



SUMMARY MINUTES

ABAG POWER Executive Committee

Regular Meeting 2016-01

February 17, 2016

ABAG's Conference Room B
101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Vice Chairman Chris Schroeder opened the meeting with introductions at 12:00 PM.

<u>Committee Representatives</u>	<u>Jurisdiction/Agency</u>
Dave Brees	City of Los Altos
Tonya Gilmore	City of Orinda
Richard Sealana	City of Union City
Angela Walton	City of Richmond
Chris Schroeder (Vice Chair)	City of Milpitas
<u>Members Absent</u>	
Julie Bueren (Chair)	County of Contra Costa
<u>Staff Present</u>	
Jerry Lahr	ABAG POWER
Ryan Jacoby	ABAG POWER
Ken Moy	ABAG
Jenny Berg	ABAG
Susan Hsieh	ABAG

PUBLIC COMMENTS & ANNOUNCEMENTS

Lahr informed the Committee of delays impacting the relocation of ABAG's offices. It is unknown if the move to San Francisco will precede April 20's scheduled Executive Committee meeting.



APPROVAL OF SUMMARY MINUTES OF DECEMBER 16, 2015.

Motion was made by Sealana/S/Walton/C/4:0:0 to approve the Summary Minutes of December 16, 2015 Executive Committee meeting.

The aye votes were: Brees, Schroeder, Sealana, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren, Gilmore.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 2015-16

Lahr provided members with the Monthly Summary of Operations reports for FY15-16; members were updated on the percentage savings comparisons with PG&E. Lahr noted that financial statements for December, 2015 indicated a cumulative savings figure of -1.4% including the CTA Unrecovered Pipelines Capacity costs. The program's 'Rate Comparisons excluding Pipeline Capacity Costs' calculation displayed a cumulative savings through December, 2015 of 1.3%.

Lahr noted his intent to remove the 'Rate Comparisons excluding Pipeline Capacity Costs' calculation following the conclusion of FY 2015-16. He reminded Committee members of the recent decision rejecting the CTA Consortium's argument, effectively allocating the full portion of these costs to ABAG POWER for the foreseeable future.

Program Trends Explained

Lahr presented a memorandum explaining staff's use of the heating degree day (HDD) metric to describe a correlation between the program's continued decline in natural gas usage and recent warm temperatures throughout the region. The report indicated the current ten-year low in member usage can be attributed to reduced need for space heating, a primary use of natural gas among ABAG POWER members.

Gas Hedge Chart

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length). The Committee discussed authorizing an additional six-month gas purchase contract to capitalize on low market prices but ultimately decided to revisit the decision at the next Executive Committee meeting, scheduled for April 20, 2016.

Market Price Chart

Lahr provided information on gas prices.



Imbalance Adjustment Memo

Staff informed the Committee of a recent adjustment to the program's Operating Imbalance account. The adjustment remedies PG&E's inadvertent application of certain metered usage to another Core Procurement group's Operating Imbalance. The estimated cost of this adjustment is expected to be approximately \$237,000. The total cost will be apportioned among the program's active gas pool members and will be recorded during the current fiscal year.

FISCAL YEAR 2014-15 AUDITED FINANCIAL STATEMENTS

Lahr reported that a clean audit opinion was received for the FY 2014-15 financial statements. In addition, independent auditors did not identify any deficiencies in internal control that were considered to be material weaknesses.

Motion was made by Sealana/S/Walton/C/5:0:0 to approve the FY 2014-15 audited financial statements:

The aye votes were: Brees, Gilmore, Schroeder, Sealana, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Bueren.

PG&E GAS CUSTOMERS ONE-TIME BILL CREDIT PLAN

Lahr informed the Committee of PG&E's current proposal to issue a one-time bill credit to gas customers. The bill credit plan stems from the California Public Utilities Commission decision mandating PG&E return \$400 million to gas customers for the company's role in causing the San Bruno pipeline explosion.

Staff explained that using the calculation methodology provided by PG&E in its original proposal, the bill credit is estimated to represent approximately \$423,000 for ABAG POWER gas pool members. The majority of this credit will be issued directly from PG&E to members in the form of individual checks per account.

Staff proposed and the Committee encouraged issuing an updated memorandum to the gas pool membership in advance of the bill credit.

WATER EFFICIENCY FINANCE LEGISLATION

Lahr updated Committee members on the current status of the Water Bill Savings Act, which is now expected to be introduced in mid-February. The proposed water efficiency legislation would allow Joint Powers Authorities (JPAs) to raise funds to finance water and energy efficiency measures on residential and commercial properties.



CLOSED SESSION

Conference with Legal Counsel—Anticipated Litigation

Initiation of litigation pursuant to Government Code §54956.9(d)(4): One case

The Chairman announced that no reportable action was taken in closed session.

OTHER BUSINESS

Lahr informed the Committee of a recently received proposal regarding the opportunity for ABAG POWER to begin purchasing Renewable Gas Credits (RGS). Lahr explained that RGS are attributed to natural gas produced in a renewable manner, such as biogas. The RGS attribution can then be separated from the physical gas produced, and may be bought and sold in a regulated marketplace similar to its electric-industry equivalent, the Renewable Energy Credit (REC).

Staff intends to update the Committee at the April 20 Executive Committee meeting as the proposal is further developed and evaluated.

Sealana announced his intent to resign from the Executive Committee due to increased workloads from other matters. No resignation date was given, however it was agreed that outreach will be conducted to secure additional Committee membership.

ADJOURNMENT

Vice Chairman Schroeder adjourned the meeting at 1:42 PM.

/rj

*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 = abstention.