



SUMMARY MINUTES

ABAG Power Special Executive Committee

Meeting 2001-05-01

May 2, 2001

Metro Center 101 8th Street, Oakland CA 94607

WELCOME AND INTRODUCTIONS

Robert Fugle (Chair) opened the meeting with introductions at 12:00 p.m.

Committee Representatives Present

Robert Fugle
Michael Garvey
Wayne Green
Jeff Kolin (via teleconference)
John Lisenko
Terry Mann
Alan Nadritch (via teleconference)
Natasha Merkuloff Nichols (via teleconference)
Steve Sprotte

Jurisdictions

Golden Gate B.D.
City of San Carlos
City of Salinas
City of Santa Rosa
City of Foster City
County of Contra Costa
City of Benicia
County of Napa
City of Union City

Guests Present

Kathleen Cha
Bart Gilbert

ABAG – Communications Dept.
County of Contra Costa

Staff Present

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

ABAG
ABAG
ABAG
ABAG
ABAG
ABAG

PUBLIC COMMENT

There were no public comments.

FUTURE OF THE ELECTRIC PROGRAM

Jerry Lahr said that a special meeting of the Executive Committee was called because ABAG POWER had experienced critical new developments within the last few days which not only add significant new information to previous considerations by the Executive Committee at its most recent meeting, but affects the financial status and economic viability of the Electric Program.



ABAG POWER received invoices from NCPA for final ISO charges for the Nov.'00 – Jan.'01 period totaling approximately \$1.4 million and revised estimated invoices for the period Feb.'01 up through and including the one for May totaling approximately \$7.9 million. ABAG POWER had budgeted approximately \$125,000 per month for ISO charges.

ABAG POWER's exposure in the ISO Imbalance market will increase into the summer months to approximately 15 MWs. The price for this power will likely be a minimum of \$500/MWh, and at times upward of \$1000/MWh. At the same time ABAG POWER will receive only \$150/MWh when selling into the market.

NCPA issued a 30-day notice of termination of the Scheduling Coordinator Services Agreement stating that due to current market conditions combined with ABAG POWER's expected short resource position this summer, it was too great a risk on NCPA to continue the SC Services Agreement.

Lahr said that it was confirmed the one-cent/kWh surcharge approved by the CPUC in January was not bypassable by Direct Access customers. Also, it had not yet been determined whether DA customers will be protected from the additional three-cent/kWh increase.

Lahr presented the committee with four options for the Program and their potential consequences.

Motion was made by Garvey/S/Nadritch/roll call vote to accept Option #4 and approve Resolution 01-02 as follows:

- Return all accounts to Default Provider (PG&E);
- Proceed to implement this as soon as possible so as to minimize member's exposure to increased costs from the imbalance market and other ISO charges;
- Proceed to re-sell the Calpine contract.

ADJOURN

The meeting adjourned at 1:05 p.m.

Next Executive Committee Meeting is scheduled for May 14, 2001 (12:00 p.m. – 2 p.m.), Metro Center, 101 8th Street, First Floor, Oakland CA 94607.

/vm