

# 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 2012-04

August 15, 2012

Metro Center, ABAG's Conference Room B

101 8<sup>th</sup> Street, Oakland, CA 94607

### WELCOME AND INTRODUCTIONS

In the absence of Chairman Chris Schroeder and Vice-Chairman Richard Sealana, Ron Popp opened the meeting with introductions at 12:15 PM.

#### Committee Representatives

Ron Popp  
Angela Rush  
Laura Ryan  
Richard Sealana

#### Jurisdictions

City of Millbrae  
City of Richmond  
City of Pleasanton  
City of Union City

#### Committee Representatives Absent

Mark Armstrong  
Chris Schroeder (Chair)

City of Santa Rosa  
City of Milpitas

#### Staff Present

Jerry Lahr  
Vina Maharaj  
Herb Pike

ABAG POWER  
ABAG POWER  
ABAG

### PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

### REPORT ON NATURAL GAS PROGRAM

#### Monthly Summary of Operations FY 11-12 & FY 12-13

Lahr provided the members with the Monthly Summary of Operations report for FY 2011-12 and FY 12-13. He updated the members on the percentage savings comparison with PG&E. The fiscal year cumulative savings for the period ending June, 2012 is estimated to be 1.6% in comparison with PG&E.

#### Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length).

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### **Market Price Chart (3-year)**

Lahr provided a 3-year comparison of gas prices.

### **CTA Unrecovered Capacity Cost Invoices**

PG&E sent their first invoice dated April, 2012 to ABAG POWER. ABAG and other CTA's have been allocated capacity on various pipelines. In the past CTAs were allowed to either accept or reject the capacity offered without any penalty. Now CTA's are required to pay for a portion of it, even if the capacity is rejected. The rejected capacity is offered at auction, and any proceeds are used to offset the costs. CTAs, including ABAG POWER, are responsible to pay for the remaining unrecovered capacity costs. These costs are expected to rise very significantly in the coming years.

From April to June, 2012, the first three invoices averaged \$630.00 per month. From July to September, the invoices jumped to an average of \$3,370 per month. ABAG POWER has budgeted \$18,000 for these unrecovered capacity costs for this financial year. Staff will keep a close watch on the monthly invoices and will recommend a revised budget if necessary.

Vice-Chairman Sealana joined the meeting at this point.

### **APPROVAL OF SUMMARY MINUTES OF JUNE 20, 2012**

Motion was made by Ryan/S/Sealana/C/4:0:0 to approve the Summary Minutes of June 20, 2012 Executive Committee Meeting.

### **EAST SIDE UNION HIGH SCHOOL DISTRICT (ESUHSD) EARLY WITHDRAWAL**

Lahr provided an update regarding East Side Union High School District's opt-out request from ABAG POWER.

Lahr presented an estimate of fees for closeout of contractual obligations, based on a disconnect effective date of August 31, 2012. The costs total \$12,699.00.

East Side will still remain a member of the JPA, unless they send a formal letter indicating their termination from JPA.

### **ABAG ENERGY PROGRAMS UPDATE**

Lahr provided information on the status of the ABAG Energy programs. The Retrofit Bay Area's (Energy Upgrade California) term ended April 30, 2012. The achievements were significantly less than the initial goals.

The Electrical Vehicle (EV) Streamlining program is also coming to an end July 30, 2012.

ABAG submitted a \$41 million proposal for a San Francisco Bay Area Regional Energy Network (BayREN) to the California Public Utilities Commission in July. The BayREN program is designed to implement energy efficiency programs in collaboration with the Bay Area counties.

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### **AGENDA FOR ANNUAL BOARD MEETING**

Staff discussed the timing and agenda for the Annual Board Meeting scheduled on October 25, 2012.

### **OTHER BUSINESS**

None.

### **CLOSED SESSION**

Conference With Legal Counsel—Anticipated Litigation, Govt. C. Sec. 54956.9(c)  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: One Case

There were no reportable action items from the closed session

### **ADJOURNMENT**

Ron Popp adjourned the meeting at 1:30 p.m.

/vm

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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 = abstention.