



SUMMARY MINUTES

ABAG Power Executive Committee

Meeting 2001-09

September 19, 2001

Metro Center 101 8th Street, Oakland CA 94607

WELCOME AND INTRODUCTIONS

Jeff Kolin (Chair) opened the meeting with introductions at 12:00 p.m.

Committee Representatives Present

Wayne Green
Jeff Kolin
John Lisenko
Terry Mann
Steve Sprotte

Jurisdictions

City of Salinas
City of Santa Rosa
City of Foster City
County of Contra Costa
City of Union City

Committee Representatives Absent

Michael Garvey
Natasha Merkuloff Nichols
Alan Nadritch

City of San Carlos
County of Napa
City of Benicia

Staff Present

Joseph Chan
Dave Finigan
Jerry Lahr
Vina Maharaj

ABAG
ABAG POWER
ABAG POWER
ABAG POWER

Staff Absent

Eugene Leong

ABAG

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF JULY 18, 2001 MEETING

Motion was made by Green/S/Mann/C/ to approve the Summary Minutes of July 18, 2001 Executive Committee Teleconference Meeting.

STATUS REPORT ON NATURAL GAS PROGRAM

Jerry Lahr presented a Summary of Natural Gas Program for the months of July, August and September, 2001. Lahr pointed out that PG&E's gas purchase rate remains low compared to ABAG POWER's fixed price rate for 75% of the members' load. He said that ABAG POWER is



purchasing the remaining 25% on the spot market, which currently has lower rates, thus reducing the overall price to members.

John Lisenko suggested that by next spring, staff provide a more in-depth analysis of the program's risk position in the natural gas market. He suggested the analysis be prepared without relating it to the variability of the market but rather comparing ABAG POWER's position as an aggregator versus PG&E.

Lahr provided an update on the joint petition that ABAG POWER and SPURR had filed with the CPUC requesting a change to the rules that apply to the assignment of PG&E's upstream Canadian transportation capacity. Lahr said that SPURR has been trying to get a hold of the CPUC Advisors to push the petition on to the CPUC's Agenda but so far it has not been successful.

STATUS REPORT ON THE SUSPENSION OF THE ELECTRIC PROGRAM

Renewable Energy Credits

Lahr said that ABAG POWER has applied for renewable energy credits for the final month of June and hopes to receive checks for the May and June period sometime in late October, when it will be disbursed to the members by separate checks. He mentioned that during the last couple of months, there has been a significant difference in the amount that was applied for versus the amounts that are being received. This difference is due to depleted funding levels at the CEC.

Electric Program Cash Flow and the Cash Distribution Procedures

Jerry Lahr provided the members with an updated Electrical Program Cash Flow table for informational purposes.

Joe Chan presented an updated copy of the Cash Distribution Procedures outline, a prior version of which had been sent to the ABAG POWER members on August 14 via e-mail. Chan said that the Finance Committee had met on August 29 to discuss the proposed procedures, the objective of which was to give the members an understanding of the liquidation of all assets, paying all liabilities and then finally distributing to the pool members whatever was remaining.

Chan said that a draft copy of the Finance Committee meeting minutes was attached in the Agenda packet which explained the True-Up Procedures as required under the Direct Access Agreement that governs the Electric Program. Chan said that the Finance Committee recognized the practical limitations of receiving some of the revenues for final accounting by October 1st, 2001. They concurred with staff's recommendation to extend the true-up deadline to December 31, 2001. The Finance Committee also agreed with staff's recommendation to disregard three items in the true up procedures: (1) green energy credits, (2) CTC credits, and (3) net proceeds from sale of Calpine contract.

Motion was made by Lisenko/S/Green/C to accept the extension of the True Up date to December 31, 2001 and approve the updated cash distribution procedures as presented.

**ENERGY EFFICIENCY INITIATIVE FOR LOCAL GOVERNMENTS**

Lahr presented a letter received from Global Energy Partners, the demand reduction program. He said that some ABAG POWER members had participated during Global's May 17th curtailment drill for the demand curtailment program with the CEC and had achieved a 27% demand reduction, which was very significant.

Lahr said that ABAG POWER had teamed up with a local energy service company, Energy Solutions, to present a proposal to the CPUC which would help local governments with energy efficiency programs.

ABAG POWER ORGANIZATIONAL STRUCTURE

Jerry Lahr said that even though the Electric Aggregation Agreement was terminated, the Joint Powers Agreement of ABAG POWER still exists allowing members who were only in the electric program to remain a member of the ABAG POWER JPA and retain their voting rights as such under the JPA. Lahr said that there were twenty-one ABAG POWER members who were not currently participating in the Natural Gas aggregation program, but would remain a member of the JPA. ABAG POWER can continue to offer these members programs such as energy efficiency and other information which it offers to its other members in the aggregation program.

John Lisenko suggested that an informational memo be sent out to members explaining their membership status.

ANNUAL BOARD MEETING

Motion was made by Green/S/Lisenko/C to cancel the Executive Committee Meeting scheduled for October, 17, 2001 and hold the ABAG POWER Board of Directors meeting on October 18, 2001.

CLOSED SESSION – ABAG POWER v PG&E

Conference with Legal Counsel – Existing Litigation [Govt. C. Sec. 54956.9(a)]

ABAG POWER v PG&E

No action taken in closed session.

ADJOURN

The meeting adjourned at 1:25 p.m.

ABAG POWER Board of Directors Annual Meeting in conjunction with ABAG's Fall General Assembly is scheduled for October 18, 2001 (10:45 – 11:45 a.m.) at the Oakland Marriott City Center, 1001 Broadway, Oakland.

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

/vm