

# News at ABAG

Wednesday, September 8, 2004

## ABAG POWER Members Receive Checks Totaling \$24 Million

Fifty-six cities, counties, special districts, and agencies in the Bay Area and surrounding PG&E territories have received checks from ABAG POWER (ABAG Publicly Owned Energy Resources) totaling \$24 million. ABAG POWER received a settlement from PG&E in April 2004 with local governments who participated as members of the ABAG POWER Electrical Aggregation Program now receiving their share. The settlement represents energy savings owed to members who participated in the ABAG POWER Electric Aggregation Program through June 2001.

During the July 15, 2004, Executive Board meeting ABAG presented ceremonial checks to the counties of Contra Costa and San Mateo.



*ABAG President, Scott Haggerty presents \$2.9 million check to San Mateo County Supervisor Rose Jacobs Gibson at the Executive Board meeting.*



*ABAG President, Scott Haggerty presents \$3.7 million check to Contra Costa County Supervisors Mark DeSaulnier, and John Gioia at the Executive Board meeting.*

### Events Leading to Settlement

On behalf of ABAG POWER members, in March of 2001, ABAG POWER filed a complaint with California Public Utilities Commission (CPUC) for PG&E's nonpayment of Competitive Transition Charge (CTCs) credits. In April 2001, PG&E filed for bankruptcy, and the following September ABAG POWER filed a claim on PG&E with the bankruptcy court. Now, after more than three years, PG&E has finally emerged from bankruptcy and has paid its allowed claim in full, addressing the issue of CTC credits owed to jurisdictions and agencies. ABAG POWER's settlement agreement is the result of multiple discussions, negotiations, and court approvals.

### Program Background

ABAG POWER's direct access Electrical Aggregation Program, which is the subject of the PG&E settlement, was suspended in July of 2001. The factors that influenced this decision included the sudden and dramatic increase of ISO charges, uncertainty over proposed rate increases to direct access end users, price volatility for both long term and short term power, and PG&E's nonpayment of Competitive Transition Charge (CTC) credits owed to ABAG POWER. These factors along with developments in the California energy markets and regulatory environment made the continuation of the electric aggregation program a risky venture. ABAG POWER's Executive Committee thus determined that the program commitment

to provide lower energy costs and price stability to local government was no longer a viable option. As a result all electric accounts were returned to PG&E.

**ABAG POWER Electric Aggregation Program Members have received settlements:**

City of Albany	City of Mill Valley
Town of Los Altos Hills	City of Milpitas
City of Antioch	Town of Moraga
City of Arcata	County of Napa
Town of Atherton	City of Newark
City of Benicia	City of Orinda
City of Berkeley	City of Pacifica
County of Butte	City of Patterson
City of Cloverdale	City of Petaluma
County of Monterey	City of Pinole
County of Contra Costa	City of Pleasanton
City of Cotati	R.A.F.C.
City of Cupertino	City of Salinas
City of Daly City	City of San Carlos
City of Davis	City of San Leandro
City of El Cerrito	City of San Mateo
City of Foster City	County of San Mateo
Golden Gate Bridge District	City of San Pablo
City of Gonzales	City of Santa Rosa
City of Half Moon Bay	City of Saratoga
H.A.R.D.	County of Sonoma
City of Hercules	South Co. Fire Authority
Town of Hillsborough	City of Union City
Housing Authority County of Alameda	City of Vacaville
City of Los Altos	City of Vallejo
Los Trancos Co. Water District	West County Wastewater District
City of Menlo Park	Town of Windsor
City of Millbrae	City of Winters