



# SUMMARY MINUTES

ABAG Power Executive Committee  
Teleconference Meeting 2001-03  
March 14, 2001  
Metro Center 101 8<sup>th</sup> Street, Oakland CA 94607

## WELCOME AND INTRODUCTIONS

Robert Fugle (Vice Chair) opened the meeting with introductions at 12:05 p.m.

### Committee Representatives Present

Robert Fugle (Vice Chair)  
Michael Garvey  
Jeff Kolin  
Mark Lewis (Chair)  
John Lisenko  
Terry Mann  
Alan Nadrich  
Natasha Merkuloff Nichols

### Committee Representatives Absent

Wayne Green

### Guests Present

William J. Carroll  
Christine Tien  
Gerard Worster

### Staff Present

Joseph Chan  
Dave Finigan  
Jerry Lahr  
Eugene Leong  
Vina Maharaj  
Kenneth Moy

### Jurisdictions

Golden Gate B.D.  
City of San Carlos  
City of Santa Rosa  
City of Union City (joined late)  
City of Foster City  
County of Contra Costa  
City of Benicia  
County of Napa

City of Salinas

ABAG President  
City of Union City  
TXU Energy Services

ABAG  
ABAG  
ABAG  
ABAG (joined late)  
ABAG  
ABAG

## PUBLIC COMMENT

There were no public comments.

## APPROVAL OF MINUTES

Motion was made by Garvey/S/Kolin/C/ to approve the Summary Minutes of February 14, 2001 Executive Committee Meeting.



**REGULATORY UPDATE**

Jerry Lahr presented an update of recent regulatory activities and market news. Lahr discussed ABx1-1 which has been passed. ABx1-1 is a key piece of recent legislation that authorizes the Department of Water Resources (DWR) to purchase power for California Customers. One portion of this bill called for the suspension of direct access programs, however the CPUC has temporarily withheld implementation of this section. An alternative bill (SBx1-27) has been introduced that would continue to allow direct access, although with certain restrictions.

Lahr mentioned that ABx1-99 was recently introduced in the State legislature. This bill, if passed, would delete the provision that prohibits public entities from receiving customer credits for renewable energy commencing January 1, 2002.

**STATUS REPORT ON NATURAL GAS PROGRAM**

Dave Finigan presented an update on the Natural Gas Program and said that ABAG POWER's gas rate was above PG&E's for the month of March, with the program running about three percent higher than PG&E rates for the past nine months.

Gerard Worster commented that he believes ABAG POWER should continue to wait for gas prices to drop a little further prior to locking in a price for a portion of its natural gas load.

Finigan said he continues to work with new agencies who want to join the Pool. City of Vacaville and the San Jose High School District had recently joined the Pool and Contra Costa County had added a number of new gas accounts. He was also in discussions with five other potential new agencies.

**STATUS REPORT ON ELECTRIC AND RENEWABLE ENERGY PROGRAMS**

Jerry Lahr presented 2000-01 Fiscal Year Summary Report for the Electric Aggregation Program. Starting with the month of February the Electrical Summary Report no longer shows a comparison with the CalPX since the CalPX has closed down its markets and consequently ABAG POWER has stopped purchasing from them. ABAG POWER now purchases additional energy from the ISO's imbalance market. Lahr said that he is working on a new method of showing saving comparisons and hopes to present that to the Committee at the next meeting.

Lahr said that ABAG POWER members continue to take advantage of the Renewable Energy Credit Program and mentioned submitting the latest renewable customer credit request for the month of December which closes out the calendar year and the latest six months for sending rebates out to members.

Lahr updated the members on the Load Reduction Program which was presented at the last meeting by Joe Desmond of Infotility. Lahr said that the bid which was presented to the ISO had been accepted and is now being planned for implementation.



Finigan presented an update of interval meters. He mentioned that of the original 227 meters in our new meter reading agents' administration for installation and meter reading services, about 30 meters still need either a telephone line or a cell phone connection. Finigan said that until the cell phone or telephone line installation is completed, the meter read data is partially estimated and not fully actual. He also mentioned that PG&E does a survey every year and informs the Pool of additional meters which need to be interval. At the present time, ABAG POWER needs to install 35 additional interval meters.

#### Electric Re-sell Option

Jerry Lahr presented the Committee, for discussion purposes, an outline of benefits and costs of implementing the electricity re-sell option as was requested at the last meeting.

A lengthy discussion followed where several concerns were expressed regarding the need to analyze the Pool's current position as a result of the changing picture with regard to deregulation.

The Committee members requested that this subject be discussed in great detail at the next meeting and that staff provide some evaluations on how the Pool sees itself as a bundled demand load competing on whatever the future market will look like for example, amongst DWR and the larger buyers. The staff was requested to come up with a more detailed analysis assessing the magnitude of the rate increase to the profits acquired by the sale and a better fix on a sell strategy for the Calpine contract.

Staff was also requested to prepare a table of potential proceeds for each member from the sale of the current power contract.

#### **RECOVERY OF CTC CREDITS**

Ken Moy presented an update of the legal steps taken so far towards the recovery of CTC credits from PG&E. Moy said that ABAG POWER's action was consolidated with similar actions filed by two other ESP's, Enron and APS at a hearing held on March 6. Moy said that an agreement was reached with all the other parties as to a schedule for discovery, presentation of testimonial evidence and hearings. The final arguments are scheduled to be heard on June 29, 2001.

#### **LONG TERM OPTIONS**

Lahr updated the members regarding the earlier proposal he had received from Waste Management about the potential aspects of supplying green power to ABAG POWER. He said the proposal did not develop any further and he did not expect to hear from them.

Lahr said that he was concerned about the Pool's power load need for the upcoming summer. He said at present, the Pool purchases 40 megawatts of power which is pretty close to the Pool's actual load, but during the summer months, the load gets up to 50 – 55 megawatts. Lahr said he is looking around for additional power and has put in a request through the Independent Energy Producers Association to be able to add around 5 megawatts of power at a reasonable price. Members were in general agreement with this action. He will keep the members updated of his findings.



Lahr invited suggestions from members with respect to the structuring of the next ABAG POWER contract with members. He proposed that ABAG POWER staff start drafting a contract for a longer-term period and look into different ways of comprising alternative languages in order to accommodate different arrangements.

**ADJOURN**

The meeting adjourned at 2:15 p.m.

**Next Executive Committee Meeting is scheduled for April 18, 2001 (12:00 p.m. – 2 p.m.), Metro Center, 101 8<sup>th</sup> Street, First Floor, Oakland CA 94607.**

/vm