

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS **Agenda Item #3**

Representing City and County Governments of the San Francisco Bay Area

Attachment A



SUMMARY MINUTES

**ABAG Power Executive Committee
Meeting 2007-06**

December 12, 2007

Metro Center, 101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Vice-Chairman John Cerini opened the meeting with introductions at 12:05 p.m.

Committee Representatives Present

Scott Baker
John Cerini, Vice-Chairman
Terry Mann
Jennifer Mennucci
Ron Popp
Chris Schroeder

Jurisdictions

City of Pleasanton
City of Vallejo
County of Contra Costa
Golden Gate Bridge District
City of Millbrae
City of Milpitas

Members Absent

Ed Buonaccorsi, Chairman
Raj Pankhania

City of Santa Rosa
City of Hercules

Others Present

Sam Cohen
Ann Guy
Paul Mauriello
Ryan Ramos

Energy Solutions
Energy Solutions
Data Space Advisors
Energy Solutions

Staff Present

Joseph Chan
Jerry Lahr
Vina Maharaj
Kenneth Moy

ABAG
ABAG POWER
ABAG POWER
ABAG

PUBLIC COMMENTS/ANNOUNCEMENTS

Paul Mauriello made a presentation about his company called Data Space Advisors, a datacenter risk assessment provider, seeking to provide power capacity planning services to ABAG POWER members.

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APPROVAL OF SUMMARY MINUTES OF AUGUST 15, 2007 MEETING

Motion was made by Baker/S/Popp/C/5:0:0 to approve the Summary Minutes of August 15, 2007 Executive Committee Meeting.

APPROVAL OF SUMMARY MINUTES OF SEPTEMBER 27, 2007 MEETING

Motion was made by Popp/S/Baker/C/5:0:0 to approve the Summary Minutes of September 27, 2007 Executive Committee Meeting.

APPOINTMENT OF NEW MEMBER (Chris Schroeder, City of Milpitas)

Vice-Chairman Cerini appointed Chris Schroeder, Purchasing Officer at the City of Milpitas to join the ABAG POWER Executive Committee effective December 12, 2007.

RETIREMENT OF CURRENT COMMITTEE MEMBER (Scott Baker, City of Pleasanton)

Scott Baker of the City of Pleasanton made an announcement about his impending retirement from the City of Pleasanton as of December 28, 2007. Vice-Chairman Cerini acknowledged his departure from the ABAG POWER Executive Committee and thanked him for his contributions to the program (10/18/06 - to 12/12/07).

SOLAR PROJECT PRESENTATION

Lahr indicated that at the recent survey of ABAG POWER's Potential New Programs sent to ABAG POWER JPA members, Solar Program administration ranked as the number one interest by the members.

Ann Guy, Senior Project Manager at Energy Solutions, together with Sam Cohen and Ryan Ramos presented a proposal on ABAG Solar Program and provided the members with a handout, which included a menu of service options. Guy said she was proposing to join with ABAG as a technical arm of the program to provide Solar program to the members of ABAG POWER.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations

Lahr provided the members with the Monthly Summary of Operations report for FY 2007-08. He mentioned a few changes he has made to the way he presents the report, as follows:

- Actual (metered) Gas Usage (core) – the usage is no longer gathered from PG&E's imbalance statement, rather it is pulled directly from ABAG's billing data
- PG&E Rate – ABAG's procurement costs are now compared against PG&E's procurement costs, leaving the transportation costs out of this comparison

Starting with the new fiscal year report, ABAG POWER rates are starting out at a positive savings compared to PG&E.

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Gas Hedge Chart

Lahr provided a chart showing ABAG POWER's long-term gas purchases. He mentioned the most recent one-year purchases (Apr 08 – Mar 09). Lahr said he is now looking to purchase a two to three year contract starting in July, 2008.

Operating Imbalance Tracking Chart

ABAG POWER continues to closely monitor the Operating Imbalance with PG&E, and purchase additional gas and/or make trades, as necessary. The most recent imbalance statement (August '07) showed the Operating Imbalance at positive 1.8% of annual load, which is outside the preferred range set by the Committee. Staff will attempt to bring the imbalance within the parameters of +1.0% to -2.0%.

Gas Storage Withdrawals

ABAG POWER injects gas into storage during the summer months of April through October and withdraws from storage during the winter months of November through March. While November is a withdrawal month, the plan is to delay withdrawal until later, in case of a very cold winter. Lahr said that ABAG POWER started out this way; however, the gas in storage is priced at \$7.56, which is higher than the current daily gas market rate. Therefore, this plan has presently shifted towards purchasing from the daily market instead of withdrawing from storage.

Gas Scheduler Contract Expiration

ABAG POWER's contract with IGS will expire in June, 2008. Lahr said the committee needs to begin discussion on whether to extend IGS's contract or begin an RFP process. He requested this discussion to start at the committee's next several meetings.

NATURAL GAS BILLING REVIEW

Lahr discussed a potential new method of providing billing and usage data on the monthly invoices. The "total charges" column on the invoice backup report currently does not match with the levelized charge, thereby creating confusion for accounts payable personnel at agencies. Lahr suggested a new method which would back calculate the ABAG Commodity cost on the report, thus forcing it to equal the levelized charge. He provided an illustration of this method, the benefits and challenges it could create.

Lahr said he was looking into providing an additional optional report to members who needed to allocate an amount to each of their accounts, the total of which would match with their monthly levelized charge. Additional programming costs would be incurred for the setup of this report.

Members by and large agreed that there was no need for this additional report. The true-up report once a year helps them with their allocations.

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NEW POTENTIAL PROGRAMS SURVEY RESULTS

Lahr referred members to the results from the New Potential Programs Survey which was sent out to members early January. The members were asked to indicate their level of interest in various programs on a scale of 1 to 5. Responses were received from 20 separate agencies, representing 29% of the JPA membership and 39% of the gas program participants.

The Survey revealed that members were most interested in Solar Installation Administration followed by Hybrid Vehicle Purchase and Biodiesel Fuel Purchase Aggregation programs.

Motion was made by Baker/S/Mennucci/C:6:0:0, directing staff as follows:

- Continue the development of a program to assist local governments with the installation of solar PV projects on their facilities;
- Obtain additional information regarding the purchase of hybrid vehicles through the State's CMAS process, and pass this information along to members (see attached);
- Investigate biodiesel aggregated purchasing options through the CA Association of Public Purchasing Officers (CAPPO);
- Watch the development of the green natural gas market for possible future opportunities through the natural gas pool;
- Conduct a "big picture" analysis of the potential services and costs associated with utility billing/energy usage analysis;
- Place "on hold" all items that ranked below 5th in the survey (Items 6 through 11).

2008 MEETING SCHEDULE

Motion was made by Mennucci/S/Popp/5:0:1(Baker abstained) to accept the 2008 Executive Committee Meeting Schedule as presented.

ADJOURNMENT

Vice-Chairman Cerini adjourned the meeting at 2:00 p.m.

/vm

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