



Redwood Coast Energy Authority
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BOARD OF DIRECTORS MEETING MINUTES

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

**July 25, 2019
Thursday, 3:30 p.m.**

Chair Michael Winkler called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m. Notice of this meeting was posted on July 19, 2019. PRESENT: Vice Chair Austin Allison, Summer Daugherty, Estelle Fennell, Alternate Director Debra Garnes, Dwight Miller, Robin Smith, Chair Michael Winkler, Sheri Woo. ABSENT: Dean Glaser. STAFF PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, Demand Side Management Director Lou Jacobson, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

ORAL COMMUNICATIONS

Chair Winkler invited public comment.

Member of the public Dr. Ken Miller expressed his opposition to the Terra-Gen onshore wind project stating that RCEA is creating a sense of urgency to approve the project despite its industrial-scale local impacts and introduced fire hazards without considering options such as incentivizing distributed energy generation from solar panels on Humboldt County rooftops, which can be done at a less-costly scale to supply local energy that is not for export. Dr. Miller also proposed purchasing non-local wind from repowered, aging wind farms, reducing new site development impacts. Dr. Miller stated that RCEA has the skills to bring widespread, distributed energy production and increased home equity and resilience to Humboldt County without destroying forests and rivers.

Member of the public David Grant of Petrolia expressed opposition to the Humboldt onshore wind project, citing the negative precedent set by developing Humboldt County's forest lands and open spaces.

Member of the public Tyler Chapman of Lost Coast Energy reported that local building departments are beginning to discuss state energy code enforcement. As a Home Energy Rating System rater trained to perform energy efficiency field testing, Mr. Chapman stated that the easiest and cheapest way to lessen human climate impacts is to save energy by heating one's house or business, and not the outside air. Mr. Chapman requested that the directors see if their building departments are enforcing code compliance.

Chair Winkler closed the oral communications period.

CLOSED SESSION

Chair Winkler invited public comment on the closed session item. No one came forward to speak. Chair Winkler closed public comment.

The directors adjourned to closed session at 3:45 p.m. to meet with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California.

The directors reconvened to open session at 4:34 p.m. General Counsel Diamond reported the following action:

M/S: Miller, Allison: Authorize General Counsel Nancy Diamond and Executive Director Matthew Marshall to make decisions in PG&E bankruptcy proceedings that need to be made quickly, the impact of which shall not exceed \$100,000, provided approval has first been received by at least two of the following: Chair Michael Winkler, Vice Chair Austin Allison and Director Sheri Woo. This authority expires at the end of the calendar year.

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

CONSENT CALENDAR

- 6.1 Approve Minutes of June 27, 2019, Board Meeting.
- 6.2 Approve Disbursements Report.
- 6.3 Accept Financial Reports.

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

Director Woo requested items 6.1 and 6.3 be removed from the consent calendar.

M/S: Allison, Miller: Approve consent calendar item 6.2.

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

REMOVED FROM CONSENT CALENDAR ITEMS

Director Woo commended staff for capturing the tone of the previous meeting in the minutes.

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

M/S Miller, Garnes: Approve consent calendar item 6.1.

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

Responding to a request by Director Woo for an explanation of the negative net income listed in the profit and loss statement, Executive Director Marshall presented slides of seasonal net

revenue fluctuations showing dips in the agency's cash balance in the late winter and spring. Executive Director Marshall explained that RCEA's rates reflect a fixed discount on PG&E's changing rates, which were exaggerated this year due to PG&E's delayed rate change. While the Community Choice Energy program's power cost hedging strategy also exaggerates spring vs. summer profits and losses in the month-to-month statements, Mr. Marshall stated that the CCE program's cash position trendline is positive as the program moves through its startup phase, and that if RCEA's rates were not based on a discount from PG&E's rates, these anticipated cash balance fluctuations would not occur to this degree.

M/S Woo, Miller: Approve consent calendar item 6.3.

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

OLD BUSINESS

Energy Efficiency Program Administrator Application

Demand Side Management Director Jacobson reviewed staff's determination that program administrator election status, or electing to have the community choice energy program administer California Public Utilities Commission energy efficiency funding, is the best option for continuing demand side management services in 2020-2023. Director Jacobson described the proposed programs and the application's cost-effectiveness analysis. The proposed energy efficiency programs largely continue existing commercial and public agency programs, utilize data gathered over 13 years of providing efficiency programs for added effectiveness, and refer customers to third party programs through PG&E where appropriate. Additional state funding must be obtained to expand currently available CCE-funded residential efficiency programs.

Staff and the directors clarified: that fuel switching from propane, which is a non-utility resource, to electricity was not included in the energy efficiency program; that the state is considering measures that would support fuel switching from natural gas to electricity; that residents who contact RCEA technicians can access a wide array of energy efficiency programs; that RCEA maintains liability insurance for staff technicians working in homes, businesses and agencies; that customers sign agreements with contractors directly for many efficiency projects; and that there is interest in offering on-bill financing for energy efficiency upgrades for residential customers, in addition to currently offered on-bill financing for commercial customers.

Chair Winkler invited public comment.

Upon inquiry by member of the public Ellen Golla regarding whether RCEA offered a fuel-switching or heat pump program to offer an alternative to burning wood for heat, staff responded that funding for the program has been acquired through the Community Choice Energy program and that staff was developing terms and conditions.

Chair Winkler closed public comment.

M/S: Daugherty, Woo: Per Public Utilities Code 381.1 (f), approve the enclosed energy efficiency and conservation program plan and authorize the Executive Director to submit the document to the California Public Utilities Commission and to make any

edits and alterations necessary to address California Energy Efficiency Coordinating Committee (CAEECC) input and varying procedural and regulatory requirements.

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

M/S Fennell, Garnes: Change the order of the agenda to discuss Community Choice Energy business next.

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Winkler confirmed that a quorum was present to conduct CCE business.

NEW CCE BUSINESS

Community Choice Energy Program Updates – DG Fairhaven Biomass Contract and California Community Choice Association Membership Dues

Power Resources Director Richard Engel reported that staff will request the directors to decide at their August meeting whether to renew RCEA's power purchase agreement with DG Fairhaven for a third year. An early decision would allow RCEA to start seeking another source for state-required resource adequacy purchase in a tight market and allow DG Fairhaven early notice should they need to find another electricity off taker. The directors requested a cost-benefit analysis and presentation of options to help in decision-making.

Executive Director Matthew Marshall reported that CalCCA membership dues rose significantly, reflecting increased CPUC regulatory engagement and Community Choice Aggregator representation at the state legislature. These functions are difficult for individual CCA's to perform and CalCCA presents a collective voice for locally-controlled power procurement at the state level. Issues being addressed include advocating for a favorable decision in the power charge indifference adjustment or exit fee calculations, which can have a significant impact on customer rates. RCEA is represented on the organization's board of directors and has equal voting weight despite its small size.

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

M/S Fennell, Miller: Approve increase to RCEA's annual CalCCA membership dues up to \$108,960.

The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Garnes, Miller, Smith and Winkler. Noes: None. Absent: Glaser. Abstentions: None. Non-Voting: Woo.

Director Allison leaves at 5:41 p.m.

NON-CCE OLD BUSINESS (continued)

Comprehensive Action Plan for Energy Update

Executive Director Marshall described efforts to update RCEA's Comprehensive Action Plan for Energy (CAPE) in coordination with the countywide climate action plan. Staff proposed holding two primary workshops on the CAPE update: on Thursday, August 29 focusing on outcomes of previous planning efforts and qualitative aspects of the CAPE update; and on Thursday, October 17, focusing on quantitative and timeline targets. RCEA is working with the County to shape a mid-September workshop on forests and climate change, as RCEA's purchase of biomass energy plays a small part in forest lands' relationship to climate change. Public input from these meetings will be presented to the Community Advisory Committee (CAC) in October, and the Committee's recommendations for the CAPE update will be brought to the Board in November. The updated document will inform the CCE's integrated resource plan to be submitted to the CPUC in April 2020.

Executive Director Marshall relayed the CAC's desires for holding meetings with targeted stakeholder groups, for written comment periods for the CAPE's qualitative and quantitative goals, and for ongoing education and short video segments on RCEA's work and goals.

The directors discussed the need for a professional, unaffiliated facilitator at the forest and climate change workshop to foster constructive discussion, for ads on television and public access, for at least two weeks to look over the proposed CAPE updates prior to the November Board meeting where the updates would be approved, for possibly engaging Senator McGuire's office in the update process.

Chair Winkler invited public comment.

Member of the public Wendy Ring stated that the community is interested in having input on the CAPE document as it guides RCEA's decision-making and that the RCEA resolution adopting the 100% clean and renewable electricity target stated the agency would gather public input on how to define "clean." Ms. Ring stated that one meeting was inadequate to accomplish this, and that more sessions, including meetings in different parts of the County, were needed to meet the agency's commitment.

Member of the public Dave Grant of Petrolia stated he was unfamiliar with RCEA's work and that 60-second social media video clips would reach more community members and lead to more input than television ads would.

Member of the public Ellen Golla stated that the agency was not interested in obtaining public input but was seeking to make a case for already established goals prior to executing them.

Chair Winkler closed public comment.

The directors and staff discussed use of *redwoodenergy.org* to connect the public to the draft CAPE update, instructions on submitting comment; possible video recording of the public meetings and forest workshop; and that the CAPE update drafts are included in the June 2019 Board meeting packet. The need for alternate meeting locations in southern and eastern Humboldt, for directors to solicit comments from constituents and for extensive publicity and education was discussed.

M/S Miller, Garnes: Approve the Comprehensive Action Plan for Energy public engagement plan and timeline recommended by the Community Advisory Committee.

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

Renewable Energy Power Purchase Agreement with Snow Mountain Hydro, LLC

Power Resources Director Engel reported that staff completed power purchase agreement negotiations with Snow Mountain Hydro for electricity generated on Hatchet Creek, a tributary of the Pit River. The project, which reuses water from an upstream hydro project, satisfies the stated preference for local or adjacent county power. The rates are higher than solar but are competitive with non-solar offers and hydropower generation is consistent throughout the day. The contract length satisfies the SB 350 requirement for long-term agreements.

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

M/S Fennell, Miller: Approve a 15-year power purchase agreement with Snow Mountain Hydro, LLC for the full capacity of its Cove Hydro project up to 5.6 MW, and authorize RCEA's executive director to execute all applicable documents and adjust the contract terms as needed to reflect the nominal capacity, as approved by the California Independent System Operator.

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

Special District Risk Management Authority Board Election

The directors discussed supporting candidates with special district experience and the merits of the local candidate.

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

M/S Fennell, Garnes: Approve the official 2019 SDRMA Board of Directors election ballot casting RCEA's vote for Bob Swan, Sandy Seifert and Jesse Claypool for a four-year term.

The motion passed: Ayes: Fennell, Garnes, Miller, Smith, Woo. Noes: Daugherty, Winkler. Absent: Allison, Glaser. Abstentions: None.

Chair Winkler adjourned the meeting at 6:33 p.m.

Respectfully submitted,

Lori Taketa, Clerk of the Board