

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A



SUMMARY MINUTES

ABAG Power Executive Committee

Regular Meeting 2010-01

February 17, 2010

Metro Center (MTC's Claremont Room, 2nd Floor)

101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman John Cerini opened the meeting with introductions at 12:00 noon.

Committee Representatives

Mark Armstrong
John Cerini (Chairman)
Richard Sealana
Raj Pankhania
Ron Popp

Jurisdictions

City of Santa Rosa
City of Vallejo
City of Union City
City of Hercules
City of Millbrae

Members Absent

Jennifer Mennucci
Terry Mann
Chris Schroeder (Vice Chairman)

Golden Gate Bridge District
County of Contra Costa
City of Milpitas

Staff Present

Herbert Pike
Vina Maharaj
Kenneth Moy
Jerry Lahr

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PUBLIC COMMENTS & ANNOUNCEMENTS

No public comments.

APPROVAL OF SUMMARY MINUTES OF DECEMBER 16, 2009.

Motion was made by Popp/S/Sealana/C/4:0:1 (Cerini abstained) to approve the Summary Minutes of December 16, 2009 Executive Committee Meeting, with the following corrections to be made:

1. **GAS OVER-DELIVERY PENALTY**

Revise the last sentence in the second paragraph, to read as follows:

“Staff was requested to bring back the members’ reactions to the next ABAG POWER Executive Committee meeting” (deleting the phrase: “at which time a decision will be made as to how the penalty should be applied”).

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2. NATURAL GAS PROGRAM GOALS AND PURCHASING STRATEGY

A correction to the first part of the Motion, as follows:

Motion was made by Sealana/S/Mennucci/C/5:1:0 (Armstrong/'No' vote) to adjust the current purchasing strategy (continued).

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 09-10

Lahr provided the members with the Monthly Summary of Operations report for FY 2009-10. He said that the cumulative savings in comparison with PG&E is still a significant -18.7%, however, this has improved compared to the prior five months. Lahr expects this percentage to get lower as we move forward.

Members agreed with Lahr that the costs associated with the Energy Data Pilot project should not be used when comparing prices with PG&E. Suggestion was made to add a separate line item to the monthly spreadsheet indicating these costs as a "one time cost".

Pankhania joined the meeting at this point.

Market Price Chart

Lahr provided the members with a graph of the Market Price Indices at PG&E Citygate. The graph included a line showing the NYMEX Futures prices as of June, 2009, a time corresponding with the setting of ABAG POWER budget. This allowed the members to see how the actual prices compared to what the prediction of prices were back in June. Surprisingly, the comparison of the monthly prices were pretty close to the NYMEX Futures predictions from June.

Monthly and Cumulative Usage Summary (Actual Vs. Budgeted)

A Monthly & Cumulative Usage Summary presented to members showed the usage and costs as slightly lower than predicted. Lahr said that due to this, there is no reason to revise the budget at this time.

Natural Gas Long-Term Purchases

Following discussions from the last meeting, and in accordance with the current gas purchasing strategy, Lahr mentioned that he is now placing a little more emphasis on month-to-month spot market purchasing rather than the long-term contracts. However, two long term contracts expire in June, and therefore early this Spring may be a good time to add a new contract to begin in July.

Electric Direct Access

Lahr mentioned a bill which passed legislation in 2009, which states that the Public Utilities Commission shall allow individual retail nonresidential end-use customers to acquire electric service from other providers, up to a maximum allowable total kilowatt hours annual limit.

The Executive Committee members requested staff to put this subject on the agenda for discussion at future meetings.

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NONCORE GAS SCHEDULING AND CONTINUED USE OF THE NBAA

As per the Committee's decision at the last meeting, Lahr sent a memo to the noncore members in early February, providing them with two options of either maintaining the current NBAA and scheduling practices or unwinding the NBAA and providing scheduling and balancing services for each noncore account separately. He said that none of the agencies had a problem with unwinding the NBAA.

Lahr mentioned that he has since explored one other option of having multiple NBAA's, however, he needs further talks with PG&E before arriving at a recommendation.

Motion was made by Popp/S/Pankhania/C/5:0:0 to allow staff to go down either of or a combination of the options.

ENERGY DATA PILOT REPORT AND RECOMMENDATION

Lahr provided the members with a report and recommendation on the Pilot Project, which included background information, experiences of the pilot agency, basic options for the future of the project and a recommendation.

The recommendation is to continue the pilot through one full year of UM Online (July). Just before this period give the City of Milpitas the option of continuing the same services at a determined price. Also, during this time, determine the level of interest from other members. Return to the Executive Committee with a revised recommendation regarding the expansion of the program.

Motion was made by Popp/S/Sealana/C/5:0:0 to move forward as per staff recommendation and send a memo out to all members before July, determining their level of interest.

Members requested that the Pilot Agency provide a formal correspondence indicating their experiences during the pilot project.

FY 2008-09 AUDITED FINANCIAL STATEMENTS

Motion was made by Sealana/S/Armstrong/C/5:0:0 to approve the FY 2008-09 Audited Financial Statements as presented.

ABAG FUNDING APPLICATIONS

Lahr provided the members with an update on the two ABAG proposals which were submitted to PG&E under their innovative pilot program. The first proposal was in cooperation with the Clinton Climate Initiative (CCI) to develop a toolkit that would help municipalities in the Bay Area, and beyond, take advantage of energy saving opportunities that exist in their outdoor street light infrastructure. This proposal was rejected by PG&E.

The second proposal was related to Electric Vehicle charging stations assistance and this proposal was also rejected by PG&E.

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In early February, the California Energy Commission accepted ABAG's proposal entitled Retrofit Bay Area: Comprehensive Residential Building Retrofit Program for a \$10,750,000 funding. ABAG is in the process of executing the contract which has to be approved at an Energy Commission meeting.

ADJOURNMENT

Chairman Cerini adjourned the meeting at 1:35 p.m.

/vm

*Example of a motion – [*Member No. 1/S/Member No. 2/roll call vote/C/8:0:0*] means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = “yes” votes, 0 = “no” votes and 0 = abstentions