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CITY OF RIO DELL CALIFORNIA

July 21, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Receiving a Presentation from the Redwood Coast Energy Authority on the Authority's 26-27 Budget and Rate Recommendation and Related Direction to Councilmember Wilson on Voting for or Against the Authority's Proposed Budget and Rate Recommendation.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation, ask questions, deliberate and provide direction to Councilmember Wilson on the vote for the proposed budget and rate recommendation.

BACKGROUND AND DISCUSSION

Redwood Coast Energy Authority was established to provide regional development and implementation of energy programs that reduce demand, increase efficiency and advance the use of renewable resources for the benefit of local residents, businesses and institutions. On May 6, 2003 the City Council authorized execution the RCEA JPA via Resolution No. 842-2003 and the City of Rio Dell has been a member ever since. Councilmember Frank Wilson is the current City of Rio Dell representative on the RCEA Board.

In 2002, the state provided local communities with the opportunity to procure electric power for their residents through establishment of community choice aggregation programs under Assembly Bill (AB) 117. Unlike a traditional municipal utility in which the city or county owns all of the infrastructure to generate and distribute power and service customer needs, community choice aggregation programs utilize the existing wires and equipment of incumbent investor-owned utilities. In Rio Dell's case, this would be Pacific Gas and Electric Company (PG&E). The community choice aggregation program purchases power, which is then delivered, metered and billed by PG&E.

On November 15, 2016 The Rio Dell City Council passed Ordinance No. 346-2016 authorizing the City to enter the Community Choice Aggregation (also known as Community Choice Energy) with RCEA as lead agency. All other county jurisdictions did the same.

Over the years RCEA has worked with the City on several projects, including energy efficiency projects, EV charging projects, as well as conducting a study for City Hall and the Corporation

Yard to implement solar and battery backup systems. The work conducted by RCEA was of great benefit to the securing of grant funding that placed a 16kv solar system, generator and ample battery storage at City Hall, as well as replacing 1960's era generators at our Wastewater collection lift stations. These projects were completed without the use of City funds.

At your July 7, 2026 Council Meeting, Councilmember Wilson expressed some concern related to the Redwood Coast Energy Authority (RCEA) budget and rate recommendation. Councilmember Wilson noted that the proposed budget included the possibility of RCEA rates exceeding parity with Pacific Gas & Electric, to the tune of 10 to 12.5 percent. Councilmember Wilson also noted that RCEA spends approximately $10 million dollars locally, including $6 million in payroll, plus various programs and rebates. Councilmember Wilson expressed his belief that this budget was particularly consequential and expressed a desire for the Council to direct him on how to vote.

It is important to note that the RCEA's Board voting methodology differs greatly from all other JPA's. Simply put, votes are tabulated based on the relative size of the jurisdictions. In this case, Rio Dell's proportional share of the vote is six percent (6%).

Exhibit A
Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement

Board Voting Shares for Community Choice Aggregation Business
Updated January 2025

Jurisdiction	Electric Customer Accounts	Percentage of Total Accounts (Jurisdiction's Accounts Divided by Total Accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total Votes, Prior to Rounding	TOTAL VOTES	PRIOR VOTES
City of Arcata	8,743	12.95%	8.68	4.125	12.80	13	13
City of Blue Lake	655	0.97%	0.65	4.125	4.77	5	5
City of Eureka	13,956	20.67%	13.85	4.125	17.97	18	18
City of Ferndale	949	1.41%	0.94	4.125	5.07	5	5
City of Fortuna	5,811	8.61%	5.77	4.125	9.89	10	10
City of Rio Dell	1,568	2.32%	1.56	4.125	5.68	6	6
City of Trinidad	274	0.41%	0.27	4.125	4.40	4	4
County of Humboldt (unincorporated)	35,561	52.67%	35.29	4.125	39.41	39	39
Total	67,517	100%	67	33	100	100	100

- Due to rounding, totals will differ at various stages of the calculation process.
- The percentages of total accounts are rounded to two decimal places prior to calculating the Customer Base Voting Share.
- Customer Base Voting Share = 67 multiplied by the % of total accounts, rounded to two decimal places.
- Total votes are the sum of the Pro Rata Voting Share and the Customer Base Voting Share, rounded to the nearest whole number.
- The allocation of voting shares will be updated every two years, and as-needed to adjust for changes in the make-up of jurisdictions participating in the CCA.

* Source: RCEA

Beth Burks, Executive Director the RCEA will present a powerpoint on the Authority's budget and rate recommendation and be available to answer questions.

Attachments:

RCEA Powerpoint ///

RCEA Fiscal Year 2026-2027 Budget: Overview and Rate Recommendation

Presentation to:

City of Rio Dell

July 21, 2026

REDWOOD COAST
EnergyAuthority

RCEA Budget Process

May 2026

Set priorities/ cost saving strategies.

June 2026

Adopted budget with direction to set rates less than 10% above PG&E, maintain minimum of $26M in financial reserves.

23 July 2026

Set rates to take effect September 1, 2026.

Fiscal Year 2026-2027 Priorities

Northern Rural Energy Network
YOUR LOCAL ENERGY SOLUTIONS

Steady Environmental Goals

- 100% renewable and carbon free energy portfolio

Financial Health

- Maintain reserves to ensure organizational solvency and long-term rate stabilization

Customer Programs

- Administer an unprecedented amount of external funding for energy efficiency assistance and continue to offer core transportation electrification incentives

Vision Setting & Regional Coordination

- Support regional climate action planning and update RCEA's strategic plan, REPower Humboldt

Optimize Operations

- Strengthen customer service
- Improve asset O&M to be net income neutral/positive

Fiscal Year 2026-2027 Budget Reductions

- No COLA increase for at least 2 years
- Reduction of part-time staff
- Froze 4 full-time vacant positions
- Reduction to salaries for 2026 due to 27th pay period ($200K savings)
- Reduced Community Choice Energy funded rebates by $30K
- Reduced travel, training, education, and outreach budgets
- Eliminated consultant for strategic plan update
- Pursuing pre-pay agreements to lower cost of power by approximately $2M annually

RCEA Budget Summary

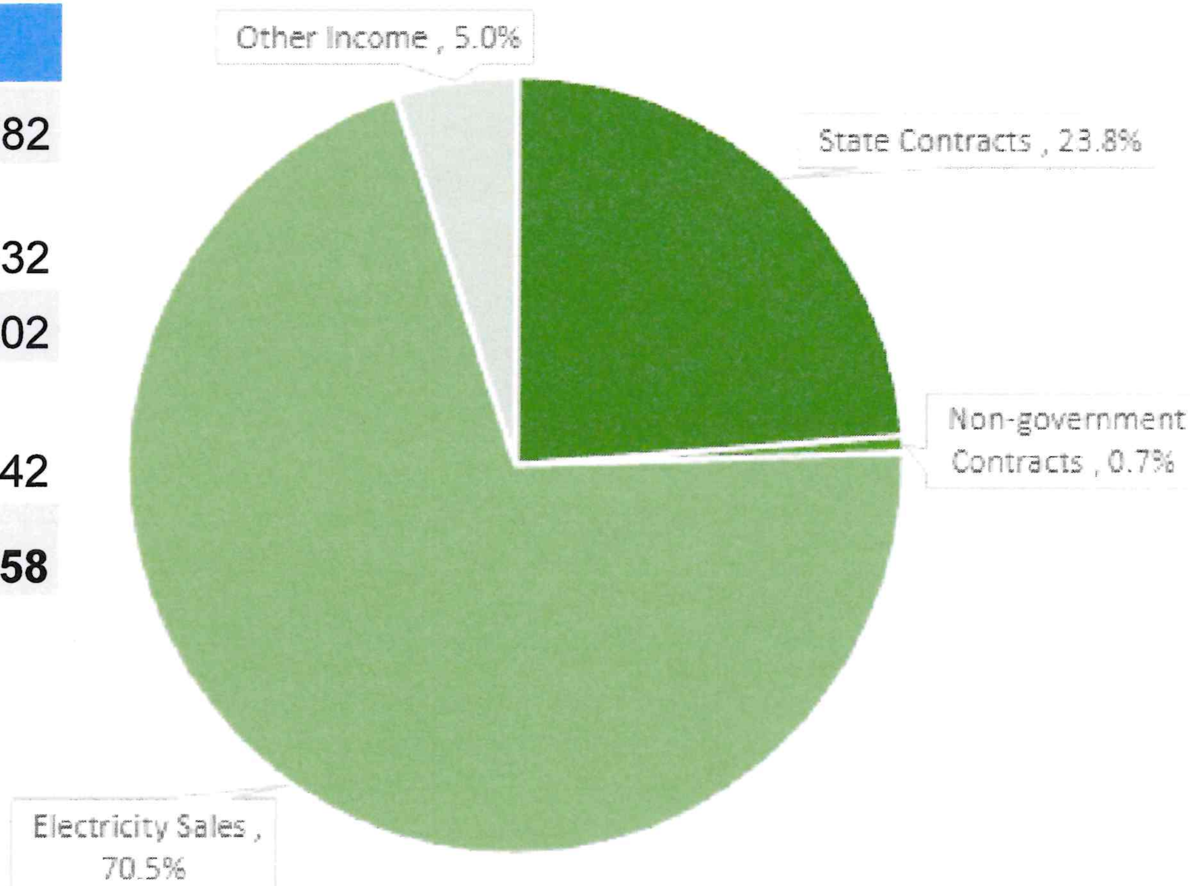
	Adopted FY 25-26	Amended FY 25-26	**FY 26-27**
Revenues	$83.2M	$68.4M	**$73.1M**
Expenses	$78.2M	$68.3M	**$78.7M**
Net Income	$5M	$159,542	**($5.6M)**

Biggest factors influencing budget:

Customer usage & retail rates	**$71.5M**	**$55.9M**	**$51.5M**
Power Costs	**$57.6M**	**$49.3M**	**$53M**

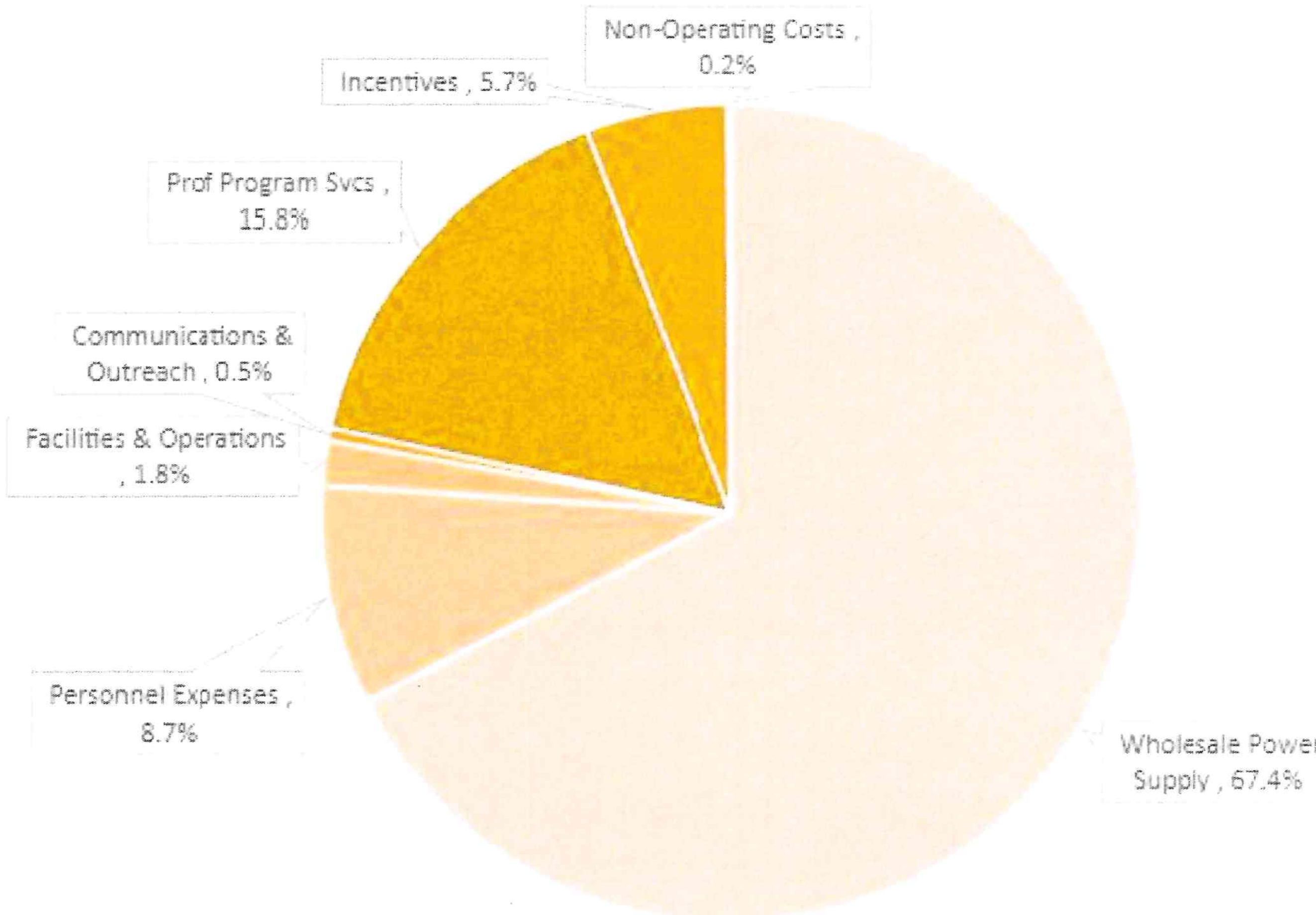
Breakout by Type of Revenue

	FY 26-27
State Contracts	$17,395,782
Non-government Contracts	$515,532
Electricity Sales	$51,511,502
Investment income and tax credits	$3,683,142
Total	**$73,105,958**



Breakout by Type of Expense

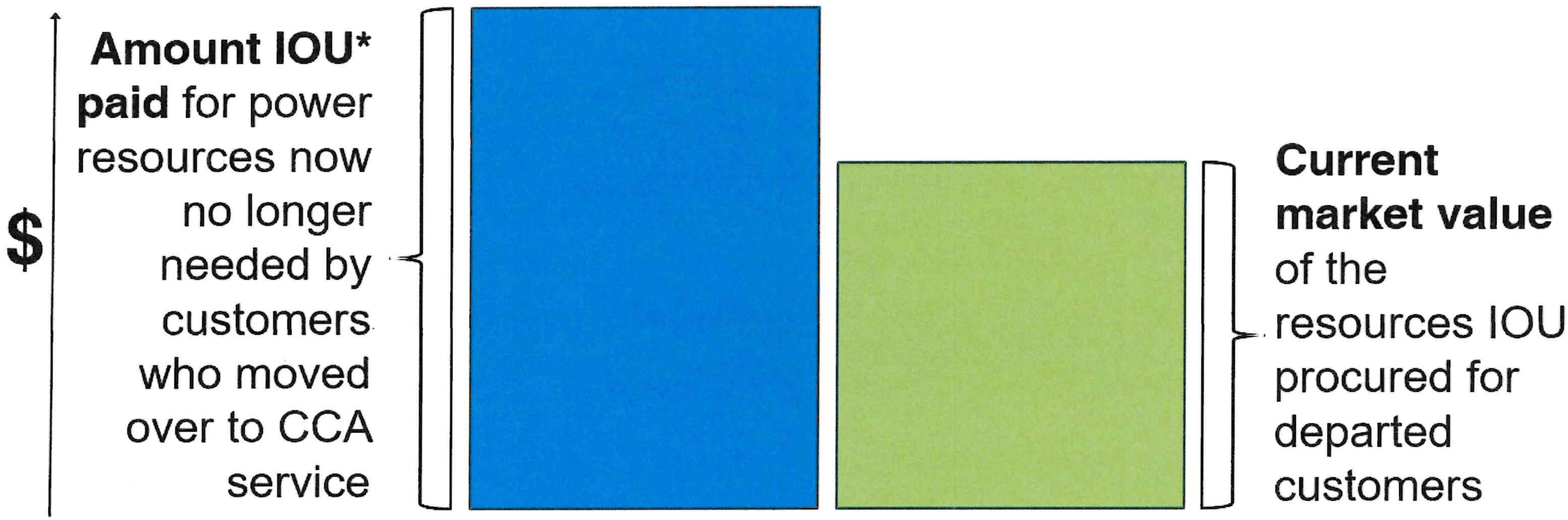
	FY 26-27
Wholesale Power Supply	$53,053,147
Personnel	$6,848,843
Facilities and Operations	$1,412,926
Communications and Outreach	$383,463
Professional and Program Services	$12,447,435
Incentives and Rebates	$4,454,047
Non-operating	$129,300
Total	**$78,729,160**



Factors Influencing RCEA Rates

- Power Costs
- RCEA Expenses
- PCIA

Purpose of the PCIA



*IOU = Investor-Owned utility (e.g., PG&E)

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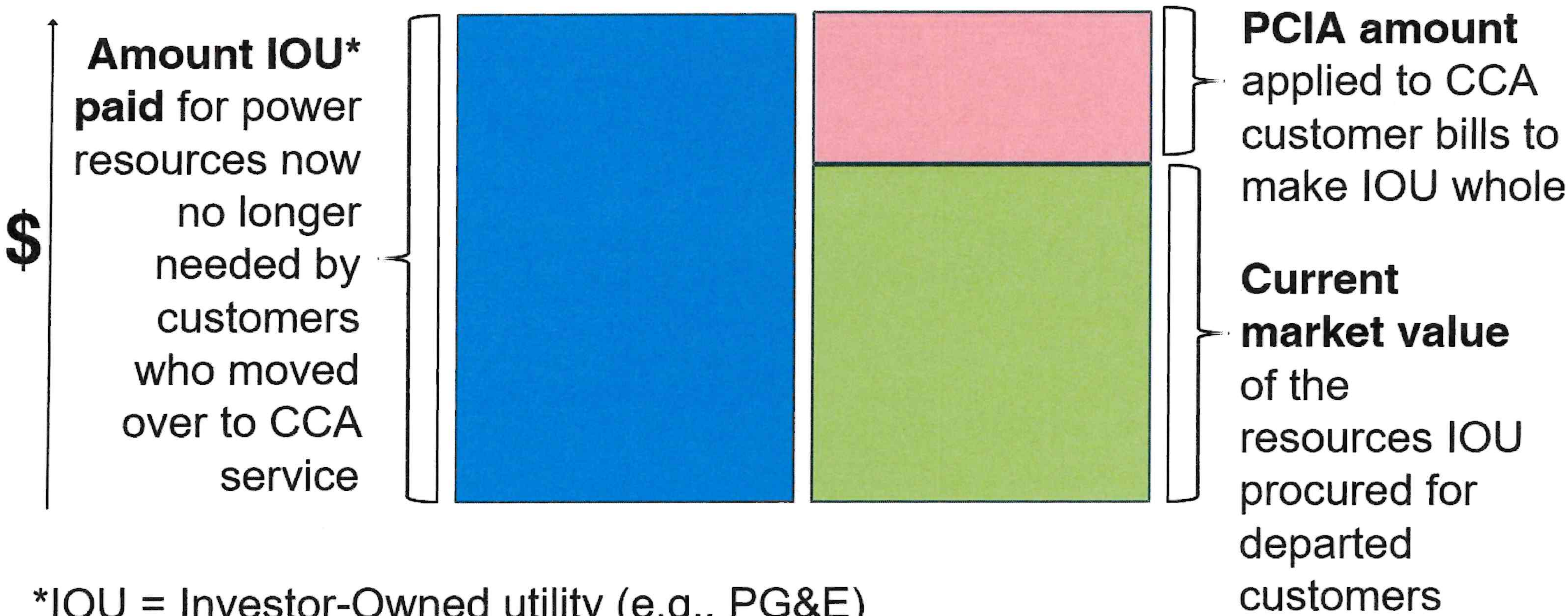

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Impacts to RCEA Rates

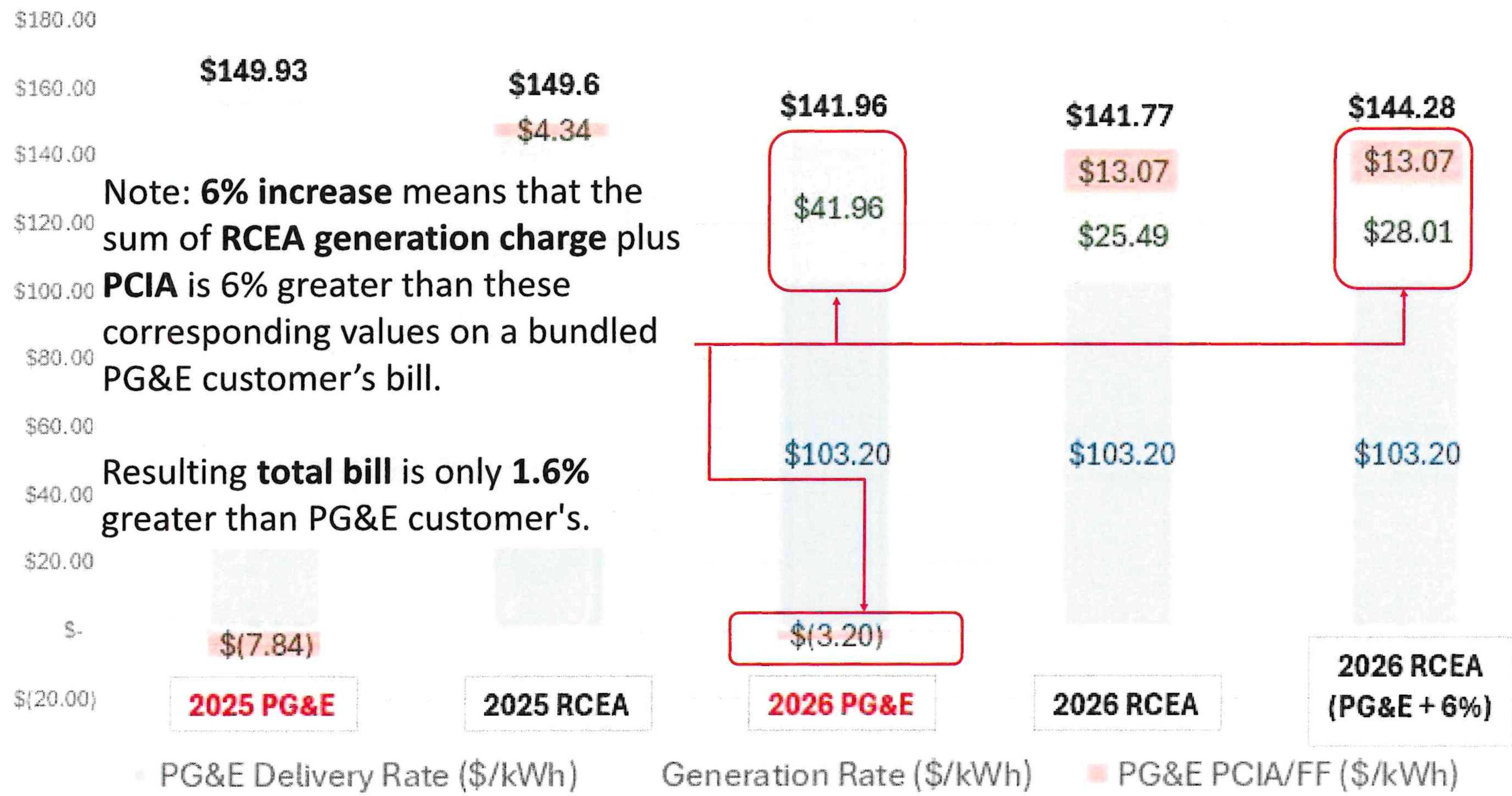
- In January 2026 the PCIA increased by 232% for RCEA customers.
- For the typical RCEA customer, the PCIA is equal to 51% of their total generation charges.
- RCEA's current rates would be 31% lower than the PG&E rates without the PCIA.
- RCEA's historic discount from PG&E is no longer possible due to the PCIA.

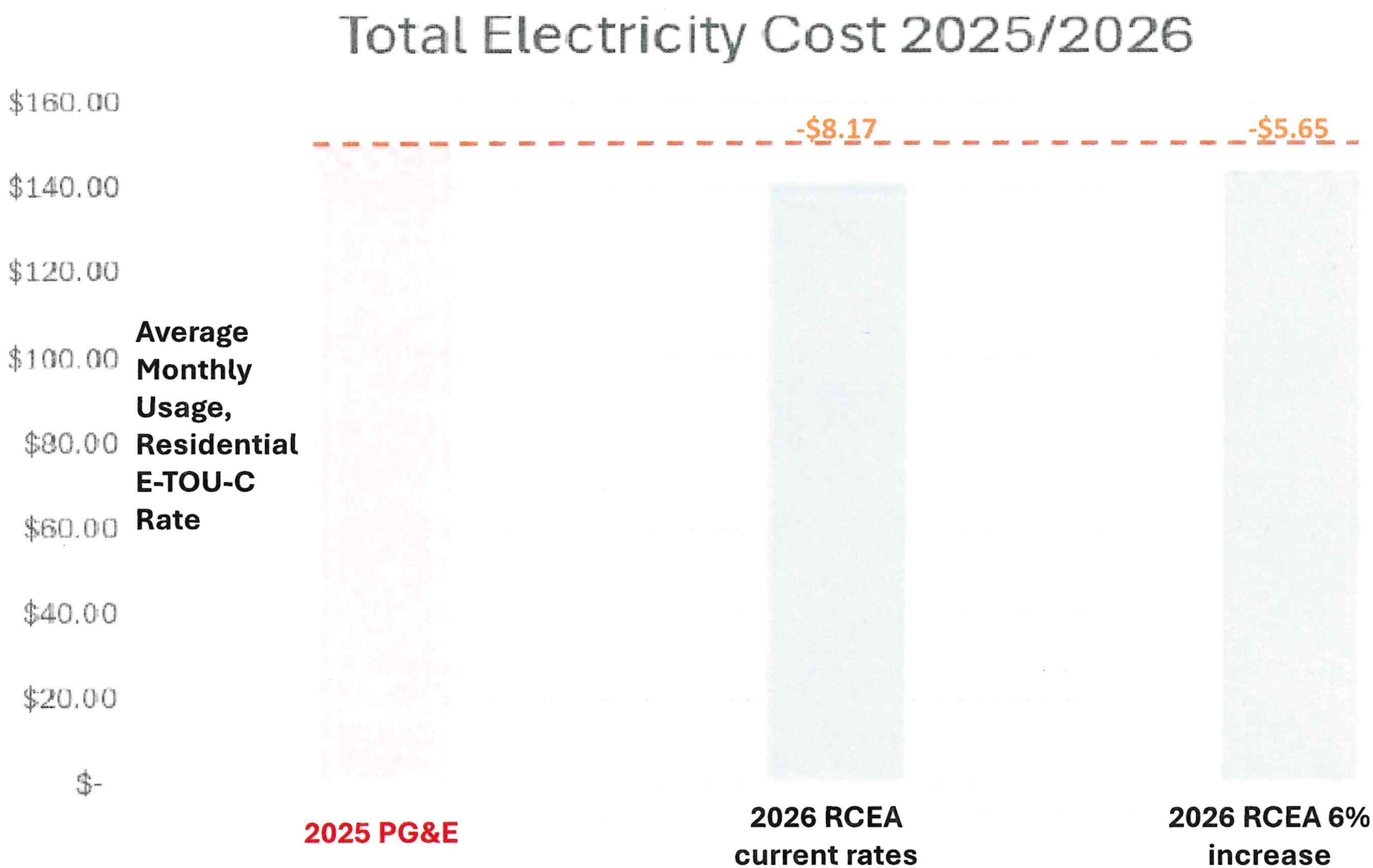
PG&E and RCEA Bill Comparison

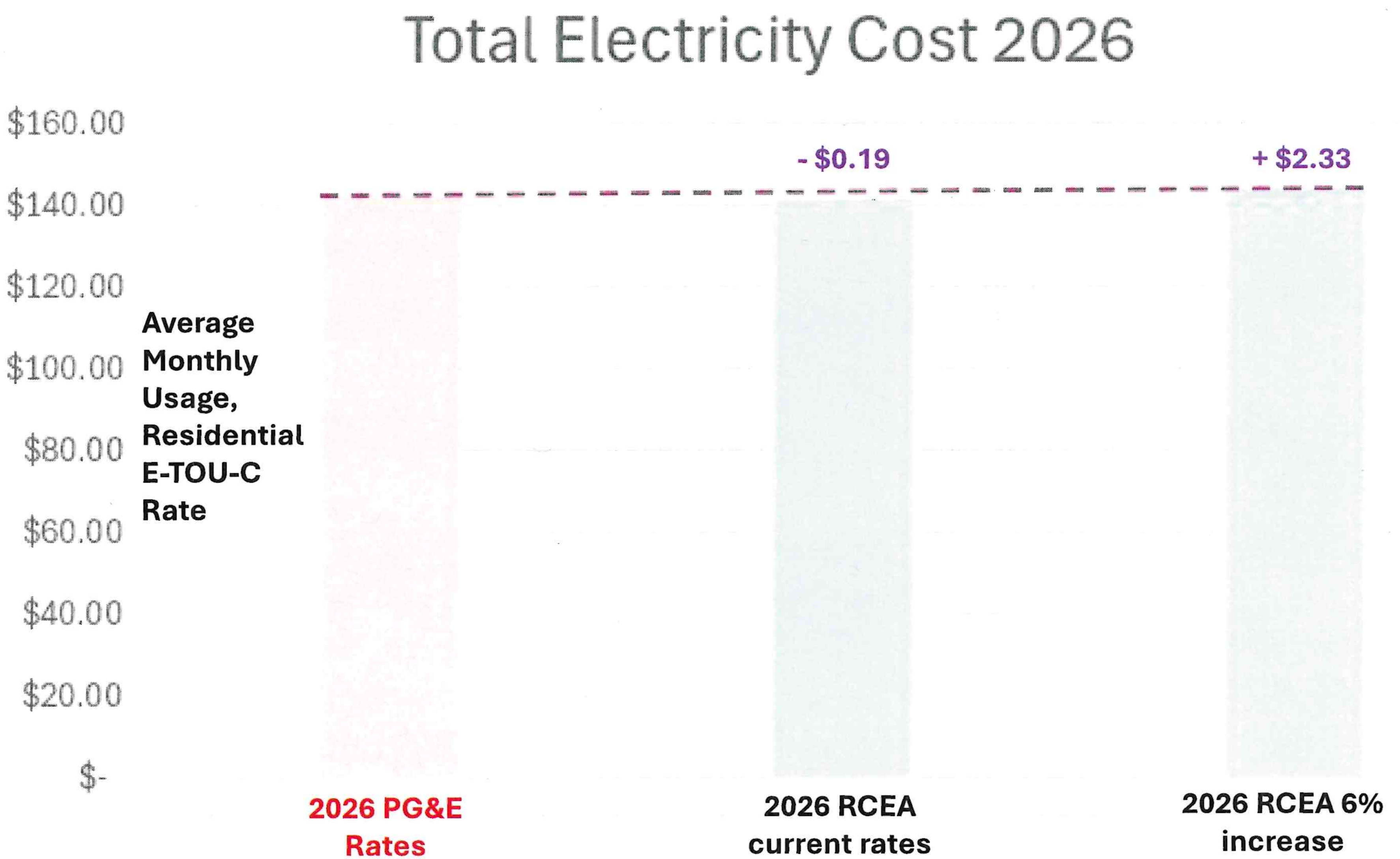
Average Monthly Usage, E-TOU-C Rate

PG&E and RCEA Bill Comparison

Average Monthly Usage, E-TOU-C Rate




Total Electricity Cost 2025/2026
$160.00
$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$-
Average Monthly Usage, Residential E-TOU-C Rate
-$8.17
-$5.65
2025 PG&E
2026 RCEA current rates
2026 RCEA 6% increase


Total Electricity Cost 2026
$160.00
$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$-
Average Monthly Usage, Residential E-TOU-C Rate
- $0.19
+ $2.33
2026 PG&E Rates
2026 RCEA current rates
2026 RCEA 6% increase

Next steps

RCEA Board to finalize Rate at July 23, 2026 Board Meeting.

Rates would become effective September 1, 2026.

Monitor rates, make quarterly adjustments as needed up to 9.5% cap.

Concerned about your electricity bill?

Call or visit RCEA

707-269-1700
redwoodenergy.org

With RCEA you can:

- Review your rate
- Request a free home energy assessment
- Request a free energy efficiency kit
- Search rebates to save money on energy efficient upgrades

THANK YOU