

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A



SUMMARY MINUTES

ABAG Power Executive Committee

Meeting 2008-05

December 17, 2008

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

WELCOME AND INTRODUCTIONS

Vice-Chairwoman Jennifer Mennucci opened the meeting with introductions at 12:00 p.m.

Committee Representatives

Ed Buonaccorsi
Terry Mann
Jennifer Mennucci, Vice-Chairwoman
Ron Popp
Chris Schroeder

Jurisdictions

City of Santa Rosa
County of Contra Costa
Golden Gate Bridge District
City of Millbrae
City of Milpitas

Members Absent

John Cerini, Chairman
Raj Pankhania

City of Vallejo
City of Hercules

Guests Present

John Cook

Utility Management Services

Staff Present

Jerry Lahr
Vina Maharaj
Kenneth Moy
Herbert Pike

ABAG POWER
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PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF AUGUST 20, 2008 MEETING

Motion was made by Popp/S/Schroeder/C/5:0:0 to approve the Summary Minutes of August 20, 2008 Executive Committee Meeting.

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DATA SYSTEM UPGRADE – PILOT PROJECT

John Cook of Utility Management Services presented to the Executive Committee information on the new program concept of expanding ABAG POWER's current Utility Manager/EDI system to include the receipt of PG&E EDI electric bills. He provided a price quote in his proposal which represents the costs for implementing electric EDI on a pilot basis for one of ABAG POWER's current member agency.

Since this would be a pilot project for only one member, Cook said that it is not required to upgrade from UM Pro to UM Server at this time. However, the addition of other member agencies with hundreds of additional electric accounts would require additional database capacity by upgrading to UM Server in the future.

There was discussion about the commitments required by the member agency who will be chosen for the pilot project. Cook said for the pilot project, he is looking for a smaller sized member agency who have less than 200 electric accounts.

There was a consensus that Lahr send out an email to the Gas Program members seeking one volunteer member to participate as the test agency for a one-year period. The list of interested members would be brought before the Executive Committee who would then select the participating member shortly thereafter.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 08-09

Lahr provided the members with the Monthly Summary of Operations report for FY 2008-09. He said that ABAG POWER had maintained a positive cumulative savings percentage compared to PG&E during the first four months of the new fiscal year 2008-09.

Lahr reported on storage for which the withdrawal period is November. He mentioned the various choices which was before him regarding whether to use gas from the storage or purchase the lower priced gas on the spot market.

Gas Hedge Chart

Lahr provided a chart showing ABAG POWER's long-term gas purchases. He mentioned that the longest contract the program has at this time, goes out to March, 2011. He is not looking to purchase any more long-term gas for the remainder of the fiscal year 08-09.

Market Price Chart

Lahr provided the members with a chart showing historical daily and monthly market prices.

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FY 2008-09 BUDGET REVIEW

Lahr presented a revised 2008-09 Operating Budget, including a revised levelized payment schedule. He mentioned that while it is a standard procedure to review the operating budget at the December Executive Committee meetings, it is not standard to change the levelized payment schedule. However, due to recent dramatic decreases in natural gas prices, staff recommended a decrease in the levelized payments for the remainder of the fiscal year. The new payments represent an approximate 22% reduction from the original payments.

Lahr suggested that the new, lower levelized payments be invoiced to members starting with their January, 2009 gas invoices. He expects that there still may be an over-collection during the current fiscal year, which will be allocated to members as part of the true-up in the Fall.

Motion was made by Popp/S/Schroeder/C/5:0:0 to approve the operating budget and levelized payment schedule as presented.

DISTRIBUTION AND USES OF NATURAL GAS LITIGATION PROCEEDS

Lahr reported that proceeds from the natural gas litigation settlement currently total \$303,696.11. ABAG POWER expects to receive a total of approximately \$440,000 in proceeds.

Draft Notes on Natural Gas Litigation from Annual Board Meeting

Lahr provided draft notes on the subject of Natural Gas Litigation – recommendation for use of settlement proceeds as was discussed at the Annual Board meeting. Executive Committee members agreed that the draft notes reflect the discussion accurately. Lahr said the notes will be part of the minutes to be presented at the next annual board meeting in October, 2009.

Marin County moving towards Community Choice Aggregation

Lahr reported that the policymakers in Marin County approved the formation of a new joint powers authority which has the green light to issue a request for proposals to energy suppliers to see if achieving an 80% renewable-energy supply for Marin communities by 2014 is feasible. If the results are favorable, Marin could then launch Marin Clean Energy, a community-choice aggregator. PG&E officials, however, think the plan is flawed, and said they have a better green-energy proposal for Marin – one where the county would partner with the utility rather than break away.

Update on the ABAG Energy Watch Program

Lahr reported that ABAG had signed a bridge funding contract with PG&E in order to continue with the ABAG Energy Watch Program projects. ABAG received these bridge funding funds as well as additional incentive funds. It is the intent of PG&E to have the ABAG Energy Watch Program transition to Green Communities Umbrella Program. The California Public Utilities Commission has put off a decision on this project until July, 2009 or later.

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SOLAR FINANCING DISTRICT

Lahr provided an update on the recent meetings surrounding the subject of the Solar Financing District. The CityFIRST group, a financing initiative for renewable and solar technology made a presentation at ABAG's Executive Board meeting in November. There are ongoing discussions regarding whether this should be done under ABAG or should this be limited under the ABAG POWER Program. Lahr said that the group plans on pursuing these discussions which not only includes solar but it encompasses renewable energy as well as energy efficiency.

2009 MEETING SCHEDULE

Motion was made by Popp/S/Schroeder/C/5:0:0 to approve the 2009 Meeting Schedule as presented.

ADJOURNMENT

Vice-Chairwoman Mennucci adjourned the meeting at 1:50 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