

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
Teleconference Meeting 2009-02**

April 15, 2009

Metro Center, 101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman John Cerini opened the meeting with introductions at 12:05 p.m.

Committee Representatives

John Cerini, Chairman
Jennifer Mennucci, Vice-Chairwoman
Chris Schroeder
Terry Mann

Jurisdictions

City of Vallejo
Golden Gate Bridge District
City of Milpitas
County of Contra Costa

Members Absent

Ron Popp
Ed Buonaccorsi

City of Millbrae
City of Santa Rosa

Members of Public Present

Raj Pankhania

City of Hercules

Staff Present

Jerry Lahr
Vina Maharaj
Kenneth Moy
Herbert Pike

ABAG POWER
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PUBLIC COMMENTS & ANNOUNCEMENTS

Raj Pankhania joined the meeting as a member of the public.

APPROVAL OF SUMMARY MINUTES OF FEBRUARY 18, 2009 MEETING

Motion was made by Schroeder/S/Mennucci/C/4:0:0 to approve the Summary Minutes of February 18, 2009 Executive Committee Meeting.

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REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 08-09

Lahr provided the members with the Monthly Summary of Operations report for FY 2008-09. He said that the cumulative savings has dropped down to 0.1% in January due to the recent downturn in market prices. ABAG POWER, however, has maintained a positive cumulative savings percentage compared to PG&E during the first seven months of the fiscal year 2008-09.

Gas Hedge Chart

Lahr provided a chart showing ABAG POWER's long-term gas purchases. He mentioned that ABAG POWER has completed its long-term gas purchases for the period up to June, 2010. He will begin looking to purchase lower priced gas for the winter of 2010.

Gas Price Comparison

Lahr provided the members with a Gas Price Comparison with PG&E for a period of 2003 to 2008. He said that ABAG POWER has, with the exception of Calendar year 2006, provided a positive savings throughout this six-year period to its members, including a savings of 6.8% during calendar year 2008. However, calendar year 2009 will likely see a decline in savings due to low spot market prices.

ABAG POWER's Unused Pipeline Capacity

Lahr mentioned that ABAG POWER, being a core aggregator, receives a monthly option for certain pipeline capacity from PG&E. Now, he is looking into a new mechanism that may allow the program to make use of a portion of this capacity that has traditionally gone unused due to scheduling and pricing concerns. A company has proposed that ABAG POWER assign its unused capacity to them, and they will then aggregate a number of these, resell and share the benefits of the sale with ABAG POWER on a fifty-fifty basis.

Energy Data System – Pilot Project

Lahr provided an update on the pilot project. Utility Management Services (UMS) is in the initial phase of the project of collecting and inputting electric account data into the Utility Manager. Lahr will try to work out a timeline of the processes with UMS.

2007-08 FINANCIAL REPORTS

Herb Pike presented the Independent Auditors' Report and the Financial Statements for the year ending June 30, 2008.

Motion was made by Schroeder/S/Cerini/C/4:0:0 to approve the Audited Financial Statements as presented.

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ELECTRIC PROGRAM ESCROW FUNDS

Lahr reported that ABAG POWER staff has been notified that the electric program funds held subsequent to the California Power Exchange (Cal PX) bankruptcy have been released to the Northern California Power Agency (NCPA) – approximately \$1 million. ABAG POWER intends to enter into discussions with NCPA for the recovery of these funds, as well as the funds held by NCPA as security against the FERC refund hearings.

An electric program escrow funds allocation methodology was presented to the Committee which illustrates the allocation of the funds in accordance with the Electric Program Wind-Up Agreement.

SOLAR & ENERGY EFFICIENCY FINANCING DISTRICT

Lahr presented the members with a copy of a staff report which was presented to ABAG's Executive Board on March 19, 2009. The discussions included items such as the risks and benefits of a regional approach to financing solar and energy efficiency projects, how an ABAG sponsored program could add value to existing clean energy municipal financing programs and whether financing solar and energy efficiency projects should be a priority at ABAG?

There was a general consensus amongst agencies who felt this was an excellent idea.

Block Grants for Energy Efficiency and Conservation

Lahr handed out information on Block Grants for energy efficiency and conservation projects for cities and counties who can get federal stimulus funds for energy projects to be awarded by California Energy Commission. Some members mentioned that their agencies had already begun the application processes. ABAG was trying to evaluate whether they could team up with a consultant to coordinate this effort and offer assistance to member agencies. He received feedback from members.

ADJOURNMENT

Chairman Cerini adjourned the meeting at 1:50 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