

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



SUMMARY MINUTES

ABAG Power Executive Committee

Regular Meeting 2014-02

April 16, 2014

MetroCenter, ABAG's Conference Room C
101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman Richard Sealana opened the meeting with introductions at 12:03 PM.

Committee Representatives

Richard Sealana (Chair)
Chris Schroeder
Angela Walton

Jurisdictions

City of Union City
City of Milpitas
City of Richmond

Members Absent

Daniel Smith
Alan Olds
Julie Bueren
Stephanie Hom

City of Pleasanton
Housing Authority of the City of Alameda
County of Contra Costa
Town of Moraga

Staff Present

Jerry Lahr
Ryan Jacoby
Kenneth Moy

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PUBLIC COMMENTS & ANNOUNCEMENTS

Lahr reviewed the revised protocols for teleconference meetings in accordance with the Brown Act. Specifically, that members of a governing body are now allowed to participate in a meeting via teleconference from a location outside of the body's jurisdictional boundaries, as long as the location is noticed as part of the agenda and the location is available to the public. However, any member participating from outside the jurisdiction will not count in establishing a quorum.

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APPROVAL OF SUMMARY MINUTES OF FEBRUARY 19, 2014.

Motion was made by Schroeder/S/Walton/C/3:0:0 to approve the Summary Minutes of February 19, 2014 Executive Committee Meeting.

Votes:

Julie Bueren - Absent
Stephanie Hom - Absent
Alan Olds - Absent
Chris Schroeder – Yes
Richard Sealana – Yes
Daniel Smith - Absent
Angela Walton - Yes

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 13-14

Lahr provided the members with the Monthly Summary of Operations reports for FY13-14; members were updated on the percentage savings comparisons with PG&E. The cumulative savings through February, 2014 is -3.0% including the CTA Unrecovered Pipelines Capacity costs.

As previously requested, an additional 'Rate Comparisons excluding Pipeline Capacity Costs' calculation was created yielding a cumulative savings through February, 2014 of -0.2%.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). Group discussion led to a consensus that future gas purchase contracts should consist of primarily three to six month packages and would not extend further than March 2015.

Sealana requested that in the subsequent meeting Lahr reiterate the gas purchasing strategy with the intention of informing newer members of the committee of the decision making process. After which it may be of value to have members vote on available gas purchase options.

Market Price Chart

Lahr provided a comparison of gas prices with an emphasis on extremely volatile prices during February 2014. Discussion followed regarding strategies for using daily purchases and/or storage gas to avoid price spikes.

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PRELIMINARY FY2014-15 BUDGET

Preliminary 2014-15 Operating Budget

Lahr presented members with a preliminary 2014-15 operating budget, which indicates a total core rate increase of approximately 16%. The budget will be updated and presented for approval at the June meeting.

The projected increase in rates generated discussion led by Sealana who posed a question broadly addressing whether members found either of the program's goals - cost savings and price stability - to be more significant than the other. Staff agreed questions would be formulated to survey program members regarding which aspect they considered more important to their jurisdiction so that the program may adapt to its member's needs, if necessary.

NATURAL GAS PIPELINE CAPACITY ISSUES

Stranded Capacity Costs

Lahr provided a list of invoices received from PG&E for the CTA Unrecovered Pipelines Capacity costs. To date the program has paid a total of \$215,026 for these costs starting from April, 2012. Members acknowledged and agreed that rising costs presented a detrimental effect on the program's ability to produce cost savings for its members.

BAYREN UPDATE

BayREN 2015 Funding Proposal (Excerpt)

Lahr presented an excerpt from a one-year proposal for BayREN's various programs, highlighting the uptake in demand for the Multifamily Program. Sealana proposed that future meetings continue to include updates on the BayREN program.

CLOSED SESSION

Conference with Legal Counsel—Existing Litigation, Govt. C. Sec. 54956.9(d):

1. Application of Pacific Gas & Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (A. 13-06-011)
2. Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015-2017 (A. 13-12-012)
3. Order Instituting Rulemaking to Implement Registration of Third Party Natural Gas Procurement Service Providers, Known as "Core Transportation Agents," pursuant to Public Utilities Code Sections 980-989.5 to Regulate non-rate matters, including Registration Standards, Complaint Resolution Practices, and Minimum Standards of Consumer Protection (R14-03-002)

The Chairman announced that no reportable action was taken in closed session.

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OTHER BUSINESS

Lahr mentioned scheduling conflicts that interfere with the scheduled Wednesday, August 20, 2014 Executive Committee Meeting. A meeting date will be finalized in the upcoming meetings when more members are able to contribute input.

ADJOURNMENT

Chairman Sealana adjourned the meeting at 1:54 pm.

/rj

*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 = abstention.