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BOARD OF DIRECTORS MEETING MINUTES

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

October 24, 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 October 18, 2019. PRESENT: Vice Chair Austin Allison, Alternate Director Chris Curran, Estelle Fennell, Dean Glaser, Dwight Miller, Robin Smith, Frank Wilson, Chair Michael Winkler, Sheri Woo. ABSENT: None. STAFF PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, The Energy Authority Client Services Specialist Jaclyn Harr, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

Staff Director Engel stated there was a need for an emergency item requiring immediate action to be placed on this agenda, that staff was made aware of the need after agenda posting, and that a 2/3 vote of the Board is required to place the item on the agenda.

M/S: Fennell, Miller: Add emergency power procurement item to the meeting agenda.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

REPORTS FROM MEMBER ENTITIES

Director Fennell stated that PG&E's Public Safety Power Shutoff raised questions for Humboldt County regarding future energy resilience.

Director Woo reported that Humboldt Bay Municipal Water District and the municipal agencies addressed water supply and pressure issues well during the power shutoff.

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 September 26, 2019, Board Meeting.
- 3.2** Approve Disbursements Report.
- 3.3** Accept Financial Reports.
- 3.4** Approve Transaction by The Energy Authority, Inc. with NRG Power Marketing, LLC, for an Amount Above the Authorized Staff Transaction Execution Limit of \$2 Million for 2020 Resource Adequacy.

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

M/S: Allison, Fennell: Approve consent calendar items.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

EMERGENCY AGENDA ITEM – Resource Adequacy Transactions

Power Resources Director Engel reported that the California Public Utilities Commission recently changed rules to require Community Choice Aggregators to purchase resource adequacy for the next three years by October 31. The Energy Authority, which procures resource adequacy (RA) on RCEA's behalf, informed staff after the October 18 agenda publication date that RA has become increasingly expensive and difficult to procure, and that RA purchases above staff price authorization and term length limits must be approved by the Board prior to the next regular meeting. Failure to obtain the required RA would result in substantial financial penalties and bolster the argument for a central buyer, undermining Community Choice Aggregator and ratepayer interests.

The directors discussed current RA procurement methods; the timing of determining compliance requirements; and the new, difficult requirement to procure local RA outside of Humboldt County.

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

M/S: Miller, Allison: 1) Authorize Executive Director to approve resource adequacy transactions with The Energy Authority, Inc. for amounts above the authorized staff transaction value, term, and maturity limits until the 2020 compliance deadline of October 31, 2019, and 2) Require Board Finance Subcommittee authorization should the transaction amount exceed 125% of the CPUC fine for RCEA's non-compliance.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

OLD BUSINESS

5.1 Comprehensive Action Plan for Energy Update – Information only

Executive Director Marshall reported on Comprehensive Action Plan for Energy public workshop progress, presented draft goals from RePower Humboldt, the revised title of RCEA's planning document, and summarized public comment to date. The Board will have the opportunity to do a final draft review at the November meeting and may consider plan approval in December.

The Directors described the public engagement process as thorough, inquired whether agency resources were adequate to fulfil the goals, stated how Community Choice Energy

enables more public engagement, and the need for resiliency and goals that can be accomplished.

Chair Winkler invited public comment.

Member of the public Daniel Chandler stated that biomass produces more greenhouse gas (GHG) emissions than coal and requested the Board not commit RCEA to long biomass contracts and do a life cycle analysis for alternative uses of mill waste.

Member of the public Rick Pelren described the 2025 goal as potentially dangerous because it forces acceptance of Terra Gen's wind farm as the first option presented. Mr. Pelren stated the project would produce 40% less energy than advertised due to line loss.

Member of the public Anna stated that biomass is not carbon neutral and that Humboldt County redwoods should be used as a carbon sink.

Member of the public Ken Miller requested electric vehicle promotion through home solar panel installation and stated that vehicle to grid electricity could provide mobile energy storage and supply.

Pat Kanzlen of Move to Amend and National Nurses United stated her opposition to biomass due to negative health impacts, requested that RCEA focus on solar energy and stated that solar panels should be put onto rental units.

Member of the public and Schatz Energy Research Center Managing Research Engineer Jim Zoellick stated his support for biomass, onshore and offshore wind, and aggressive solar energy increase plans. He requested a study on islanding Humboldt County, energy storage target additions and public energy education for informed decision-making engagement.

Member of the public Nancy Ihara presented a petition to the Board signed by Humboldt county residents who consider biomass to be unclean.

Member of the public Wendy Ring stated that if this CAPE revision does not lessen biomass' GHG impacts, there will be no time to correct impacts before the 2030 point of no return.

Member of the public Walt Paniak stated his opposition to biomass due to higher costs than solar and wind energy and that RCEA should not subsidize timber industry waste disposal.

Trinidad resident Ellen Golla stated that burning wood releases more carbon than burning gas, that EPA Title V plant energy use goes against what RCEA stands for, and expressed disappointment that the revised plan does not include residential wood burning limits.

HSU student and Arcata resident Noel requested a biomass GHG emission study and reduction of biomass energy use. Noel expressed support for energy education, local ownership of renewable energy projects, respect for local tribes and opposition for the Terra Gen project.

Fifth District Humboldt County Supervisor Steve Madrone stated the need for updated equipment if biomass power purchase agreements continue and for distributed biomass

development. Supervisor Madrone expressed that large companies leave when profits drop, and that new facilities with overhead lines through high fire risk areas are not good.

Member of the public Jesse Noelle stated that RCEA's biomass energy and Terra Gen's solar energy are too expensive compared to solar and that GHG emissions by wind farm construction and biomass burning sets off destructive positive feedback loops.

Humboldt State University student Portia Herger read a letter signed by national health organizations stating that biomass' small particle air pollution harms people's health. Ms. Herger stated that Humboldt County should set a positive example for the state.

Arcata resident Olivia Brock stated her support for CAPE targets other than biomass and requested solar on every house. Ms. Brock stated her opposition to the Terra Gen wind farm's continued colonization of indigenous lands and to biomass.

Arcata resident John Schaefer praised RCEA's public process, opposed long term biomass contracts given current plant conditions, requested GHG research on the biomass plants, expressed support of the Terra Gen project and stated that offshore wind would never be successful. Mr. Schaefer stated that PG&E's natural gas-powered plant produces less pollution than current biomass plants and inquired whether RCEA could support economical battery storage.

Arcata resident Diane Ryerson thanked RCEA for a public process enabling more public control of energy and requested that RCEA offer a biomass-free energy option. Ms. Ryerson expressed support for offshore wind, solar energy, vehicle to grid, islanding and use of ratepayer funds to leverage microgrid loans.

McKinleyville resident Fhyre Phoenix requested that every dollar and man hour currently used to pursue biomass energy be used to obtain solar or other cleaner energy forms.

Manila resident Linda Lee stated that with education and incentives Humboldt County residents can become part of a new energy movement and asked RCEA not to expend more than transitional energy for biomass.

Chair Winkler closed public comment.

The directors expressed appreciation for the public's participation and discussed battery manufacturing's environmental impacts, storing wood in homes as a carbon sink while fulfilling California Housing Authority building goals, partnering with Humboldt County Association of Governments on solar and electric vehicle initiatives, the need for agency focus on energy storage and supporting biomass workers' transition to alternative energy industries to lessen economic dependence on biomass.

5.2 Long-Term Renewable Energy Solicitation Update

Vice Chair Allison left at 5:34 p.m. Director Woo recused herself from discussion of agenda item 5.2 due to a remote conflict of interest and left the room at 5:35 p.m. Director Woo's conflict arises from her employment at SHN Engineers and Geologists, which performed work for Terra-Gen, of which Humboldt Wind, LLC is a subsidiary.

Power Resources Director Engel presented a staff report on suspension of negotiations with Candela Renewables due to project slowdowns. RCEA staff continue power purchase negotiations with Terra Gen/Humboldt Wind, LLC, and the project is moving through the County conditional use permit and environmental impact statement processes.

The Board agreed by consensus to have RCEA staff attend Humboldt County Planning Commission public hearings and provide information if asked about matters regarding the Humboldt Wind Project that are within the agency's scope of work and expertise.

Chair Winkler invited public comment.

Wiyot Tribal Botanist, GIS and Cultural Assistant Adam Cantor read a letter opposing the Terra Gen Wind Project for its negative impacts on Tsakiyuwit, or Bear River Ridge, and the Cape Mendocino ecological transect.

Rio Dell resident Suzanne Nesson expressed opposition to the Humboldt Wind Project and her desire to see Humboldt County's character preserved for her children.

Elk River resident Jesse Noell opposed the Humboldt Wind Project because of its persistent GHG emission development impacts, for which RCEA has a fiduciary responsibility.

Member of the public Rick Pelren stated his opposition to the Humboldt Wind Project because the production of 72 MW after line loss does not justify the destruction of 1,000 forest acres. Mr. Pelren expressed support for ocean wind farms.

Member of the public Ken Miller requested disclosure of the Terra Gen power purchase agreement terms and stated the importance of informing the County Planning Commission of public opposition to the project during the Comprehensive Action Plan for Energy meetings.

Chair Winkler closed public comment.

Director Fennell left at 6 p.m. Director Woo returned to the dais at 6:02 p.m.

5.3 RCEA Office Space Update – Information only

Staff reported that the search for suitable office space continues. The directors expressed willingness to consider building purchase and partnering with another agency in a larger building should these options prove to be fiscally prudent.

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

NEW BUSINESS

6.1. PG&E Public Safety Power Shutoff Event

Chair Winkler explained that he requested this agenda item because PG&E tried to operate Humboldt Bay Power Station during the recent public safety power shutoffs and disconnect Humboldt County from the grid but was unable to do so.

The directors discussed subcommittee formation, quarterly subcommittee reports, and a report from a technically-knowledgeable PG&E representative to the full Board during the January 2020 Board meeting on why PG&E was unable to island Humboldt County.

Chair Winkler invited public comment.

A member of the public advised using the historic Midwest to East Coast blackout as a possible islanding solution source.

Member of the public Ken Miller requested that RCEA promote solar generators to counter greenhouse gas (GHG) emissions from fossil fuel generators purchased and operated during the public safety power shutoff. Dr. Miller proposed promotion of local energy self-sufficiency through distributed energy rather than relying on PG&E or the grid.

Member of the public Walt Paniak advised recruiting allies with technical expertise to ensure productive interactions with PG&E.

Member of the public Ellen Golla expressed appreciation for acknowledging medically vulnerable peoples' needs during future power shutoffs.

Chair Winkler closed public comment.

M/S: Wilson, Glaser: Form an ad hoc Public Safety Power Shutoff Subcommittee comprised of Directors Fennell, Miller, Wilson and Chair Winkler to work with staff and PG&E to pursue a process to develop, test, and execute a plan to provide more advance notice and provisions for people with medical needs and to investigate whether it is possible by September 2020 for Humboldt County to operate as a mini-grid disconnected from the greater grid and continue electrical service if there is no fire danger within Humboldt County.

The motion passed. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

6.2. Redwood Coast Airport Microgrid Project Site Tree Removal Request for Proposals

Executive Director Marshall reported on the airport solar energy storage microgrid project construction, which will be four times larger than the Blue Lake Rancheria microgrid. A row of trees that will significantly shade the panels is slated for removal.

Chair Winkler invited public comment.

Member of the public Ellen Golla requested finding a use for the wood other than donating it to low-income seniors as wood burning increases the entire community's medical expenses.

Another member of the public requested planting 100 trees for each tree removed.

Chair Winkler closed public comment.

M/S: Glaser, Woo: Authorize staff, after securing authorization of site control from the County, to issue a request for proposals for removing trees along the southern boundary of the microgrid project site at the California Redwood Coast-Humboldt County Airport.

The motion passed on a unanimous voice vote. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

A quorum was not present to conduct Community Choice Energy business.

M/S: Woo, Glaser: Move agenda item 7.1 – Energy Risk Management Quarterly Report to the Non-CCE New Business portion of the agenda.

The motion passed. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

NEW BUSINESS (continued)

6.3. Energy Risk Management Quarterly Report (Information only)

The Energy Authority Client Services Specialist Jaclyn Harr presented the Energy Risk Management Quarterly report. Ms. Harr warned that TEA may not be able to buy enough affordable carbon free energy to meet the CCE program's targets in 2020 and beyond and stated that renewable solar and wind cost less than current Pacific Northwest carbon-free large hydropower. TEA asked the Board to consider alternatives, including new, green, potentially local, power sources that can be added to the grid, displacing some natural gas. Staff will bring some choices for 2020 back to the Board for consideration in November.

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

CLOSED SESSION

Counsel Diamond stated there were no action items for the closed session meeting with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California, and that, due to the late hour, discussion could be postponed until the following meeting.

Chair Winkler adjourned the meeting at 6:56 p.m.

Lori Taketa
Clerk of the Board