



**ABAG POWER
ANNUAL BOARD MEETING**

October 19, 2016 (11:00 a.m. to 2:00 p.m.)

**Association of Bay Area Governments
Bay Area Metro Center
375 Beale Street, San Francisco, CA 94105
(Conference Room: CR-109 Yerba Buena)**

Chair: Julie Bueren

- | | | |
|---|----------|---------------|
| 1. Welcome
ATTACHMENT 1A - ABAG POWER JPA MEMBER LIST | Bueren | |
| 2. Public Comments | Bueren | |
| 3. Approval of Minutes from October 29, 2015 Annual Board Meeting
ATTACHMENT 3A - MINUTES OF OCTOBER 29, 2015 | Bueren | Action |
| 4. ABAG-MTC Option 7 IAP (Staff Consolidation)
Staff will provide an update on the potential impacts to ABAG POWER from the proposed ABAG-MTC staff consolidation and recommend actions by the Board.
ATTACHMENT 4A – POTENTIAL IMPACTS OF ABAG-MTC OPTION 7 IMPLEMENTATION ACTION PLAN
ATTACHMENT 4B – ABAG POWER BYLAWS
ATTACHMENT 4C – RESOLUTION NO. 01-16 | Moy/Ruby | Action |
| 5. Staff Report and Review of Natural Gas Program
Staff will report the results of the Natural Gas Program for the 2015 – 2016 fiscal year.
ATTACHMENT 5A - STAFF REPORT ON NATURAL GAS PROGRAM
ATTACHMENT 5B - SUMMARY OF NATURAL GAS PROGRAM
FY2015-16 | Lahr | Info. |
| 6. Financial Review
Staff will review preliminary financial statements for FY 2015-16
ATTACHMENT 6A – FINANCIAL REPORTS MEMO
ATTACHMENT 6B1 – PRELIMINARY INCOME STATEMENT
ATTACHMENT 6B2 – PRELIMINARY BALANCE SHEET | Ruby | Info. |
| 7. Election of ABAG POWER Officers (Chair and Vice Chair)
ATTACHMENT 7A - PROPOSED EXECUTIVE COMMITTEE FOR FY 16-17 | Bueren | Action |

Break for Lunch

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



- | | | |
|---|-------|-------|
| 9. San Francisco Bay Area Regional Energy Network (BayREN)
Staff will summarize the programs and accomplishments to date. | Berg | Info. |
| 8. Bay Area MetroCenter Building Tour | Green | Info. |

Adjourn approximately 2:00 p.m.

THE BOARD MAY TAKE ANY ACTION, INCLUDING NO ACTION, ON ANY ITEM ON THIS AGENDA.



Agency	Designated Representative(s)	Membership Status	Number of Active Gas Accounts
Alameda, City of	Robert Haun (P) Liam Garland (A)	Current Gas Member	22
Albany, City of	Penelope Leach (P)	Current Gas Member	4
Benicia, City of	Karin Schnaider (P)	Current Gas Member	18
Cupertino, City of	Misty Mersich (P) Katy Nomura (A)	Current Gas Member	10
Fremont, City of	Mike Sung (P) Dan Schoenholz (A)	Current Gas Member	43
Gonzales, City of	Rene Mendez (P)	Current Gas Member	8
Half Moon Bay, City of	Magda Gonzalez (P)	Current Gas Member	4
Hercules, City of	David Biggs (P)	Current Gas Member	5
Los Altos, City of	Dave Brees (P) Marcia Somers (A)	Current Gas Member	11
Mill Valley, City of	Eric Erickson (P)	Current Gas Member	10
Millbrae, City of	Chip Taylor (P)	Current Gas Member	8
Milpitas, City of	Chris Schroeder (P) Emma Karlen (A)	Current Gas Member	11
Monte Sereno, City of	Brian Loventhal (P)	Current Gas Member	2
Oakland, City of	Scott Wentworth (P)	Current Gas Member	117
Orinda, City of	Tonya Gilmore (P) Janet Keeter (A)	Current Gas Member	2
Pacifica, City of	Lorenzo Hines (P)	Current Gas Member	17
Petaluma, City of	Bill Mushallo (P)	Current Gas Member	7

ASSOCIATION OF BAY AREA GOVERNMENTS
Representing City and County Governments of the San Francisco Bay Area



Agency	Designated Representative(s)	Membership Status	Number of Active Gas Accounts
Pleasanton, City of	Kathleen Yurchak (P) Leonard Olive (A)	Current Gas Member	25
Richmond, City of	Angela Walton (P)	Current Gas Member	38
Salinas, City of	Michael Ricker (P) Miguel Gutierrez (A)	Current Gas Member	25
San Carlos, City of	Jay Walter (P)	Current Gas Member	7
San Rafael, City of	Kevin McGowan (P) Richard Landis (A)	Current Gas Member	16
Santa Rosa, City of	Doug Williams (P)	Current Gas Member	38
Saratoga, City of	Thomas Scott (P) Mary Furey (A)	Current Gas Member	4
Union City, City of	Mintze Cheng (P)	Current Gas Member	5
Vallejo, City of	Roland Rojas (A)	Current Gas Member	16
Watsonville, City of	Gabriel Gordo (P)	Current Gas Member	18
Winters, City of	John Donlevy (P) Shelly Gunby (A)	Current Gas Member	3
Atherton, Town of	George Rodericks (P)	Current Gas Member	7
Moraga, Town of	Robert Priebe (P)	Current Gas Member	3
Contra Costa, County of	Julie Bueren (P)	Current Gas Member	132
Napa, County of	Steve Lederer (P) Liz Habkirk (A)	Current Gas Member	11
San Mateo, County of	Doug Koenig (P) Gary Behrens (A)	Current Gas Member	44
Santa Clara, County of	Lin Ortega (P) Brad Vance (A)	Current Gas Member	46



Agency	Designated Representative(s)	Membership Status	Number of Active Gas Accounts
Golden Gate Bridge District	Jennifer Mennucci (P) Alice Ng (A)	Current Gas Member	5
Housing Authority, City of Alameda	ZeeLaura Page (P)	Current Gas Member	14
Regional Administrative Facility Corporation	Mamie Lai (P) Robert Hoffman (A)	Current Gas Member	1
Vallejo Sanitation & Flood Control District	Melissa Morton (P)	Current Gas Member	3
Antioch, City of	Dawn Merchant (P) Jim Jakel (A)	Non-Active	-
Arcata, City of	Randy Mendosa (P)	Non-Active	-
Belmont, City of	Greg Scoles (P)	Non-Active	-
Berkeley, City of	Dee Williams-Ridley (P)	Non-Active	-
Cloverdale, City of	Nina D. Regor (P)	Non-Active	-
Cotati, City of	Dianne Thompson (P)	Non-Active	-
Daly City, City of	Pactricia Martel (P)	Non-Active	-
Davis, City of	Dirk Brazil (P)	Non-Active	-
El Cerrito, City of	Maria Sanders (P) Garth Schultz (A)	Non-Active	-
Foster City, City of	Ray Towne (P)	Non-Active	-
Menlo Park, City of	Alex McIntyre (P)	Non-Active	-
Newark, City of	Peggy Claassen (P)	Non-Active	-
Patterson, City of	Ken Irwin (P)	Non-Active	-



Agency	Designated Representative(s)	Membership Status	Number of Active Gas Accounts
Pinole, City of	Michelle Fitzner (P)	Non-Active	-
San Leandro, City of	Lianne Marshall (P)	Non-Active	-
San Mateo, City of	David Culter (P)	Non-Active	-
San Pablo, City of	Bradley J. Ward (P) Brock Arner (A)	Non-Active	-
Sebastopol, City of	Ron Puccineli (P)	Non-Active	-
Hillsborough, Town of	Maria Edna Masbad (P)	Non-Active	-
Los Altos Hills, Town of	Carl Cahill (P)	Non-Active	-
Butte, County of	Grant Hunsicker (A)	Non-Active	-
Monterey, County of	Mario Salazar (P)	Non-Active	-
Sonoma, County of	John Haig (P)	Non-Active	-
Windsor, Town of	James McAdler (P)	Non-Active	-
Hayward Area Rec. District	Karl Zabel (P)	Non-Active	-
Housing Authority, County of Alameda	Christine Gouig (P)	Non-Active	-
Los Trancos County Water District	Keri Tate (P)	Non-Active	-
South County Fire Authority	Leon Churchill Jr. (P)	Non-Active	-
West County Wastewater District	Brian Hill (P)	Non-Active	-



SUMMARY MINUTES

ABAG POWER Annual Board of Directors' Meeting 2015

October 29, 2015

Joseph P. Bort MetroCenter

101 Eighth Street, Oakland, CA 94607-4756

WELCOME

Chairman Christopher Schroeder opened the meeting of the ABAG POWER Board of Directors with introductions at 10:35 a.m.

The agencies having a representative at this meeting were as follows:

Representatives

Robert Haun
Mike Sung
Harold Wolgamott
Alex Khojikian
Dave Brees
Peter Voramentsanti
Chris Schroeder
Scott Wentworth
Tonya Gilmore
Angela Walton
Jay Walter
Richard Sealana
Julie Bueren
Jason Campbell
Doeg Koenig
Jennifer Mennucci
Karl Zabel
Robert Hoffman
Johnson Ho

Agencies Represented

City of Alameda
City of Fremont
City of Gonzales
City of Half Moon Bay
City of Los Altos
City of Millbrae
City of Milpitas
City of Oakland
City of Orinda
City of Richmond
City of San Carlos
City of Union City
County of Contra Costa
County of Napa
County of San Mateo
Golden Gate Bridge & Highway District
Hayward Area Recreation District
Regional Administration Facility Corp.
Vallejo Sanitation and Flood Control District

Staff & Guests Present

Dave Jones	DMJ Gas Marketing Consultants
Susan Wise	Sunrun
Caroline Judy	Alameda County General Services Agency
Jerry Lahr	ABAG POWER
Ryan Jacoby	ABAG POWER
Brad Paul	ABAG
Charles Adams	ABAG
Jennifer Berg	ABAG
Kenneth Moy	ABAG



WELCOME & CHAIRMAN'S OPENING REMARKS

Chairman Schroeder welcomed the board members and provided a brief history and a general overview of the ABAG POWER program. He introduced and extended a special acknowledgment to the 2014-2015 Executive Committee and the ABAG POWER principal staff.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF OCTOBER 30, 2014 ANNUAL BOARD MEETING

Motion was made by Sealana/S/Haun/18:0:0/C/ to approve the Summary Minutes of October 30, 2014 ABAG POWER Annual Board of Directors' meeting.

The aye votes were: Brees, Bueren, Campbell, Gilmore, Haun, Ho, Hoffman, Khojikian, Koenig, Mennucci, Schroeder, Sealana, Sung, Voramantsanti, Walter, Walton, Wentworth, Wolgamott.

The nay votes were: None.

Abstentions were: None.

ELECTION OF ABAG POWER OFFICERS FOR PROGRAM YEAR 2015-16

Motion was made by Bueren/S/Wentworth/18:0:0/C/to approve the proposed ABAG POWER Executive Committee for program year 2015-2016, including the election of chair and vice chair as follows:

Julie Bueren, County of Contra Costa (Chair)
Chris Schroeder, City of Milpitas
Richard Sealana, City of Union City (Vice Chair)
Daniel Smith, City of Pleasanton
Angela Walton, City of Richmond
Tonya Gilmore, City of Orinda

The aye votes were: Brees, Bueren, Campbell, Gilmore, Haun, Ho, Hoffman, Khojikian, Koenig, Mennucci, Schroeder, Sealana, Sung, Voramantsanti, Walter, Walton, Wentworth, Wolgamott.

The nay votes were: None.

Abstentions were: None.

STAFF REPORT AND REVIEW OF NATURAL GAS PROGRAM

Lahr provided an in-depth report on the operations of the Natural Gas Program for FY 2014-15. He provided a review of the program and discussed the program goals, long-term program achievements and gas purchasing strategies.



ABAG POWER's blend of long-term and short-term gas purchases resulted in a weighted average cost of gas for the year of \$3.83/Dth, representing a decrease of approximately 5% when compared to the prior year. ABAG POWER's annual weighted average price was approximately 3.3% higher than PG&E's similar total rate (G-NR1). Due to the Program's levelized billing structure and long-term purchasing strategy, ABAG POWER's monthly rates were more stable than PG&E's rates throughout the year.

NATURAL GAS PIPELINE CAPACITY ISSUE

Lahr provided members with the background and details of the Gas Pipeline Capacity issue facing the program. He explained the previous California Public Utilities Commission (Commission) rulings, the 2002 Gas Accord decisions, and the approval by the Commission of the phase-in of full PG&E pipeline capacity cost sharing beginning in April, 2015.

Lahr mentioned that while the goals of ABAG POWER are not solely related to cost savings, the stranded pipeline capacity costs are providing a significant barrier to this objective. The costs to the program in 2014-15 were approximately \$170,000 and are expected to increase during FY 2015-16. Lahr reminded members of ABAG POWER's continued involvement in the regulatory process in an attempt to mitigate the stranded costs.

FINANCIAL REVIEW

Charles Adams, ABAG's Interim Finance Director, presented the preliminary financial reports for fiscal year ending June 30, 2015. Auditors were in the process of auditing the financial statements, which will be available by December, 2015.

A SUCCESS STORY: LOCAL SOLAR PROCUREMENT

Guest speaker Caroline Judy (Acting Director, Alameda County GSA) discussed public agencies' challenges and benefits of renewable energy adoption and collaborative procurement. She highlighted the Regional Renewable Energy Procurement Project (R-REP) and provided resources for replicating the collaborative procurement model.

ROOFTOP SOLAR IN CALIFORNIA

Sunrun's Kim Sanders (Senior Manager, Public Policy) briefly described California's historic renewable energy leadership through the California Solar Initiative, AB 327, and SB 350. She described current efforts associated with the "Net Energy Metering 2.0" regulatory proceeding, which seeks rate reform for residential solar.

SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (BAYREN)

BayREN's Program Manager, Jennifer Berg, provided an overview of the program portfolio and accomplishments to date.



ADJOURNMENT

Chairman Schroeder adjourned the meeting at 12:55 p.m.

/rj

*Example of a motion – [*Member No. 1/S/Member No. 2/O/Member No. 3/roll call vote/C/8:0:0*] means Member No.1 motions, seconded by Member No.2, Opposed by Member No. 3, after roll call vote, motion carries, 8 = “yes” votes, 0 = “no” votes and 0 = abstentions.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: October 3, 2016

TO: Board of Directors, ABAG Publicly Owned Energy Resources (ABAG POWER)

FROM: Kenneth Moy, Legal Counsel
Gerald Lahr, Energy Programs Manager

RE: Potential Impacts of Option 7 Implementation Action Plan – Contract for Services

Summary and Recommended Actions:

The Association of Bay Area Governments (ABAG) has had initial discussions with the Metropolitan Transportation Commission (MTC) on the above referenced agreement. We anticipate that all administrative, support and clerical staff currently supporting ABAG POWER and implementing its programs will become MTC employees under the Contract for Services. It is unclear at this time, how ABAG POWER's treasury function will be handled. The Executive Committee requests that the ABAG POWER Board of Directors make a minor amendment to the Bylaws to accommodate the anticipated changes and to specifically delegate to the Executive Committee the authority to approve key provisions of the Contract for Services and the handling of the treasury function.

Background and Analysis: In September 2015, ABAG and MTC jointly retained and funded a consultant (Management Partners, "MP") to explore restructuring the two agencies. ABAG and MTC agreed on a course of action denominated as 'Option 7' and adopted an Implementation Action Plan (IAP) for Option 7. The balance of this memorandum will outline the purpose and function of the IAP, potential impacts on ABAG POWER and the Natural Gas Aggregation Program.

A. IAP

The IAP is a guide and tool for ABAG and MTC to conclude negotiations on a Memorandum of Understanding (MOU) and a Contract for Services (CS). The MOU will outline a process and a timeline for ABAG and MTC to consider and possibly implement alternative governance structures for the two agencies. The CS will be the document under which (1) ABAG planning, program and enterprise staffs become MTC employees and (2) the consolidated staff provides services to ABAG and its affiliated programs and enterprises. MTC will examine the structure, functions and finances for each of ABAG's planning, program and enterprise functions to evaluate their soundness. In turn, ABAG will examine MTC's staffing, structure and finances to evaluate MTC's ability to implement ABAG's ongoing programs and enterprises. This mutual evaluation will serve as the basis for negotiation of the terms of the CS. By its terms, the IAP is not prescriptive regarding results or the process to reach those results. The agencies have agreed to extend MP's contract to assist and facilitate the negotiations on the MOU and the CS. The

proposed timeline in the IAP is very aggressive. ABAG staff will provide regular updates on the process via its website.

ABAG and MTC senior management have had preliminary discussions on the scope and terms of the CS. MTC has initiated and is completing a preliminary analysis of all of ABAG's programs, including ABAG POWER.

B. Administrative Duties and Functions.

ABAG had established and operated a natural gas aggregation program prior to the creation of ABAG POWER in anticipation of entering into the proposed direct access marketplace for aggregating electricity.¹ In 1997, ABAG formed POWER as an independent joint powers entity by having members of the natural gas aggregation program enter into the POWER Joint Powers Agreement (JPA) and adopt Bylaws.

Section 7 of the JPA appoints ABAG as the administering agency for POWER and provides for compensation for such services. Section 8.1 of the Bylaws provides that the Executive Director of ABAG be the President of ABAG POWER, ABAG's Program Manager for ABAG POWER be the Secretary of ABAG POWER, and the Director of Finance for ABAG is the Chief Financial Officer/Treasurer of ABAG POWER.

At this early stage of the negotiations between ABAG and MTC, the operative premise is that the ABAG employees who staff POWER, including the Program Manager for POWER, and the administrative and support staff (finance and accounting, IT and clerical) will become MTC employees. We anticipate that these employees will be placed in positions within MTC where their duties will remain the same, i.e. supporting ABAG POWER and implementing its programs. We anticipate that the Contract for Services will include a scope of work that reflects all of the foregoing. It will also require MTC to replace such employees on an as-needed basis with persons with comparable skills.

ABAG believes that it can fulfill its administrative role under section 7 of the JPA through the Contract for Services and that ABAG can pass on the costs to POWER. If the transition occurs during FY 2016-17, ABAG will be presenting a term sheet to MTC that requires that it deliver services to ABAG POWER within the adopted budget for FY 2016-17.

It is not clear whether the persons filling the positions of the ABAG Executive Director or the ABAG Director of Finance will transition to MTC under the Contract for Services but these positions will likely not continue to exist in their current form after the staff consolidation. Further, the MTC employee acting as the Program Manager for ABAG POWER will no longer be an ABAG Program Manager. Therefore, ABAG POWER will need to amend its Bylaws to

¹ See recitals C through F of the POWER joint powers agreement (JPA).

Potential Impacts of Option 7 Implementation Action Plan – Contract for Services

October 3, 2016

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specify an alternative arrangement for filling the offices of the President, Chief Financial Officer and Secretary for ABAG POWER.

C. Treasury Functions. At this time, we anticipate that ABAG will continue to maintain its own treasury and assets separate from MTC's. How ABAG will manage its treasury and fiscal resources and by whom will be a topic for negotiation. One of ABAG's current treasury functions is acting as treasurer for ABAG POWER, including the approximately Two Million Dollars operating reserve.

D. Legal Services. Currently, ABAG staff counsel provides legal support for the staff supporting and implementing ABAG POWER's programs. Direct legal services (representation before the CPUC and the natural gas litigation) for POWER has generally been provided by outside counsel. We expect the MTC legal department to provide legal support to the MTC staffing for ABAG POWER. We anticipate that direct legal services for ABAG POWER will be provided by attorneys retained by MTC's legal department, or with their concurrence.

E. Consultation and Consensus. We will be consulting with the ABAG POWER Executive Committee throughout the negotiations with MTC and will be seeking its consensus on the provisions of the Contract for Services pertinent to ABAG POWER and for the proposed arrangement for ABAG POWER's treasury and assets. For reasons of timing, the Executive Committee recommends that the ABAG POWER Board of Directors:

1. adopt Resolution 01-16 amending section 8.1 of the Bylaws so that the Board of Directors or the Executive Committee can appoint the President, Chief Financial Officer and Secretary (see Attachment A) and appointing ABAG's Deputy Executive Director, Brad Paul, ABAG's Director of Administrative Services and Finance, Courtney Ruby and ABAG's Energy Programs Manager, Gerald Lahr as ABAG POWER's President, Chief Financial Officer and Secretary, respectively, so long as those individuals are still employees of ABAG, and
2. explicitly delegate to the Executive Committee the authority to approve ABAG's use of the Contract of Services and related arrangements to meet ABAG's obligation under section 7 of the JPA.

Attachments: Attachment A
Resolution 01-16

Potential Impacts of Option 7 Implementation Action Plan – Contract for Services
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Attachment A

Proposed changes to section 8.1 of the Bylaws of the ABAG Publicly Owned Energy Resources with deletions overstricken and additions underlined:

The officers of ABAG POWER are the Chair, Vice-Chair, President, Secretary and Chief Financial Officer/Treasurer. The Chair and Vice-Chair (elected officers) will be elected. All directors are eligible to serve as an elected officer. The Board of Directors, or the Executive Committee between meetings of the Board of Directors, will appoint a President, Chief Financial Officer and Secretary for ABAG POWER. ~~The Executive Director of ABAG is the President of ABAG POWER, the Program Manager of ABAG POWER is the Secretary of ABAG POWER, and the Director of Finance for ABAG is the Chief Financial Officer/Treasurer of ABAG POWER.~~ Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer/Treasurer may serve concurrently as the President.

BYLAWS

OF

ABAG POWER

adopted
October 22, 1997

amended
November 13, 1997

amended
October 17, 2002

amended
August 18, 2004

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**BYLAWS OF
ABAG POWER
As Amended August 18, 2004**

ARTICLE 1 -- NAME

The name of this public entity is ABAG Publicly OWned Energy Resources (ABAG POWER)

ARTICLE 2 -- OFFICES

2.1. Principal Office.

The principal office for the transaction of the business of ABAG POWER is located at 101 - 8th Street, Oakland, County of Alameda, California. The Board of Directors (Board) may change the principal office from one location to another. Any change of this location will be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

2.2. Other Offices.

The Board may at any time establish branch or subordinate offices at any place or places.

ARTICLE 3 --LIMITATION ON AUTHORITY

ABAG POWER's exercise of its power under the ABAG POWER Joint Powers Agreement (JPA) and these Bylaws is restricted to the extent required under California Government Code Section 6509. The County of Contra Costa is hereby designated pursuant to said Section 6509. This designation may be changed by a two-thirds (2/3) vote of the Board provided that the designated agency must be a city or county in California.

ARTICLE 4 -- MEMBER ENTITIES

In addition to the original contracting parties (as the term is used in California Government Code Section 6502) to the JPA, any other public entity (as defined in California Government Code Section 6500), which becomes a contracting party pursuant to the JPA and these Bylaws, is a Member. Any contracting party which withdraws or is expelled pursuant to these Bylaws ceases to be a Member.

ARTICLE 5 -- DEBTS AND LIABILITIES

5.1. The debts, liabilities and obligations of ABAG POWER will not be the debts, liabilities or obligations of any or all of the Members. However, nothing in this section or the JPA :

5.1.1. prevents a Member or Members from agreeing, in a separate agreement, to be jointly and/or severally liable, in whole or in part, for any debt, obligation or liability of ABAG POWER, including but not limited to, any bond or other debt instrument issued by ABAG POWER, or

5.1.2. impairs the ability of any Member to undertake the responsibility described in subsection 5.1.1 of this section.

ARTICLE 6 -- DIRECTORS

6.1. Powers.

6.1.1. General Powers. Subject to the provisions of these Bylaws and the JPA, the business and affairs of ABAG POWER will be managed, and all powers will be exercised, under the policy direction of the Board.

6.1.2. Specific Powers. Without prejudice to these general powers, the Board also has the power to borrow money and incur indebtedness on behalf of ABAG POWER and cause to be executed and delivered for ABAG POWER's purposes, in ABAG POWER's name, promissory notes, bonds, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities and certificates of participation.

6.1.3. Program Guidelines. The Board also has the power to establish guidelines for the types of Programs to be undertaken by ABAG POWER.

6.2. Directors and Alternates.

Each Member will appoint a director, and may appoint an alternate director to the Board. The director and/or the alternate may be an elected official.

6.3 Voting. Only directors appointed by a Member which is participating in an ongoing program offered by ABAG POWER shall be entitled to cast a vote at the Board of Directors or any committee of ABAG POWER.

6.4 Vacancies.

6.4.1. Vacancies. Vacancies in directors' position will be filled as provided in Section 6.

6.4.2. Events Causing Vacancy. A vacancy on the Board exists on the occurrence of the following: (i) the death of any director; (ii) the removal, dismissal or resignation of a director from the position he/she held with the Member at the time he/she became a director; (iii) the declaration by resolution of the Board of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony; or (iv) written notice to the Secretary from the appointing Member stating that the designation of the director or alternate has been revoked said revocation to be effective upon receipt, unless the notice specifies a later time.

6.4.3. Resignations. No director may resign when ABAG POWER would then be without at least three (3) directors in charge of its affairs.

6.4.4. Reduction or Increase in Number of Directors. At the beginning of a fiscal year, the authorized number of directors may be reduced or increased by the deletion or addition of a Member.

6.5. Meetings.

The Chair or Vice-Chair of the Board, or any ten (10) directors by written request, may call a meeting of the Board.

6.6. Quorum.

A forty percent (40%) of the directors entitled to cast a vote is a quorum for the transaction of business. Except for acts requiring a supermajority under these Bylaws or the JPA, every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is an act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the quorum for that meeting, or if a supermajority is required, by the supermajority of the quorum for that meeting.

6.7. Rules of Order.

The Board may adopt rules of order to govern the conduct and procedure of Board meeting.

6.8. Minutes.

The Board will keep or cause to be kept written minutes of its proceedings, except executive sessions.

6.9. Fees and Compensation of Directors.

Directors and members of committees may receive such reimbursement of expenses as may be determined by resolution of the Board to be just and reasonable.

6.10. Delegation of Powers.

Except as otherwise proscribed in these Bylaws and the JPA, the Board may delegate any of its powers.

ARTICLE 7 -- BOARD COMMITTEES

7.1. Executive Committee.

The Executive Committee is a standing committee comprised of the Chair, Vice Chair and three (3) to nine (9) members entitled to cast a vote or their alternates which is hereby empowered to exercise all powers of the Board except as otherwise specifically proscribed in these Bylaws or the JPA, during times when the Board does not meet or is unable to convene a meeting. Any director or alternate may attend and participate in the discussion at any Executive Committee meeting.

7.1.1. Voting. Actions requiring a supermajority vote of the Board require a supermajority vote of the Executive Committee. All other actions require a vote of the majority of the committee.

7.1.2. Initial Members. The Chair shall nominate the initial members of the Executive Committee. The Board shall set the number of members and, at its sole discretion, ratify or disapprove the nominees, or appoint other members.

7.1.3. Term. Each member serves a term ending on the next December 31, beginning in 1998. A member may succeed himself/herself and may serve any number of consecutive or non-consecutive terms.

7.1.4. Vacancies. In the event, a vacancy on the Executive Committee occurs, the Chair may appoint a new member who will serve on the Executive Committee with all rights and duties until the new member is either ratified or disapproved at the next meeting of the Board.

7.2. Ad Hoc Committees.

Upon written notice after-the-fact, the Chair may designate one (1) or more ad hoc advisory committees, each consisting of two (2) or more directors or their alternates, to be ratified by and serve at the pleasure of the Board, and to exercise such powers as may be delegated to it, except that no ad hoc committee may:

7.2.1. take any final action on matters which, under the JPA, requires approval a majority or supermajority vote of Board;

7.2.2. amend or repeal Bylaws or adopt new Bylaws;

7.2.3. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

7.2.4. appoint any other committees of the Board or the members of these committees;
or

7.2.5. approve any transaction (1) to which ABAG POWER is a party and one or more directors have a material financial interest as defined in the California Government Code; or (2) between ABAG POWER and one or more of its directors or between ABAG POWER or any person in which one or more of its directors have a material financial interest.

7.3. Meetings and Action of Committees.

Meetings and action of Board and Program committees will be governed by, and held and taken in accordance with, the provisions of Sections 6.4-6.5 of these Bylaws, concerning meetings of

directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members, except that the meetings of committees may be called by the Board. Minutes will be kept of each meeting of any committee and will be filed with ABAG POWER records.

ARTICLE 7A -- PROGRAMS AND PROGRAM COMMITTEES

7A.1. Programs.

The Board has the power, upon majority vote, to establish Programs within the purpose and power of ABAG POWER and to adopt general policy guidelines for their implementation. By adopting these Bylaws, the Board hereby establishes the following Programs:

7A.1.1. Natural Gas Aggregation. The program for the aggregation program natural gas (PANG) previously established by ABAG is hereby approved and ABAG POWER will assume all the duties, obligations, debts and liabilities incurred by ABAG in connection with the PANG upon ABAG POWER's receipt of written acknowledgment of such transfer from each participant in the PANG, vendor(s) and consultant(s), the California Public Utilities Commission (CPUC), the natural gas supplier, PG&E and ABAG.

7A.1.2. Electric Aggregation. ABAG POWER hereby approves an electric program for direct access through aggregation (DATA).

7A.2. General Program Guidelines.

The following guidelines apply to all programs established by ABAG POWER:

7A.2.1. Upon a two-thirds (2/3) vote, the Board will allocate ABAG's administrative fees, charges and costs among the Programs.

7A.2.2. The participants in a program will all collectively agree, in an Agreement separate from the JPA and these Bylaws, to assume all obligations, debts and liabilities incurred by ABAG POWER in connection with the formation and/or implementation of such program. Such agreement may impose joint and several liability on the participants for the program's debts, obligation and/or liabilities. However, nothing in this section requires joint and several liability.

7A.3. Program Committees.

There will be a program committee for each program. A program committee will be comprised of a number of directors equal to ten percent (10%) of the participants. Until more than one program is active, the Executive Committee will serve as the DATA Program Committee.

ARTICLE 8 -- OFFICERS

8.1. Officers.

The officers of ABAG POWER are the Chair, Vice-Chair, President, Secretary and Chief Financial Officer/Treasurer. The Chair and Vice-Chair (elected officers) will be elected. All directors are eligible to serve as an elected officer. The Executive Director of ABAG is the President of ABAG POWER, the Program Manager of ABAG POWER is the Secretary of ABAG POWER, and the Director of Finance for ABAG is the Chief Financial Officer/Treasurer of ABAG POWER. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer/Treasurer may serve concurrently as the President.

8.2. Election of Officers.

At the first meeting of the Board, and as necessary thereafter, nominations for the offices of Chair and Vice-Chair, will be made and seconded by a director. If more than two (2) names are nominated for any one office, balloting occurs until a nominee receives a majority of the votes

cast; provided that after the first ballot the nominee receiving the fewest votes will be dropped from the balloting. Each elected officer serves a term ending on the next December 31, beginning December 31, 1998. An elected officer may succeed himself/herself and may serve any number of consecutive or non-consecutive terms.

8.3. Removal of Officers.

An elected officer may be removed, with or without cause, by a majority vote of the Board at a regular or special meeting.

8.4. Vacancies.

Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause will be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that such vacancies may be filled at any regular or special meeting of the Board.

8.5. Resignation of Officers.

In the absence of a contrary written agreement, any officer may resign at any time by giving written notice to the President or Secretary. Any resignation takes effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation is not necessary to make it effective.

8.6. Responsibilities of Officers.

8.6.1. Chair of the Board. The Chair of the Board presides at meetings of the Board and exercises and performs such other powers and duties as may be from time to time assigned to him/her by the Board or prescribed by the Bylaws.

8.6.2. Vice-Chair of the Board. The Vice-Chair of the Board fulfills all the duties of the Chair in his/her absence.

8.6.3. President. Subject to such supervisory powers as may be given by the Board of Directors to the Chair of the Board, the President generally supervises, directs, and controls the business and the employees of ABAG POWER. He or she has such other powers and duties as may be prescribed by the Board or the Bylaws.

8.6.4. Secretary. The Secretary will:

(i) Book of Minutes. Keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of directors and committees of ABAG POWER, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.

(ii) Notices and Other Duties. Give, or cause to be given, notice of all meetings of the Board and Committees of ABAG POWER required by the Bylaws to be given. He or she has such other powers and perform such other duties as may be prescribed by the Board.

8.6.5. Chief Financial Officer. The Chief Financial Officer perform as follows:

(i) Books of Account. The Chief Financial Officer keeps and maintains, or causes to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of ABAG POWER, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account will be open to inspection by any director at all reasonable times.

(ii) Deposit and Disbursement of Money and Valuables. The Chief Financial Officer deposits all money and other valuables in the name and to the credit of ABAG POWER

with such depositories as may be designated by the Board; disburses the funds of ABAG POWER as may be ordered by the Board; renders to the directors, whenever they request it, an account of all of his/her transactions as Financial Officer and of the financial condition of ABAG POWER; and has other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) **Bond.** If required by the Board, the Chief Financial Officer will give ABAG POWER a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his/her office and for restoration to ABAG POWER of all its books, papers, vouchers, money, and other property of every kind in his/her possession or under his/her control on his/her death, resignation, retirement, or removal from office.

8.7. Fees and Compensation.

The officers may receive such reimbursement of expenses as may be determined by resolution of the Board to be just and reasonable.

ARTICLE 9 -- MEMBER INDEMNITY

Each Member hereby agrees to indemnify and hold harmless all other Members to the extent any liability is found or imposed against said Member pursuant to California Government Code Section 895.2.

ARTICLE 10 -- OBLIGATIONS OF PROGRAM PARTICIPANTS

10.1. Release and Indemnification.

Program participants will indemnify and save ABAG POWER and ABAG, their respective members, directors, officers and employees of each of the foregoing harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of

10.1.1. any bond or other debt instrument or evidence of indebtedness issued by ABAG POWER to pay for any costs, fees or expenses incurred, or to be incurred, in connection with the program,

10.1.2. any breach or default on the part of the participant in the performance of any of its obligations under the program, and

10.1.3. any act or negligence of the participant or of any of its agents, contractors, servants, employees or licensees with respect to the program, except for liability arising out of the willful misconduct, gross negligence, or breach of a contractual duty by ABAG POWER or ABAG, or their members or their officers, agents, employees, successors or assigns.

10.2. Payment of Costs and Expenses.

Program Participants are required to pay any and all costs and expenses involved in or associated in any way with their particular Program. This obligation survives termination of ABAG POWER.

ARTICLE 11 -- ADMISSION, WITHDRAWAL, SUSPENSION AND EXPULSION

11.1. Conditions for Admission of a New Member.

Each applicant for membership in ABAG POWER will meet the following minimum qualifications:

11.1.1. such new Member must be a public entity in the State of California and a member or cooperating member of ABAG;

11.1.2. adopt a resolution approving entry into ABAG POWER, designating a director, authorizing the execution of the JPA, and acknowledging these Bylaws;

11.1.3. approved for admission to ABAG POWER by a vote of at least two-thirds (2/3) of the authorized directors of the Board; and

11.1.4. paid such fees, expenses and costs as may be set by the Board.

11.2. Conditions to Permitting Withdrawal of a Member.

A Member may withdraw provided that the following conditions are satisfied:

11.2.1. such Member is not in default of any of its obligations to pay any costs or fees assessed by the Board;

11.2.2. such withdrawal will not cause ABAG POWER to be in default or breach of any agreement to which it is a party, or of any bond or other evidence of indebtedness issued by ABAG POWER;

11.2.3. not later than one hundred and eighty (180) days immediately preceding the effective date of such withdrawal, such Member has provided written notice to ABAG POWER of its intent to withdraw;

11.2.4. such withdrawal is effective on June 30; and

11.2.5. at least two (2) directors will be authorized after such withdrawal. In the event fewer than two (2) directors would be authorized, said Member may not withdraw until all principal of and interest on any and all bonds and other evidences of indebtedness issued by ABAG POWER have been paid in full. Notice to withdraw is revocable by the Member if such written revocation is received by ABAG POWER no later than December 1.

11.3. Conditions to Permitting Suspension of a Member.

ABAG POWER may suspend a Member from ABAG POWER subject to the following conditions:

11.3.1. the Member is in default under the terms of the JPA, these Bylaws, any contract executed by the Member in connection with any ABAG POWER program, any bond or other evidence of indebtedness for which the Member has agreed to assume responsibility, in whole or in part; and

11.3.2. ABAG POWER has given written notice of the default described in subsection 11.3.1. to the defaulting Member; and

11.3.3. not earlier than thirty (30) days after transmittal of the notice and not later than the sixty (60) days immediately preceding the effective date of such suspension, two-thirds (2/3) of the authorized directors votes to suspend said Member.

11.4. Conditions to Permitting Expulsion of a Member.

ABAG POWER may expel a Member from ABAG POWER subject to the following conditions:

11.4.1. the Member is in default under the terms of the JPA, these Bylaws, any contract executed by the Member in connection with any ABAG POWER program, any bond or other evidence of indebtedness for which the Member has agreed to assume responsibility, in whole or in part; and

11.4.2. ABAG POWER has given written notice of the default described in subsection 11.4.1. to the defaulting Member; and

11.4.3. not earlier than thirty (30) days after transmittal of the notice and not later than the sixty (60) days immediately preceding the effective date of such expulsion, two-thirds (2/3) of the authorized directors votes to expel said Member.

ARTICLE 12 -- FEES

12.1. Membership in ABAG POWER.

No fees may be assessed to join or continue membership in ABAG POWER.

12.2. Extraordinary Costs.

In the event ABAG POWER incurs any extraordinary or unanticipated costs, including, but not limited to, legal fees and/or litigation expenses, the Members will be assessed a fee or fees on a pro-rata basis as determined by the Board necessary to pay such extraordinary or unanticipated costs. This provision survives termination of ABAG POWER and/or each Member's participation in it.

ARTICLE 13 -- ADMINISTRATIVE AGENCY

ABAG is designated in the JPA as the administrative agency for ABAG POWER. As such, ABAG will provide necessary administrative services for ABAG POWER pursuant to a service agreement.

ARTICLE 14 -- PURCHASE OF INSURANCE

In conformance with the procedures and criteria developed by it, the Board may cause ABAG POWER to purchase commercial insurance or reinsurance or terminate commercial insurance or reinsurance upon a majority vote.

ARTICLE 15 -- EVENTS OF DEFAULT AND REMEDIES

15.1. Events of Default Defined.

The following are "events of default" under the JPA and these Bylaws, and the terms "events of default" and "default" means, whenever they are used in the JPA and these Bylaws, with respect to a Member, any one or more of the following events:

15.1.1. failure by such Member to observe and perform any covenant, condition or agreement on its part to be observed or performed under the JPA , to comply with these Bylaws or to comply with a ABAG POWER program requirement (including but not limited to any contract executed by the Member in connection with any program, any bond or other evidence of indebtedness for which the Member has agreed to assume responsibility, in whole or in part) other than as referred to in clause 15.1.2. of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to such Member by ABAG POWER or the Secretary; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, ABAG POWER, or the Secretary, as the case may be, will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Member within the applicable period and diligently pursued until the default is corrected. After such an extension, failure to diligently pursue or to achieve corrective action is a separate "event of default" under this clause requiring notice but not requiring that ABAG POWER consent to any extension.

15.1.2. non-payment of any fees assessed by the Board; or

15.1.3. the filing by such Member of a case in bankruptcy, or the subjection of any right or interest of such Member under the JPA or these Bylaws to any execution, garnishment or attachment, or adjudication of such Member as a bankrupt, or assignment by such Member for the benefit of creditors, or the entry by such Member into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Member in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar act which may hereafter be enacted.

15.2. Remedies on Default.

15.2.1. Whenever any event of default referred to in subsection 15.1.1. of this Article have occurs and is continuing, it will be lawful for ABAG POWER to exercise any and all remedies available pursuant to law or granted pursuant to the JPA and these Bylaws.

15.2.2. In the event that ABAG POWER elects to expel any defaulting Member, subject to the conditions described and in the manner provided in Section 11.4 of these Bylaws, the Member nevertheless agrees to pay ABAG POWER all costs, losses or damages arising or occurring as a result of such default and termination, and administrative and legal costs incurred in noticing the default and effecting the expulsion. No such expulsion becomes effective, by operation of law or otherwise, unless and until ABAG POWER has given written notice of such expulsion to the Member; no such expulsion will be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided; and no such expulsion terminates the obligation of the expelled Member to pay any fees assessed prior to such expulsion.

15.3. No Remedy Exclusive.

No remedy conferred herein upon or reserved to ABAG POWER is intended to be exclusive and every such remedy is cumulative and is in addition to every other remedy given under the JPA or these Bylaws, now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle ABAG POWER to exercise any remedy reserved to it in these Bylaws, it is not necessary to give any notice, other than such notice as may be required in these Bylaws or by law.

15.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event either ABAG POWER or a Member should be in default under any of the provisions of these Bylaws and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

15.5. No Additional Waiver Implied by One Waiver.

In the event any agreement contained in the JPA and these Bylaws should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

ARTICLE 16 -- TERMINATION

16.1. Time of Termination.

ABAG POWER may be terminated upon the written consent of all of the Members if the effective termination date and such written consents are delivered to ABAG POWER and the Secretary at least sixty (60) days prior to the effective termination date provided that all principal of and interest on any and all bonds and other evidences of indebtedness issued by ABAG POWER are paid in full.

16.2. Continuing Obligations.

After the termination date, ABAG POWER will continue to be obligated to pay, or cause to be paid any amounts due for winding up its affairs, including but not limited to any litigation costs and/or extraordinary costs associated with a financing transaction. After the effective

termination date, each Member has a continuing obligation to pay any fees assessed prior to the effective termination date.

16.3. Distribution of Assets.

In the event any assets remain after winding up the affairs of ABAG POWER, such sums will be distributed to the Association of Bay Area Governments.

ARTICLE 17 -- AMENDMENTS

17.1. Amendment by Directors.

Subject to the limitations set forth below, the Board may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:

17.1.1. The Board may not amend a Bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors.

17.1.2. If any provision of these Bylaws requires the vote of a larger proportion of directors than a simple majority, such provision may not be altered, amended or repealed except by vote of such larger number of directors.

17.1.3. The Board may not delete or amend Bylaw provisions requiring compliance with the JPA.

ARTICLE 18 -- RECORDS AND REPORTS

18.1. Maintenance of ABAG POWER Records.

ABAG POWER will keep:

18.1.1. Adequate and correct books and records of account; and

18.1.2. Minutes in written form of the proceedings of its Board, and committees of the Board.

All such records will be kept at ABAG POWER's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

18.2. Inspection Rights.

18.2.1. Any Member may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.

18.2.2. Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.

18.3. Maintenance and Inspection of JPA and Bylaws.

ABAG POWER will keep at its principal executive office the original or copy of the JPA and these Bylaws as amended to date, which will be open to inspection by ABAG POWER or any Member at all reasonable times during office hours.

18.4. Inspection by Directors.

Every director has the absolute right at any reasonable time to inspect all non-confidential books, records, and documents of every kind and the physical properties of ABAG POWER and each of its subsidiary Authorities. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

18.5. Financial Report.

18.5.1. As soon as possible after the close of ABAG POWER's fiscal year, the Board will cause an annual report prepared by a Certified Public Accountant to be sent to the governing body of each Member.

18.5.2. The report required by this section will be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized officer of ABAG POWER that such statements were prepared without audit from the books and records of ABAG POWER.

18.6. Fiscal Year.

ABAG POWER's fiscal year is July 1 to June 30.

ARTICLE 19 -- CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code will govern the construction of these Bylaws. Without limiting the generality of the above, the term "person" includes both ABAG POWER and a natural person and any capitalized term not defined in these Bylaws will have the meaning ascribed to it in the JPA.

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**ABAG PUBLICLY OWNED ENERGY RESOURCES
BOARD OF DIRECTORS
RESOLUTION NO. 01-16**

AMENDING SECTION 8.1 OF THE BYLAWS OF ABAG POWER

Whereas, pursuant to section 17.1 of the Bylaws of ABAG Publicly OWned Energy Resources (ABAG POWER), the Board of Directors of ABAG POWER may amend the Bylaws;

Whereas, section 8.1 of the Bylaws designates certain officers of the Association of Bay Area Governments (ABAG) as officers of ABAG POWER;

Whereas, ABAG and the Metropolitan Transportation Commission (MTC) are in the process of negotiating a consolidation of ABAG staff into MTC;

Whereas, after consolidation of the ABAG staff into MTC, the offices of the officers of ABAG designated in section 8.1 of the ABAG POWER Bylaws may be eliminated or consolidated;

Whereas, it is in the best interest of ABAG POWER to appoint its own officers.

Now therefore be it resolved that that the Board of Directors of ABAG POWER hereby:

(a) Amends section 8.1 of the ABAG POWER Bylaws by replacing it in its entirety with the following:

The officers of ABAG POWER are the Chair, Vice-Chair, President, Secretary and Chief Financial Officer/Treasurer. The Chair and Vice-Chair (elected officers) will be elected. All directors are eligible to serve as an elected officer. The Board of Directors, or the Executive Committee between meetings of the Board of Directors, will appoint a President, Chief Financial Officer and Secretary for ABAG POWER. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer/Treasurer may serve concurrently as the President.

(b) Appoints the following to the positions set forth opposite their names so long as said person is an ABAG employee:

Brad Paul, Deputy Director of ABAG	President
Courtney Ruby, Administrative Services and Finance Director	Chief Financial Officer
Gerald Lahr, Energy Programs Manager	Secretary

The foregoing was adopted by the Board of Directors this 19th day of October 2016.

Julia R. Bueren, Chair

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary of the ABAG Publicly OWned Energy Resources (ABAG POWER), do hereby certify that the foregoing resolution was adopted by the Board of Directors of ABAG POWER at a duly called meeting held on the 19th day of October 2016.

Gerald L. Lahr, Secretary

Approved as To Legal Form

Kenneth K. Moy, Legal Counsel



DATE: October 19, 2016
TO: ABAG POWER Board of Directors
FROM: Gerald L. Lahr, Manager, ABAG POWER
RE: **Staff Report on 2015-2016 Natural Gas Program**

Summary

Natural gas prices continued to decline during the fall and winter of 2015-16 – bottoming out at below \$2.00/Dth during the early spring.¹ While prices rebounded modestly during the summer to approximately \$3.00, they remain low by historic standards.

During the year ABAG POWER purchased approximately 26% of its gas with forward, fixed-price gas supply contracts, while additional amounts were purchased on the short-term market. The Program's gas costs ranged from a high of \$3.88/Dth in the summer of 2015, to a low of \$1.75/Dth for gas purchased on the spot market in March 2016. ABAG POWER's blend of long-term and short-term gas purchases resulted in a weighted average cost of gas for the year of \$2.50/Dth, representing a decrease of approximately 35% from the prior year. Ultimately, ABAG POWER's total annual weighted average price was approximately 7.7% higher than PG&E's similar total rate (GNR-1). Due to the Program's leveled billing structure and long-term purchasing strategy, ABAG POWER's monthly rates were more stable than PG&E's rates throughout the year.

Program Goals

Since 2002 the ABAG POWER Natural Gas Program has operated with the dual, and often competing, goals of *Cost Savings* and *Price Stability*.

- **Price Stability.** It is desirable that the Program's purchasing strategy and costs allocation methods be such that will provide members a reasonable degree of certainty of the costs to be shared within any given program year.
- **Cost Savings.** Given the desire for price stability, the Program shall attempt to provide gas procurement services for less than the equivalent services provided by the default provider (i.e. PG&E).

To meet these goals the program implemented a gas purchasing strategy that emphasized multiple layers of long-term, fixed-price contracts for a majority of its gas load, while the remaining portion of gas was purchased with short-term, indexed-based contracts. This strategy has generally resulted in positive savings during times of rising markets, and negative savings during falling markets, while maintaining price stability. In recent years however, additional costs associated with pipeline capacity

¹ Prices based on gas delivered to PG&E's distribution system ('PG&E Citygate').



allocations have eroded the program's savings. As a result of this, the Executive Committee has continued to evaluate and modify the gas purchasing strategy in an effort to meet the program goals.

During the past year ABAG POWER continued to purchase a majority of its gas in the shorter term market in order to take advantage of spot prices that may result in savings, while also locking in a couple of moderate term, fixed-price contracts to gain stability. The Committee will continue to evaluate this revised strategy during the upcoming year.

Fiscal Year 2015 – 16.

During the recently completed fiscal year, ABAG POWER purchased 26% of its gas with forward gas supply contracts.² The remaining gas requirements were purchased in monthly or daily blocks with the price tied to a market index.³ The Program's gas costs ranged from a high of \$3.88/Dth for monthly gas in July, August and September 2015, to a low of \$1.75/Dth for daily gas in March 2016. The Weighted Average Cost of Gas (WACOG) for the year was \$2.50/Dth. The Natural Gas Program's net savings for the year ending June 30, 2016 was -7.7%.

The program's monthly levelized rate remained static throughout the year, as compared to PG&E's core procurement rate (commodity only) which ranged from \$1.39 – 4.09/Dth.

Long Term Program Metrics.

ABAG POWER's average annual savings for the period July 2003 to June 2016 was -0.3%⁴ (does not include proceeds from 2009 gas litigation settlement: \$557,000). Throughout this period the Program's prices continued to be more stable than PG&E's. This is due to a strategy that relies more heavily on longer-term, fixed-price purchases, as well as the levelized billing system.

While ABAG POWER's fixed price contracts produce greater stability, and have avoided the significant price spikes seen over the past several years, at times these contract prices have been above the monthly and daily indices that are primarily followed by PG&E.

Operations and Billing.

Scheduling. ABAG POWER's gas scheduling agent remains DMJ Gas Marketing, which began providing services in of July 2013.

The program continues to schedule deliveries to take advantage of the transportation capacity that PG&E allocates to the program, when possible. As discussed in prior years, due to regulatory changes implemented in April 2012, the rules regarding the allocation of PG&E's pipeline capacity holdings have changed, and this has resulted in additional costs to the program. Several Core Transportation Agents (CTAs) joined forces to petition the California Public Utilities Commission (CPUC) to revise

² Contracts greater than one month in length. Purchases staged throughout the year.

³ National Gas Intelligence's (NGI's) monthly Bidweek index, or the Gas Daily's daily index for the appropriate delivery point.

⁴ Compared to PG&E's GNR-1 rate.



these regulations so that programs such as ABAG POWER's are not burdened with stranded costs as a result of PG&E's pipeline capacity contracts. To date, the regulatory efforts related to pipeline capacity have been unsuccessful; however, CTAs have succeeded in raising other issues at the CPUC which have resulted in positive changes. (See discussion below regarding PG&E storage allocation.)

Storage. Core aggregation programs such as ABAG POWER are required to maintain certain gas storage requirements throughout the year. For example, ABAG POWER is currently required to have approximately 600,000 therms of gas in storage at the start of the winter period (Nov. 1st). And, while ABAG POWER may meet this requirement by utilizing either PG&E storage or an independent storage provider, regulatory requirements currently stipulate that CTAs must pay for a portion of PG&E's storage capacity regardless of whether or not it is actually used. Because of this requirement to pay, ABAG POWER has used PG&E storage to meet its storage requirement in order to reduce stranded costs, even though alternate storage providers may be less expensive. However, due to recent regulatory efforts by CTAs, beginning in 2018, the minimum percentage of PG&E storage required to be held by CTAs will decline annually over a seven year period, ultimately transitioning to an option in 2025 for 100% self-management of storage through independent storage providers with no stranded costs.

Gas Purchase Agreements. ABAG POWER continues to seek out gas suppliers that may provide benefits to its portfolio. The program currently maintains master gas purchase contracts with the following suppliers:

- BP Energy
- Devlar Energy Marketing
- Macquarie Energy Group (new in 2016)
- Occidental Energy Marketing, Inc. (subsidiary of Occidental Petroleum)
- Pacific Summit Energy (subsidiary of Sumitomo Corp.)
- Shell Energy North America
- United Energy Trading (UET)
- Utility Resource Solutions (Spark Energy)

Noncore. The ABAG POWER natural gas pool includes three large-usage (noncore) accounts. Natural gas for these accounts is scheduled separately, although it is allocated from the same pooled purchases. Storage costs are not assigned to noncore accounts, so these accounts receive a slightly lower rate.

Billing. ABAG POWER continues to provide "ESP Consolidated Billing" services for all core accounts utilizing Electronic Data Interchange (EDI) processing. Under this option members receive only one bill with both ABAG POWER and PG&E charges. EDI processing is not available for noncore accounts, so these are billed using the "Dual Billing" option. Under Dual Billing PG&E sends a separate bill with just transportation and miscellaneous charges (i.e. no commodity charge).

ABAG POWER maintains its own internal accounting system that provides for "levelized" billing. Every member is invoiced each month for an amount that represents 1/12th of the annual cost estimate



for that member. Along with the monthly levelized invoice, the program sends each member a detailed report showing the actual usage for each account. After the end of the fiscal year the actual costs for each member are compared to the levelized billings, and a credit or charge is then applied to true-up any difference.

Financial

The total cost of the natural gas program for 2015-2016 decreased from the previous fiscal year by 8.5%: from \$6.2 million to \$5.7 million. This was primarily the result of lower gas commodity costs. The total gas consumption increased slightly from 6,841,820 therms to 6,855,304 (0.2%). A review of each major program cost element is summarized below:

Natural Gas Commodity Cost. The natural gas commodity cost decreased from \$3.0 million in 2014-15 to \$2.2 million for the 2015-2016 program year, and was the primary factor in the decrease in total program gas cost. The total was significantly below the originally budgeted amount of \$3.2 million.

The commodity portion of program costs is composed of: (1) natural gas purchases from gas suppliers for monthly consumption, (2) shrinkage, (3) required storage, and (4) additional costs to transport the gas to PG&E's distribution system. The natural gas commodity costs represented 40% of the total program costs for the year.

PG&E Pass-through Costs.⁵ A major cost of the natural gas program is the amount charged by PG&E for the distribution of natural gas to customers as well as other public benefit charges. These costs are charged by PG&E to all customers and are subject to regulation by the CPUC. During the past fiscal year these costs totaled approximately \$3.1 million (\$0.50/therm) representing an increase from the prior year of approximately 9%. The relative impact of the PG&E pass-through costs was 54% of total program costs.

Program Expenses. The remaining costs of the program are the expenses for program management, billing services, gas scheduling and administrative support, including financial and legal services. The cost of these services was \$349,633 or 6% of the total program cost.

Working Capital Deposits. The ABAG POWER natural gas program agreement requires that each new member of the program provide a deposit equal to two times their estimated monthly charges (Working Capital Deposit). These funds are kept on deposit, and are refunded to members if they leave the program. The total deposit amount is generally reviewed on an annual basis to ensure the program has adequate cash reserves to meet all its payment obligations.

As of June 30, 2016 the gas program had total Working Capital Deposits of: \$2,000,785 which represents 3.1 months' worth of currently budgeted expenditures. This is deemed sufficient, and as a result, additional working capital deposits are not anticipated during the current year.

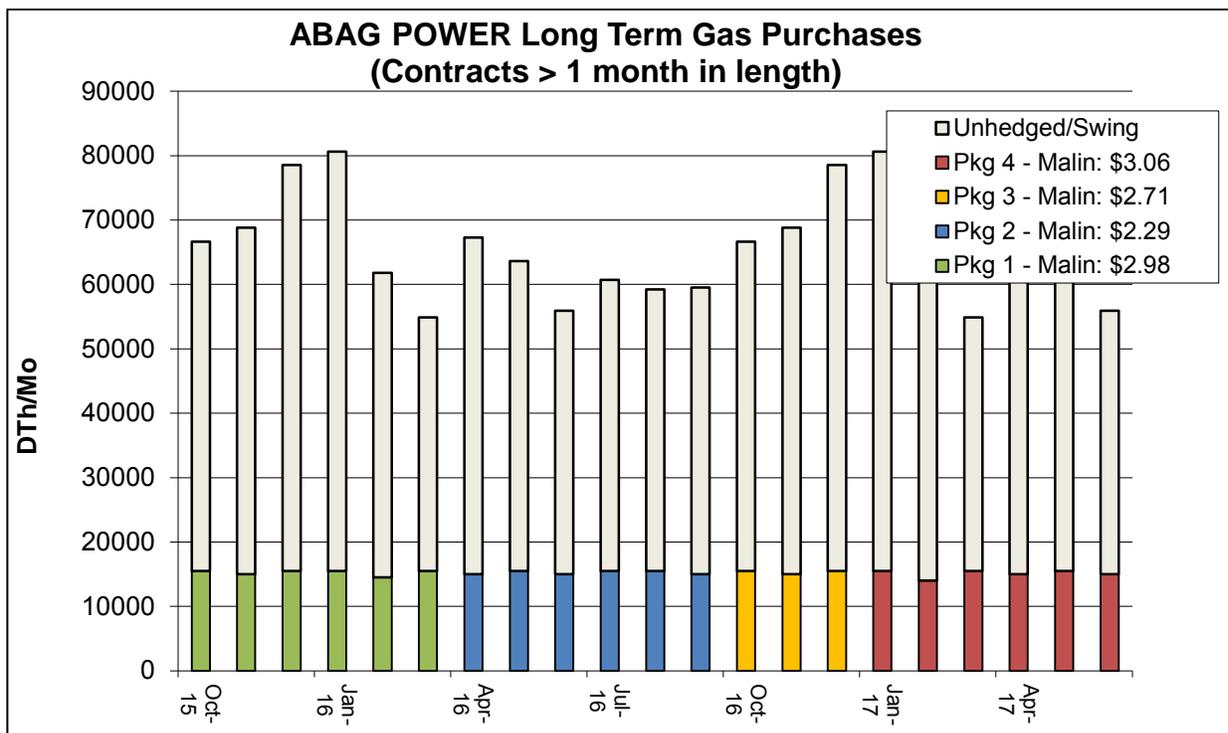
⁵ PG&E costs for noncore accounts are paid by the agency directly to PG&E, and are therefore not included in ABAG POWER's financial reports.



Conclusion

Recently gas prices have risen to the \$3.00 - \$3.50 range, and futures markets indicate that prices may continue to rise modestly into next year. In addition, market volatility has increased in recent months, although not yet to the levels witnessed during the 2013-14 winter. By its nature, volatility is always difficult to predict, and while not anticipated, the program should be prepared to deal with more lasting price increases as seen during the hurricane year of 2005 and the oil market climb in 2008.

The goals of ABAG POWER’s Natural Gas Program are to provide natural gas at a rate competitive with, or less than, the default provider (i.e. PG&E), while at the same time providing a rate that is stable and predictable. These goals require a balance between the need to have a substantial percentage of gas in long-term, fixed-price contracts or other hedge instrument, and the desire not to lock the program into higher than market rates. ABAG POWER currently maintains a hedged position of approximately 24% for FY 2016-17 (see chart below).



During the coming year we will continue to evaluate the Program’s gas purchasing strategy to best maximize the goals of the Program: *Cost Savings* and *Price Stability*. ABAG POWER will also be looking for opportunities to aid members and their constituents in all areas of energy management, as can be seen in the energy efficiency efforts of the *San Francisco Bay Area Regional Energy Network* (BayREN).

We look forward to working with you during the coming year to make this program responsive to the needs of its member agencies.

ABAG POWER Natural Gas Program
FY 2015-16 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 29	Mar 31	Apr 30	May 31	Jun 30	Total
Gas Purchases⁽¹⁾														
Purchase 1	Qty	15,500	15,373	15,000	15,308	14,996	15,493	15,500	14,500	15,500	15,000	15,500	14,676	182,346
	Price	\$3.88	\$3.88	\$3.88	\$2.98	\$2.98	\$2.98	\$2.98	\$2.98	\$2.98	\$2.29	\$2.29	\$2.29	
Purchase 2	Qty	18,817	18,127	17,612	18,600	18,205	18,808	18,817	17,603	27,993	37,000	35,600	17,380	264,562
	Price	\$2.77	\$2.72	\$2.63	\$2.29	\$2.21	\$2.21	\$2.32	\$1.82	\$1.91	\$1.97	\$1.96	\$2.39	
Purchase 3	Qty	8,350	3,950	4,100	7,700	27,800	37,325	41,600	35,100	18,290	17,700	17,859	27,107	246,881
	Price	\$3.21	\$3.22	\$3.13	\$2.89	\$2.72	\$2.57	\$2.61	\$2.13	\$1.58	\$1.74	\$1.78	\$2.63	
Purchase 4	Qty													0
	Price													
Purchase 5	Qty													0
	Price													
Total Quantity Purchased		42,667	37,450	36,712	41,608	61,001	71,626	75,917	67,203	61,783	69,700	68,959	59,163	693,789
Total Purchase Cost		\$139,162	\$121,612	\$117,289	\$110,463	\$160,571	\$183,607	\$198,318	\$149,872	\$128,698	\$137,991	\$137,185	\$146,487	\$1,731,257
Backbone Shrinkage (Dths)		(403)	(433)	(384)	(404)	(420)	(434)	(434)	(406)	(434)	(420)	(431)	(420)	
WACOG ⁽²⁾		\$3.29	\$3.29	\$3.23	\$2.68	\$2.65	\$2.58	\$2.63	\$2.24	\$2.10	\$1.99	\$2.00	\$2.49	\$2.50
Storage/Inventory														
Total Injections/ (Withdrawals)		0	1,413	(7,008)	1,146	(527)	(7,800)	(14,236)	(6,800)	(6,200)	0	0	1,508	(38,504)
Total Inventory Quantity (Dths)		63,720	65,133	58,125	59,271	58,744	50,944	36,708	29,908	23,708	23,708	23,708	25,216	
Total Inventory (\$)		\$252,740	\$257,393	\$229,697	\$233,397	\$231,322	\$200,606	\$144,544	\$117,766	\$93,339	\$93,339	\$93,339	\$97,102	
Avg. Inventory Rate (\$/Dth)		\$3.97	\$3.95	\$3.95	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.94	\$3.85	
Gas Program Monthly Expenses (from Financial Reports)														
Cost of Energy Used ⁽³⁾		\$ 167,357	\$ 120,667	\$ 171,529	\$ 132,926	\$ 189,358	\$ 245,357	\$ 286,783	\$ 208,442	\$ 153,125	\$ 163,559	\$ 162,762	\$ 259,800	\$ 2,261,664
Program Operating Expenses ⁽⁴⁾		26,879	32,916	30,730	33,477	19,940	23,150	29,675	34,037	29,608	30,444	24,154	29,028	344,038
Subtotal		\$ 194,236	\$ 153,584	\$ 202,259	\$ 166,403	\$ 209,298	\$ 268,507	\$ 316,458	\$ 242,479	\$ 182,733	\$ 194,003	\$ 186,915	\$ 288,827	\$ 2,605,701
Rate (\$/Dth)		\$4.64	\$3.92	\$5.14	\$3.57	\$3.05	\$2.97	\$3.66	\$3.60	\$2.86	\$3.69	\$3.84	\$7.12	\$3.80
PG&E Pass-through costs ⁽⁵⁾		153,297	152,983	132,969	161,361	198,079	379,109	508,773	351,662	384,505	303,322	223,717	102,958	3,052,736
Total ABAG POWER Cost		\$ 347,533	\$ 306,567	\$ 335,228	\$ 327,764	\$ 407,377	\$ 647,616	\$ 825,230	\$ 594,141	\$ 567,238	\$ 497,325	\$ 410,633	\$ 391,785	\$ 5,658,437
Actual (metered) Gas Usage														
Core ⁽⁶⁾		34,636	33,447	33,104	40,108	62,573	84,693	80,715	60,706	56,929	47,655	42,448	35,315	612,329
Non Core		7,206	5,774	6,211	6,550	6,042	5,588	5,751	6,691	6,986	4,949	6,199	5,256	73,201
Total Program Usage		41,842	39,221	39,315	46,658	68,615	90,281	86,466	67,397	63,916	52,604	48,646	40,571	685,530
ABAG POWER Total Core Rate		\$ 9.07	\$ 8.49	\$ 9.16	\$ 7.59	\$ 6.22	\$ 7.45	\$ 9.96	\$ 9.39	\$ 9.61	\$ 10.05	\$ 9.11	\$ 10.03	
PG&E Rate⁽⁷⁾														
Procurement Charge ⁽⁸⁾		3.08	3.88	3.11	3.11	3.70	3.80	3.76	4.09	1.39	2.21	2.51	1.95	
Transportation/Other Charge ⁽⁹⁾		4.43	4.57	4.02	4.02	3.17	4.48	6.30	5.79	6.75	6.36	5.27	2.92	
Total PG&E Rate		\$ 7.51	\$ 8.45	\$ 7.12	\$ 7.13	\$ 6.86	\$ 8.27	\$ 10.07	\$ 9.88	\$ 8.14	\$ 8.57	\$ 7.78	\$ 4.86	

ABAG POWER Natural Gas Program

FY 2015-16 Monthly Summary of Operations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Rate Comparison</u>													
Monthly Rate Difference (\$/Dth)	1.56	0.04	2.04	0.46	(0.65)	(0.82)	(0.10)	(0.49)	1.47	1.48	1.33	5.17	
Monthly Savings (\$)	(53,996)	(1,361)	(67,458)	(18,335)	40,595	69,828	8,416	29,825	(83,633)	(70,500)	(56,372)	(182,684)	
Cumulative 'Savings' (\$)	(53,996)	(55,357)	(122,814)	(141,150)	(100,555)	(30,727)	(22,311)	7,514	(76,119)	(146,619)	(202,991)	(385,675)	
Cumulative 'Savings' (%)	-20.8%	-10.2%	-15.8%	-13.3%	-6.7%	-1.4%	-0.7%	0.2%	-1.9%	-3.3%	-4.2%	-7.7%	
<u>Rate Comparison excluding Stranded Pipeline Capacity Costs</u>													
Standed Pipeline Capacity Costs	\$ 10,861	\$ 10,781	\$ 11,016	\$ 10,563	\$ 11,143	\$ 15,126	\$ 16,751	\$ 16,304	\$ 13,174	\$ 10,045	\$ 10,005	\$ 9,036	\$ 144,805
Monthly Savings	(45,005)	7,833	(58,182)	(9,256)	50,756	84,018	24,053	44,510	(71,899)	(61,399)	(47,641)	(174,819)	
Cumulative Savings (\$)	(45,005)	(37,173)	(95,354)	(104,610)	(53,854)	30,164	54,217	98,727	26,828	(34,571)	(82,212)	(257,031)	
Cumulative Savings (%)	-17.3%	-6.8%	-12.2%	-9.8%	-3.6%	1.4%	1.8%	2.7%	0.7%	-0.8%	-1.7%	-5.2%	
<u>Monthly Index Postings</u>													
NGI Bidweek for PG&E Citygate	\$3.16	\$3.25	\$3.10	\$3.07	\$2.67	\$2.64	\$2.82	\$2.49	\$1.98	\$1.90	\$2.08	\$2.05	
Gas Daily Avg. for PG&E Citygate	\$3.19	\$3.17	\$3.10	\$2.87	\$2.70	\$2.55	\$2.60	\$2.09	\$1.90	\$1.95	\$1.94	\$2.62	
NGI Bidweek for Malin	\$2.77	\$2.76	\$2.58	\$2.50	\$2.16	\$2.37	\$2.42	\$2.17	\$1.58	\$1.62	\$1.81	\$1.85	

Notes:

- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) Weighted Average Cost of Gas (WACOG) at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: October 19, 2016

TO: ABAG POWER Board of Directors

FROM: Courtney Ruby, ABAG Chief Financial Officer

RE: **Preliminary Financial Reports – June 2016**

We are happy to present the preliminary financial reports of the ABAG POWER JPA, for the fiscal year ending June 30, 2016. Highlights of these reports are summarized as follows:

As of June 30, 2016, the Natural Gas Pool had \$3.861 million in total assets, including the \$3.01 million investment in LAIF. Total assets decreased nearly \$0.6 million compared to the June 30, 2015 balance of \$4.440 million. This decrease in assets is the result of two primary factors: a decrease in Natural Gas Inventory and a decrease in an accrued Natural Gas Imbalance. Working Capital in the form of Client Deposits remains unchanged from the prior year at \$2 million.

In FY 2015-16, natural gas billings amounted to \$7.29 million, with \$1.63 million being classified as unearned energy revenues to be refunded to the members in FY 2016-17 (in the True-Up). Thus, the Income Statement reflects the net revenue from sale of energy of \$5.67 million. Interest income of \$14,663 will be included as part of the true-up adjustment to be applied in fiscal year 2016-17.

Revenues from sale of energy were 23 percent below budget, as a result of a combination of lower than expected energy usage, and declining unit cost of natural gas. Energy costs were 23% less than budgeted, for a favorable budget variance of \$1.54 million. Of the \$5.31 million spent on energy, 57 percent (\$3.05 million) was attributed to PG&E pass-through, up from 47% in fiscal year 2014-15.

Operating expenses were 20% below budget and \$26,700 below expenses for fiscal year 2014-15. Billing agent fees of negative \$1,223 are the net of fees of \$8,276 paid to Xebec Data Corp and Utility Management Services, and billing credits of \$9,499 received from PG&E.

The report of our independent auditors is expected in December. We do not anticipate any material adjustments to the preliminary financial statements presented in this report.

Attachments: Balance Sheet as of June 30, 2016
Income Statement for fiscal year ended June 30, 2016

INCOME STATEMENT

**ABAG Power Pool - Gas Pool
JUN-16 USD Final**

	FY Budget	Actual Year-to-date	% of Budget	Budget Balance
REVENUES				
SALE OF ENERGY	7,289,784.00	5,658,437.11	77.62%	1,631,346.89
INTEREST INCOME	9,000.00	14,663.59	162.93%	(5,663.59)
	-----	-----	-----	-----
TOTAL REVENUES	7,298,784.00	5,673,100.70	77.73%	1,625,683.30
	-----	-----	-----	-----
EXPENSES				
COST OF ENERGY				
COST OF ENERGY USED	3,216,688.00	2,261,663.77	70.31%	955,024.23
PG&E PASSTHROUGH	3,640,504.00	3,052,735.63	83.85%	587,768.37
	-----	-----	-----	-----
TOTAL COST OF ENERGY	6,857,192.00	5,314,399.40	77.50%	1,542,792.60
	-----	-----	-----	-----
CONSULTANT SERVICES				
LEGAL CONSULTANTS	15,000.00	0.00	0.00%	15,000.00
BILLING AGENT FEES	10,500.00	(1,222.94)	(11.65)%	11,722.94
SCHEDULING AGENT FEES	16,800.00	16,543.52	98.47%	256.48
ABAG FEES	390,292.00	334,312.43	85.66%	55,979.57
	-----	-----	-----	-----
TOTAL CONSULTANT SERVICES	432,592.00	349,633.01	80.82%	82,958.99
	-----	-----	-----	-----
OTHER DIRECT CHARGES				
INTEREST EXPENSE/BANK CHARGES	9,000.00	9,068.29	100.76%	(68.29)
	-----	-----	-----	-----
TOTAL OTHER DIRECT CHARGES	9,000.00	9,068.29	100.76%	(68.29)
	-----	-----	-----	-----
TOTAL EXPENSES	7,298,784.00	5,673,100.70	77.73%	1,625,683.30
	-----	-----	-----	-----
SURPLUS/(DEFICIT)	0.00	0.00	n/m	0.00
	-----	-----	-----	-----

BALANCE SHEET

ABAG POWER POOL - GAS POOL JUN-16 USD FINAL

	Total -----	Natural Gas -----	Electricity -----
ASSETS			
CASH IN BANK	627,060.50	627,060.50	0.00
LOCAL AGENCY INVEST. FUND	3,010,220.73	3,010,220.73	0.00
ACCT. REC. POWER POOL SALES	150,655.72	150,655.72	0.00
NATURAL GAS IMBALANCE	(27,927.95)	(27,927.95)	0.00
ACCR. INT. REC. LAIF	4,145.65	4,145.65	0.00
NATURAL GAS INVENTORY	97,101.68	97,101.68	0.00
	-----	-----	-----
TOTAL ASSETS	3,861,256.33	3,861,256.33	0.00
	=====	=====	=====
LIABILITIES			
ACCOUNTS PAYABLE	225,788.33	225,788.33	0.00
UNEARNED ENERGY REVENUES	1,634,682.89	1,634,682.89	0.00
WORKING CAPITAL CLIENT DEPOSITS	2,000,785.11	2,000,785.11	0.00
	-----	-----	-----
TOTAL LIABILITIES	3,861,256.33	3,861,256.33	0.00
	-----	-----	-----
FUND EQUITY			
GENERAL EQUITY			
CURRENT YEAR SURPLUS/(DEFICIT)	0.00	0.00	0.00
	-----	-----	-----
TOTAL GENERAL EQUITY	0.00	0.00	0.00
	-----	-----	-----
TOTAL FUND EQUITY	0.00	0.00	0.00
	-----	-----	-----
TOTAL LIABILITIES AND FUND EQUITY	3,861,256.33	3,861,256.33	0.00
	=====	=====	=====



ABAG POWER Proposed Executive Committee		FY 2016-17
Name	Title	Member Agency
Angela Walton	DIMO Administrative Manager	City of Richmond
Chris Schroeder	Purchasing Officer	City of Milpitas
Dave Brees	Special Projects Manager	City of Los Altos
Julie Bueren	Director of Public Works	County of Contra Costa
Mintze Cheng	Director of Public Works	City of Union City
Tonya Gilmore	Senior Management Analyst	City of Orinda

The ABAG POWER Executive Committee oversees all aspects of the administration and operation of the ABAG POWER Joint Powers Authority (JPA), including energy programs that directly affect the member agencies. Currently, this primarily consists of the natural gas aggregation program and our efforts to adapt the program to California’s ambitious environmental goals within an ever-changing regulatory landscape. The Executive Committee approves the budget and sets the strategic direction for all program activities.

Executive Committee members can also expect to be involved in discussions regarding Community Choice Aggregation, regional energy efficiency efforts, solar photovoltaic adoption, and opportunities to add value to the program to ensure its viability as an alternative to Pacific Gas & Electric.

ABAG POWER values and encourages active participation from member agencies. For this reason, we invite you to send us an email at power@abag.ca.gov if you are interested in learning more about the program or opportunities to join the Executive Committee.