



**ABAG POWER  
ANNUAL BOARD MEETING**

**October 25, 2012 (10:30 a.m. to 1:00 p.m.)**

**Association of Bay Area Governments  
Joseph P. Bort MetroCenter Auditorium  
101 Eighth Street, Oakland, CA 94607**

**Chairman: Christopher Schroeder**

1. **Welcome** Schroeder  
ATTACHMENT A - ABAG POWER JPA MEMBER LIST
  2. **Public Comments** Schroeder
  3. **Approval of Minutes from October 27, 2011 Annual Board Meeting** Schroeder **Action**  
ATTACHMENT 3A - MINUTES OF OCTOBER 27, 2011
  4. **Election of ABAG POWER Officers (Chair and Vice Chair)** Schroeder **Action**  
ATTACHMENT 4A - PROPOSED EXECUTIVE COMMITTEE FOR FY 12-13
  5. **Staff Report and Review of Natural Gas Program** Lahr **Info.**  
Staff will report the results of the Natural Gas Program for the 2011 – 2012 fiscal year, as well as provide multi-year review of the Program.  
ATTACHMENT 5A - STAFF REPORT ON NATURAL GAS PROGRAM  
ATTACHMENT 5B - SUMMARY OF NATURAL GAS PROGRAM  
ATTACHMENT 5C – MEMO: NATURAL GAS PIPELINE CAPACITY COSTS
  6. **Financial Review** Pike **Info.**  
Staff will review preliminary financial statements for FY 2011-12  
ATTACHMENT 6A - FINANCIAL REPORTS MEMO  
ATTACHMENT 6B.1.2. – PRELIMINARY FINANCIAL REPORTS
  7. **ABAG Energy Programs** Lahr **Info.**  
Staff will provide a review of the Retrofit Bay Area program, as well as a status update of other ABAG energy projects. In addition, staff will discuss ABAG's proposal to implement a Bay Area Regional Energy Network.  
ATTACHMENT 7A – ABAG ENERGY PROGRAMS SUMMARY
- Break for Lunch**
8. **Guest Speaker – Rafael Reyes, Executive Director, Bay Area Climate Collaborative** Info.  
Discussion of recent Electric Vehicle activities and planning in the Bay Area.
  9. **Closed Session** Moy **Info.**  
The following item will be discussed in closed session, pursuant to the requirements of the Ralph M. Brown Act. All reportable actions will be announced in open session prior to the adjournment of the meeting.

Conference with Legal Counsel – Anticipated Litigation [Govt. C. Sec. 54956.9(c)]

**Adjourn approximately 1:00 p.m.**

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



# SUMMARY MINUTES

**ABAG POWER Annual Board of Directors' Meeting 2011**

October 27, 2011

Joseph P Bort MetroCenter

101 Eighth Street, Oakland, CA 94607-4756

## **WELCOME**

Chairman Chris Schroeder opened the meeting of the ABAG POWER Board of Directors' with introductions at 10:30 a.m.

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

### **Jurisdictions Represented**

City of El Cerrito  
City of Half Moon Bay  
City of Los Altos  
City of Millbrae  
City of Milpitas  
City of Oakland  
City of Orinda  
City of Pleasanton  
City of Richmond  
City of Santa Rosa  
City of Union City  
County of Napa  
County of San Mateo  
County of Santa Clara  
Golden Gate Bridge & Highway District  
Hayward Area Recreational District  
(H.A.R.D.)  
Housing Authority for the County of Alameda  
RAFC  
Town of Moraga  
Vallejo Sanitation and Flood Control District

### **Guest Present**

Karen Kho

### **Staff:**

Ezra Rapport  
Herbert Pike  
Jerry Lahr  
Vina Maharaj  
Kenneth Moy

### **Representatives**

Maria Sanders  
Laura Snideman  
Dave Brees  
Ron Popp  
Chris Schroeder  
Scott Wentworth  
Monica Pacheco  
Laura Ryan  
Angela Rush  
Mark Armstrong  
Richard Sealana  
Steve Lederer  
Doeg Koenig  
Brad Vance  
Jennifer Mennucci  
Karl Zabel  
Tom Makin  
Robert Hoffman  
Stephanie Hom  
Ron Matheson

StopWaste.org

ABAG  
ABAG  
ABAG POWER  
ABAG POWER  
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 2010-11 Executive Committee and the ABAG POWER Staff.

**PUBLIC COMMENTS**

There were no public comments.

**APPROVAL OF SUMMARY MINUTES OF OCTOBER 28, 2010 ANNUAL BOARD MEETING**

Motion was made by Sealana/S/Popp/17:0:0/C/ to approve the Summary Minutes of October 28, 2010 ABAG POWER Annual Board of Directors' meeting.

**ELECTION OF ABAG POWER OFFICERS (CHAIR AND VICE CHAIR)**

Motion was made by Mennucci/S/Popp/17:0:0/C/ to elect Chris Schroeder of the City of Milpitas as Chairman and Richard Sealana as Vice-Chairman of the ABAG POWER Executive Committee for program year 2011-12.

**RATIFICATION OF ABAG POWER EXECUTIVE COMMITTEE**

Motion was made by Pacheco/S/Snideman/17:0:0/C/to approve the proposed ABAG POWER Executive Committee for program year 2011-2012 as follows:

- Mark Armstrong, City of Santa Rosa
- Beth Balita, County of Contra Costa
- Ron Popp, City of Millbrae
- Angela Rush, City of Richmond
- Chris Schroeder, City of Milpitas
- Richard Sealana, City of Union City
- John Stier, City of Hercules

**STAFF REPORT AND REVIEW OF NATURAL GAS PROGRAM**

Lahr provided an in-depth report on the operations of the Natural Gas Program for the 2010-11 fiscal year. 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 \$5.08/Dth, representing a decrease of approximately 18% over the prior year. ABAG POWER's annual weighted average price was approximately 1.1% higher than PG&E's similar total rate (GNR-1). 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.



## FINANCIAL REVIEW

Herbert Pike presented the preliminary financial reports for fiscal year ending June 30, 2011. Auditors were in the process of auditing the financial statements, which will be available by December, 2011.

## UPDATE ON OTHER ENERGY PROGRAMS

Lahr provided a status update on various energy efficiency and sustainability programs being undertaken by ABAG as follows:

- ABAG Green Communities with PG&E
  - GHG Emissions Inventory Assistance
  - Energy Use Benchmarking
- Energy Upgrade California (Retrofit Bay Area)
- DOE Better Buildings Program (BBP)
- Electric Vehicle (EV)
  - EV Streamlining
  - EV Corridor

## GUEST SPEAKER – Karen Kho – Alameda County Waste Mgmt. Authority (StopWaste.org) Senior Program Manager

Kho discussed StopWaste.org's regional energy and sustainability programs and how they interact with various statewide programs.

## ELECTRIC VEHICLE (EV) PROGRAMS.

Lahr discussed ABAG's initiatives related to electric vehicles.

- EV Streamlining
  - Develop and disseminate guidelines for EV infrastructure deployment by local and regional agencies.
    - Building code amendments to reduce the cost of EV connections in residences
    - Public works guidelines to reduce the cost of EV connections in publicly-accessible locations, Streamlined permitting processes.
- EV Corridor
  - Establish the greater SF Bay Area as an EV Leader by accelerating the deployment of EV-ready infrastructure.
    - Address the needs of the “garageless” EV driver
    - Provide EV drivers with the ability to travel across the region without “range anxiety”.

## ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:00 p.m.

/vm

\*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.

**Proposed Executive Committee for FY 2012 – 2013**

- Mark Armstrong, City of Santa Rosa
- Julie Beurren, County of Contra Costa
- Angela Rush, City of Richmond
- Laura Ryan, City of Pleasanton
- Christopher Schroeder, City of Milpitas
- Richard Sealana, City of Union City

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

**Agenda Item 5A**



DATE: October 25, 2012

TO: ABAG POWER Board of Directors

FROM: Gerald L. Lahr, Manager, ABAG POWER

RE: **Staff Report on 2011-2012 Natural Gas Program**

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### Summary

Near-term, market-rate natural gas prices declined for most of the year – beginning in the mid-\$4.00 range and bottoming out in April-May in the mid-\$2.00 range. Recently prices have rebounded to approximately \$3.50/Dth. While prices fluctuated somewhat throughout the year, overall the market volatility has remained less than in previous years.

During the year, ABAG POWER purchased 41.5% of its gas with forward gas supply contracts, while additional amounts were purchased on the short-term market. During the year the Program's gas costs ranged from a high of \$5.90/Dth as part of a long-term contract, to a low of \$2.32/Dth purchased on the spot market. ABAG POWER's blend of long-term and short-term gas purchases resulted in a weighted average cost of gas for the year of \$4.06/Dth, representing a decrease of approximately 20% over the prior year. Ultimately, ABAG POWER's annual weighted average price was approximately 1.7% lower than PG&E's similar total rate (GNR-1). 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.

### 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 has implemented a gas purchasing strategy that emphasizes multiple layers of long-term, fixed-price contracts for a majority of its gas load, while the remaining portion of gas is 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.

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**Agenda Item 5A**



The general gas purchasing strategy established by the Executive Committee is as follows:

- Purchase up to three-year, fixed-price contract(s) for up to 40% of the current gas requirements.
- Purchase up to one-year, fixed-price contracts for up to 30% of the current gas requirements.
- Purchase the remaining gas requirements based on a monthly or daily index that will float with the market price of gas.

During the past year ABAG POWER purchased a majority of its gas in the shorter term market in order to take advantage of lower spot prices, and also locked in a couple of longer term contracts to gain future stability while the market is at a relative low.

### **Fiscal Year 2011 – 12.**

During the recently completed fiscal year, ABAG POWER purchased 41.5% of its gas with forward gas supply contracts.<sup>1</sup> The remaining gas requirements were purchased in monthly or daily blocks with the price tied to a market index.<sup>2</sup> During the year the Program's gas costs ranged from a high of \$5.90/Dth for gas tied to a long term contract, to a low of \$2.32/Dth for daily gas in May.<sup>3</sup> The Natural Gas Program's net savings for the year ending June 30, 2011 was 1.7%.

The program's total monthly levelized rate (gas commodity and distribution) remained static throughout the year, as compared PG&E's similar (GNR-1) rate which ranged from \$6.20 – 3.22/Dth.

### **Long Term Program Metrics.**

During the period January 2003 – June 2012 ABAG POWER realized a total average gas savings<sup>4</sup> of -2.9% (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 are above the monthly and daily indices that are primarily followed by PG&E.

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<sup>1</sup> Contracts greater than one month in length. Purchases staged throughout the year.

<sup>2</sup> National Gas Intelligence's (NGI's) monthly Bidweek index, or the Gas Daily's daily index for the appropriate delivery point.

<sup>3</sup> Gas priced at PG&E Citygate.

<sup>4</sup> Compared to PG&E's GNR-1 rate.

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

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**Agenda Item 5A**



### **Operations and Billing.**

**Scheduling.** For the past four years ABAG POWER has utilized Golden Valley Gas Services (GVGS) as its gas scheduling and balancing agent. This is the final year of a contract extension with GVGS, and it is expected that this contract will be re-bid in the Spring.

The program continues to schedule deliveries to take full advantage of the preferential transportation capacity that PG&E is required to offer to the program. However, it should be noted that 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) have joined forces to petition the California Public Utilities Commission (CPUC) to revise 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. (See separate memo for additional information.)

**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:

- Allied Energy Resources
- BP Energy
- Cook Inlet Energy Supply
- Shell Energy North America (formerly Coral Energy)
- Occidental Energy Marketing, Inc. (subsidiary of Occidental Petroleum)
- Pacific Summit Energy (subsidiary of Sumitomo Corp.)
- Sierra Southwest (Touchstone Energy Cooperative)
- 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.** Core aggregation programs such as ABAG POWER are required to maintain certain gas storage requirements throughout the year. For example, ABAG POWER is required to have approximately 800,000 therms of gas in storage at the start of the winter period (Nov. 1<sup>st</sup>). During the past two storage cycles,<sup>5</sup> ABAG POWER has chosen to contract with a third-party storage facility (Wild Goose Storage) for a majority of its storage requirement (80%) in order to save costs, while the Program continues to utilize PG&E's storage facilities for a minority of its storage requirement (20%) to retain operational flexibility.

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<sup>5</sup> Annual Storage Cycle: April - March

# MEMORANDUM

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### Agenda Item 5A



**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 1/12<sup>th</sup> 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 2011-2012 decreased from the previous fiscal year by 8.6%: from \$7.6 million to \$6.9 million. This was primarily the result of a decrease in the Program’s total gas commodity expense. Contributing to this decrease was a small reduction in gas consumption of 0.7%. A review of each major program cost element is summarized below:

**Natural Gas Commodity Cost.** The natural gas commodity cost decreased from \$4.7 million in 2010-11 to \$3.8 million for the 2011-2012 program year. This total was significantly below the originally budgeted amount of \$5.3 million, and was the primary reason for the decrease in total program gas cost. Total gas consumption decreased from 9,156,150 to 9,094,530 therms (0.7%) contributing to this reduction.

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 55% of the total program costs for the year

**Transportation and Distribution Costs.**<sup>6</sup> A major cost of the natural gas program is the amount charged for the transportation and distribution of natural gas to customers. During the past fiscal year these costs totaled approximately \$2.8 million representing an 11% increase from the prior year. The great majority of the transportation and distribution (T&D) costs are charged by PG&E to all customers and are subject to regulation by the CPUC (“PG&E Passthrough” costs). A small portion (approximately 3%) of the Program’s transportation costs vary depending on the path used to deliver the gas onto PG&E’s distribution system, and are included as a “Cost of Energy Used” for financial reporting. During the past year the relative impact of the T&D costs was 40% of total program costs.

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<sup>6</sup> Distribution costs for noncore accounts are paid by the agency directly to PG&E, and are therefore not included in ABAG POWER’s financial reports.

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

### Agenda Item 5A



**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 approximately \$345,000 or about 5% 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 with the program 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, 2012 the gas program had total Working Capital Deposits of: \$2,020,437, which represents 3.3 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.

### Conclusion

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 large percentage of gas in long-range, 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 34% for FY 2012-13 (see chart below).

# MEMORANDUM

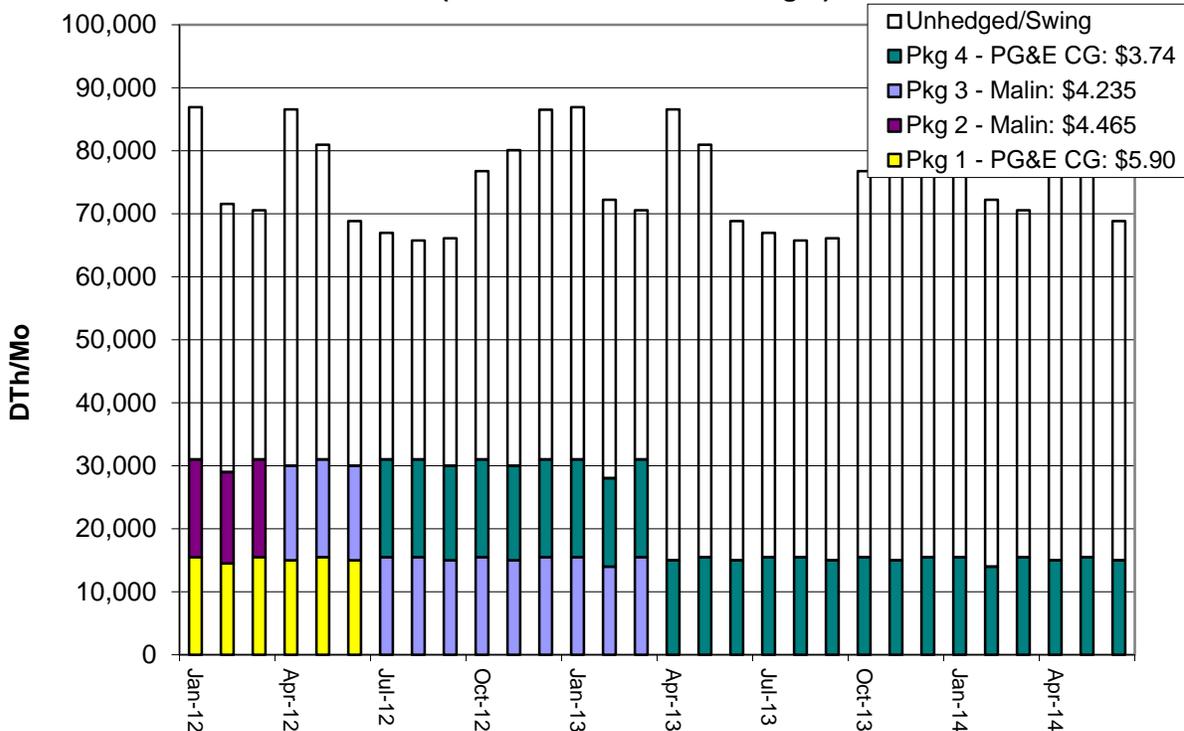
## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

### Agenda Item 5A



**ABAG POWER Long Term Gas Purchases  
(Contracts > 1 month in length)**



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 in all areas of energy management such as the recently proposed *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.

/vm

## Agenda Item 5B

### ABAG POWER Natural Gas Program

FY 2011-12 Monthly Summary of Operations

|  | days/mo. | <u>Jul</u><br><u>31</u> | <u>Aug</u><br><u>31</u> | <u>Sep</u><br><u>30</u> | <u>Oct</u><br><u>31</u> | <u>Nov</u><br><u>30</u> | <u>Dec</u><br><u>31</u> | <u>Jan</u><br><u>31</u> | <u>Feb</u><br><u>29</u> | <u>Mar</u><br><u>31</u> | <u>Apr</u><br><u>30</u> | <u>May</u><br><u>31</u> | <u>Jun</u><br><u>30</u> | <u>Total</u> |
|--|----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| <b>Gas Purchases<sup>(1)</sup></b>                           |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Purchase 1   | Qty      | 15,500                  | 15,410                  | 15,000                  | 15,500                  | 15,000                  | 15,500                  | 15,500                  | 14,500                  | 15,500                  | 15,000                  | 15,309                  | 14,832                  | 182,551      |
|  | Price    | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.47                  | \$4.24                  | \$4.24                  | \$4.24                  |              |
| Purchase 2   | Qty      | 15,500                  | 15,500                  | 15,000                  | 15,500                  | 15,000                  | 15,500                  | 15,500                  | 14,500                  | 15,500                  | 15,000                  | 15,500                  | 15,000                  | 183,000      |
|  | Price    | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  | \$5.90                  |              |
| Purchase 3   | Qty      | 25,699                  | 25,457                  | 24,810                  | 25,637                  | 15,000                  | 26,350                  | 29,450                  | 27,550                  | 25,699                  | 24,870                  | 24,615                  | 24,587                  | 299,724      |
|  | Price    | \$4.28                  | \$4.16                  | \$3.81                  | \$3.78                  | \$3.87                  | \$3.88                  | \$3.42                  | \$3.04                  | \$2.46                  | \$2.05                  | \$1.89                  | \$2.43                  |              |
| Purchase 4   | Qty      | 7,675                   | 7,950                   | 5,475                   | 17,750                  | 28,400                  | 43,000                  | 30,825                  | 18,225                  | 15,325                  | 24,700                  | 12,600                  | 4,450                   | 216,375      |
|  | Price    | \$4.62                  | \$4.31                  | \$4.33                  | \$3.76                  | \$3.89                  | \$3.61                  | \$3.15                  | \$2.91                  | \$2.56                  | \$2.44                  | \$2.73                  | \$2.66                  |              |
| Purchase 5   | Qty      |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         | 0            |
|  | Price    |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Total Quantity Purchased                                     |          | 64,374                  | 64,317                  | 60,285                  | 74,387                  | 73,400                  | 100,350                 | 91,275                  | 74,775                  | 72,024                  | 79,570                  | 68,024                  | 58,869                  | 881,650      |
| Total Purchase Cost  |          | \$306,088               | \$300,452               | \$273,604               | \$324,131               | \$324,055               | \$418,332               | \$358,414               | \$287,085               | \$262,971               | \$263,333               | \$237,248               | \$222,884               | \$3,578,598  |
| Backbone Shrinkage (Dths)                                    |          | (341)                   | (350)                   | (330)                   | (341)                   | (150)                   | (155)                   | (155)                   | (145)                   | (434)                   | (420)                   | (430)                   | (420)                   |              |
| WACOG <sup>(2)</sup>   |          | \$4.78                  | \$4.70                  | \$4.56                  | \$4.38                  | \$4.42                  | \$4.18                  | \$3.93                  | \$3.85                  | \$3.67                  | \$3.33                  | \$3.51                  | \$3.81                  | \$4.06       |
| <b>Storage/Inventory</b>                                     |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Total Injections/ (Withdrawals)                              |          | 9,300                   | 9,288                   | 9,000                   | 9,188                   | (10,000)                | (12,000)                | (15,000)                | (13,550)                | (13,473)                | 9,000                   | 9,300                   | 8,549                   | (398)        |
| Total Inventory Quantity (Dths)                              |          | 51,547                  | 60,835                  | 69,835                  | 79,023                  | 69,023                  | 57,023                  | 42,023                  | 28,473                  | 15,000                  | 24,000                  | 33,300                  | 41,849                  |              |
| Total Inventory (\$)   |          | \$256,474               | \$300,100               | \$341,167               | \$381,382               | \$334,912               | \$279,148               | \$209,443               | \$146,477               | \$83,895                | \$113,838               | \$146,443               | \$179,041               |              |
| Avg. Inventory Rate (\$/Dth)                                 |          | \$4.98                  | \$4.93                  | \$4.89                  | \$4.83                  | \$4.85                  | \$4.90                  | \$4.98                  | \$5.14                  | \$5.59                  | \$4.74                  | \$4.40                  | \$4.28                  |              |
| <b>Gas Program Monthly Expenses (from Financial Reports)</b> |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Cost of Energy Used <sup>(3)</sup>                           |          | \$ 277,804              | \$ 272,898              | \$ 248,568              | \$ 300,019              | \$ 380,990              | \$ 484,662              | \$ 438,658              | \$ 360,458              | \$ 341,576              | \$ 249,073              | \$ 220,799              | \$ 216,086              | \$ 3,791,592 |
| Program Operating Expenses <sup>(4)</sup>                    |          | 24,857                  | 30,825                  | 33,509                  | 31,786                  | 26,620                  | 29,912                  | 17,716                  | 27,889                  | 27,681                  | 28,850                  | 29,733                  | 35,234                  | 344,611      |
| Subtotal   |          | \$ 302,662              | \$ 303,723              | \$ 282,077              | \$ 331,805              | \$ 407,610              | \$ 514,574              | \$ 456,374              | \$ 388,347              | \$ 369,257              | \$ 277,923              | \$ 250,532              | \$ 251,320              | \$ 4,136,203 |
| Rate (\$/Dth)  |          | \$5.46                  | \$5.16                  | \$5.05                  | \$5.09                  | \$4.91                  | \$4.70                  | \$4.37                  | \$4.37                  | \$3.99                  | \$3.71                  | \$3.90                  | \$4.43                  | \$4.55       |
| PG&E Pass-through costs <sup>(5)</sup>                       |          | 141,345                 | 132,446                 | 161,639                 | 128,089                 | 285,042                 | 255,878                 | 375,059                 | 339,782                 | 294,584                 | 282,718                 | 208,508                 | 157,115                 | 2,762,206    |
| Total ABAG POWER Cost  |          | \$ 444,007              | \$ 436,169              | \$ 443,716              | \$ 459,894              | \$ 692,653              | \$ 770,453              | \$ 831,433              | \$ 728,129              | \$ 663,841              | \$ 560,640              | \$ 459,040              | \$ 408,435              | \$ 6,898,408 |
| <b>Actual (metered) Gas Usage</b>                            |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Core <sup>(6)</sup>  |          | 43,329                  | 45,552                  | 44,413                  | 52,793                  | 74,223                  | 99,140                  | 94,922                  | 79,835                  | 83,923                  | 65,231                  | 54,161                  | 47,429                  | 784,952      |
| Non Core   |          | 12,061                  | 13,362                  | 11,480                  | 12,429                  | 8,726                   | 10,279                  | 9,566                   | 8,961                   | 8,679                   | 9,687                   | 10,028                  | 9,243                   | 124,501      |
| Total Program Usage  |          | 55,391                  | 58,914                  | 55,892                  | 65,222                  | 82,949                  | 109,419                 | 104,489                 | 88,796                  | 92,602                  | 74,917                  | 64,189                  | 56,672                  | 909,453      |
| ABAG POWER Total Core Rate                                   |          | \$ 8.73                 | \$ 8.06                 | \$ 8.69                 | \$ 7.51                 | \$ 8.75                 | \$ 7.28                 | \$ 8.32                 | \$ 8.63                 | \$ 7.50                 | \$ 8.04                 | \$ 7.75                 | \$ 7.75                 |              |
| <b>PG&amp;E Rate<sup>(7)</sup></b>                           |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Procurement Charge <sup>(8)</sup>                            |          | 6.20                    | 5.66                    | 5.59                    | 5.15                    | 4.89                    | 5.00                    | 4.75                    | 5.05                    | 3.74                    | 3.22                    | 3.29                    | 4.27                    |              |
| Transportation/Other Charge <sup>(9)</sup>                   |          | 3.26                    | 2.91                    | 3.64                    | 2.43                    | 3.84                    | 2.58                    | 3.95                    | 4.26                    | 3.51                    | 4.33                    | 3.85                    | 3.31                    |              |
| Total PG&E Rate  |          | \$ 9.47                 | \$ 8.57                 | \$ 9.23                 | \$ 7.58                 | \$ 8.73                 | \$ 7.58                 | \$ 8.70                 | \$ 9.31                 | \$ 7.25                 | \$ 7.56                 | \$ 7.14                 | \$ 7.58                 |              |
| <b>Rate Comparison</b>                                       |          |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |              |
| Monthly Rate Difference (\$/Dth)                             |          | (0.74)                  | (0.50)                  | (0.55)                  | (0.07)                  | 0.02                    | (0.29)                  | (0.38)                  | (0.68)                  | 0.25                    | 0.49                    | 0.61                    | 0.17                    |              |
| Monthly Savings (\$)   |          | 32,058                  | 22,998                  | 24,259                  | 3,554                   | (1,766)                 | 29,100                  | 36,442                  | 54,371                  | (21,197)                | (31,704)                | (33,101)                | (7,874)                 |              |
| Cumulative 'Savings' (\$)                                    |          | 32,058                  | 55,056                  | 79,315                  | 82,868                  | 81,103                  | 110,203                 | 146,645                 | 201,015                 | 179,818                 | 148,114                 | 115,014                 | 107,139                 |              |
| Cumulative 'Savings' (%)                                     |          | 7.8%                    | 6.9%                    | 6.6%                    | 5.1%                    | 3.6%                    | 3.7%                    | 3.8%                    | 4.4%                    | 3.5%                    | 2.6%                    | 1.9%                    | 1.7%                    |              |

**ABAG POWER Natural Gas Program**

FY 2011-12 Monthly Summary of Operations

|                                  | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Total</u> |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <b>Storage Gas Accounting</b>    |            |            |            |            |            |            |            |            |            |            |            |            |              |
| Beginning Quantity               |            |            |            |            |            |            |            |            |            |            |            |            | 42,247       |
| Average Price                    |            |            |            |            |            |            |            |            |            |            |            |            | \$5.02       |
| <b>Monthly Index Postings</b>    |            |            |            |            |            |            |            |            |            |            |            |            |              |
| NGI Bidweek for PG&E Citygate    | \$4.60     | \$4.54     | \$4.19     | \$4.15     | \$3.86     | \$3.87     | \$3.41     | \$3.03     | \$2.83     | \$2.50     | \$2.33     | \$2.81     |              |
| Gas Daily Avg. for PG&E Citygate | \$4.60     | \$4.30     | \$4.29     | \$3.74     | \$3.86     | \$3.60     | \$3.11     | \$2.91     | \$2.52     | \$2.38     | \$2.74     | \$2.77     |              |
| NGI Bidweek for Malin            | \$4.26     | \$4.14     | \$3.79     | \$3.76     | \$3.51     | \$3.52     | \$3.16     | \$2.70     | \$2.44     | \$2.04     | \$1.88     | \$2.42     |              |

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

**Agenda Item 5C**



DATE: October 17, 2012

TO: ABAG POWER Board of Directors

FROM: Gerald L. Lahr, Manager, ABAG POWER

RE: **Natural Gas Pipeline Capacity Costs**

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California's "core aggregation" program provides retail choice in the core natural gas market by allowing core customers to purchase gas directly from competitive suppliers (Core Transportation Agents or CTAs) rather than from investor owned utilities (IOUs) such as PG&E. Since the institution of the core aggregation program, CTAs have steadily gained a customer base throughout PG&E's service territory. In fact, CTAs have gained market share now approaching fifteen percent of PG&E's core market. CTAs and PG&E operations are regulated by the California Public Utilities Commission (CPUC).

When CTAs and IOUs purchase natural gas it must be transported via a transmission pipeline system onto the IOU's distribution pipeline system. Buyers can opt to have the supplier transport the natural gas to the connection point with the IOU distribution system. In that case, the supplier purchases 'pipeline capacity' along the relevant route to effect the delivery. Buyers can also opt to transport the natural gas using 'pipeline capacity' that it has purchased in advance.

The CPUC has required IOUs to purchase and hold specified pipeline capacity on behalf of all core customers in advance of actual purchases of natural gas and usage (probably as a hedging mechanism). Until recently, CTAs had the opportunity to purchase a pro rata share of this pipeline capacity for their own use but, unlike IOUs, were not required to hold any specified pipeline capacity. Beginning in 2002, the CPUC made a number of decisions that changed this arrangement. Now, over a three year phase-in period beginning April 2012, CTAs will be required to purchase their pro rata share of the pipeline capacity held for core customers. Any unused capacity will be released into the marketplace for auction. By 2015, the cost of compliance could be approximately \$500,000 annually if the regulatory mandate remains unchanged, and auction proceeds are negligible. This would amount to a \$0.55/dekatherm increase in the program's natural gas costs assuming current levels of usage.

Staff to ABAG POWER has examined a number of strategies to reduce this exposure:

1. Use pipeline capacity to reduce cost of natural gas purchases.
2. Resell or auction off unused pipeline capacity.

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

### **Agenda Item 5C**



3. Reduce the amount of pipeline capacity that ABAG POWER must purchase under CPUC regulations.
4. Reduce pipeline capacity requirements overall.

After considering all of the above, ABAG POWER has joined a consortium of CTAs to petition the CPUC to modify its requirements and reduce the exposure. We hope to have definitive action from the CPUC by the Spring of 2013. Staff will reevaluate the exposure and present to the Executive Committee a strategy for managing it within 2 months after the decision.

/vm



TO: Board of Directors  
ABAG POWER

DT: October 17, 2012

FM: Herbert L. Pike  
Chief Financial Officer

RE: Preliminary Financial Reports  
--June 2012

We are happy to present the preliminary financial reports for the fiscal year ending June 30, 2012. Highlights of these reports can be summarized as follows:

### Natural Gas Pool

As of June 30, 2012, the Natural Gas Pool has about \$4.07 million in total assets, including the \$2.38 million investment in LAIF. In FY 2011-12, natural gas billings amounted to \$8.65 million, while total expenses were \$6.91 million (including offsetting interest income of under \$9 thousand). The excess of revenues over expenses in the amount of **roughly \$1.76 million was recorded as “Unearned Energy Revenues” and will be returned to members as true-up adjustments in billings during FY 12-13.**

The balance of working capital, a refundable deposit from members, amounted to \$2.02 million as of June 30, 2012. This \$2.02 million is the same as the working capital as of the end of the previous two fiscal years, as authorized by the Executive Committee. The interest income earned in a year resulting from holding working capital is included as part of the true-up adjustment in the following year.

Overall revenues were close to budget, with an extra \$47,955 in sales and unearned revenue received partially offsetting \$3,101 in non-realized interest earnings resulting in total revenues of \$8.670 million being about 0.5 percent more than budgeted. Energy costs were less than originally expected resulting in \$1.762 million (20.04 percent) less than budget being spent. All other operating expenses came in about \$71 thousand less than budgeted. Most of this reduction is attributable to reduced personnel costs due to Mr. Lahr spreading his hours out to both the POWER program and numerous new grant-funded projects involving energy retrofits, installation of solar panels, establishing electric vehicle charging stations, energy inventories, and other miscellaneous energy-related projects.

Our auditors are in the process of auditing these financial statements. We expect the audited financial statement will be available in December.

/vm

# BALANCE SHEET

| ABAG - Power Pool                        |                |                      |                      |
|--|----------------|----------------------|----------------------|
| JUN-12 USD                               |                |                      |                      |
|  | Total<br>----- | Natural Gas<br>----- | Electricity<br>----- |
| <b>ASSETS</b>                            |                |                      |                      |
| CASH IN BANK                             | 1,221,150.02   | 1,221,150.02         | 0.00                 |
| LOCAL AGENCY INVEST. FUND                | 2,379,916.58   | 2,379,916.58         | 0.00                 |
| ACCOUNTS RECEIVABLE                      | 7,537.38       | 7,537.38             | 0.00                 |
| ACCT. REC. POWER POOL SALES              | 280,979.31     | 280,979.31           | 0.00                 |
| ACCR. INT. REC. LAIF                     | 2,157.49       | 2,157.49             | 0.00                 |
| NATURAL GAS INVENTORY                    | 179,040.68     | 179,040.68           | 0.00                 |
|  | -----          | -----                | -----                |
| <b>TOTAL ASSETS</b>                      | 4,070,781.46   | 4,070,781.46         | 0.00                 |
|  | =====          | =====                | =====                |
| <b>LIABILITIES</b>                       |                |                      |                      |
| ACCOUNTS PAYABLE                         | 287,890.58     | 287,890.58           | 0.00                 |
| UNEARNED ENERGY REVENUES                 | 1,762,453.86   | 1,762,453.86         | 0.00                 |
| WORKING CAPITAL CLIENT DEPOSITS          | 2,020,437.02   | 2,020,437.02         | 0.00                 |
|  | -----          | -----                | -----                |
| <b>TOTAL LIABILITIES</b>                 | 4,070,781.46   | 4,070,781.46         | 0.00                 |
|  | -----          | -----                | -----                |
| <b>FUND EQUITY</b>                       |                |                      |                      |
| <b>GENERAL EQUITY</b>                    |                |                      |                      |
| CURRENT YEAR SURPLUS/(DEFICIT)           | 0.00           | 0.00                 | 0.00                 |
|  | -----          | -----                | -----                |
| <b>TOTAL GENERAL EQUITY</b>              | 0.00           | 0.00                 | 0.00                 |
|  | -----          | -----                | -----                |
| <b>TOTAL FUND EQUITY</b>                 | 0.00           | 0.00                 | 0.00                 |
|  | -----          | -----                | -----                |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b> | 4,070,781.46   | 4,070,781.46         | 0.00                 |
|  | =====          | =====                | =====                |

# INCOME STATEMENT

| ABAG Power Pool - Gas Pool           |              |                         |                        |                |                   |
|--------------------------------------|--------------|-------------------------|------------------------|----------------|-------------------|
| JUN-12 USD                           |              |                         |                        |                |                   |
|                                      | FY Budget    | Actual<br>Current Month | Actual<br>Year-to-date | % of<br>Budget | Budget<br>Balance |
| <b>REVENUES</b>                      |              |                         |                        |                |                   |
| <b>SALE OF ENERGY</b>                | 8,612,907.00 | (1,036,933.34)          | 6,898,408.44           | (80.09)%       | 1,714,498.56      |
| <b>INTEREST INCOME</b>               | 12,000.00    | 710.01                  | 8,898.85               | (74.16)%       | 3,101.15          |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>TOTAL REVENUES</b>                | 8,624,907.00 | (1,036,223.33)          | 6,907,307.29           | (80.09)%       | 1,717,599.71      |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>EXPENSES</b>                      |              |                         |                        |                |                   |
| <b>COST OF ENERGY</b>                |              |                         |                        |                |                   |
| <b>COST OF ENERGY USED</b>           | 5,288,563.00 | 216,085.85              | 3,791,591.81           | 71.69%         | 1,496,971.19      |
| <b>PG&amp;E PASSTHROUGH</b>          | 2,907,886.00 | 157,115.14              | 2,762,205.67           | 94.99%         | 145,680.33        |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>TOTAL COST OF ENERGY</b>          | 8,196,449.00 | 373,200.99              | 6,553,797.48           | 79.96%         | 1,642,651.52      |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>CONSULTANT SERVICES</b>           |              |                         |                        |                |                   |
| <b>LEGAL CONSULTANTS</b>             | 5,000.00     | 0.00                    | 6,988.94               | 139.78%        | (1,988.94)        |
| <b>BILLING AGENT FEES</b>            | 10,200.00    | 508.73                  | (3,219.91)             | (31.57)%       | 13,419.91         |
| <b>SCHEDULING AGENT FEES</b>         | 38,167.00    | 3,150.00                | 37,800.00              | 99.04%         | 367.00            |
| <b>ABAG FEES</b>                     | 363,091.00   | 31,674.33               | 303,814.44             | 83.67%         | 59,276.56         |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>TOTAL CONSULTANT SERVICES</b>     | 416,458.00   | 35,333.06               | 345,383.47             | 82.93%         | 71,074.53         |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>OTHER DIRECT CHARGES</b>          |              |                         |                        |                |                   |
| <b>INTEREST EXPENSE/BANK CHARGES</b> | 12,000.00    | 610.62                  | 8,126.34               | 67.72%         | 3,873.66          |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>TOTAL OTHER DIRECT CHARGES</b>    | 12,000.00    | 610.62                  | 8,126.34               | 67.72%         | 3,873.66          |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>TOTAL EXPENSES</b>                | 8,624,907.00 | 409,144.67              | 6,907,307.29           | 80.09%         | 1,717,599.71      |
|                                      | -----        | -----                   | -----                  | -----          | -----             |
| <b>SURPLUS/(DEFICIT)</b>             | 0.00         | (1,445,368.00)          | 0.00                   | n/m            | 0.00              |
|                                      | -----        | -----                   | -----                  | -----          | -----             |

## Agenda Item 7A

### **ABAG Energy Programs** (October 2012)

|                             |  |                    |
|-----------------------------|--|--------------------|
| <b>Program Name:</b>        | <b>ABAG POWER</b>  | <b>OWP: 303000</b> |
| <b>Funding Amount:</b>      | N/A  |                    |
| <b>Funding Source:</b>      | Fees on natural gas deliveries   |                    |
| <b>Program Term:</b>        | JPA: ongoing. Gas Program: rolling evergreen   |                    |
| <b>Primary Partners:</b>    | ABAG POWER JPA: 67 member agencies<br>Natural Gas Program: 38 participants   |                    |
| <b>Program Description:</b> | ABAG POWER (ABAG Publicly OWned Energy Resources) is a separate joint powers agency formed to take advantage of the deregulated environment for energy and telecommunications. ABAG POWER's primary program is to conduct pooled purchasing of natural gas on behalf of local governments and special districts in the PG&E territory. |                    |
| <b>Program Goals:</b>       | Price Stability. Purchasing strategy and cost allocation methods that will provide members a reasonable degree of certainty of the costs to be shared.<br>Cost Savings. Provide gas procurement services for less than the equivalent services provided by the default provider (i.e. PG&E).   |                    |
| <b>Status</b>               | Natural Gas Rates:<br>2012-13 Budgeted Rates (\$/therm):<br>Core Gas Commodity: \$0.455<br>Noncore Gas Commodity: \$0.438<br>PG&E Pass-through: \$0.391<br><br>2011-12 Savings: 1.7% (Compared to PG&E GNR-1 Rate)   |                    |

|                             |  |                    |
|-----------------------------|--|--------------------|
| <b>Program Name:</b>        | <b>Retrofit California<br/>Better Buildings Program (BBP)</b>  | <b>OWP: 303008</b> |
| <b>Funding Amount:</b>      | ABAG: \$8,395,887. Statewide: \$30,000,000   |                    |
| <b>Funding Source:</b>      | ARRA funded through the Department of Energy (DOE) (through subcontract with LA County)  |                    |
| <b>Program Term:</b>        | June 1, 2010 – May 31, 2013  |                    |
| <b>Primary Partners:</b>    | Los Angeles County, San Diego (CCSE), Sacramento (SMUD), ABAG (Alameda (StopWaste.org), San Jose, San Francisco, Sonoma RCPA)  |                    |
| <b>Program Description:</b> | Facilitate energy upgrades in buildings through over 20 targeted pilot projects in four regions of the State (LA, San Diego, Sacramento, SF Bay Area). The BBP Program seeks to: (1) test innovative marketing tactics, (2) help build a workforce to complete building upgrades, (3) evaluate building improvement impacts, and (4) assist in providing financing options for building owners. The California pilot projects fall into the following categories: <ul style="list-style-type: none"> <li>• Community Based Social Marketing (CBSM)</li> <li>• Home Improvement Retail Partnerships (HIRP)</li> <li>• Whole Neighborhood Approach (WNA)</li> <li>• HVAC Contractor Outreach (HVAC)</li> <li>• Multifamily (MF)</li> <li>• Green Building Labeling (GBL)</li> <li>• On-Water-Bill Financing (OWB)</li> </ul> |                    |
| <b>Program Goals:</b>       | Energy efficiency retrofits in 15,282 single family homes and 965 multifamily homes.   |                    |
| <b>Status</b>               | All Bay Area pilots have been initiated.<br><br>Alameda (StopWaste):   |                    |

## ABAG Energy Programs

## Agenda Item 7A

|  |  |
|--|--|
|  | <p>CBSM – ‘Energize for the Prize’ promotion underway w/ schools<br/> HIRP – Pilot project with Lowes completed in Spring 2011<br/> MF – Toolkit available at: <a href="http://www.multifamilygreen.org/">www.multifamilygreen.org/</a><br/> GBL – Working with Alameda County MLS chapters<br/> Flex Package – New incentive pilot project for single family residences</p> <p>San Francisco:<br/> CBSM – Social media and marketing incentives to promote SFHip<br/> HIRP – Advertise SF Hip program through Cole Hardware<br/> WNA – Discontinued bulk purchasing pilot. Added single family incentive<br/> MF – Performing audits and tracking retrofits<br/> GBL – Working w/ Tax Assessor’s office for listing on tax roles</p> <p>San Jose:<br/> WNA – Active in neighborhood. Additional measures approved to increase per-project savings.</p> <p>Sonoma RCPA:<br/> WNA – Pilot being discontinued due to lack of participation. Funds reallocated<br/> OWB – Program design with Town of Windsor finalized. Scheduled for Town Council vote.<br/> Flex Package – Funds reallocated from WNA pilot to new incentive pilot for single family residences.</p> |
|--|--|

|                             |  |                    |
|-----------------------------|--|--------------------|
| <b>Program Name:</b>        | <b>ABAG Green Communities – Greenhouse Gas (GHG) Inventory Assistance</b>  | <b>OWP: 303010</b> |
| <b>Funding Amount:</b>      | Phase II: \$172,625 (C01)<br>(Phase I: \$264,495 – complete)   |                    |
| <b>Funding Source:</b>      | Funded by energy rate payers (Public Goods Charge) through the California Public Utilities Commission (CPUC)   |                    |
| <b>Program Term:</b>        | Phase II: 5/12 – 12/31/12  |                    |
| <b>Primary Partners:</b>    | PG&E, ICLEI  |                    |
| <b>Program Description:</b> | <p>Phase II: Develop community-wide GHG emissions inventories for jurisdictions in the County of Napa. The program partners trained interns with participating local governments to complete the inventories.</p> <p>Phase I (complete): Provide assistance to local governments in completing a municipal operations GHG emissions inventory.</p>   |                    |
| <b>Program Goals:</b>       | Phase II: Complete community-wide GHG emissions inventories for four agencies in Napa County.  |                    |
| <b>Status (4/11/12)</b>     | <p>Phase II: Interns have been hired and paired with the following jurisdictions: Cities of Napa, Calistoga, St. Helena, Yountville. Training workshops and data collection is complete. Reports are being finalized and presentations to jurisdictions are in process.</p> <p>Phase I completed 8/2011 - Inventories completed for the cities of Concord, Lafayette, Pleasant Hill, Oakley, Napa, Sausalito, Yountville, and all jurisdictions in Sonoma County (via Sonoma RCPA)</p> |                    |

## ABAG Energy Programs

## Agenda Item 7A

|                             |  |                    |
|-----------------------------|--|--------------------|
| <b>Program Name:</b>        | <b>Retrofit Bay Area (Energy Upgrade California)</b>   | <b>OWP: 303011</b> |
| <b>Funding Amount:</b>      | \$11,350,000 (increase of \$600,000)   |                    |
| <b>Funding Source:</b>      | ARRA funded through the Department of Energy's (DOE) State Energy Program (SEP) via the California Energy Commission (CEC).  |                    |
| <b>Program Term:</b>        | 9/14/10 – 4/30/12  |                    |
| <b>Primary Partners:</b>    | Counties of Alameda (StopWaste.org), Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Solano (Suisun City), Sonoma RCPA   |                    |
| <b>Program Description:</b> | Retrofit Bay Area strives to accelerate consumer demand for home energy upgrades through innovative marketing and communication strategies that leverage existing community and private-sector distribution channels, and expand the upgrade delivery capacity of building professionals and the supply chain through self-sustaining workforce development programs. Retrofit Bay Area is a support program under the broader Energy Upgrade California (EUC).  |                    |
| <b>Program Goals:</b>       | Revised goals: Energy efficiency retrofits in 1,066 single family homes and 815 multifamily homes.   |                    |
| <b>Status:</b>              | <p><b>Program completed</b> 4/30/12. 'Final Report' and 'Energy Upgrade California (EUC) Recommendations' report available upon request.</p> <p>Sample Results:<br/>           Number of Single Family Retrofits Achieved (completed): 1,029<br/>           Number of SF Retrofits Promoted (Completed and In Process) 1,643<br/>           Average Energy Savings per SF Retrofit: 32%<br/>           Average Cost per SF Retrofit: \$14,439<br/>           Number of Multi-family Retrofits Achieved: 826</p> <p>Total Value of Incentives Paid: \$3,025, 124 (Assessments and Retrofits)<br/>           # of Incentives Paid: 2,305 (Assessments and Retrofits)</p> |                    |

|                             |   |                    |
|-----------------------------|---|--------------------|
| <b>Program Name:</b>        | <b>ABAG Green Communities Energy-Use Benchmarking</b>   | <b>OWP: 303012</b> |
| <b>Funding Amount:</b>      | \$187,323 (CO 3)  |                    |
| <b>Funding Source:</b>      | Funded by energy rate payers (Public Goods Charge) through the California Public Utilities Commission (CPUC)  |                    |
| <b>Program Term:</b>        | 10/26/10 – 12/31/12   |                    |
| <b>Primary Partners:</b>    | PG&E, EEFG (consultant)   |                    |
| <b>Program Description:</b> | The program offers free benchmarking workshops and individual agency assistance to give local governments the tools necessary to evaluate their facilities' energy use.   |                    |
| <b>Program Goals:</b>       | Significantly increase the number of local government buildings using ENERGY STAR <i>Portfolio Manager</i> .  |                    |
| <b>Status:</b>              | <p>Phase I (2011):</p> <ul style="list-style-type: none"> <li>• Held 15 classes in 7 counties</li> <li>• Trained 92 local government staff in 53 different jurisdictions</li> <li>• Met CPUC goal to increase benchmarking by 20% in Bay Area</li> </ul> <p>Phase II (2012): The work authorization has been modified to include 'What's Next' classes. This training is intended to assist local governments in moving energy efficiency projects along the path of identification to implementation. Three workshops have been completed.</p> |                    |

## ABAG Energy Programs

## Agenda Item 7A

|                             |   |                    |
|-----------------------------|---|--------------------|
| <b>Program Name:</b>        | <b>Electrical Vehicle (EV) Streamlining</b>   | <b>OWP: 303013</b> |
| <b>Funding Amount:</b>      | \$615,800   |                    |
| <b>Funding Source:</b>      | Reformulated Gasoline (RFG) Settlement Fund - court administered fund set up to manage a \$5 million court penalty against the Unocal Corporation.  |                    |
| <b>Program Term:</b>        | 2/25/11 – 7/30/12 (amend 2)   |                    |
| <b>Primary Partners:</b>    | <p>Due to eligibility rules established by the Court, the ABAG non-profit 'Balance Foundation' was designated the lead applicant and fiscal agent for the project.</p> <p>EV Communities Alliance, Clean Fuel Connection, Bay Area Climate Collaborative, Light Moves Consulting</p>  |                    |
| <b>Program Description:</b> | Promote EV charger installation streamlining in Bay Area and Southern California jurisdictions. Develop and disseminate guidelines for the EV infrastructure deployment by local and regional agencies, including EV-friendly building codes and public works guidelines. Provide outreach to local governments to support sharing of best practices among elected leaders and senior agency managers.  |                    |
| <b>Program Goals:</b>       | Targeted Communities: Cities in the following counties: Alameda, Contra Costa, San Mateo, San Francisco, Santa Clara; Southern California Cities (LA, Long Beach, Santa Monica, Riverside).   |                    |
| <b>Status:</b>              | <p><b>Project complete:</b> 7/30/12.</p> <p>EV-ready guidelines published in November 2011:<br/> <i>Ready Set Charge California</i> – <a href="http://www.ReadySetCharge.org">www.ReadySetCharge.org</a><br/>                     Workshops completed in Alameda, Contra Costa, San Mateo, Santa Clara Counties. Completed outreach to individual local governments in July.</p> <p>Final draft of EV policy briefing paper released: <i>Accelerating the EV Transition</i>. Completed supplement to Ready, Set Charge guidelines to comprehensively address: 'Linking EVs, Chargers and Batteries to the California Grid.'</p> |                    |

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|-----------------------------|--|--------------------|
| <b>Program Name:</b>        | <b>Electrical Vehicle (EV) Corridor</b>  | <b>OWP: 303014</b> |
| <b>Funding Amount:</b>      | \$1,493,165 (requires \$2,653,424 in agency match funding)   |                    |
| <b>Funding Source:</b>      | California Energy Commission's (CEC) Alternative and Renewable Fuel and Vehicle Technology Program (created by AB 118).  |                    |
| <b>Program Term:</b>        | 8/12/11 – 4/30/13  |                    |
| <b>Primary Partners:</b>    | <p>EV Communities Alliance (project coordination), Clean Fuel Connections (charger installations), Ecology Action (project coordination in Monterey region)</p> <p>Installation Participants: County of Alameda, City of Palo Alto, City/County of San Francisco, City of San Jose, County of Santa Clara (opted out), Marin County, Monterey Bay (Ecology Action), Coulomb Technologies, 350Green</p>   |                    |
| <b>Program Description:</b> | Install EV charging infrastructure (Levels I, II, and III charging units) in the SF and Monterey Bay Areas.  |                    |
| <b>Program Goals:</b>       | 212 EV charging units (423 charging points) in the SF and Monterey Bay Areas   |                    |
| <b>Status:</b>              | <ul style="list-style-type: none"> <li>• Alameda County – Under contract for installation of 40 combination L1/L2 chargers (80 charge points)</li> <li>• San Jose – Under contract for installation of 23 combination L1/L2 chargers (46 charge points)</li> <li>• Monterey (Ecology Action) – Under contract for installation of 40 combination L1/L2 chargers (80 charge points)</li> <li>• San Francisco – Under contract for installation of 34 L2 or combination L1/L2 chargers.</li> <li>• Coulomb – Under contract for installation of 11 L2 chargers in 4 cities.</li> <li>• 350Green – Under contract for installation of 18 L3/DC fast chargers. Contract on hold due to potential corporation restructuring.</li> </ul> |                    |

## ABAG Energy Programs

## Agenda Item 7A

|                             |   |                      |
|-----------------------------|---|----------------------|
| <b>Program Name:</b>        | <b>San Francisco Bay Area Regional Energy Network (BayREN)</b>  | <b>OWP: Proposed</b> |
| <b>Funding Amount:</b>      | Proposed Budget: \$41,597,750   |                      |
| <b>Funding Source:</b>      | California Public Utilities Commission (CPUC)   |                      |
| <b>Program Term:</b>        | 1/1/13 – 12/31/14   |                      |
| <b>Primary Partners:</b>    | Counties of Alameda (StopWaste.org), Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano (Suisun City), Sonoma RCPA  |                      |
| <b>Program Description:</b> | <p>The BayREN proposal consists of four primary energy efficiency subprograms that are designed to address key cost, process, work force and other market barriers that adversely affected the market penetration of the Energy Upgrade California in 2010-12:</p> <ul style="list-style-type: none"><li>• Single-family energy efficiency retrofit program</li><li>• Multi-family energy efficiency retrofit program</li><li>• Codes and standards compliance and enforcement</li><li>• Financing for energy efficiency projects</li></ul> |                      |
| <b>Program Goals:</b>       | <p>Goals:</p> <ul style="list-style-type: none"><li>• 6,000 single-family energy efficiency upgrades</li><li>• 6,000 multi-family unit upgrades</li><li>• 550 building professionals trained</li><li>• 1,650 local government building dept employees trained</li></ul>   |                      |
| <b>Status</b>               | Proposal was submitted to the CPUC on July 16 <sup>th</sup> . The CPUC will evaluate the proposal over the next couple of months along with utility and other applications for energy efficiency funding. A decision is expected in the October time frame.   |                      |