energy conservation and efficiency combined with locally-produced and -managed energy generation. Most of our energy comes from renewable sources. Significantly less money spent on energy leaves the county.

Individual communities have developed greater energy self-sufficiency and independence as has the county overall. Citizens have a diversity of choices for how to meet their energy needs. We have much more local control over energy prices. We have been able to readily adapt to any major external changes in energy supply or technology.

Our rate of energy consumption is level, due to increasing conservation and efficiency to offset increases in growth-related demand.

Our overall quality of life is as good as or better than it was in 2005. The population is healthier as a result of leading energy-conserving lifestyles. It is safe, pleasant, economically favorable, and typical to have a lifestyle that doesn't consume much energy.

Energy conservation education has reached, and continues to reach, effectively, everyone in the county.

Energy considerations and decisions are integrated with all other decision-making arenas.

The County is energy efficient through neighborhood design. Good community planning has reduced sprawl. There are fewer automobiles and there is less automobile dependence. Public transportation is conveniently available and well utilized and walking, bicycling and other non-automobile forms of transportation are commonly used. There is much less consumption of energy from non-renewable sources for transportation.

All buildings are energy efficient. All new construction is done in the most energy efficient manner, starting with building design. All existing buildings have been upgraded to be more efficient. Energy efficiency is integral to building standards, which have flexibility and include meaningful incentives. Many homes and businesses produce more energy than they consume.

The County is a thriving research and development center and incubator for energy technology and related manufacturing, which is a stable source of local jobs.

Strategies

The County has designated RCEA to implement the following CAPE strategies through RCEA's activities and programs.

REGIONAL ENERGY PLANNING & COORDINATION

Regional Energy Authority (REA). The Redwood Coast Energy Authority shall serve as the REA for Humboldt County.

Regional Energy Forum. Serve as a forum for addressing countywide energy issues.

Coordinated Regional Energy Planning. Facilitate coordinated strategic energy planning within Humboldt County.

Regional Energy Funding. Offer support and act as the fiscal agent and funding clearinghouse for countywide energy programs.

Energy Policies and Plans. Encourage other jurisdictions and entities, including the cities in Humboldt County, to adopt and implement sound energy plans and policies, to include energy elements and/or energy policies in their general plans and ordinances. Advocate and disseminate energy planning strategies, policies, and other information.

Energy Elements. Encourage the adoption of energy elements in other local and regional jurisdictions.

Energy Element Review. Periodically review local Energy Elements and recommend updates, as necessary, to reflect changing technologies for the generation, transmission, and efficient use of energy.

Climate Action Planning. Work with local jurisdictions to complete greenhouse gas inventories, set greenhouse gas reduction targets, and develop climate action plans.

ENERGY RELIABILITY & SECURITY

Climate Change Adaptation. Work with other local entities to conduct a climate change risk assessment and develop an adaptation plan consistent with the best practices guidance provided by the California Natural Resources Agency and California Emergency Management Agency.

Minimize Energy Interruptions. Work with local utility providers to minimize impact of power outages.

Energy Emergency Planning. Assist the Humboldt County Office of Emergency Services with the preparation and periodic update of state-mandated energy-related emergency planning.

Energy Emergency Response Procedures. Assist the Humboldt County Office of Emergency Services in the preparation of energy emergency response procedures for the Humboldt County Emergency Response Plan.

Energy Supply and Transmission/Distribution Report. Review regional energy supply and transmission/distribution reports, and provide comments as appropriate.

Transmission Assessments and Monitoring. Encourage development of long-term transmission assessments and, if necessary, electrical and natural gas transmission grid expansion plans. Monitor local electricity and natural gas transmission system planning to ensure that projected growth areas are adequately served and to support the development of local renewable energy projects.

Interconnected (Looped) Electrical Grid. Work with PG&E to evaluate an interconnected (looped) electrical grid for the county.

ECONOMIC DEVELOPMENT

Emerging Energy Technologies. Support the development of emerging energy technology from local sources—such as Humboldt State University's Industrial Technology Department and the Schatz Energy Research Center—local innovators and inventors, as well as from non-local sources.

Development Incentives. Collaborate with local economic development entities to identify opportunities for developing jobs in the field of energy conservation, efficiency, and renewable sources.

Business Attraction. Collaborate with local economic development entities to attract technology developers, manufactures, and energy service providers to locate operations in the County when appropriate.

Proactive Development Support. Collaborate with local jurisdictions to identify and pre-assess locations and facilities that could appropriately support energy generation projects and or other energy-related business ventures.

Local Energy Investment. Work with local economic development entities and financial institutions to develop programs and resources that facilitate local community investment in and/or ownership of energy efficiency and renewable energy projects.

Workforce Development. Work with other local entities to provide training and continuing education that develops and maintains a qualified local workforce available to implement energy efficiency upgrades, renewable energy projects, and advanced-vehicle technology deployment.

Energy Project Financing. Work with local economic development entities and/or financial institutions to develop and implement financing programs that enable residents and businesses to implement energy efficiency and renewable energy projects.

BUILT ENVIRONMENT EFFICIENCY

Energy Audits and Retrofits. Encourage full knowledge of the costs and benefits (including product stewardship issues) of energy efficiency retrofitting in all structures and support programs that encourage and facilitate energy audits for all existing buildings and developments.

Retrofits in Existing Buildings. Support public policies, and develop and implement programs, which encourage energy efficiency and renewable energy retrofits in existing buildings while maintaining architectural and historical integrity.

Energy-efficient Equipment. Encourage the use of the most energy-efficient equipment for space and water heating, ventilation, lighting, refrigeration, and air conditioning in all new buildings and developments, including residential and commercial facilities. Solar water heating and solar electric systems shall be encouraged where solar access is available.

"No-Regrets" Solar Planning. Encourage new construction and renovations/remodeling of appropriate scale to incorporate solar-friendly "no-regrets" construction features. This shall include the installation of electrical and plumbing connections for potential future solar electric and solar hot-water systems, proper solar orientation, and adequate unobstructed south facing roof slopes where solar energy equipment can be installed.

Shared Energy Facilities. Support public policies to reduce barriers that may inhibit major commercial, industrial, and public uses from installing and/or using shared energy facilities, such as district heating/cooling systems, solar water heating, photovoltaic grids, and cogeneration systems.

Site Design Standards. Promote site design standards for new construction consistent with current best practices for energy efficiency and environmentally sound construction techniques.

Energy Efficiency-based Utility Allowance. Encourage use of energy efficiency-based utility allowance schedule in all affordable housing.

Zero-Net–Energy New Construction. Develop and implement programs that support the State's goals related to residential and commercial new construction being net-zero-energy.

Energy Efficiency Codes and Standards. Support successful local implementation of Title 24 building energy codes and Title 20 appliance efficiency standards.

EDUCATION

Energy Resource Center. Establish an energy resource center. The center shall be open to the public and provide energy conservation, energy planning, renewable energy, and energy-efficient building design and retrofit information.

Energy Efficiency Education and Training. Provide community education on energy issues, including the benefits of reduced energy consumption, and increased energy efficiency. Collaborate with schools and colleges for energy-related research, education, and conservation practices.

Education on Renewable Energy and Distributed Generation. Provide educational and promotional programs that encourage and demonstrate the use of renewable energy and environmentally preferable distributed energy generation and cogeneration systems.

Public Displays. Encourage and assist development of educational displays for exemplary renewable energy, cogeneration, and distributed energy systems installed throughout Humboldt County. Displays should provide county residents and businesses with information on how the systems work and how well they perform; and should inform county residents about the importance, benefits, and associated impacts of developing local energy resources.

Green Building Information. Develop and promote programs to encourage the voluntary adoption of green building standards throughout the county.

Energy Guidelines. Develop energy-efficient guidelines and information handouts and make them available to applicants in the process of obtaining development and land use permits.

Promote Energy Upgrade Opportunities in Consultation with the Humboldt Association of Realtors. Work with the local real estate community to develop and implement programs that support real estate buyers and sellers with energy-efficiency assessments and provide information on upgrades. The objective of this type of program would be to provide assistance to sellers and buyers regarding evaluating what energy upgrades would benefit a property, what incentives and energy-efficiency programs are available, and what types of mortgages or other financing programs are available to fund energy improvement projects.

Public Facilities Energy Study. For public facilities, encourage and facilitate preparation of reports that examine the economic feasibility of using renewable energy systems (including solar electric and solar hot water), cogeneration systems, distributed energy systems, and district heating systems.

Energy Sustainability Awards Program. Initiate awards program for local efforts that reflect the energy sustainability goals (i.e. efficiency and renewable energy) and objectives of the Comprehensive Energy Action Plan and General Plan Energy Element.

Facility Benchmarking. Assist local governments and businesses with facility benchmarking to evaluate and track the energy performance of non-residential buildings consistent with the benchmarking requirements of AB 1103.

Efficient Driving Practices. Promote the use of energy-efficient driving practices that have been shown to improve fuel efficiency by as much as 30%, such as obeying the speed limit, avoiding aggressive acceleration, and eliminating unnecessary engine idling.

WATER AND WASTE

Water Conservation Management Plan. Promote the development and implementation of a countywide water conservation management plan, which is based on conservation of energy and water resources to maintain and promote water conservation and water recycling programs as a means of conserving energy.

Water Conservation Education Program. Work with local public water agencies to develop water conservation education programs.

Water Conservation. Encourage local water providers to implement water conservation measures cooperatively, using state-mandated powers to reduce energy consumption at water facilities associated with various phases of pumping, distribution, treatment, and reclamation.

Wastewater and Reclaimed Water Efficiency. Encourage use of properly treated reclaimed waste water as "greywater" for appropriate municipal, industrial, commercial, and residential landscaping applications.

On-site Waste Management. Promote use of source separation recycling storage areas for all multiple-unit residential developments, and commercial developments.

Life-cycle Energy Analysis. Support the evaluation of the up-stream energy costs of products and materials and encourage the selection of product options that have low total life-cycle energy costs.

TRANSPORTATION

Balanced Modes of Travel. Encourage energy-efficient, health-promoting modes of travel such as walking, bicycling, and public transit.

Commuter Incentives. Encourage businesses and government entities to offer incentives and resources to employees that support commuting by public transportation, bicycling, walking, and car pooling.

Vehicle Fleets. Encourage local government and private fleets to maximize the use of high-efficiency vehicles and alternative fuels.

Alternative Fuels. Encourage when appropriate the use of alternative fuels that will reduce greenhouse gas emissions, which may include hydrogen, biodiesel, ethanol and natural gas.

Complete Streets and Bike Routes. Support and encourage local jurisdictions' use of "Complete Streets" design principles that facilitate multi-modal transportation options and support the development of bike and pedestrian routes within and between local communities.

Transit-Oriented Development. Support and encourage, where appropriate, transit-oriented development that facilitates increased utilization of local public transportation networks.

Shipping Efficiency. Support the implementation of trucking efficiency technologies and best-practices, including idle-reduction technologies, aerodynamics-improving retrofits, and low rolling resistance tires. Support the analysis of other potential transportation modes that could provide efficient shipping alternatives such as barge and rail.

Vehicle-to-Grid Connection. Promote integration of motor vehicles with the electric grid, including battery electric vehicles, fuel-cell vehicles, plug-in hybrid electric vehicles, and solar electric vehicles. Evaluate development status of vehicle-to-grid interconnect standards and the use of grid-connected vehicles for short-term energy storage.

Biofuels Development. Promote use of waste oils and other biomass sources for biofuels production. Focus on waste oils and other biomass that are not already being used for other purposes, and explore potential opportunities and issues of new technologies for biofuels production from local resources.

Telecommunication Systems. The reduction of automobile trips shall be encouraged through support for telecommuting and broad-band telecommunication systems that connect outlying residents and businesses with services in core (urban) areas.

ENERGY GENERATION AND UTILITY SERVICES

Renewable Energy Resources. Promote policies which seek to meet new generation needs with renewable energy resources, distributed generation, and cogeneration.

Diversity in Local Sources. Pursue development of a diverse, locally produced energy supply, with an emphasis on renewable resources, that is price-competitive in the California market and that can be generated in a way that minimizes adverse environmental impacts.

Intermittent Renewable Resource Development. Encourage local intermittent renewable resources that can significantly contribute to the county's electrical generation.

Development of Distributed Generation. Encourage studies to identify key facilities throughout the county that would benefit from distributed generation and cogeneration energy systems. Encourage development of responsive environmentally preferable distributed generation and cogeneration energy systems where appropriate. Encourage and publicize demonstration sites.

Small-scale Biomass Generation Sites. Monitor feasibility of smaller and/or mobile biomass electric generators fed with wood waste and very small diameter logs (e.g., from thinning for fire safety and timber harvest slash in National Forest areas). If/when technology proves feasible and cost effective, promote its use in county areas near National Forests where existing electric transmission lines are available; support projects to convert biomass into competitively priced renewable energy.

Use of Waste Biomass for Energy Production. Promote forest fuel-reduction programs that provide sustainable forest practices, fire safety, and the use of forest biomass as an energy source. Develop and maintain statistics on the use and availability of forest waste biomass resources for energy production.

Biogas Development. Support HWMA in the development of the use of biogas at the Cummings Road Landfill and in the development of a food waste digester. Develop and publicize dairy biogas demonstration sites and work with local farm organizations to promote dairy biogas energy systems where appropriate. Publicize the use of biogas at existing local wastewater treatment facilities and encourage its use at additional facilities where appropriate.

Support Wave and Tidal Energy Demonstration Projects. Promote and support local wave and tidal energy systems research and development. Work with utilities and private companies to develop wave and tidal energy demonstration projects.

Large-Scale Wind Energy. Provide information about the potential for cost effective commercial-scale wind farms in the county and in off-shore areas adjacent to the county. Educate the public about the benefits and impacts of wind energy systems. Work with utilities and private companies to develop off-shore wind energy demonstration projects.

Natural Gas Development. Support efforts to develop local natural gas resources consistent with oil and gas policies and standards.

Small Hydroelectric Development. Support local efforts to develop cost-effective, environmentally sensitive, small-scale, run-of-the-river hydroelectric facilities in the county. Encourage appropriate local agencies to prepare an updated assessment of small hydroelectric resources potential in the county.

Solar Energy Development. Support local efforts to develop solar electric systems and solar hot water systems in the county. Support development of local training programs for solar contractors and installers. Educate the public about the benefits of solar energy systems. Develop a database of solar energy systems installed in the county. Develop programs that facilitate an increase in the number of solar energy systems in the County.

Energy Grid Connection. Promote appropriate small-scale energy generation where cost-effective connections to the distribution system are available or planned.

Reduce Regulatory Barriers. Support efforts to increase the efficiency of the permitting process and reduce any excessive regulatory barriers to renewable energy and distributed generation projects. Work to develop proactive strategies to reduce and mitigate the environmental and community impacts of potential energy projects.
Energy Feasibility Study. Encourage and support feasibility studies of local wind, solar, hydro-power, and ocean energy resources.

Utility Management. Serve as a forum to identify the best local energy delivery mechanism. Options to be considered include continuing with Investor Owned Utility, forming a municipal utility, and community choice aggregation.

Investor-Owned Utility Effectiveness. Review the effectiveness of PG&E in meeting Humboldt County's long-term energy needs.

Municipal Utility Feasibility. Explore the feasibility of establishing a local municipal utility.

Community Choice Aggregation. Explore the feasibility of becoming community-choice aggregator.

Renewable Energy Portfolio Standard. Review compatible energy resource development projects that would assist the State of California in meeting "renewable portfolio standard" goals. Work with appropriate regulatory agencies to investigate transmission upgrades that may be to needed to support the development of renewable energy resources in Humboldt County.

Pursue Feasibility Studies for Utility Resource Portfolio. Review proposals for new local electric power facilities, with a focus on fuel diversity, environmental concerns, and market uncertainties that are increasingly important in electric utility resource planning. Make recommendations on preferred alternatives that are consistent with the County's goals for energy security and sustainability.

AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE COUNTY OF HUMBOLDT AND
THE REDWOOD COAST ENERGY AUTHORITY

This Agreement, entered into this ___ day of _____, 2019, by and between the County of Humboldt ("COUNTY"), a political subdivision of the State of California, and the Redwood Coast Energy Authority, ("CONSULTANT"), a regional Joint Powers Authority, is made upon the following considerations. COUNTY and CONSULTANT are hereinafter also referred to collectively as the "Parties" and individually as a "Party".

RECITALS

WHEREAS, COUNTY, by and through its Department of Planning and Building, is developing the multi-jurisdictional Climate Action Plan for Humboldt County, and desires to retain the services of a qualified professional to provide technical services in preparing energy use and greenhouse gas (GHG) emissions inventories, assessments, and forecasts.

WHEREAS, such work involves the performance of professional, expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is specially trained, skilled, experienced and qualified to perform the special services required by COUNTY**.**

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with the Director of the Department of Planning and Building, or designee thereof, hereinafter referred to as the Planning Director.

2. TERM:

This Agreement shall begin upon execution by both parties and shall remain in full force and effect until [_____ __, 20__], unless sooner terminated as provided herein.

3. TERMINATION:

A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein after written notice thereof and opportunity to correct, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.

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B. Without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to CONTRACTOR. Such notice shall state the effective date of the termination.

C. Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

D. Compensation Upon Termination. In the event of any termination of this Agreement, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4. COMPENSATION:

A. Maximum Amount Payable. The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is [Ninety One Thousand One Hundred Sixty Dollars] Dollars ($91,160). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.

B. Schedule of Rates. The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Schedule of Rates and Budget, which is attached hereto and incorporated herein by reference.

C. Additional Services. Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5. PAYMENT:

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, and

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costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, ____[Short title of Department Head or Division Director]____ and the Humboldt County Auditor-Controller. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY: Department of Planning & Building
Attention: Michael Richardson
3015 H Street
Eureka, CA 95501

6. NOTICES:

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Department of Planning & Building
Attention: Michael Richardson
3015 H Street
Eureka, CA 95501

CONTRACTOR: Redwood Coast Energy Authority
Attention: Matthew Marshall, Executive Director
633 3rd Street
Eureka, CA 95501

7. REPORTS:

CONTRACTOR shall also submit all reports in the following format: one (1) hard copy and one (1) electronic copy that complies with the Americans with Disabilities Act of 1990 and any other applicable accessibility laws, standards, regulations, policies and procedures. CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate. CONTRACTOR shall also submit all reports in the following format: one (1) hard copy and one (1) electronic copy that complies with the Americans with Disabilities Act of 1990 and any other applicable accessibility laws, standards, regulations, policies and procedures.

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8. RECORD RETENTION AND INSPECTION:

A. Maintenance and Preservation of Records. CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.

B. Inspection of Records. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement.

C. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

9. MONITORING:

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not

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responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement.

10. CONFIDENTIAL INFORMATION:

A. Disclosure of Confidential Information. In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"); the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

11. NON-DISCRIMINATION COMPLIANCE:

A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws

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or regulations. Nothing herein shall be construed to require the employment of unqualified persons.

B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the workplace, and specifies the actions to be taken against employees for violations.

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B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:

1. The dangers of drug abuse in the workplace;

2. CONTRACTOR's policy of maintaining a drug-free workplace;

3. Any available counseling, rehabilitation and employee assistance programs; and

4. Penalties that may be imposed upon employees for drug abuse violations.

C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will:

1. Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and

2. Agree to abide by the terms of CONTRACTOR's Drug-Free Policy as a condition of employment.

D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements.

14. INDEMNIFICATION:

A. Hold Harmless, Defense and Indemnification. Each Party shall hold harmless, defend and indemnify the other Party and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, the indemnifying Party's negligent acts or omissions in relation to this Agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of indemnified Party.

B. Effect of Insurance. Acceptance of insurance, if required by this Agreement, does not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to the services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the

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amount of indemnification or defense to be provided by CONTRACTOR hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

A. General Insurance Requirements. Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars ($2,000,000.00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.

2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars ($1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto).

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:

a. Includes contractual liability.

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b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards."

c. Is the primary insurance with regard to COUNTY.

d. Does not contain a pro-rata, excess only and/or escape clause.

e. Contains a cross liability, severability of interest or separation of insureds clause.

2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.

5. Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.

6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars ($100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.

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7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

CONTRACTOR: Redwood Coast Energy Authority
Attention: Matthew Marshall, Executive Director
633 3rd Street
Eureka, CA 95501

16. RELATIONSHIP OF PARTIES:

It is understood that this is an Agreement by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to

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amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

20. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

21. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

22. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

23. WAIVER OF DEFAULT:

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement.

24. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

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25. AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

26. STANDARD OF PRACTICE:

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

27. TITLE TO INFORMATION AND DOCUMENTS:

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, CONTRACTOR shall promptly turn over all information, writings and documents pertaining to the services provided hereunder to COUNTY without exception or reservation.

28. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

29. ADVERTISING AND MEDIA RELEASE:

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. All notices required by this provision shall be given to the Planning Director.

30. SUBCONTRACTS:

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided hereunder. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing,

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certification and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not.

31. ATTORNEYS' FEES:

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

32. SURVIVAL:

The duties and obligations of the parties set forth in Section 4 – Compensation, Section 5 – Payment, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14– Indemnification shall survive the expiration or termination of this Agreement.

33. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

34. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

35. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

36. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting

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from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

37. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

38. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first herein above written.

COUNTY:	CONSULTANT:
_____	_____
_____	Matthew Marshall, Executive Director
County of Humboldt	Redwood Coast Energy Authority
Date: _____	Date: _____

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EXHIBIT A: SCOPE OF WORK

County agrees to perform the following services during the term of the contract period:

1) Communicate any updates to project schedule
2) Provide information gathered and work products completed in early stages of CAP project
3) Share rough draft greenhouse gas (GHG) forecasts and provide data sources
4) Provide list of potential GHG measures developed in coordination with city staff
5) Facilitate monthly project meetings

RCEA agrees to perform the following services for Client:

Task 1: Project Collaboration

CONSULTANT shall: Attend up to ten project meetings alongside the County and City representatives, and coordinate and collaborate climate action plan activities with County of Humboldt CivicSpark Fellow throughout the agreement Term.

Completed by: November 29, 2019

Task 2: 1990 GHG Inventory

CONSULTANT shall: Assess data availability for a 1990 county-wide GHG inventory or "backcast." If reliable data is available, develop an estimate of 1990 emissions.

Task 2 Deliverables:

Provide a verbal report to the County on the feasibility of and potential methodology for conducting a 1990 GHG inventory.

If data is available, develop an inventory in Excel and provide a report on 1990 emissions.

Completed by: April 1, 2019

Task 3: GHG Forecasting

CONSULTANT shall: Assess feasibility for working with CivicSpark Fellow to develop multiple emissions forecast scenarios and ensure forecasts for each jurisdiction incorporate reductions from existing and future state and regional programs. If feasible, complete forecast and incorporate said reductions.

Task 3 Deliverables:

Provide carbon intensity factors for state and regional programs, as well as starting values and growth rates for select emissions sources.

Complete a BAU forecast and county-wide forecast with incorporation of state programs /carbon intensity factors.

Delivered by: April 1, 2019

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Task 4: GHG reductions projections

CONSULTANT shall: Calculate the emissions reduction potential for each of the measures developed in the Humboldt County Climate Action Plan using SEEC ClearPath and other tools, as applicable.

Task 4 Deliverables:

Provide a report of the greenhouse gas reductions potential of each measure, for inclusion in the Climate Action Plan.

Delivered by: July 31, 2019

Task 5: Feasibility, Cost/Savings Analysis

CONSULTANT shall: in collaboration with CivicSpark Fellow, identify community co-benefits, responsible parties and project-specific costs/savings for select CAP measures only for jurisdictions who contribute to consultant costs. If feasible, complete said cost/savings analysis.

Task 5 Deliverables:

Provide information for implementation cost/benefit reports for select CAP measures. Reports should be informed by conditions in the jurisdiction in which the measure will be implemented.

Delivered by: August 30, 2019

Task 6: Implementation: metrics/progress indicators/measurement and verification

CONSULTANT shall: Define the process for tracking emissions reduction associated with CAP measures.

Task 6 Deliverables:

Complete a methodology report that includes defined metrics and methods for measurement and verification.

Delivered by: August 30, 2019

Task 7: Sequestration inventory of natural and working lands

CONSULTANT shall: Develop, or work with a subcontractor to develop, an inventory of the carbon sequestration potential of forestry and agricultural resources in Humboldt County.

Task 7 Deliverables:

Provide a brief report summarizing carbon sequestration potential of Humboldt County forestry and agricultural lands for inclusion in the Climate Action Plan.

Delivered by: August 30, 2019

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EXHIBIT B: SCHEDULE OF RATES AND BUDGET

CONSULTANT will perform the services described in the above scope of work for a not-to-exceed amount of $91,160, inclusive of $25,000 provided by CONSULTANT as in kind services.

Below are the billable labor rates for Redwood Coast Energy Authority:

Position/Title	Max Billable Hourly Rate
Executive Director	$100.00
Director	$80.00
Senior Manager	$70.00
Manager	$60.00
Senior Technician	$60.00
Technician	$55.00
Senior Specialist	$50.00
Specialist	$45.00
Assist/Coordinator/Associate (Regular)	$35.00
Assist/Coordinator/Associate (Temp Non-Benefited)	$25.00

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REDWOOD COAST EnergyAuthority

STAFF REPORT
Agenda Item # 5.3

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Patrick Owen, Manager, Human Resources & Workforce Development
SUBJECT:	Salary Schedule Update and New Deferred Compensation Plan

SUMMARY

In December 2016, RCEA Board members adopted Resolution No. 2016-5 which, among other items, approved the attached compensation policy (see Attachment A). The policy notes that, in order to attract and retain qualified employees at all levels of the organization, it is the policy of the Authority to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which we compete for talented employees. Staff refer to the attached policy for:

- The statement of compensation policy
- The basis for determination of salary and salary changes
- Salary Surveys
- Internal Alignment
- Procedures for Approval of Salary Adjustments.

The policy states that RCEA will conduct a biennial salary survey to identify the "averaged" level of salary for each benchmark position. In addition, staff are to recommend adjustments to RCEA's salary ranges when warranted by changing economic and competitive factors. Staff completed the salary survey and presented the findings during the Board's March 2019 meeting. Survey findings (Attachment B) show that RCEA salary ranges are lower than selected comp agencies and averaged comparative pay, with benchmark classifications having seen salary range increases between roughly 4% and 14% since the original 2016 survey. As a point of additional reference, the federal Bureau of Labor Statistic's Consumer Price Index – All Urban Consumers, West Region (CPI-W) has increased by 7.2% since the 2016 survey.

The salary survey was reviewed by the Board Finance Subcommittee and the Subcommittee supported a 7% adjustment to the RCEA salary ranges in order to maintain fair and competitive salary ranges necessary to retain and recruit talented employees. Attachment C shows the proposed revised pay scales for all RCEA job classifications, to be effective as of July 1, 2019 (note that Executive Director compensation is set through a Board-approved employment agreement, and so any change to the Executive Director's compensation would only occur through specific Board action to update that agreement).

While gathering salary data for the biennial survey, employee benefit information at comparable agencies was also obtained. This data showed that 7 of the 9 RCEA Labor Market Agencies participate in the state PERS retirement system. The two comparable agencies that do not participate in PERS, Sonoma Clean Power and Schatz Energy Research Center, offer 403(b) or 457(b) employee deferred compensation plans, with employer contributions between 8% and 10%. RCEA currently offers permanent employees the option to participate in a Simple IRA deferred compensation plan with an employer match that is limited by law to 3% of compensation.

The Finance Subcommittee also supported the addition of a 457(b) deferred compensation plan for permanent RCEA employees, with a 4% employer contribution. The 457(b) will be additive to existing retirement benefits. By adding a separate 457(b) plan with a 4% employer contribution, RCEA would be able to provide a total employer contribution of up to 7% of employee annual compensation. Adding a 457(b) plan will also increase the annual cap on employee contributions, giving staff the flexibility to increase their level of retirement saving.

FINANCIAL IMPACT

The Finance Subcommittee's recommended increases to the salary schedule and addition of the 457(b) plan raise RCEA's annual personnel costs by approximately $150,000 and $75,000, respectively. These estimates assume that all currently vacant positions on the RCEA org chart are filled and that all eligible permanent employees fully participate in the deferred compensation plans. The proposed RCEA annual budget for Fiscal Year 2019/20, found in Agenda Item 6.2, incorporates these increased personnel costs; the changes equate to an approximately 1/2% increase to RCEA's annual expenses.

STAFF RECOMMENDATION

Approve 1) the proposed revised salary schedule, effective July 1, 2019 and 2) the addition of a 457(b) deferred compensation plan with 4% employer contribution to RCEA employee benefits package.

ATTACHMENTS:

Attachment A – RCEA Compensation Policy

Attachment B – March 2019 Salary Survey

Attachment C – Proposed revised salary schedule

REDWOOD COAST ENERGY AUTHORITY

EMPLOYEE COMPENSATION POLICY

1. Purpose

The purpose of this policy is to define the philosophy of compensation for the Redwood Coast Energy Authority (hereinafter the Authority) for regular employees, and to specifically define how salary increases for various job classifications are determined.

The Compensation Policy specifically addresses:

- Objectives of the Policy
- Statement of Compensation Policy
- Basis for Determination of Salary and Salary Changes
- Salary Surveys
- Internal Alignment
- Review of Performance and Salary
- Procedures

Specific clarification of Performance Evaluation, Employee Classifications, and all matters pertaining to employee benefits are addressed under separate policies.

2. Definitions

a. Average of the Salary Survey

The average of the salary survey is the average of the salary figures for all the agencies surveyed at the mid-point of the salary range.

b. Labor Market Agencies

The Authority recognizes one labor market for all of its regular positions. The labor market includes the following agencies:

1. Humboldt Bay Municipal Water District
2. City of Eureka
3. County of Humboldt
4. North Coast Unified Air Quality Management District
5. HSU Schatz Energy Research Center
6. Mendocino Energy Watch (administered by Community Development Commission of Mendocino County)
7. Trinity County Public Utility District
8. City of Ukiah Electric Utility
9. Sonoma Clean Power

Additions and/or deletions to the recognized labor market may be made by the Board at a scheduled meeting of the Authority.

c. Benchmark Classification

A benchmark classification is a position or classification which is regarded as representative or comparable from agency to agency and which will serve as the basis for the internal alignment of salaries of related agency classifications. The Executive Director shall determine the benchmark positions to be utilized in any survey.

d. Salary Surveys

A periodic survey of the Labor Market Agencies will be conducted of the designated benchmark classifications at least every two (2) years. The results of the survey, including the collected raw survey data will be shared with the Authority board in a public meeting prior to adoption of changes to the Authority's salary ranges.

e. Merit Increase

A salary increase granted to an employee on the basis of performance that meets or exceeds performance criteria for the job classification.

3. Statement of Policy

In order to attract and retain qualified employees at all levels of the organization, it is the policy of the Authority to maintain fair and competitive salary ranges consistent, within the economic constraints of the Authority, with the labor market in which we compete for talented employees.

a. Statement of Compensation Policy

It is the policy of the Authority to:

i. Establish salary ranges that reflect the value of various jobs, as determined by periodic job evaluation and review, taking into account the duties and levels of responsibility of each job;

ii. Establish salary ranges consistent with the Authority's fiscal ability to maintain services consistent with projected revenues and Board direction;

iii. Survey other agencies who employ similar positions relative to salary and to adjust salary ranges when warranted by changing economic and competitive factors, including periodic salary surveys;

iv. Encourage superior performance by adjusting the salary of each employee on the basis of the quality of individual performance (merit) as determined by performance evaluations;

v. Ensure that compensation is not influenced by race, creed, national origin, color, marital status, age, sex or sexual identity, or disability.

b. Basis for Determination of Salary and Salary Changes

Salary levels will be based upon:

i. The fair and competitive salary ranges adopted by the Authority Board consistent with the economic constraint of the Authority and the labor market. This will be determined by the Board and at its sole discretion after reviewing the local area's consumer price index, salary increases granted by the comparable Labor Market Agencies, and the Authority's ability to maintain organizational services at a level consistent with projected revenues and Board direction.

ii. A periodic (every 2 years) salary survey of benchmark positions within the established labor market to determine if any classifications should be considered for a market adjustment in salary;

iii. Internal Authority classification relationships, and;

iv. All compensation increases within a classification's salary range will be based upon merit.

c. Salary Surveys

The Authority has identified the Labor Market Agencies for benchmark classifications. The biennial salary survey shall identify the "average" level of salary for each benchmark classification paid by the labor market.

d. Internal Alignment

A minimum and maximum salary range is established for each job classification based upon external labor market data <u>and</u> upon the internal alignment of job classifications throughout the Authority. The alignment of the job classification system will be maintained and reviewed on a regular and systemic basis.

e. Review of Performance and Salary

While the performance of each employee is regularly reviewed, overall performance and salary level shall be appraised, in detail, at least once during every twelve (12) month period. The merit of employee performance as reported on such appraisals will determine salary increases to be granted.

Change in pay of an individual employee shall primarily reflect upon competence in the performance of all assigned duties and sustained accomplishment of the objectives and tasks of the position. Performance will be evaluated by those in management having direct supervisory responsibility for the employee and shall be reviewed and approved in accordance with the procedures outlined in the Performance Evaluation Policy.

Specific situations which warrant review of performance and of salary include the following:

i. New Hire/Initial Hire Employees

Before an applicant is hired or an employee promoted to a new or revised position, a job description must be prepared and the position must be evaluated, approved and placed in a salary range. Starting salary will be at the minimum established for the range, with the following exceptions:

- Directors may appoint new employees up to and including 5% above the range minimum, subject to approval of the Executive Director.
- The Executive Director may authorize appointments up to and including the mid-point of the salary range in the event of a recruitment emergency or exceptional qualifications of a candidate.

During the initial employment period, or first twelve (12) months of employment, employees are eligible to receive up to a 5% increase based upon the merit of their performance.

ii. Merit Increases

Employees are eligible to receive up to a 5% salary increase per year based upon the merit of their performance as established in their annual performance evaluation. The merit increase consideration allows an individual employee's salary to increase within the range established for his/her job classification (ie., no more than the maximum salary in the salary range.)

iii. Compensation Adjustments

Employees may receive additional compensation adjustments at such time that the Board determines that classifications and/or salary ranges should be adjusted based upon survey data. However the Board retains the jurisdiction to adjust salary ranges without modifying individual salaries, or to adjust individual salaries only for a portion of the classification (for example limiting the adjustment to employees who have been at the top step of the salary range for more than one year).

iv. Promotion

Employees promoted to a new position in a classification with a higher salary range will be compensated at least at the minimum salary in the new range.

A promoted employee begins a twelve (12) month probationary period in the new classification. During this period, employees are eligible to receive up to a 5% merit increase based upon completion of probation and a performance review with satisfactory or better performance.

v. Out of Class Pay

Subject to the prior written authorization of the Executive Director, employees may be eligible for up to 5% out of class pay for performing the majority of their assigned duties at a level significantly above their current job classification for periods 60 or more days.

4. Procedures for Approval of Salary Adjustments

a. Documentation Required

To ensure that salary adjustments are based upon an individual employee's current performance, proposed personnel actions that result in a change in compensation must include an explanation of the employee's performance in the space provided at the bottom of the Personnel Action Form (PAF).

b. Procedure

i. Supervisors shall evaluate employee performance formally prior to any personnel action that affects salary positively, or negatively. The Personnel Action Form should be prepared and forwarded to the Director responsible for Human Resources for the Authority. It is important that proposed compensation increases are not discussed with the employee until after the Director responsible for Human Resources has reviewed the PAF for accuracy and consistency with the employee's salary, performance history, and policy.

ii. The Director responsible for Human Resources will receive and review all Employee PAFs and initiate further discussion with the supervisor if necessary. If the PAF documents are in order, the supervisor will be authorized to schedule a meeting with the employee to discuss both their performance and the recommended salary adjustments and effective date.

iii. The completed evaluation form, signed by the employee and supervisor shall be returned to Human Resources for processing and permanent placement in the employee's personnel file.

UPDATE: Salary Survey of Benchmark Classifications at RCEA's Labor Market Agencies

Originally presented to RCEA Board 12/12/16, *updated 3/20/19*

Figures represent base pay only; while RCEA offers comparable insurance benefits to other local public agencies, it should be noted that some of these Labor Market Agencies participate in CalPERS which provides a significantly greater value than RCEA's basic 3% retirement plan matching contribution to deferred compensation plan

Title	Organization	Dec 2016 Midpoint of range or single point	*Mar-19* Midpoint of range or single point	*Mar-19* % increase from previous
Assistant/Associate/Coordinator				
Student/Grad Student Assistant [1]	HSU Schatz Energy Research Center	$36,628.80	$31,106.40	-15.1%
Administrative Assistant	City of Eureka	$33,201.00	$34,907.50	5.1%
Administrative Support	North Coast Air Quality Management Distric	$30,341.50	$31,567.38	4.0%
Clerk I	Trinity County PUD	$37,876.50	$42,993.60	13.5%
Customer Services Representative I/II	City of Ukiah Electric Utility	$38,158.44	$41,993.82	10.1%
Administrative Secretary	County of Humboldt	$37,719.42	$39,062.40	3.6%
AVERAGE		**$35,654.28**	**$36,938.52**	**3.6%**
Current RCEA Midpoint (step 5)		**$35,000.00**	**$37,450.00**	7.0%
Specialist/Senior Specialist				
Admin				
Customer Service & Accounting/HR Assistant	Humboldt Bay Municipal Water District	$48,124.00	$51,822.00	7.7%
Executive Assistant & Board Secretary	Humboldt Bay Municipal Water District	$50,528.00	$54,408.00	7.7%
Assistant To The APCO & Clerk Of The Board	North Coast Air Quality Management Distric	$61,008.00	$63,473.06	4.0%
IT Technician I/II	County of Humboldt	$55,791.48	$57,782.40	3.6%
Clerk II	Trinity County PUD	$54,538.00	$58,323.20	6.9%
Clerk III	Trinity County PUD	$61,765.50	$66,071.20	7.0%
Accounting & HR Specialist	Humboldt Bay Municipal Water District	$55,723.00	$60,006.00	7.7%
Programatic				
Project Specialist (lower range) [2]	Mendocino Energy Watch Program	$46,227.64	$46,227.64	0.0%
Project Specialist (upper range) [2]	Mendocino Energy Watch Program	$58,531.20	$58,531.20	0.0%
Burn Permit Coordinator	North Coast Air Quality Management Distric	$61,008.00	$63,473.06	4.0%
Electric Utility Program Coordinator	City of Ukiah Electric Utility	$51,548.76	$54,950.94	6.6%
Utility Services Team Leader	City of Ukiah Electric Utility	$50,291.34	$53,610.54	6.6%
Operations/Customer Service Specialist	Humboldt Bay Municipal Water District	$55,723.00	$60,006.00	7.7%
Program & Regulatory Analyst	Humboldt Bay Municipal Water District	$60,942.00	$67,092.72	10.1%
Research Engineer	HSU Schatz Energy Research Center	$51,823.20	$77,022.00	48.6%
Customer Care Specialist	Sonoma Clean Power	$62,500.00	$62,500.00	0.0%
AVERAGE		**$55,379.57**	**$59,706.25**	**7.8%**
Current RCEA Midpoint (Specialist step 8)		**$55,000.00**	**$58,850.00**	7.0%
Technician/Senior Technician				
Sustainability and Energy Efficiency Specialist I	Mendocino Energy Watch Program	$58,791.20	$58,791.20	0.0%
Sustainability and Energy Efficiency Specialist II	Mendocino Energy Watch Program	$74,432.80	$74,432.80	0.0%
Inspector I-III	North Coast Air Quality Management Distric	$61,008.00	$63,473.06	4.0%
Air Pollution Specialist	North Coast Air Quality Management Distric	$61,008.00	$63,473.06	4.0%
Electrical Engineering Technician I-III	City of Ukiah Electric Utility	$71,433.72	$81,524.58	14.1%
Utility Worker	Trinity County PUD	$70,034.00	$87,349.60	24.7%
AVERAGE		**$66,117.95**	**$71,507.38**	**8.2%**
Current RCEA Midpoint (Tech step 8)		**$65,000.00**	**$69,550.00**	7.0%

Figures represent base pay only; while RCEA offers comparable insurance benefits to other local public agencies, it should be noted that some of these Labor Market Agencies participate in CalPERS which provides a significantly greater value than RCEA's basic 3% retirement plan matching contribution to deferred compensation plan

Title	Organization	Dec 2016 Midpoint of range or single point	*Mar-19* *Midpoint of range or single point*	*Mar-19* % increase from previous
Manager/Senior Manager				
Admin				
Controller	North Coast Air Quality Management Distric	$61,008.00	$63,473.06	4.0%
Administrative Assistant [3]	Trinity County PUD	$76,108.00	$77,000.01	1.2%
Deputy (Assistant) Finance Director	City of Eureka	$79,314.00	$81,089.50	2.2%
Billing & Customer Service Manager	City of Ukiah Electric Utility	$65,673.97	$68,301.00	4.0%
Public Works Operations Manager	City of Eureka	$68,514.00	$70,172.50	2.4%
Programatic				
Development and Sustainability Manager I	Mendocino Energy Watch Program	$79,154.40	$79,154.40	0.0%
Special Projects Manager	City of Eureka	$79,314.00	$81,089.50	2.2%
Project Manager	City of Eureka	$68,514.00	$70,172.50	2.4%
Deputy Public Works Director	City of Eureka	$83,280.00	$85,236.00	2.3%
Permits and Planning Manager	North Coast Air Quality Management Distric	$88,793.00	$84,058.57	-5.3%
Compliance and Enforcement Manager	North Coast Air Quality Management Distric	$82,308.00	$84,058.57	2.1%
Senior Research Engineer	HSU Schatz Energy Research Center	$78,041.60	$93,666.00	20.0%
Construction Projects Manager	County of Humboldt	$75,447.96	$78,124.80	3.5%
AVERAGE		**$75,805.46**	**$78,122.80**	**3.1%**
Current RCEA Midpoint (Manager step 8)		**$75,000.00**	**$80,250.00**	7.0%
Director				
Administrative				
Business Manager	Humboldt Bay Municipal Water District	$84,732.00	$91,242.00	7.7%
Finance Director	City of Eureka	$106,296.00	$108,830.00	2.4%
Chief Financial Officer	Trinity County PUD	$82,890.00	$119,869.15	44.6%
Office Administrator	Trinity County PUD	$93,902.00	$105,307.96	12.1%
Compliance Manager	Sonoma Clean Power	$120,000.00	$135,000.00	12.5%
Programatic				
Development and Sustainability Manager II	Mendocino Energy Watch Program	$100,193.60	$100,193.60	0.0%
Assistant Utility Director	City of Ukiah Electric Utility	$109,363.20	$141,694.56	29.6%
Electrical Superintendent [4]	City of Ukiah Electric Utility	$98,208.60	$128,813.28	31.2%
Superintendent	Humboldt Bay Municipal Water District	$93,411.00	$100,590.00	7.7%
Electric Superintendant	Trinity County PUD	$160,914.00	$160,154.80	-0.5%
Director of Power Services	Sonoma Clean Power	$160,000.00	$160,000.00	0.0%
Director of Programs	Sonoma Clean Power	$135,000.00	$135,000.00	0.0%
AVERAGE		**$112,075.87**	**$123,891.28**	**10.5%**
Current RCEA Midpoint (step 5)		**$100,000.00**	**$107,000.00**	7.0%
Executive Director				
General Manager	Humboldt Bay Municipal Water District	$122,400.00	$134,328.00	9.7%
Air Pollution Control Officer	North Coast Unified Air Quality District	$138,320.00	$124,480.00	-10.0%
General Manager	Trinity County Public Utility District	$202,774.00	$225,050.80	11.0%
Electric Utility Director	City of Ukiah Electric Utility	$144,000.00	$170,070.72	18.1%
Chief Executive Officer	Sonoma Clean Power	$205,000.00	$275,000.00	34.1%
AVERAGE		**$162,498.80**	**$185,785.90**	**14.3%**
Current RCEA Midpoint (step 5)		**$130,000.00**	**$139,100.00**	7.0%

Footnotes:

[1] Salary shown for Dec 2016 is for Administrative Assistant

[2] Position(s) formerly titled "Scheduler-Planner Specialist I & II"

[3] Salary shown for Dec 2016 is for Assistant Office Administrator

[4] Position formerly titled Electrical Supervisor

	Dec-16	Feb-19	Mar-19
CPI-all urban consumers, West	249.516	266.215	267.37
change in CPI, all urban consumers, West		106.7%	107.2%

Redwood Coast Energy Authority - Job Classifications and Pay Scales - Proposed, May 2019, to be effective 7/1/19

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Assistant/Coordinator/Associate										
Hourly	16.27	16.69	17.12	17.55	18.00	18.45	18.92	19.39	19.87	20.37
Monthly	2,820.26	2,892.57	2,966.74	3,042.81	3,120.83	3,198.85	3,278.83	3,360.80	3,444.82	3,530.94
Annual	33,843.11	34,710.88	35,600.91	36,513.75	37,450.00	38,386.25	39,345.91	40,329.55	41,337.79	42,371.24
Specialist										
Hourly	23.70	24.31	24.93	25.57	26.22	26.90	27.59	28.29	29.00	29.73
Monthly	4,107.69	4,213.01	4,321.04	4,431.84	4,545.47	4,662.02	4,781.56	4,904.17	5,026.77	5,152.44
Annual	49,292.27	50,556.17	51,852.48	53,182.03	54,545.67	55,944.28	57,378.75	58,850.00	60,321.25	61,829.28
Senior Specialist										
Hourly	26.56	27.38	28.23	29.10	30.00	30.93	31.86	32.81	33.80	34.81
Monthly	4,723.84	4,844.97	4,969.20	5,096.61	5,227.29	5,361.33	5,495.36	5,632.74	5,773.56	5,917.90
Annual	56,686.11	58,139.59	59,630.35	61,159.34	62,727.53	64,335.92	65,944.32	67,592.93	69,282.75	71,014.82
Technician										
Hourly	28.01	28.73	29.46	30.22	30.99	31.79	32.60	33.44	34.27	35.13
Monthly	4,854.54	4,979.02	5,106.68	5,237.62	5,371.92	5,509.66	5,650.94	5,795.83	5,940.73	6,089.25
Annual	58,254.50	59,748.20	61,280.21	62,851.49	64,463.07	66,115.97	67,811.25	69,550.00	71,288.75	73,070.97
Senior Technician										
Hourly	31.39	32.36	33.36	34.39	35.46	36.55	37.65	38.78	39.94	41.14
Monthly	5,582.72	5,725.87	5,872.69	6,023.27	6,177.71	6,336.11	6,494.52	6,656.88	6,823.30	6,993.88
Annual	66,992.67	68,710.43	70,472.24	72,279.22	74,132.53	76,033.36	77,934.20	79,882.55	81,879.62	83,926.61
Manager										
Hourly	32.32	33.14	33.99	34.87	35.76	36.68	37.62	38.58	39.55	40.53
Monthly	5,601.39	5,745.02	5,892.33	6,043.41	6,198.37	6,357.30	6,520.31	6,687.50	6,854.69	7,026.05
Annual	67,216.73	68,940.23	70,707.93	72,520.95	74,380.46	76,287.66	78,243.75	80,250.00	82,256.25	84,312.66
Senior Manager										
Hourly	36.22	37.34	38.49	39.69	40.91	42.18	43.44	44.75	46.09	47.47
Monthly	6,441.60	6,606.77	6,776.18	6,949.92	7,128.13	7,310.90	7,493.67	7,681.01	7,873.04	8,069.87
Annual	77,299.23	79,281.27	81,314.12	83,399.10	85,537.53	87,730.80	89,924.07	92,172.18	94,476.48	96,838.39
Director										
Hourly	46.49	47.68	48.90	50.16	51.44	52.73	54.05	55.40	56.78	58.20
Monthly	8,057.88	8,264.50	8,476.41	8,693.75	8,916.67	9,139.58	9,368.07	9,602.27	9,842.33	10,088.39
Annual	96,694.60	99,173.95	101,716.88	104,325.00	107,000.00	109,675.00	112,416.88	115,227.30	118,107.98	121,060.68
Executive Director										
Hourly	60.43	61.98	63.57	65.20	66.88	68.55	70.26	72.02	73.82	75.66
Monthly	10,475.25	10,743.84	11,019.33	11,301.88	11,591.67	11,881.46	12,178.49	12,482.96	12,795.03	13,114.91
Annual	125,702.99	128,926.14	132,231.94	135,622.50	139,100.00	142,577.50	146,141.94	149,795.49	153,540.37	157,378.88

REDWOOD COAST EnergyAuthority

STAFF REPORT
Agenda Item # 5.4

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning & Finance Director
SUBJECT:	Airport Microgrid Project – USDA Loan Requirements

BACKGROUND AND SUMMARY

RCEA's commitment to the Airport Microgrid project includes financing a 2MW solar array and battery storage system to be owned and operated by RCEA and a 250KW array to feed the Airport facilities. Staff is pursuing a loan from the United States Department of Agriculture (USDA) Rural Utilities Service (RUS) guaranteed loan program to finance the equipment and construction of RCEA's portion of the project.

As part of RUS loan program requirements, RCEA **may** be required to adopt a resolution approving a policy regarding the interconnection of distributed resources that provides for electricity system safety and reliability. RCEA is likely exempt due to not owning and operating the local electricity distribution grid, but if the USDA deems this necessary, staff will provide and present the resolution and policy at the meeting.

FINANCIAL IMPACTS

None.

RECOMMENDED ACTIONS

Adopt Resolution No. 2019-2, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving an Interconnection of Distributed Resources Policy for the Redwood Coast Airport Renewable Energy Microgrid Project.

ATTACHMENT

If deemed necessary, a resolution and policy will be provided at the meeting.

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REDWOOD COAST EnergyAuthority

STAFF REPORT

Agenda Item # 6.1

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Lori Biondini, Business Planning & Finance Director
SUBJECT:	FY18-19 Budget Update and Proposed Revision

SUMMARY

As mentioned in the March 2019 RCEA Board of Directors business meeting, the 2018-19 budget does not include expenses related to the equipment and construction costs associated with the Airport Microgrid Project. However, some costs have been incurred this fiscal year that are covered by revenue from California Energy Commission (CEC) grant funding. Staff is proposing the following changes to the budget to account for the associated revenue and costs:

1. Increase "Revenue – government agencies" of $838,527 in CEC grant funding passed through from Humboldt State University Sponsored Programs Foundation for Airport Microgrid expenses.
2. Increase in "Expense – Facilities and Operations – capital development" of $838,527 for payments to Tesla, Schweitzer Engineering Laboratories, and PG&E for Airport Microgrid project costs.

FINANCIAL IMPACTS

Impacts are related to administrative labor costs only; the budget bottom line is unchanged.

RECOMMENDED ACTIONS

Approve proposed revisions to the FY18-19 Annual Budget.

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REDWOOD COAST EnergyAuthority

STAFF REPORT

Agenda Item # 6.2

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director & Lori Biondini, Business Planning & Finance Director
SUBJECT:	Draft FY19-20 Annual Budget

SUMMARY

Attached is a preliminary draft of the RCEA FY19-20 annual budget, which staff will present for review and input at the meeting. The budget incorporates known financial factors, staff's current/best projections for future unknown factors, and several items that are up for consideration/approval at this meeting. Specific items of note and/or changes from this year's budget include:

- Retail electricity sales revenue and wholesale power costs continue to represent the majority of RCEA's budget. The budget numbers are derived from the detailed CCE-operations financial model that TEA maintains for RCEA, which is updated regularly based on forward market prices, RCEA's procurement decisions, rate changes, and other relevant factors. There is a significantly higher level of uncertainly for these projections for 2020 compared to the second half of 2019 (for which RCEA has already set rates and procured power). The retail electricity revenue budget includes reverting RCEA's 2020 customer rate discount compared to PG&E rates back up to 2018 levels.

- The Redwood Coast Airport Microgrid project activities will be ramping up in the coming fiscal year, with the majority of construction slated for 2020. FY19-20 scheduled expenses, which are budgeted under facilities and operations (capital development costs), are expected to total approximately $4,106,600. These expenses will be balanced with $1,376,300 in California Energy Commission Grant funding and $2,730,300 in USDA loan funds.

- The Demand Side Management revenue budget includes the 2019 PG&E Energy Watch contract, but there is a significant degree of uncertainly around 2020 funding sources and amounts at this point in time; the budget includes staff's best guess, which is a level of funding generally comparable to current contract funding.

- The budget incorporates three items impacting annual expenses that are up for consideration elsewhere on this meeting's agenda: 1) the salary schedule and retirement plan adjustments recommended by the Board Finance Subcommittee, 2) the up to $300,000 in budget for the offshore wind project recommended by the Offshore Wind Subcommittee, and 3) the budgets for the CCE-funded programs recommended by the Community Advisory Committee.

Next steps in finalizing the Budget include: 1) working with TEA to refine CCE projections should additional information about PG&E rates and other factors become known in the next month, 2) a meeting of the Board Finance Subcommittee at 3 p.m. on June 12 at which staff will review and refine line items in detail with the subcommittee, and 3) presentation of the final draft for adoption at the June 27 RCEA Board meeting.

RECOMMENDED ACTION

Provide input and direction to staff and the Finance Subcommittee on the draft budget.

ATTACHMENTS

1. Preliminary Draft RCEA FY19-20 Annual Budget

Attachment 1

Redwood Coast Energy Authority
Preliminary Draft FY19-20 Budget

	Community Choice Energy	Energy Watch & Other Demand Side Management	Electric & Hydrogen Transportation	General & Administrative (allocated across programs)	Total 2019-20 Budget
Ordinary Income/Expense					
REVENUE EARNED					
Total Revenue - government agencies	1,376,300	90,000	35,000	-	**1,501,300**
Total Revenue - program related sales	-	6,000	10,000	-	**16,000**
Total Revenue-nongovernment agencies	-	1,183,223	-	-	**1,183,223**
Electricity Sales Revenue					
Electricity Sales - Retail Revenue	56,300,000	-	-	-	**56,300,000**
Electricity Sales - Uncollectable Accounts	(348,000)	-	-	-	**(348,000)**
Total Electricity Sales Revenue	55,952,000	-	-		**55,952,000**
Total REVENUE EARNED	57,328,300	1,279,223	45,000		**58,652,523**
Other Income - proceeds from long-term debt	2,730,300	-	-	-	**2,730,300**
Total Income	60,058,600	1,279,223	45,000	-	**61,382,823**
Gross Revenue	60,058,600	1,279,223	45,000	-	**61,382,823**
Expense					
TOTAL WHOLESALE POWER SUPPLY	44,100,000	-	-	-	**44,100,000**
PERSONNEL EXPENSES	1,186,900	808,300	99,000	843,292	**2,937,492**
FACILITIES AND OPERATIONS	4,200,000	-	85,000	250,000	**4,535,000**
COMMUNICATIONS AND OUTREACH	70,000	25,000	10,000	8,000	**113,000**
TRAVEL AND MEETINGS	25,000	25,000	1,000	8,000	**59,000**
PROFESSIONAL AND PROGRAM SERVICES					
Internal inter-program funding	369,000	(295,000)	(74,000)	-	-
Contracts - Program Related Services	300,000	75,000	-	-	375,000
Wholesale Services - TEA	602,500	-	-	-	602,500
Procurement Credit - TEA	760,000	-	-	-	760,000
Data Management - Calpine	900,000	-	-	-	900,000
Regulatory	164,000	20,000	-	-	184,000
Accounting	-	-	-	68,950	68,950
Legal	60,000	5,000	-	60,000	125,000
PROFESSIONAL AND PROGRAM SERVICES	2,786,500	100,000		128,950	**3,015,450**
PROGRAM EXPENSES	1,200,000	2,000	2,000	2,000	**1,206,000**
INCENTIVES AND REBATES	-	798,500	41,500	-	**840,000**
NON OPERATING COSTS	160,000	2,000	1,000	15,000	**178,000**
Total Expense	53,728,400	1,760,800	239,500	1,255,242	**56,983,942**
Net Income	**6,330,200**	**(481,577)**	**(194,500)**	**(1,255,242)**	**4,398,881**

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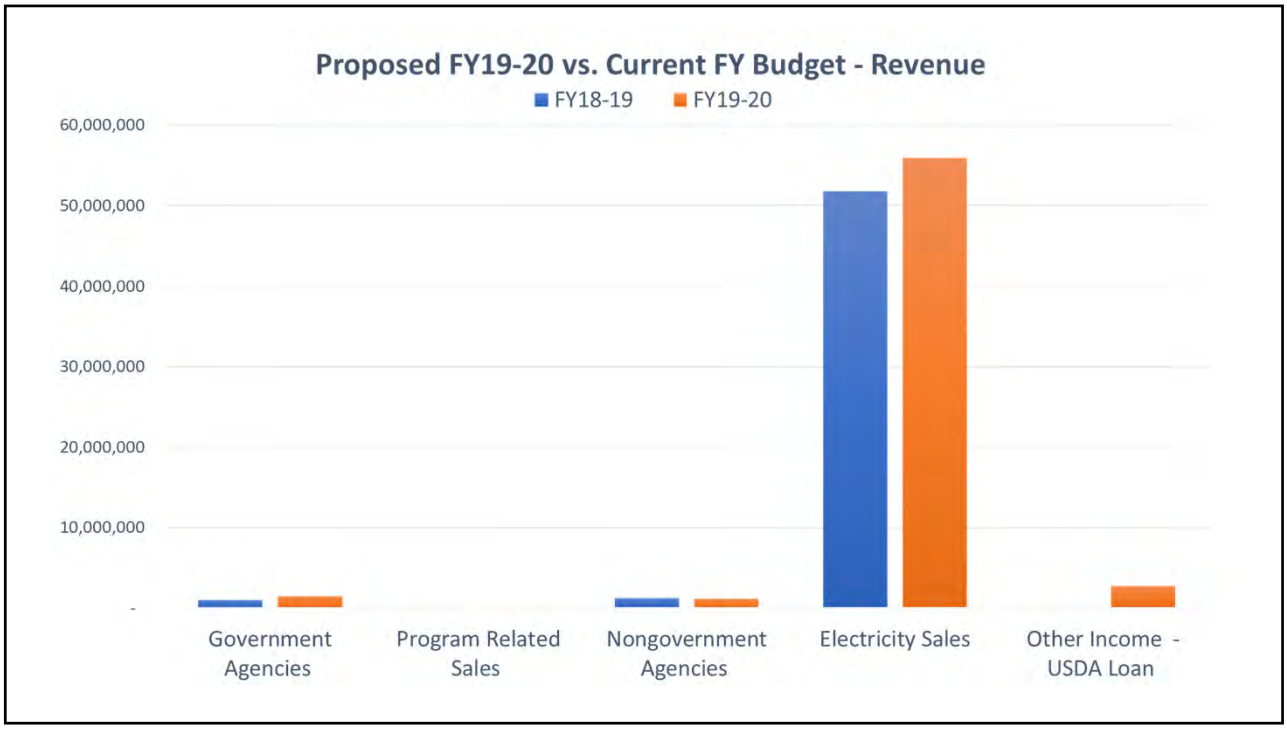
Documents received at meeting



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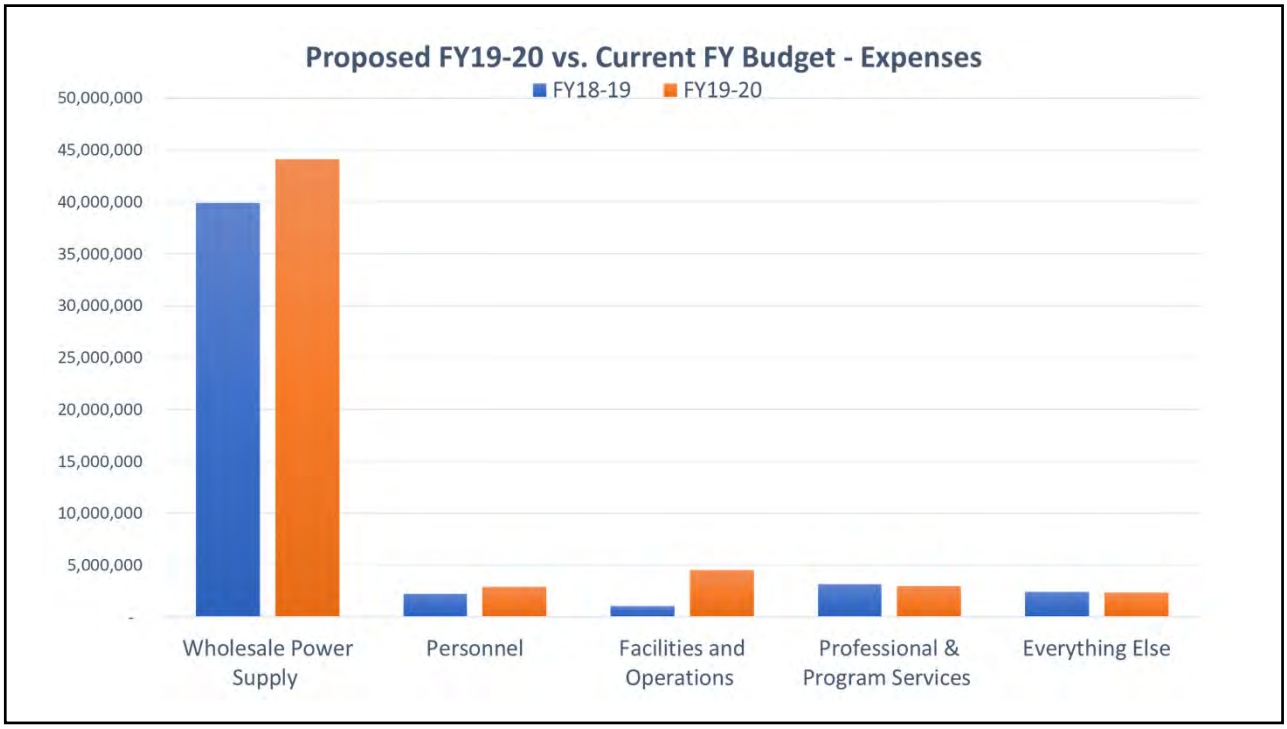

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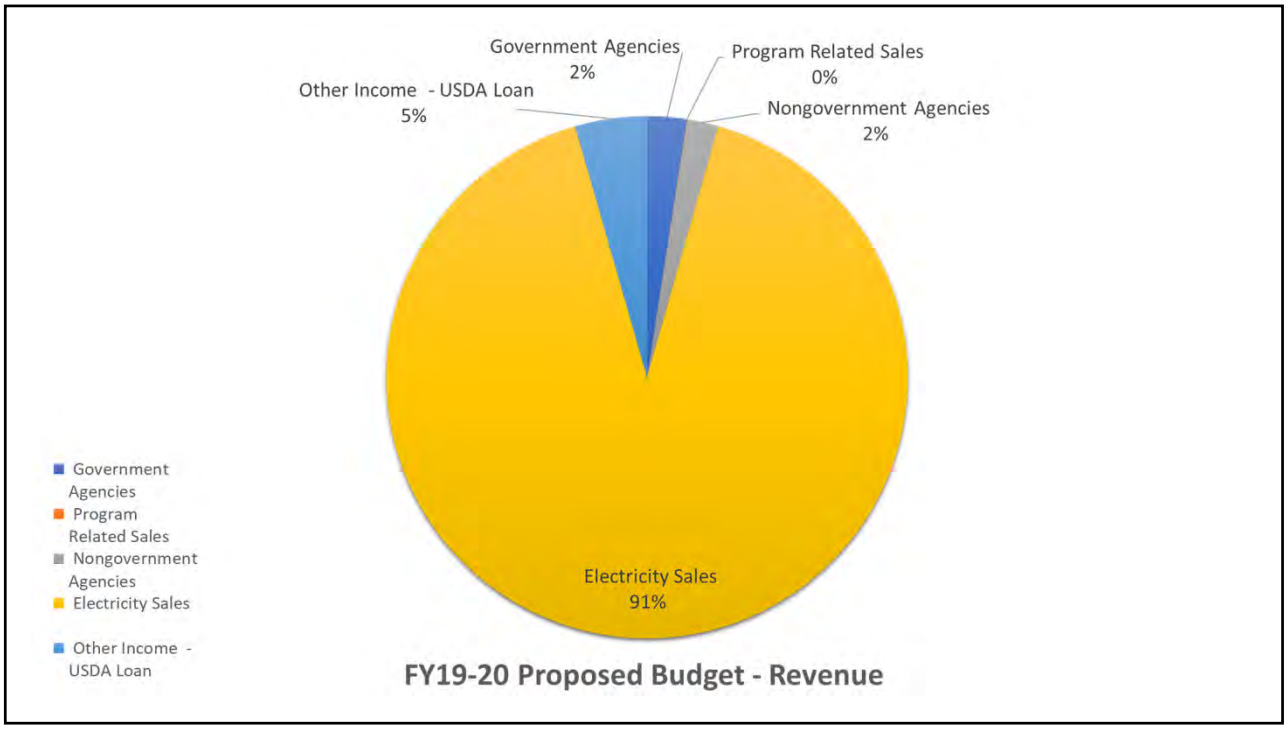
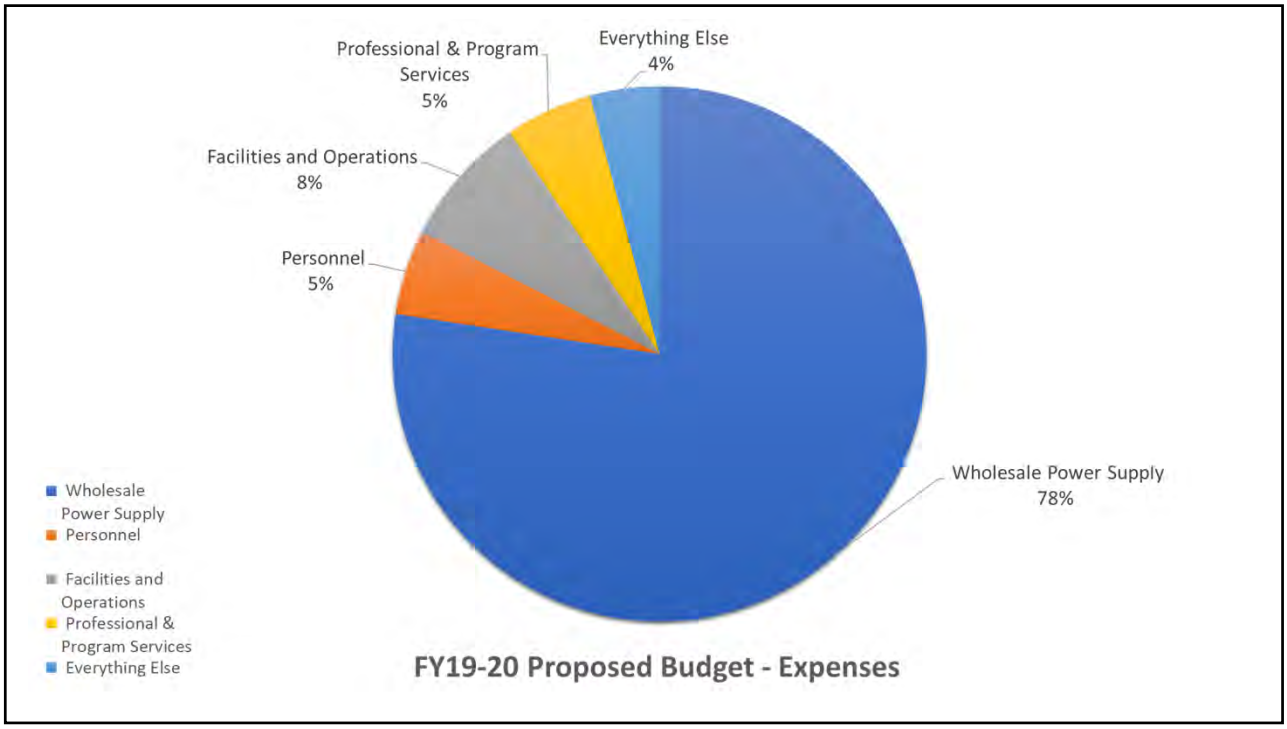

Government Agencies
2%
Program Related Sales
0%
Other Income - USDA Loan
5%
Nongovernment Agencies
2%
Electricity Sales
91%
Government Agencies
Program Related Sales
Nongovernment Agencies
Electricity Sales
Other Income - USDA Loan
FY19-20 Proposed Budget - Revenue

3


Professional & Program Services
5%
Everything Else
4%
Facilities and Operations
8%
Personnel
5%
Wholesale Power Supply
78%
Wholesale Power Supply
Personnel
Facilities and Operations
Professional & Program Services
Everything Else
FY19-20 Proposed Budget - Expenses

4

REDWOOD COAST EnergyAuthority

STAFF REPORT

Agenda Item # 7.1

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Mahayla Slackerelli, Account Services Manager
SUBJECT:	Residential Time-of-Use Transition

SUMMARY

At the May meeting, the Board received a presentation from a representative of PG&E detailing the statewide transition of tiered rate residential customers to a time-of-use (TOU) rate, where the amount paid per kWh changes with time of day. The majority of RCEA's residential customers are currently on a tiered rate, where the amount paid per kWh changes based on total usage during the month. Transitioning these customers from a tiered rate to a TOU rate with more expensive electricity in the peak periods of the day and less expensive electricity in lower demand periods is forecasted to financially benefit the great majority of Humboldt County customers. While the California Public Utilities Commission would like to see all California customers moved to TOU, CCAs are not required to transition their tiered-rate residential customers. PG&E has made the argument that customer confusion and frustration with this significant transition can be minimized if the CCAs in PG&E's service territory keep their rates consistent in structure with PG&E's and offer first-year bill protection to customers, as PG&E plans to do. Please see the April 2019 Board Packet for more details on the TOU transition.

FINANCIAL IMPACTS

If RCEA participates in the TOU transition, the vast majority of Humboldt County customers are forecasted to see a savings on their bill for generation. This would translate to revenue losses for RCEA. PG&E forecasts that RCEA's revenue will decrease by $790,820 per year due to the TOU transition. RCEA's staff analysis estimates an impact closer $965,000 in customer rate savings (and associated RCEA revenue loss) per year. Both PG&E's and RCEA staff's analyses assume 100% participation in this transition, which is unlikely.

The Energy Authority (TEA) performed an analysis to determine how much of the revenue losses will be mitigated through procurement changes. In a pilot TOU transition program, customers did respond to TOU rates by marginally reducing their demand in peak periods. TEA estimates that revenue losses could be reduced from PG&E's estimate of $790,820 to as low as $535,000 due to power cost savings. This analysis is based on customer behavioral changes, which are inherently uncertain.

If RCEA transitions tiered-rate Humboldt County residential customers to TOU, RCEA may choose to provide bill protection to customers for the first year of transition. If RCEA decides to provide bill protection for customers that do worse on TOU rates than on the original flat rate over the course of the first year, PG&E forecasts that RCEA would be responsible for a total of $6,795 in bill credits issued to about 1,000 of RCEA's 35,000 customers to be transitioned. Staff performed a similar analysis, with some different assumptions, notably RCEA staff included customers with less than 12

months of time-of-use data and arrived at $28,687. In both analyses, customers who would receive bill protection are a small fraction of residential customers to be transitioned, and the cost to RCEA is small compared with the revenue impact discussed above.

One financial benefit of the TOU transition for RCEA is that due to the structure of the TOU rate it would shift when funds are collected and make revenues more uniform throughout the year.

RECOMMENDED ACTIONS

Direct staff to transition flat-rate residential customers to the TOU rate in June of 2021 in partnership with PG&E.

Direct staff to offer bill protection to appropriate rate-transition customers for the first year.

Direct staff to maintain CCA residential customer rates consistent in structure with PG&E's residential customer rates through the transition period to residential time-of-use rates.

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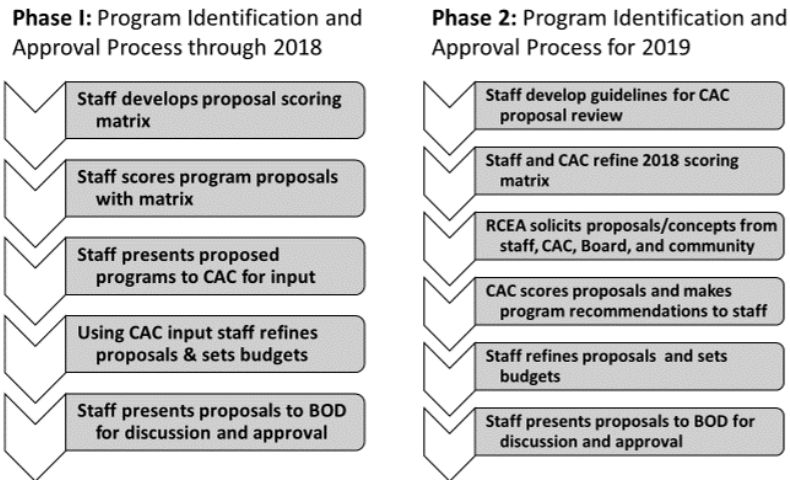
STAFF REPORT
Agenda Item # 8.1

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Lou Jacobson, Director of Demand Side Management
SUBJECT:	CCE Customer Programs

SUMMARY

In April 2018, The Board approved a process for identifying and advancing CCE funded programs for fiscal year 2018-19, 2019-20 and beyond. Figure 1 below presents the approved process. Phase 1 identified and advanced several staff generated program concepts: Public Agency Solar, Residential Energy Services, Electric Vehicle Charging Infrastructure, and a Rebate Catalog with a variety of approved rebates. Phase 2 has been successfully managed to the last step—staff presents proposals to the Board for discussion and approval. In parallel to finalizing phase 2, staff and the Community Advisory Committee (CAC) initiated an ongoing process where community members can submit program ideas for future funding consideration. This process was titled Citizen Sourcing.

Figure 1: Phased Program Identification and Approval Process



Staff received eight program concepts through the 2019 Citizen Sourcing effort. Of those eight concepts, the CAC recommended five for implementation. In addition, staff noted that the continuity of existing programs should be considered. Staff recommend continued and/or expanded funding for the following previously approved products/services:

- Technical Assistance Funding for Public Agency Solar Program participants,
- Discounted LED lighting for public agency and public safety service sites,
- No-cost residential energy efficiency kits,
- Additional funding for air source heat pump incentives,
- Electric vehicle charger incentives.

The following presents the five new programs recommended for funding by the CAC:

- **E-bike and Scooter Incentives:** RCEA received two submissions for e-bike incentives to be incorporated into a rebate catalog. One submission included tiered incentives plus a user safety education component. The other submission included e-bikes and an e-scooter incentive. Staff recommend combining both submissions while incorporating safety and use into future ride-and-drive type events. Incentives will be made available to the community through the forthcoming rebate catalog and by working with local vendors.

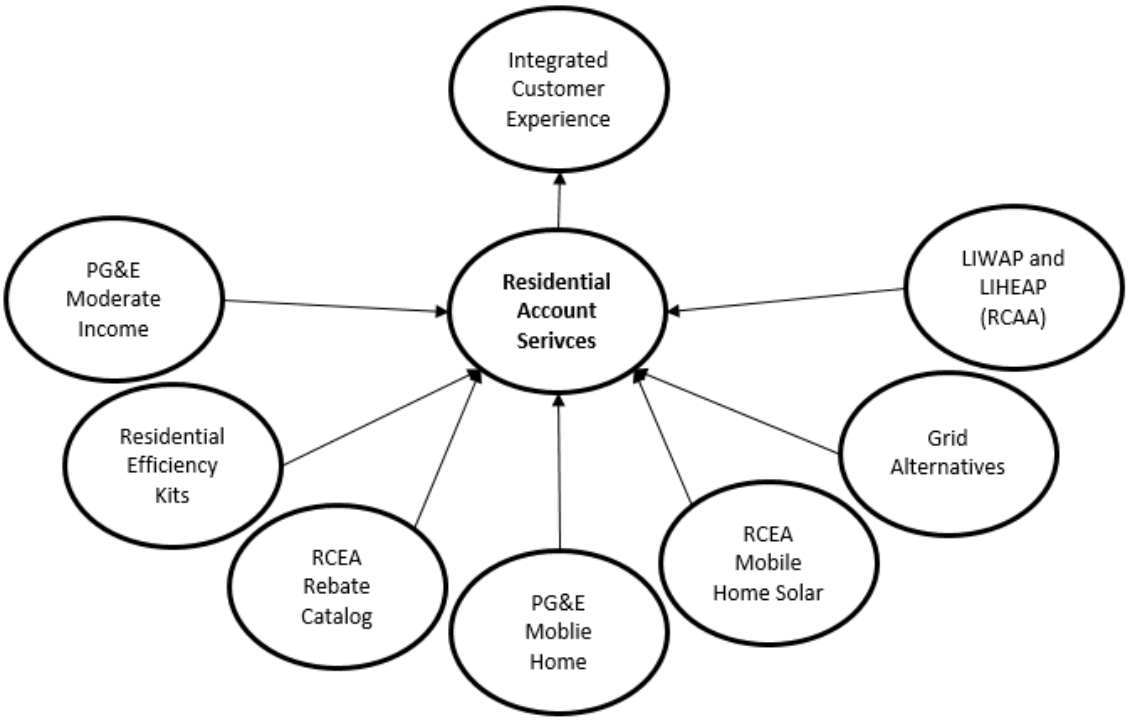
- **Green your Grow:** The proposer recommends providing incentives through the rebate catalog to encourage the use of LED horticultural light fixtures instead of the equivalent high-pressure sodium or metal halide technology.

- **Humboldt Refrigerants:** The proposers recommend that RCEA implement a program that supports the reduction of refrigerant leaks in the grocery sector while advancing energy efficiency services. The proposers recommend that RCEA provide targeted micro-grants of approximately $1,000 to incentivize up to 20 grocery store operators to explore GreenChill, North American Sustainable Refrigeration Council, and Public Purpose Program services. RCEA staff think this could be an effective mechanism to encourage participation in a variety of programs by minimizing opportunity costs. If advanced by the Board, staff will incorporate this service into our existing non-residential account services. Staff recommend a slightly reduced initial budget and scope.

- **Mobile Home Solar:** The proposer recommends working with and learning from New Mexico Energy Conservation and Management (ECM) Division staff to deliver low-cost solar in large low- and moderate-income communities that can't be served by existing low-income solar programs. New Mexico ECM staff are attempting to develop an "off-the-shelf" solar product with total installed costs at or below $2/watt. RCEA staff are in contact with New Mexico ECM division staff and the proposer. CAC recommendations were to continue to explore the mobile/manufactured home solar concept while expanding the recommendation to increase service to mobile home residents. RCEA staff agreed with the CAC's recommendation.

Figure 2 shows how Residential Account Services incorporates and filters a variety of offerings for the customer, offering them a simplified, integrated experience. Staff intend to incorporate this recommendation into existing account services. Similar integration occurs for public and non-residential customers.

Figure 2: Residential Integrated Account Services Model



All additional submissions will be incorporated into existing efforts:

- E-bike and scooter incentives will be incorporated into the rebate catalog.
- Green your grow will be incorporated into the rebate catalog and supported by non-residential account services.
- Humboldt Refrigerants will be incorporated into non-residential account services and bridged to RCEA's Energy Watch program.

The three proposals not advanced by the CAC are:

- **Community Solar:** The proposer recommended supporting and advancing a supply side community solar project. Community solar allows for a single system to be owned by a group of people who may want to invest in solar but are unable to install systems on their property, place of residence, or business. Community solar is an existing program concept that is being explored by other California load serving entities. The CAC recommended that this proposal not be advanced through the CCE-funded customer program pathway but that it be logged and explored in the future through different implementation mechanisms.

- **Community Grid Optimization:** The proposer recommended working with wastewater treatment plant operators to optimize use while providing value to both the agency and RCEA. The proposal was of interest to both staff and the CAC subcommittee. Staff are currently working with the proposing firm, a third party implementer of PG&E's Water Infrastructure System Efficiency program, to advance projects through the previously approved Public Agency Solar program. Staff discussed opportunity and next steps with the proposer and recommended that they respond to RCEA's RFQ for energy and professional services.

- **PortfolioProPlus:** The proposer recommended that RCEA invest in their cloud-based energy efficiency portfolio management software platform. The platform is designed to integrate with current California Public Utilities Commission (CPUC) reporting requirements for Energy Efficiency program administrators. Staff and CAC members agreed that this is of interest but best pursued once RCEA becomes a CPUC energy efficiency program administrator. Funding for this or similar solutions would likely be made available through CPUC funding.

FINANCIAL IMPACTS

Remaining FY 2018-19 program funds will be rolled over. An additional $250,000 will be budgeted to local programs in fiscal year 2019-20. Table 2 below presents the initial budgets by activity area.

Table 2: Total Fiscal Year 2019-20 Funding by Program

	2019-20	2018-19 Rollover	Total
E-Bike/Scooter	$ 41,500.00	$ -	$ 41,500.00
Green Your Grow	$ 35,000.00	$ -	$ 35,000.00
EV and Chargers	$ 30,000.00	$ 44,000.00	$ 74,000.00
Air Source Heat Pumps	$ 15,000.00	$ 35,000.00	$ 50,000.00
LED Buy Down	$ 20,000.00	$ -	$ 20,000.00
Mobile Home Solar	$ 50,000.00	$ -	$ 50,000.00
Grocery	$ 16,000.00		$ 16,000.00
Res Efficiency Kits	$ 27,500.00	$ -	$ 27,500.00
Public Solar Technical Assistance Fund	$ 15,000.00	$ 40,000.00	$ 55,000.00
	$ 250,000.00	$ 119,000.00	$ 369,000.00

RECOMMENDED ACTIONS

Approve Community Advisory Committee and staff-recommended CCE customer programs and associated 2019-20 funding allocations.

ATTACHMENTS

None.

Documents received at meeting

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CCE Customer Programs: Citizen Sourcing

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Program Identification and Approval Process

Figure 1: Phased Program Identification and Approval Process

Phase I: Program Identification and Approval Process through 2018

- Staff develops proposal scoring matrix
- Staff scores program proposals with matrix
- Staff presents proposed programs to CAC for input
- Using CAC input staff refines proposals & sets budgets
- Staff presents proposals to BOD for discussion and approval

Phase 2: Program Identification and Approval Process for 2019

- Staff develop guidelines for CAC proposal review
- Staff and CAC refine 2018 scoring matrix
- RCEA solicits proposals/concepts from staff, CAC, Board, and community
- CAC scores proposals and makes program recommendations to staff
- Staff refines proposals and sets budgets
- Staff presents proposals to BOD for discussion and approval

2

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Existing Program Continuity

- Technical Assistance Funding for Public Agency Solar Program participants
- Discounted LED lighting for public agency and public safety service sites
- No-cost residential energy efficiency kits
- Additional funding for air source heat pump incentives and
- Electric vehicle charger incentives

3

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Evaluation Process

Weight/Scoring Criteria

- **25**—Alignment to or support of, RCEA's mission, purpose, and Comprehensive Action Plan for Energy (CAPE) 2030 vision statement
- **15**—Leverages existing federal, state and/or local energy programs
- **30**—Program feasibility
- **20**—Community benefit and equitability
- **10**—Innovation and creativity

Total Points Possible: 100

Duplicative programs or ideas that do not align with RCEA's prioritized program areas may be immediately disqualified.

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Citizen Sourcing Submissions

- **E-bike and Scooter Incentives: 91.33 / 89.33**
- **Green your Grow: 88**
- **Humboldt Refrigerants: 86.67**
- **Mobile Home Solar: 85.67**
- **Community Solar**
- **Community Grid Optimization**
- **PortfolioProPlus**

5

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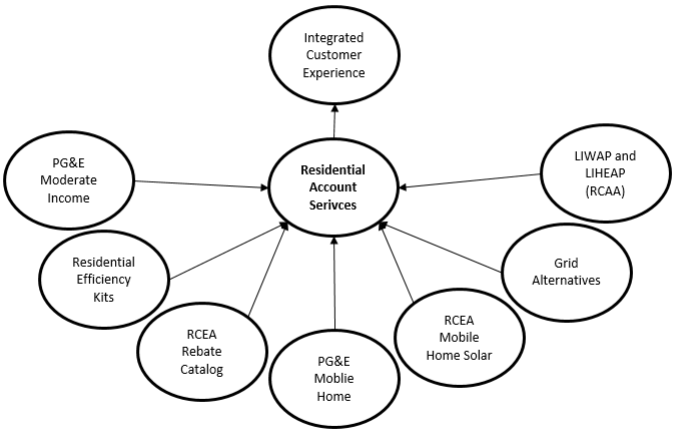
Residential Integrated Account Services Model



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Proposed Programmatic Budgets

	2019-20	2018-19 Rollover	Total
E-Bike/Scooter	$ 41,500.00	$ -	$ 41,500.00
Green Your Grow	$ 35,000.00	$ -	$ 35,000.00
EV and Chargers	$ 30,000.00	$ 44,000.00	$ 74,000.00
Air Source Heat Pumps	$ 15,000.00	$ 35,000.00	$ 50,000.00
LED Buy Down	$ 20,000.00	$ -	$ 20,000.00
Mobile Home Solar	$ 50,000.00	$ -	$ 50,000.00
Grocery	$ 16,000.00		$ 16,000.00
Res Efficiency Kits	$ 27,500.00	$ -	$ 27,500.00
Public Solar Technical Assistance Fund	$ 15,000.00	$ 40,000.00	$ 55,000.00
	$ 250,000.00	$ 119,000.00	$ 369,000.00

7

Free Efficiency Kit

Request a free Efficiency Kit and start saving energy and money today!
Efficiency Kits may include: LED light bulbs, weatherization products, hot-water savings products, and more. Sign up on the reverse!

Free Energy Advisor Consultation

Request a free phone consultation with an Energy Advisor to answer your energy questions, learn ways to save energy, and hear about financing, rebates, and tax incentives.

Whole-House Energy Efficiency Projects

Homeowners planning to complete several major efficiency upgrades within the same project may qualify for up to **$5,500 in rebates** by completing a Home Performance Assessment (fees apply).

Take the First Step

Call 707.269.1700 today to learn more about our energy services or fill out the application on the reverse and return it to RCEA to get started.

REDWOOD COAST EnergyAuthority

633 3rd Street
Eureka, CA 95501
Phone: 707.269.1700
Fax: 707.269.1777
info@RedwoodEnergy.org
www.RedwoodEnergy.org

RESIDENTIAL SERVICES APPLICATION

Please send this application to Redwood Coast Energy Authority.

Mail or deliver to: 633 3rd Street, Eureka, CA 95501 Fax: 707.269.1777 Email: info@redwoodenergy.org

If you have questions, contact us at 707.269.1700.

Name: _____ **Preferred phone:** _____ **2nd phone:** _____

Secondary Contact: _____ **Phone:** _____

Physical Address: _____ **Unit #** _____ **City:** _____ **Zip:** _____

Mailing Address: _____ **Email Address:** _____

Are you a Redwood Coast Energy Authority electricity customer? ☐ Yes ☐ No ☐ Not sure

Type of residence: ☐ Single Family Home ☐ 2-4 Unit Building ☐ 5+ Unit Building ☐ Mobile Home

Property status: ☐ Own ☐ Rent **Best time to call:** _____

I am interested in the following (please check all that apply):

☐ **Free** Efficiency Kit ☐ REpower+ 100% Renewable Electricity

☐ **Free** Energy Advisor Consultation ☐ Commercial efficiency services

☐ **Home Performance Assessment and rebates for Whole-House Efficiency Projects**

What Happens Next?

Once we receive your completed application, our staff will call you to verify your interests and eligibility for services. You will then be assigned to an Energy Advisor and scheduled for services.

Terms and Conditions

I agree to the following terms and conditions. I must be a current RCEA or Pacific Gas and Electric (PG&E) service customer to receive an Efficiency Kit or Energy Advisor Consultation. I must be a current RCEA electricity customer to receive a Home Performance Assessment. RCEA will determine my eligibility for services and products based on my electric account status, property status, type of residence, and prior RCEA program participation. Households receiving products in the last 3 years are not eligible for Efficiency Kits. Funding is limited. Services and products are provided on a first-come first-served basis while funding lasts. The variety and quantities of services and products being offered are at the discretion of RCEA and are subject to change. RCEA warranties product defects and product failures for 90 days. RCEA is not responsible for product compatibility. **Submitting this application does not obligate me to pay any fees for services or products.** If I request a Home Performance Assessment after consulting with an Energy Advisor, I will receive a written estimate outlining associated fees.

_____ _____ _____

Print Name **Signature** **Date**

Funding is provided by RCEA and the PG&E Foundation. RCEA administers the residential services described herein.

The Redwood Coast Energy Authority is a local government Joint Powers Agency of the County of Humboldt, the Cities of Eureka, Arcata, Fortuna, Rio Dell, Ferndale, Blue Lake, and Trinidad, and the Humboldt Bay Municipal Water District.

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REpower

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STAFF REPORT

Agenda Item # 9.1

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Matthew Marshall, Executive Director
SUBJECT:	Auditor Selection Update

SUMMARY

Auditor Selection

At the March 28 RCEA Board meeting, staff reported that David L. Moonie & Co. elected to discontinue providing auditing services to RCEA, citing the additional workload of Community Choice Energy program audits. The Board authorized staff to issue a request for proposals for professional audit services, to review the submitted proposals and to contract with the selected respondent following review and approval by the RCEA Board Finance Subcommittee and agency legal counsel.

Since that meeting, staff received three out-of-area proposals in response to the RFP, recommended that the Finance Subcommittee authorize staff to contract with Pisenti & Brinker, LLP, and received the subcommittee's authorization. Staff is currently is working toward executing a contract for professional services with the Santa Rosa-based accounting firm.

While all three respondents were deemed to be experienced government agency auditors, only two indicated community choice aggregator or utility auditing experience. Pisenti & Brinker was the lowest bidder, possessed the most CCA auditing experience and proposed auditing FY 2017-18 and FY 2018-19 simultaneously at a discounted price to bring the agency up-to-date with their annual audits.

RECOMMENDED ACTIONS

None - information only.

ATTACHMENT

Pisenti & Brinker Proposal for Auditor Services

Proposal to Provide Financial Statement Audit Services to

April 24, 2019

Brett Bradford, CPA, Partner
Kellin Gilbert, CPA, Senior Manager
(707) 542-3343
bbradford@pbllp.com
kgilbert@pbllp.com
3562 Round Barn Circle, Suite 300
Santa Rosa, 95403

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April 24, 2019

Finance Subcommittee
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

Dear Finance Subcommittee:

Thank you for inviting Pisenti & Brinker LLP to submit a proposal to serve the audit requirements of Redwood Coast Energy Authority ("RCEA"). We are pleased to answer your request with this proposal to provide professional services to RCEA. We feel that the following factors make Pisenti & Brinker LLP highly qualified to provide the requested services:

- We are confident that our previous experience providing audit services to Community Choice Aggregators (CCAs) will benefit RCEA by providing value-added and efficient audit services. Our approach will focus on industry accounting and operational best practices.(see references)
- Our long-running and successful experience providing services to many local government agencies, including our previous experience RCEA.
- With respect to RCEA's possible future needs, our Firm has deep experience with compliance audits of federal awards in accordance with the *Uniform Guidance* (the Single Audit) and audits of state and local agency requirements in accordance with various laws and regulations.

We propose to perform the work as outlined in your *Request for Proposal* within the identified time frame. Our services will consist of auditing and expressing an opinion on the fairness of presentation of the financial statements of RCEA for the periods ended June 30th, 2018 through June 30th, 2020. Our audits will be performed in accordance with *Generally Accepted Government Auditing Standards* set forth by the *Government Accountability Office (GAO)*. Accordingly, we are independent from RCEA in as defined by *Government Auditing Standards*. We will provide written notice to RCEA of any professional relationships entered into that could threaten independence.

Our fees for the proposed services to RCEA are as stated in this proposal. As a partner in our Accounting and Assurance Practice for the Firm, I am authorized to make representations for Pisenti & Brinker LLP. If you have any comments or questions concerning our proposal, please feel free to call me at (707) 577-1582. This proposal is a firm and irrevocable offer for a ninety day period. We look forward to having the opportunity to be of service to RCEA.

Very truly yours,

Brett Bradford, CPA
Partner

We propose to perform audits of the basic financial statements of Redwood Coast Energy Authority ("RCEA") as set forth below for the periods ended June 30, 2018 through June 30, 2020. We will perform our audits in accordance with *Generally Accepted Government Auditing Standards* set forth by the *Government Accountability Office (GAO)*.

Reports to be prepared include:

- Report on the fair presentation of the financial statements of RCEA.
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters as set forth by *Government Auditing Standards*;
- Management letter of comments;
- Report on significant deficiencies or material weaknesses in internal control, if any are identified;
- Other communications to those charged with governance as required by professional standards.

It is our current firm policy that we retain all working papers and reports for a minimum of seven years at our own expense. We will make working papers available, upon request, to RCEA and governmental agencies with oversight over RCEA.

During the audit, we will observe the adequacy of the system of internal control relevant to the financial statements of RCEA. At the conclusion of the audit, we will make a presentation to the board or other representatives of RCEA and present our audit report, findings, and make other communications as required by professional standards.

Additionally, during our audit we will provide routine progress reports to RCEA's management on the status of the engagement.

Our Management Letter of Comments will address the following:

- Areas where RCEA's internal controls can be enhanced;
- Areas where operational processes can be streamlined and made more efficient;
- Compliance with other laws and regulations applicable to RCEA.

Should any irregularities or illegal acts come to our attention during the course of our audit, we will make an immediate written report to Management and the Governing Board, unless the identified issues are clearly inconsequential.

EXPERIENCE WITH LOCAL GOVERNMENT AGENCIES

Pisenti & Brinker has been providing audit services to government agencies since 1965. Our firm employs approximately 80 people. Our experience includes basic financial statement audits for government entities and audits performed in accordance with Government Auditing Standards and Single Audits performed in accordance with the *Uniform Guidance.*

Our government audit team includes ten professionals from our Firm. Professionals from our Santa Rosa offices will serve as RCEA's auditors. All staff assigned to the audit will be full-time staff with prior audit experience. We estimate that the total client service team will be comprised of six team members.

Pisenti & Brinker has a continuing program of staff development and training for our auditing staff. This program includes on-the-job training, courses provided by the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, other professional organizations, and the RSM US Alliance to continually increase our knowledge of governmental accounting and auditing practices and procedures. Additionally, our Firm hosts annual conferences on governmental auditing and accounting which it makes available to our clients and the community.

The service team that will be assigned to serve RCEA has received comprehensive training in government accounting and auditing and has extensive experience in serving our government agency clients and CCAs. In addition, Pisenti & Brinker is a member of the American Institute of Certified Public Accountants Government Audit Quality Center. Membership requires us to adhere to more stringent continuing professional education, internal inspection, and firm policy requirements.

We are independent with respect to RCEA, as defined by generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We know of no relationships that exist, or have existed in the previous five years, between our partners and staff and your employees or directors that would impair our independence. We will continue to monitor our independence should we be selected as RCEA's service provider and will provide notice to RCEA of any relationships entered into that could threaten independence.

License to Practice in California

Pisenti & Brinker LLP and all assigned key professional staff are licensed to practice public accounting in California and provide audit services to governmental agencies.

Disciplinary Action and Litigation

During the past three years no state or federal desk reviews have resulted in any negative actions or comments with regard to engagements performed by our Firm. No field reviews of engagements we have performed have been conducted during that period, nor have any disciplinary actions been taken against our Firm by any regulatory or professional bodies, or state or federal reviewers. There is no current or pending litigation against the Firm. We have not been debarred or disqualified as a vendor from any federal, state, or local entities.

Contract Provisions

We accept the contract provisions as identified by you in the proposal for services.

We propose to perform the services according to the following timeline for the audits of the year ended June 30, 2018 and the year ending June 30, 2019. We believe that substantial efficiencies can be gained, and redundancies can be eliminated, by performing the 2018 and 2019 audits in conjunction. We are happy to discuss the proposed timing with RCEA and fine-tune it to meet RCEA's needs.

June 2019:

- Execute contract and provide arrangement letter to RCEA
- Provide RCEA staff with a preliminary list of documents for the audit
- Communicate with Audit/Finance Committee and RCEA's management to discuss planning, expectations, and address any concerns or questions

Late July 2019:

- Discuss questions that arise regarding documents requested and audit procedures
- Perform on site walk-through procedures at RCEA and Maher's offices in order to obtain an understanding of the significant accounting processes and procedures
- Provide RCEA with final list of documents needed for the audit
- Begin performing audit fieldwork - testing of significant year end balances and transaction cycles
- Fieldwork to be performed primarily remotely, facilitated by exchange of electronic documents

Early August 2019:

- Complete 2018 fieldwork
- Perform 2019 fieldwork as the trial balance is finalized and documents are available

October 2019:

- Complete 2019 fieldwork
- Begin drafting 2018 & 2019 financial statements

Prior to November 1, 2019

- Provide a draft of the 2018 & 2019 financial statements, management letter and letter to those charged with governance. Discuss with RCEA staff and provide opportunity to respond

Prior to November 15, 2019

- Finalize audit work papers and complete file review
- Provide final 2018 & 2019 audit report
- Present to the board or finance committee
- Provide final management letter and letter to those charged with governance

Please note that this timeline is contingent upon our timely receipt of all documents, schedules, and other information necessary to complete the audits. To adhere to this timeline we will require the final 2019 trial balance and all requested documents to be provided to us by September 1, 2019.

We propose to include the following professionals on our engagement team:

- Brett Bradford, CPA – Lead Partner, fifteen years governmental financial statement audit experience and audits performed in accordance with the *Uniform Guidance* (Single Audits). Experience includes lead partner on three CCAs.

- Mathew Brewer, CPA – Audit Senior Manager, six years of audit experience. Experience includes audits of three other CCAs.

- Kellin Gilbert, CPA – Audit Senior Manager, engagement in-charge. Ten years of governmental agency audit experience; Holder of AICPA Advanced Single Audit Certificate.

- Beth Samit, CPA – Engagement Quality Control Reviewer, seventeen years of audit experience including reviewing experience of other CCAs.

- Andrea Lifto – Audit Senior Associate, four years of audit experience in governmental audits.

Please see **Exhibit I – Engagement Team Resumes** for additional information on the proposed engagement team. All staff to be assigned on the job have completed continuing professional education in excess of levels required by Government Auditing Standards.

With six partners, Pisenti & Brinker has the bench-strength to comply with California Government Code section 12410.6 regarding partner rotation. Additionally, we understand that continuity of engagement staffing is one of the most important factors in ensuring the success of our engagements and long-term client satisfaction. We agree to maintain engagement staffing continuity to the extent it is within our ability to do so. Replacement staff will have substantially the same or better qualifications or experience.

Below is an example of some of the organizations we currently serve and contacts for references. The following engagements were performed by professionals in our Santa Rosa and Petaluma offices. Brett Bradford served as engagement partner on all of the engagements.

Silicon Valley Clean Energy
Don Eckert, Director of Administration & Finance
333 W. El Camino Real, Suite 290
Sunnyvale, CA 94087
(408) 721-5301

Basic financial statement audits performed for the periods ended June 30, 2016, September 30, 2016, September 30, 2017, and September 30, 2018 and engaged through 2019. Approximately 250 hours per audit.

Sonoma Clean Power Authority
Geof Syphers, CEO
50 Old Courthouse Square, Suite 605
Santa Rosa, CA 95404
(707) 978-3463

Basic financial statement audits performed for the periods ended June 30, 2013 through June 30, 2018 and engaged through 2019. Approximately 200 hours per audit.

Sonoma County Water Agency
and Sanitation Districts
Jennifer Murray, Accounting Supervisor
585 Fiscal Drive Room 100
Santa Rosa, CA 95403
(707)565-3679

Basic financial statement audits performed in accordance with Government Auditing Standards for the years ended June 30, 2012 through June 30, 2018 and engaged through 2021. Approximately 900 hours per audit. Audits in accordance with the *Uniform Guidance* (the Single Audit) also performed, as needed.

Monterey Bay Community Power Authority
Tiffany Law, Director of Finance and Administrative Services
70 Garden Court, Suite 300
Monterey, CA 93940
(831) 641-7222

Basic financial statement audits performed in accordance with for the years ended September 30, 2018 through September 30, 2019 and under contract through 2023. Approximately 250 hours per year in total.

Communication is Key

We believe that the most important element of an efficient and high quality audit is continuous communication with our client throughout the audit process. We endeavor to share our audit strategy with our clients so that they have an understanding of our methodology and ultimate objectives. We attempt to bring up concerns regarding potential accounting or reporting issues in advance. We make every effort to provide your staff with an understanding of their part in the process with the aim of minimizing disruptions to their work schedules. Development of the specific audit plan will be accomplished through:

- Meeting with RCEA's management to obtain an understanding of their concerns and challenges;
- Obtaining an understanding of RCEA's accounting processes and information systems;
- Evaluating economic and other external factors affecting RCEA's operations and finances;
- Identifying major areas of emphasis and audit risk;
- Meeting with RCEA's staff to discuss our planned audit approach and schedules to be prepared, and gaining an understanding of accounting and administrative controls via interviews and walk-throughs.

Our tailored audit approach will have a strong emphasis on early planning, focusing on RCEA and how it functions. This enables us to identify key components and customize our procedures to your unique operational aspects. With early planning we are able to respond to your needs and requests in a timely fashion.

During the audit, the engagement team members understand they have a responsibility to generate feedback that may be used in the Management Letter of Comments. Our findings will be discussed with key personnel as significant matters come to our attention. At the end of field work, the Management Letter of Comments will be drafted and reviewed again with Management for accuracy of the factual circumstances and Management is provided the opportunity to respond within the letter itself to our comments and observations.

We believe that our responsiveness to your concerns and needs is an essential part of an auditor-client relationship.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

Based on our review of RCEA's Request for Proposal, our understanding of your accounting team and its procedures, and previous CCA experience, we do not anticipate any significant audit problems at this time. The planning and risk assessment phase of the audit will enable us to identify issues or questions early in the audit process, should any exist. Should any problems be identified, we will promptly communicate them to management of RCEA and seek an efficient and mutually agreed upon resolution.

To improve efficiency and reduce redundancy we propose to complete the 2018 and 2019 audits concurrently. Our proposed engagement fee under this combined approach is as follows:

Years ending June 30,	**2018 & 2019**	**2020**
Financial statement audit	$ 48,000	$ 31,000
Management letter and board meeting attendance	*included*	
Special Districts Report	*included*	
Estimated travel costs	*950*	*950*
Total all inclusive fees	$ 48,950	$ 31,950

If a single year approach is preferred our proposed fee is as follows:

Years ending June 30,	**2018**	**2019**	**2020**
Financial statement audit	$ 30,000	$ 30,500	$ 31,000
Management letter and board meeting attendance	*included*		
Special Districts Report	*included*		
Estimated travel costs	*950*	*950*	*950*
Total all inclusive fees	$ 30,950	$ 31,450	$ 31,950

Travel costs will be billed at cost however they will not exceed $950 per audit. We believe in the importance of year-round communications with our clients and therefore we do not charge for time involved with answering technical questions that may arise during the year.

In developing the above fee quote we have incorporated a 20% discount from our standard hourly rates that we typically provide to governmental agencies. Should additional work be requested, such work will be performed at our then effective discounted rate.

Additional services and applicable billing rates

Our billing rates for any additional services will be billed at the following rates:

Professional Personnel	Normal rate	Government Rate (20% discount)
Partner	$ 390	$ 310
Manager	$ 275	$ 220
Supervisor	$ 180	$ 145
Associate	$ 130 - 150	$ 105 - 120

Situations that may trigger additional fees

We always endeavor to maintain our original proposed fee quotes. Historically we have achieved this on approximately 90% of our audit engagements. However, there are occasionally circumstances where the scope of work has changed from what was originally anticipated and agreed upon. Such situations would include significant accounting assistance that is requested of us, significant changes in information from what was originally provided during the audit, and significant delays in our receipt of required audit documentation that would cause scheduling conflicts or otherwise unduly delay the audit.

Fees beyond the years quoted

Barring any significant change in the scope of RCEA operations, our engagement fees will increase approximately 1%-2% per year beyond the years quoted. This projected increase is based primarily on changes in labor costs, as well as overhead.

With over 53 years of experience, Pisenti & Brinker LLP is one of Sonoma County's largest and oldest local certified public accounting firms. Our Firm includes six partners and approximately 80 staff throughout our four offices located in Santa Rosa, Petaluma, St. Helena and Napa. Our Firm attempts to operate in an environmentally friendly manner, and is a certified Green Business under the Bay Area Green Business Program.

The North Bay Business Journal ranked us as one of the top certified public accounting firms in the North Bay. We attribute this to establishing ourselves as a "comprehensive service provider". We have achieved this status through the development and maintenance of our core competency of attestation and consultation, as well as leveraging the extended services and areas of expertise through our affiliation with RSM.

Pisenti & Brinker believes in the continued pursuit of quality - not only for the Firm but for the community in which it is located. Pisenti & Brinker has brought to the local governmental and not-for-profit communities informational conferences such as the annual Board Member Boot Camp and the Luncheon Speaker Series. Many local governmental and not-for-profit organizations have benefited from Pisenti & Brinker's basic belief in giving back to the community.

Why Pisenti & Brinker

Pisenti & Brinker provides the experience and depth of a large firm with the personal service of a small firm. This is done at rates significantly less than that of our national competitors.

Our Firm, and our affiliate, RSM, have been performing audits of governmental agencies for many years and continue to maintain a commitment to the industry and the necessary education requirements. We are excited about the excellent services that we can offer your organizations and are confident that Pisenti & Brinker will exceed your needs.

BRETT P. BRADFORD, CPA
PARTNER

Bachelor of Arts
Business Economics
(Accounting),
University of California,
Santa Barbara

Licensed CPA in California
#97202

American Institute of Certified
Public Accountants

Brett joined Pisenti & Brinker LLP in 2005 and is a Partner in our firm's Assurance Services Department. Brett has over 16 years of experience in accounting and auditing. Prior to joining Pisenti & Brinker, Brett worked with a public accounting firm which specialized exclusively in audits of government and not-for-profit entities.

Brett has extensive experience with governmental and not-for-profit entities. Brett enhances our financial audit and accounting function by conducting evaluations of internal controls and assisting clients in developing applicable documentation. He examines organizational structures, business practices, service delivery, customer satisfaction, financial systems, office systems, contracting and risk management. He has also conducted cost/benefit studies and financial analysis for small businesses and provided assistance to both private and public sector clients.

Brett's audit experience with government agencies includes:

- Sonoma Clean Power
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Energy Independence Program
- Sonoma County Airport
- Sonoma County Refuse
- Sonoma County Water Agency
- Sonoma County Sanitation Districts
- Sonoma State Enterprise, Inc.
- Sonoma State Student Union Corporation
- North Coast Railroad Authority

Brett's recent relevant CPE includes:

- P&B Gov. and Yellow Book Accounting & Auditing Forum (May 2016 & 2017, 2018) – 32 hours
- RSM Compliance Audit Update (August 2016 & 2017) – 8 hours
- AICPA Gov. Audit Quality Center Annual Update (April 2015, 2016, 2017, 2018) – 6 hours
- Approximately 50 additional hours of general audit CPE.

MATTHEW J. BREWER, CPA
Audit Manager

Bachelor of Science, Business Administration (Accounting)
Sonoma State University
Licensed CPA in California #125318
American Institute of Certified Public Accountants

Matt joined Pisenti & Brinker LLP in 2012 and is a Senior Manager in the firm's Assurance Services Department.

Matt graduated from Sonoma State University with a BS in Business Administration with a concentration in Accounting. Matt manages various audits for governmental and not-for-profit agencies. He also performs audit, review, and compilation engagements for commercial entities.

Some of Matt's relevant experience includes:

- Sonoma Clean Power Authority
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- North Coast Railroad Authority
- Graton Community Services District

Business, Professional and Community Affiliations:

- Treasurer, Independent Order of Odd Fellows, Sebastopol lodge
- Board Member, Social Advocates for Youth, Sonoma County

KELLIN H. GILBERT, CPA
AUDIT SENIOR MANAGER

Bachelor of Arts
(Accounting and Finance)
Chico State University
Licensed CPA in California
#127056
American Institute of
Certified
Public Accountants

Kellin joined our Firm in 2009 and has been in public accounting for over ten years. During that time he has focused on government agency and not-for-profit audits, Single Audits of federal funds and other governmental compliance audits. Kellin has the distinction of holding the AICPA's Advanced Single Audit Certification. Kellin's experience with governmental agencies and Single Audits includes:

- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- Sonoma County Treasury
- Sonoma State Enterprises, Inc.
- Associated Students of Sonoma State University
- Redwood Coast Energy Authority
- North Coast Railroad Authority
- Graton Community Services District
- Sonoma Valley Community Health Center

Business, Professional and Community Affiliations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- United Way of the Wine Country, Finance Committee member
- Santa Rosa Metro Chamber of Commerce, Board of Directors
- Santa Rosa Metro Chamber of Commerce, Finance Committee Chair

BETH SAMIT, CPA
SENIOR MANAGER

Bachelor of Science,
Business Administration
Sonoma State University
(Accounting)

Licensed CPA in California
#105214

Beth joined Pisenti & Brinker in 2019 and is a Senior Manager in our Firm's Assurance Services Department. She has over 16 years of experience in accounting and auditing and consulting engagements and specializes in manufacturing, vineyard and service industries.

Beth manages staff on audit engagements, providing leadership, quality control, and training. Some engagements that Beth is currently involved with include:

- Monterey Bay Community Power
- Silicon Valley Clean Energy Authority

ANDREA LIFTO

Audit Senior Associate

Bachelor of Science,
Business Administration
(Accounting and Finance)
Sonoma State University

Andrea is an experienced audit associate with Pisenti & Brinker. Andrea's experience prior to working in the Accounting industry was in banking, where she gained experience in lending and excelled in providing a positive overall customer experience. Since joining our Firm she has performed assurance work for a variety of entities, including government and employee benefit plans.

Andrea participates in the Firm's recruiting efforts with Sonoma State, acting as ambassador to students who are considering a career in accounting.

Andrea supervises staff on audit engagements, providing leadership, quality control, and training. Some engagements that Andrea is currently involved with include.

- Sonoma County Transportation Authority
- Sonoma County Water Agency & Sanitation Districts
- Sonoma Clean Power Authority
- Peninsula Clean Energy
- Silicon Valley Clean Energy
- Sonoma County Family YMCA

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Report on the Firm's System of Quality Control

December 13, 2018

To the Partners of
Pisenti & Brinker LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Pisenti & Brinker LLP (the firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope limitations of, and the procedures performed in a System Review as described in the Standards may be found at **www.aicpa.org/prsummary**. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards (a compliance audit under the Single Audit Act), an audit of an employee benefit plan, and an examination of a service organization [SOC 1 engagement].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970 | Fax: 972.702.8321
CPAs AND ADVISORS | WEAVER.COM

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pisenti & Brinker LLP in effect for the year ended June 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Pisenti & Brinker LLP has received a peer review rating of pass.

Weaver and Tidwell, LLP

WEAVER AND TIDWELL, L.L.P.

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REDWOOD COAST EnergyAuthority

STAFF REPORT

Agenda Item # 9.2

AGENDA DATE:	May 23, 2019
TO:	Board of Directors
PREPARED BY:	Richard Engel, Director of Power Resources and Mahayla Slackerelli, Account Services Manager
SUBJECT:	CCE Updates

SUMMARY

Feed-in Tariff

On May 1, the Feed-in Tariff (FIT) launched and began accepting applications for the first period of the program. Applications for the first period will be accepted through June 30. Starting in Period 1, the base price on offer is $80/MWh. After Period 1 closes on June 30, staff will evaluate applications and participation level and announce the price for Period 2 starting August 1. Staff has been in contact with a number of engaged developers and is looking forward to interesting projects emerging from this program.

Rate Change

This winter, the Board decided to anchor RCEA's rates to PG&E's with a 1% discount on generation. This was intended to be applied once PG&E's generation rates were set for 2019. PG&E's rates generally change in January, however 2019 has been more complex than past years. PG&E changed their generation rates in April and then again on May 1. RCEA will be adjusting rates in the beginning of June to mirror PG&E with a 1% discount. PG&E is expecting another adjustment in 2019 including changes to the generation rate and the Power Charge Indifference Adjustment; this change is slated for July 1, however the California Public Utilities Commission (CPUC) has received protests against it, which may delay the change further. All three of PG&E's 2019 generation rate adjustments have been, or are expected to be, incremental increases to rates.

2019 Net Energy Metering (NEM) Payout

May 2019 is the two-year anniversary of the CCE program, which corresponds with the second annual payout for NEM customers with a credit of $100 or more. This year 255 NEM customers are eligible to receive a check for the excess electricity they produced. In total, NEM customers have earned $78,773 eligible to cash out. Customers were sent an invitation to receive a check for their credits in early May. Many customers have already responded affirmatively to the invitation.

Electric Vehicle Rate Migration

In 2018, the CPUC directed PG&E to restructure the Electric Vehicle (EV) rate in their service territory. PG&E is in the last stages of approval for the EV2 rate. Unlike the original rate, this new version does not include an enrollment cap. However, it does include an exclusion for customers that

use over 800% of their annual electricity baseline. Customers with usage above 800% of their baseline will be moved to the rate TOU-B.

RCEA has a disproportionately high number of customers on the EV rate with usage over 800%. PG&E has informed 244 customers in RCEA's service territory that have consistently been using over 800% of their electricity baseline for the last 12 months that they will be moved off of the EV rate and transferred to TOU-B. 36 customers have been informed that if they continue to use over 800% of their baseline for 12 months they will be transferred. Another 63 customers have been warned that their usage is approaching 800% of baseline and that they could be removed from the rate in the future.

Customers that are being removed from the EV rate for excessive usage may reapply for the rate after 12 months if they have reduced their usage to below the 800% above baseline cut-off.

RECOMMENDED ACTIONS

None - information only.

ATTACHMENT

1. PG&E Letter to Customers with Usage Over 800% of baseline for 12 Months

Pacific Gas and Electric Company
[Return address
[City], CA [ZIP]

Attachment 1

Month [d], 2019

Notice: Upcoming change to your current electric rate

«CUSTOMER_NAME»
OR CURRENT RESIDENT (optional)
«MAIL_ADDRESS2»
«MAIL_ADDRESS1»
«MAIL_CITY» «MAIL_STATE» «MAIL_POSTAL»

Dear «Customer_Name»,

Thank you for being a part of California's clean energy future. Based on your usage, we wanted to let you know about a new eligibility requirement that affects you.

Customers with significantly high energy usage over a 12-month period will no longer be eligible for the EV or Home Charging rate plan and will be automatically transitioned to the Time-of-Use (Peak Pricing 4-9 p.m. Weekdays) rate. This change is being implemented to encourage energy conservation.

High energy usage is defined as total usage over the last 12 months exceeding eight times (or 800%) the total electric baseline allowance[1]. **You are receiving this notice because your usage over the past <XX months> DYNAMIC FIELD at <INSERT PREMISE ADDRESS>DYNAMIC FIELD is over 800% of the total baseline allowance.**

What does this mean for you?

- Automatic rate transition will occur any time after rate eligibility requirements are not met.
- The Time-of-Use rate to which you would be transitioned if your average usage remains above 800% of baseline does not have a baseline allowance, so it may be a better fit for your current energy usage than the other available rates. **pge.com/restimeofuse**
- Learn more about baseline allowance. **pge.com/baselineallowance**

Visit www.pge.com for tools and resources. If you have additional questions on this upcoming rate transition, please call 1-877-743-4112, Monday-Friday 8:00am-5:00pm.

Sincerely,

Customer Care Team
Pacific Gas and Electric Company

[1] Allowance" refers to Tier 1 or baseline allowance, which is the amount of energy provided to residential electric and natural gas customers, at the lowest cost, for basic energy needs. Your Baseline Allowance varies by season, climate zone, and heat source. Energy usage tends to be higher in June, July, August, and December.

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