



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 MINUTES

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

**November 21, 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 3:33 p.m. Notice of this meeting was posted on November 16, 2019. PRESENT: Vice Chair Austin Allison, Summer Daugherty, Dwight Miller, Robin Smith, Frank Wilson, Chair Michael Winkler, Sheri Woo. ABSENT: Estelle Fennell, Dean Glaser. STAFF PRESENT: Power Resources Director Richard Engel, RCEA Climate and Forests Consultant Michael Furniss, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

The City of Trinidad voted to create an Energy and Resilience Subcommittee to study climate change resilience and align the city's policies with RCEA goals.

The City of Blue Lake is also considering resiliency measures after the recent power outages.

The City of Eureka is making efforts to update its building code to encourage electric heat pump use over gas furnaces.

The City of Ferndale established a Tree Commission to encourage carbon sink development.

The City of Arcata endorsed the Mayor of San Jose's letter supporting restructuring PG&E as a public benefits corporation.

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 October 24, 2019, Board Meeting.**
- 3.2 Approve Disbursements Report.**
- 3.3 Accept Financial Reports.**

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

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

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

OLD BUSINESS

5.1 Electric Vehicle Charging Network Upgrades

Executive Director Marshall presented a staff report on accepting funding from the CALeVIP program to upgrade existing electric vehicle charging stations to new ChargePoint units, improving reliability, screen interfaces, and the stations' ability to collect payments. The state incentive program rebates are anticipated to cover upgrade costs and staff recommends a 20% contingency fund from Community Choice Energy funds.

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

M/S: Allison, Daugherty: Authorize staff to solicit bids and secure construction at all listed sites as appropriate, for a total aggregate budget not to exceed \$144,000, and to seek reimbursement through the CALeVIP program.

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

5.2 Airport Microgrid Project Site Preparation Coordination and Reimbursement

Executive Director Marshall presented a staff report on the County Public Works Department's offer to use its less costly contracting process for work previously approved by the Board as part of Phase I of the airport microgrid project. The work would include site clearing, brush work, tree removal, and fence building around the construction site. RCEA would reimburse the County for this work.

M/S: Allison, Daugherty: 1) Authorize reimbursement to County for: a) brush removal and site work in preparation for fence installation; and/or b) fence installation; and/or c) tree removal; and 2) Authorize RCEA Executive Director to sign an Access and Reimbursement Agreement with County.

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

5.3 Humboldt County Islanding During Public Safety Power Shutoffs – Information only

Executive Director Marshall reported on developments since the Board established an ad hoc Public Safety Power Shutoff Subcommittee at its last meeting. Staff had not yet met with any PG&E technical staff. PG&E is aware that Humboldt County is an area with low fire risk that potentially should be exempt from deenergizing. A CPUC grid safety and infrastructure engineer volunteered to provide information on potential costs of islanding.

The Directors discussed the subcommittee's role of applying pressure to PG&E to keep focus on Humboldt County, the need to know why the Humboldt Bay Power Plant (HBPP) had not been used to support the County during the shutoff events, and whether PG&E should be asked to black start HBPP before the next public safety power shutoff.

5.4 Review Updated RePower Humboldt/Comprehensive Action Plan for Energy Planning Document Draft

Executive Director Matthew Marshall presented a staff report on the latest draft of the Comprehensive Action Plan for Energy, which has been retitled “RePower Humboldt.” The draft includes a quantitative analysis of existing operational projects and planned projects, and projected countywide energy generation in different scenarios. This analysis will be done in greater detail for the integrated resource plan to be submitted to the California Public Utilities Commission in April.

Mr. Marshall reported that because most strategic plan public comments concerned biomass generation, RCEA hired Climate and Forests Consultant Michael Furniss to facilitate discussion of the topic at a public Forests, Climate and Energy workshop. Three presentations were made at this Board meeting summarizing discussion from that workshop.

UC Cooperative Extension Forest Advisor Yana Valachovic made a presentation on biomass energy’s role in Humboldt County from a forestry perspective, addressing how thinning small diameter trees that will not survive and which are unusable for lumber increases forest health, prevents wildfires, and that this local resource is being used to fulfil a state energy requirement for baseload power. Ms. Valachovic described the lack of funding nationally for wood product innovation research and that a private/public partnership was needed for development of alternate wood waste uses.

Dr. Wendy Ring made a presentation on health impacts of biomass plant particulate emissions and described how ultra-fine particulates enter the bloodstream, cause inflammation and contribute to heart attacks, arrhythmias and strokes. She described how roughly 1/3 of Humboldt County’s population is vulnerable to these health conditions due to air quality conditions and how local agencies can only enforce emissions regulations which have not changed in 30 years. Dr. Ring stated that health impacts are not mentioned in RCEA documents and recommended that no numeric biomass commitments be made so that healthier, alternate uses for mill waste can be utilized by 2030.

RCEA Climate and Forests Consultant Michael Furniss presented a report summarizing forest and energy workshop discussions, research and consultation findings. He described biomass energy as a climate change bridge solution worldwide and that most currently available mill waste disposal alternatives create more greenhouse gas emissions than do biomass energy production methods. He described Humboldt County’s productive redwood forests as some of the best carbon sequestration resources in the world and suggested that focus on the question of carbon neutrality be shifted to how to avoid using carbon extracted from inside the earth which increases atmospheric carbon. Mr. Furniss described the volumes of mill waste generated locally, the need for a life cycle analysis of this material which the Schatz Energy Research Center’s study is not covering, the need for exposure modeling funding, and the potential emissions and forest restoration impacts should RCEA no longer purchase local biomass power. Mr. Furniss described biochar production as a promising alternate mill waste use warranting further study.

The directors discussed:

- The need to focus on modifiable risk factors and how it is difficult to reduce wood stove use to decrease particulate emissions.
- How biomass power prices should be reduced so other renewable energy sources are not displaced from RCEA’s power mix.

- How RCEA can incentivize better emissions controls in biomass power plants.
- The need to reduce the use of gas for baseload energy needs, and how wind and solar cannot be relied on for this purpose.
- How local air quality has been negatively affected by regional wildfires.
- How local biomass plants currently do not use forest residue, and the possibility of incentivizing biomass plants to accept this fuel.
- How the Humboldt Bay natural gas power plant is constantly running and may run more modules if biomass plants were taken offline.
- How upstream natural gas impacts such as extraction methods and delivery system leakage need to be considered.
- How RCEA is paying a comparable price for biomass power as for other renewable energy sources this month due to shifting resource adequacy values, or the capacity to provide power at low-solar times of day.
- How Terra Gen power would cost less than biomass power but would not provide the resource adequacy that RCEA is required to purchase.
- That Humboldt Sawmill Company employs 400-450 people during peak season.
- That a combination of renewable energy sources needs to be utilized in order to avoid fossil fuel's climate, pollution and war impacts and to provide fossil fuel power's dispatchability.

Chair Winkler invited public comment.

A member of the public stated that Scandinavian countries use biomass more efficiently and inquired whether local biomass plants could incorporate more advanced technology such as torrefaction if they had institutional support.

Gary Ryneanson of Green Diamond Resource Company stated that his company implements a sustainable yield plan resulting in net carbon sequestration, provides needed regional power, and that biomass power is a logical use for material from the 1/2 million acres per year of California forest lands that require wildfire prevention treatment.

Michael Richardson of Humboldt Sawmill Company stated that their biomass plant operates well below permit requirements, provides resource adequacy and does not currently take forest residues but may do so in the future. Mr. Richardson added that HSC has invested several million dollars in the plant, mostly on emission controls, intends to operate for the long term and would like biomass to continue to be part of RCEA's power portfolio.

Kurt McCray of Cal Fire stated his agency's need for help in addressing wildfire impacts through forest health and fuel reduction projects, how it is unsafe to leave forest byproduct onsite, and his interest in stable carbon storage and in using biomass to manage byproduct.

Member of the public Ellen Golla stated that burning gas releases less CO₂ than burning wood, that carbon emissions must be reduced, that the best biomass plants still emit more PM_{2.5} pollutants than do coal plants, and that her work helping people with breathing difficulties leads her to request wood stove, not gas combustion, replacement efforts.

Arcata resident Walt Paniak commented on the DG Fairhaven and HRC biomass plants' use of natural gas and diesel, and how this adds to that energy source's relatively high price compared with other energy sources.

Westhaven resident Martha Walden stated that she thought biomass was a temporary energy source while trying to achieve 100% renewable, clean energy by 2025, but that the CAPE document does not state an intention to replace or limit biomass use. She requested that the CAPE document express an ambition to move beyond biomass.

Jon Shultz, District Conservationist with the USDA Natural Resources Conservation Service stated his interest in forest waste to electricity conversion, the Farm Service Agency's discontinuation of a program that made it economical to thin overgrown forest regions and not burn wood waste on site, and how fly ash is successfully being used on a large Rohnerville ranch to lime soil, which increases forb growth and helps ranch operations.

Wendy Ring referred to the Marin Carbon Project, a large-scale compost to range land project which provides carbon credits to participating farmers and ranchers, the need for more net carbon sequestration in forests and how these approaches can build new industries and increase jobs.

A member of the public stated that it is technically possible to power her house with her electrical vehicle but that this state does not allow this and requested that staff be directed to do a pilot vehicle-to-home project in Humboldt County.

Pete Jackson of Green Diamond Resource Company stated that his company manages 250 acres in Blue Lake for timber and that between 2011-14 took 40,000 tons of wood chips that would previously have been burned onsite to Humboldt Redwood Company because of the Farm Service Agency's Biomass Crop Assistance Program. He stated that his company continues this practice because of the need to recycle wood chips at the bottom of the pile. He stated that Green Diamond is exploring alternate uses of this material but that so far none can adequately address the problem.

Member of the public Cindy Marino requested that biomass plants stop cutting down O2 generating trees.

Chair Winkler closed public comment.

The directors discussed:

- Possible use of Community Choice Energy funds for a wood stove replacement program, exposure modeling, or a gasification study.
- Possible matching funds from the Air Quality Management District for these projects.
- The importance of fuel reduction in local forests.
- The need for large scale solar energy with battery backup.
- The need for biomass as a bridge power source.
- The need to balance contract duration terms with the biomass plants' ability to invest in improvements.
- The need to be able to island Humboldt County in case of regional power shutoffs.
- The need for RCEA to encourage new technologies that will benefit young people in the future.
- The need to develop seasonal methods of energy storage and to do long term comparisons of energy storage technology.

Director Miller summarized CAPE/RePower revision suggestions as follows:

- 1) Create a pool of research funds, leveraging funds from other California CCEs that utilize biomass power, to fund a large-scale biochar pilot project.
- 2) Do not commit to long-term biomass contracts and state in RePower the ambition to move beyond burning biomass.
- 3) List public health as a priority in the RePower Humboldt document and consider exposure modeling data.
- 4) Create a biomass technical advisory committee to generate a quarterly report that includes financial implications and feasibility of biomass electricity use and the feasibility of small, in-forest biomass plants with stringent emissions control to generate and store electricity.
- 5) Develop electric vehicle to home and vehicle to grid as a source of evening baseload power to enable Humboldt County to island.

NEW BUSINESS

6.1 Letter to California Public Utilities Commission Regarding PG&E Ownership

Chair Winkler described the benefits of supporting PG&E's restructuring as a public benefit corporation.

Chair Winkler invited public comment.

Four members of the public expressed support of PG&E becoming a publicly-owned utility.

Chair Winkler closed public comment.

The Directors discussed that other structures in addition to public ownership may benefit ratepayers, such as breaking up the large utility, that the County had drafted a letter allowing for other forms of ownership, and that RCEA may consider endorsing both letters.

M/S: Wilson, Miller: Approve RCEA's signing of the Mayor of San Jose's letter calling on the California Public Utilities Commission to make PG&E a customer-owned utility, and the County of Humboldt's letter that lists public ownership as one possible ownership structure.

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

6.2 PG&E Energy Watch 2020 Contract Work Authorization

Executive Director Marshall described the proposed six-month extension to the current Energy Watch contract as being a bridge to July 2020 when the agency plans to launch a Community Choice Energy Program-funded energy efficiency program.

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

M/S: Allison, Woo: Approve Draft PG&E Energy Watch Contract Work Authorization and authorize the Executive Director to execute the final agreement and any associated documents contingent on final review and approval of any revisions by RCEA legal counsel.

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

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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

OLD CCE BUSINESS

7.1 Renewable Long-Term Power Purchase Agreement Negotiation

Power Resources Director Richard Engel presented a staff report on the agency's long-term renewable energy power purchase agreements and updated the Board on the on-hold status of negotiations with Candela Renewables LLC for 50 MW of solar electricity. Staff Director Engel described the proposed replacement 15-year agreement with EDP Renewables for 50 MW of solar electricity from a Kern County project that appears more likely to meet the delivery date of 2022. The proposed power purchase price was described as competitive with Candela Renewables' pricing. The developer, EDP Renewables North America, LLC, is one of RCEA's partners for the offshore wind project and has a long history of renewable energy development in the U.S.

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

M/S: Miller, Allison: Authorize staff to negotiate a power purchase agreement with EDP Renewables North America LLC for 50 MW of solar, to present to the Board for final approval.

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

NEW CCE BUSINESS

7.2 Customer Rate Update – Information only

Staff Director Engel presented a staff report on PG&E's multiple generation rate changes this year and RCEA's CCE program rates, which the Board directed to keep at 1% below PG&E's rates. The latest generation rate change in October was a ½% increase which impacts residential customers slightly more than commercial customers. PG&E began an opt-in period for industrial commercial customers to switch to time of use rates, which will be mandatory for all industrial customers in a year.

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

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

CLOSED SESSION

7.3 Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

The Directors did not adjourn to closed session, agreed to follow the same performance evaluation process that was used last year and directed Chair Winkler to work with Counsel to begin implementing that process.

Chair Winkler adjourned the meeting at 6:41 p.m.

Lori Taketa
Clerk of the Board