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## CITY OF BLUE LAKE CALIFORNIA

111 Greenwood Road  
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# Blue Lake City Council Minutes

Tuesday, November 12, 2024, 2024 6:30 p.m. ~ Special Council Meeting  
Skinner Store Building ~ 111 Greenwood Rd., Blue Lake ~ Behind City Hall

### **1. Called to Order: 6:30 p.m.**

**Councilmembers Present:** Mayor Jones, Mayor Pro-Tem Shull, Councilmember Edgar, Councilmember Scafani, Councilmember Firor

**Staff Present:** City Manager Mager, City Clerk Gonzalez, Office Assistant Quigley

**Public Present:** Kit Mann, Rebecca Zettler-Mann, Scott Frazer, Stephen Kullman, Elissa Rosado, Kat Napier, Michelle Lewis-Lusso, Lori Ponte, Dave Ponte, Sherri Green, Charis Bowman, Julie Christie, Erin McClure, Jean Lynch, John Sawatzky, David Glen, Marnin Robbins

### **2. Pledge of Allegiance**

### **3. Approval of the Agenda**

**Motion:** To approve the agenda as presented

**Motion by:** Councilmember Edgar

**Seconded by:** Mayor Pro-Tem Shull

Public Comment: None

**Motion Summary:** Consensus

### **4. Public Comment on Items not on the Agenda:**

Scott Frazer: Requests a public hearing on the RV park at the biomass plant at the next Council meeting.

Julie Christie: Comments on the date change for Annie & Mary Day, the liability associated with the bike park and drainage on the truck route.

### **5. Presentation by PowerTransitions Regarding Potential Development of a Portion of the former Blue Lake Power Site for Battery Storage**

Mayor Jones introduces the item and reads the staff report

Jeff Goldstein, PowerTransitions Manager, introduces himself and his company. PowerTransitions is interested in developing a battery energy storage system project at the former biomass plant; the project would install a battery system to capture renewable energy and send it back onto the grid. PowerTransitions acquires retiring power plants to repurpose the sites into renewable energy projects. This includes demolishing the existing facilities, remediating the sites and restoring the tax base. The company proposes

to acquire six acres of City-owned land, demolish the existing facilities, clean up the site and install a 12.5MW Lithium Iron Phosphate battery storage system. A future project would increase the project to 100MW of battery storage.

**Manager Mager:** Provides an overview of the City's efforts to evaluate a battery storage project; the project has been in the planning stages for four years and was designed as part of the RV park and campground project. The City has been working with Redwood Coast Energy Authority to evaluate options and opportunities at the property, including a battery storage project. The City is looking to leverage the existing infrastructure to clean up the site and move forward with future development projects. This is a path that has been moving forward for a number of years and staff has been evaluating options and opportunities to bring back to the Council and the community.

**Mayor Jones:** Questions if the project would have a manager on-site.

**Jeff Goldstein:** States that the project does not require on-site management; there is security but the project is monitored remotely and is inspected periodically. A security company would be engaged to provide routine inspections of the facility.

**Councilmember Edgar:** Questions how long the Lithium Iron Phosphate batteries have been being used?

**Jeff Goldstein:** States that the batteries have been in use for a number of years.

**Mayor Pro-Tem Shull:** Questions the life span of the batteries and who is responsible for replacing them.

**Councilmember Edgar:** Questions if PowerTransitions would be building the recreation facilities?

**Jeff Goldstein:** They would not be building the recreation facilities but could install EV charging stations.

**Mayor Jones:** Asks if PowerTransitions would be investing in the RV park and campground.

**Manager Mager:** Clarifies that the City would be developing the RV park and campground.

**Councilmember Scafani:** Questions why the development proposal includes the six acres and a future plan for the full parcel.

**Jeff Goldstein:** Clarifies that in the future, PowerTransitions would be interested in acquiring or leasing the larger site if the City wanted to pursue a larger project. The full 100MW project would fit in the six acres.

**Mayor Pro-Tem Shull:** Has RCEA seen this presentation?

**Jeff Goldstein:** They're excited about the project and want to see Blue Lake succeed.

**Councilmember Firor:** Are there concerns with flood issue and earthquakes?

**Jeff Goldstein:** States that flood doesn't seem to be an issue, but pads could be elevated if necessary; the power plant has never been flooded. All facilities will be built to earthquake standards. The project proposes the installation of eight containers.

Public Comment:

**Kit Mann:** Questions if the proposal includes clean up of the whole site, including the chips.

**Jeff Goldstein:** States that that is the intent, the chips are more difficult to get rid of and they're looking for options.

**Kit Mann:** What is the source of the energy?

**Jeff Goldstein:** The power will be purchased from PG&E from the grid; the power will be purchased when the costs are low and sent back out to the grid when the usage and costs are high.

**Kit Mann:** Can the existing lines handle 100MW.

**Jeff Goldstein:** The existing lines can handle 100MW.

**Dave Ponte:** Questions purchasing the energy from PG&E.

**Jeff Goldstein:** States that a combined solar and battery storage project would require a large parcel of land to be feasible. There are many stand-alone battery storage projects.

**Councilmember Scafani:** States that RCEA has evaluated a solar project on the power plant site but found that it wasn't feasible.

**Jeff Goldstein:** Building solar on a small lot like 20 acres is not economically viable; the capital costs are too high for small tracts of land.

**Mardi Granger:** States her dislike for batteries and mining associated with batteries; new technologies and patents are going to be released.

**Julie Christie:** Comments that a new Council will be seated and this Council should not take action; supports renewable energy but doesn't support selling properties.

**Stephen Khullman:** Questions the CAISO process and what happens to the clean up of the site if they have to go through a longer process?

**Jeff Goldstein:** States that they're committed to cleaning up the site if it takes longer to get approval from CAISO.

**Councilmember Scafani:** Questions when the batteries are charged.

**Jeff Goldstein:** Clarifies that the batteries are being charged whenever they need to be charged; it's a load and price balancing.

**Lin Glen:** Questions how the City will receive revenue from the project.

**City Attorney Plotz:** This would be determined through a negotiation process; this could include purchase or lease payments.

**Lin Glen:** Questions future clean up of the site and who would be responsible.

**Jeff Goldstein:** PowerTransitions would be responsible for cleaning the site.

**Jean Lynch:** Question PowerTransitions concern regarding flooding from the levee.

**Jeff Goldstein:** States that they would be evaluating the issues through the CEQA process.

**Beckie Thornton:** Comments on language in the general plan supporting leasing land.

**Kat Napier:** Questions the number of sites that PowerTransitions leases versus owns.

**Jeff Goldstein:** States that most of the facilities are leased; the sites that need remediation are usually purchased.

**Kat Napier:** What is the difference between leasing and purchasing?

**Jeff Goldstein:** The cost of remediation of a site is a determining factor; if they have to pay to clean up the site they need the value of the land to make it feasible. If the City can clean up the site and pay for the remediation, they would be interested in leasing.

**Sherri Star:** Comments on safety standards and other cities implementing moratoriums until higher safety standards could be implemented. Questions if the City's insurance carrier has been consulted and if the premiums would increase.

**Jeff Goldstein:** The fire commented on was older battery technology and not the same technology that is being proposed.

**Sherri Star:** Why is Blue Lake being offered technology that is a higher standard than other wealthier communities are being offered?

**Jeff Goldstein:** States that the company uses the latest technology to ensure safety.

**John Sawatzky:** Asks if PowerTransitions would upgrade their facilities if new technology is available and would the City be a part of that decision?

**Jeff Goldstein:** Affirms that the systems are designed to be upgraded and the City could be involved in that discussion.

Public Comment Closed.

## **6. Consider approval of Exclusive Right to Negotiate Agreement with PowerTransitions Operations LLC**

Mayor Jones introduces the item

City Attorney Plotz provides an overview of the proposed agreement; recommends that the Council appoint two Councilmembers to a negotiating team to participate in the negotiation of a possible agreement for future consideration by the Council. The agreement does not bind the City to an agreement with PowerTransitions;

it does obligate the City to negotiate in good faith and exclusively with PowerTransitions for a period of time. There are several milestones that would need to be met and the process will take a period of time, up to a year.

Mayor Jones: Questions limitations of liability language in the ERN; what does ERN stand for?

Attorney Plotz: ERN is the exclusive right to negotiate.

Councilmember Scafani: Questions entering into the agreement if the City is not willing to sell the property. Doesn't feel that the City is in a position to consider a sale at this time; although the City has been working on this and working with RCEA on a battery storage facility. She's not ready to take this step even though staff has been working on this for a long time.

Mayor Jones: Would like to see land leased; there's zoning, but it takes control away.

Councilmember Scafani: If we were to sell the land, would we have to declare the land surplus?

Attorney Plotz: Clarifies that the land doesn't meet the HCD requirements for declaring it surplus lands.

Mayor Pro-Tem Shull: Not comfortable making a decision when there will be a new Council.

Councilmember Edgar: Agrees with Mayor Pro-Tem Shull; it will be a new Council that will make any future decisions on leasing or selling.

**Motion:** To continue the item until the January Council meeting.

**Motion by:** Councilmember Scafani

**Mayor Pro-Tem Shull:** States that she thinks the project would be a shining star for Blue Lake and is not against the project.

**Attorney Plotz:** Explains that the item was brought forward at this meeting due to the solicitation process that RCEA is going to release and that Jeff Goldstein wouldn't be available at the next Council meeting.

**Seconded by:** Mayor Pro-Tem Shull

Public Comment:

**Julie Christie:** Appreciates the Council's decision to continue the item.

**Lori Ponte:** Thanks the Council and recommends holding a community meeting to answer questions from the community.

**Beckie Thornton:** Thanks the Council and agrees that a community meeting should be held.

**Kit Mann:** Why isn't Land Gas completing the removal as required by their lease?

**Attorney Plotz:** Clarifies that the demolition and clean up was not insured and the entity is defunct.

Attorney Plotz: States that he asked PowerTransitions if they would bond the project and they agreed.

Lin Glen: Thanks the Council for their decision; doesn't support selling the land.

**Motion Summary:** Consensus

## **7. Council Correspondence-None**

## **8. Consent Agenda-No items**

## **9. Reports of Council and Staff:**

**Mayor Jones:** States that she will be attending upcoming meetings.

**Councilmember Edgar:** Nothing to report

**Councilmember Scafani:** Reports on Parks and Recreation meeting and upcoming holiday events.

**Mayor Pro-Tem Shull:** Reports on RREDC meeting and the Blue Lake Chamber of Commerce Meeting.

**Councilmember Firor:** Will report on the EDC meeting at the next Council meeting

## **10. Future Agenda Items:**

- City Council December Meeting on December 10<sup>th</sup>
- Security at the power plant

**11. Motion to Adjourn (8:32pm)**

**Motion by:** Councilmember Scafani

**Seconded by:** Councilmember Edgar

**Motion Summary:** Consensus