

# 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 2010-02

April 21, 2010

Metro Center, ABAG's Conference Room B  
101 8<sup>th</sup> Street, Oakland, CA 94607

### WELCOME AND INTRODUCTIONS

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

#### Committee Representatives

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

#### Jurisdictions

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

#### Other Members Present

Becky Eaton County of Contra Costa

#### Members Absent

Jennifer Mennucci Golden Gate Bridge District

#### Staff Present

Herbert Pike ABAG  
Vina Maharaj ABAG POWER  
Kenneth Moy ABAG  
Jerry Lahr ABAG POWER

### PUBLIC COMMENTS & ANNOUNCEMENTS

No public comments. Becky Eaton attended the meeting from the County of Contra Costa as a member of the public.

Terry Mann, member of the Executive Committee, representing the County of Contra Costa since January 17, 2001 had retired as of April 1, 2010. The committee recognized Terry's long outstanding service to the ABAG POWER Executive Committee.

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### **APPROVAL OF SUMMARY MINUTES OF FEBRUARY 17, 2010.**

Motion was made by Popp/S/Sealana/C/6:0:0 to approve the Summary Minutes of February 17, 2010 Executive Committee Meeting.

### **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 -16.0%, however, this has improved compared to the prior six months. Lahr expects this percentage to get lower as we move forward.

#### **Gas Hedge Chart**

Lahr provided the members with a gas hedge chart indicating long term gas purchases. He mentioned that a two-year term purchase to begin July, 2010 until June, 2012, was acquired at a price of \$5.90 per therm.

Lahr explained to the members, the complexity and dynamics of purchasing gas in the fluctuating and volatile market. It was agreed that staff follow the already established guidelines as previously set by the committee at its December 16, 2009 meeting.

#### **2010-2011 Budget Preview**

Lahr provided a preliminary budget for Fiscal year ending June 30, 2011.

#### **NBAA Unwinding**

Lahr said he had a discussion with PG&E regarding the idea of having multiple NBAA's. While PG&E agreed on the possibility of such an idea, it seemed to involve some work in order to accommodate it. The scheduler (GVGS) was also concerned about the technical difficulties and potential risks of the process, and therefore this route was not taken. Staff went ahead with unwinding the NBAA at this point and have the flexibility to reform it if needed.

#### **ABAG POWER's involvement with gas proceedings before the California Energy Commission**

ABAG POWER is currently involved with two proceedings before the California Energy Commission, 1) The Biannual Cost Allocation Process (BCAP); 2) Gas Transmission and Storage (GT&S) Rate Case. Lahr mentioned that ABAG POWER had joined another Core Transportation Agent (CTA) to file comments in the BCAP proceeding, and that POWER along with many other CTAs were involved in settlement discussions with PG&E in the GT&S rate case. If a settlement is not reached the group of CTAs is considering hiring formal legal counsel to represent them in the proceeding.

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### ENERGY DATA PILOT REPORT

At the request of the Committee at its last meeting, Lahr provided comments from Chris Schroeder of the City of Milpitas which was the Pilot city for the Energy Data Pilot Project.

Members requested Staff to send out a memo to the membership and gauge their interest in the program.

### CONTRACT EXTENSION FOR NATURAL GAS SCHEDULING

Motion was made by Armstrong/S/Schroeder/C/6:0:0 to approve contract extension with Golden Valley Gas Services for the period July 1, 2010 to June 30, 2012.

### ELECTRIC DIRECT ACCESS

Lahr provided an update on the status of electric direct access (DA), and the CPUC's proceeding to increase non-residential customers' access to DA. The consensus was that this was something worth looking into for the future. A suggestion was made to get an expert to present to the committee on the various subjects including legislation and administrative requirements.

### ABAG FUNDING APPLICATIONS

Lahr provided the members with an update on the current ABAG proposals. Under the PG&E Green Communities program, two work authorizations are being sought, one to provide green house gas inventory assistance to local governments and the other to provide energy use benchmarking assistance to local governments.

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 on May 19. Also, ABAG just received word that the "Retrofit California" proposal lead by LA County was approved for funding by the DOE. ABAG is a sub-recipient on this proposal.

### ADJOURNMENT

Chairman Cerini adjourned the meeting at 2:00 p.m.

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\*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