



# SUMMARY MINUTES

**ABAG POWER Executive Committee**

**Regular Meeting 2015-03**

**June 17, 2015**

ABAG's Conference Room B

101 8<sup>th</sup> Street, Oakland, CA 94607

## WELCOME AND INTRODUCTIONS

Chairman Schroeder opened the meeting with introductions at 12:10 PM.

### Committee Representatives

Chris Schroeder (Chair)

Tonya Gilmore

Angela Walton

Alan Olds

Julie Bueren

Stephanie Hom

### Jurisdiction

City of Milpitas

City of Orinda

City of Richmond

Housing Authority of the City of Alameda

County of Contra Costa

Town of Moraga

### Members Absent

Richard Sealana

City of Union City

### Staff Present

Jerry Lahr

ABAG POWER

Ryan Jacoby

ABAG POWER

Ken Moy

ABAG

Charles Adams

ABAG

## PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

Hom announced the conclusion of her employment with the Town of Moraga, and her approaching start with the City of Oakland. There are no current prospects to fill the resulting vacancy on the Committee.



#### **APPROVAL OF SUMMARY MINUTES OF APRIL 15, 2015.**

Motion was made by Walton/S/Bueren/C/5:0:0 to approve the Summary Minutes of April 15, 2015 Executive Committee meeting.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom.

The nay votes were: None.

Abstentions were: None.

Absentees were: Olds, Sealana.

#### **REPORT ON NATURAL GAS PROGRAM**

##### **Monthly Summary of Operations FY 14-15**

Lahr provided members with the Monthly Summary of Operations reports for FY14-15; members were updated on the percentage savings comparisons with PG&E. The cumulative savings through April, 2015 is -0.5% including the CTA Unrecovered Pipelines Capacity costs. The program's 'Rate Comparisons excluding Pipeline Capacity Costs' calculation displayed a cumulative savings through April, 2015 of 2.0%.

##### **Gas Hedge Chart**

Lahr provided information on the various current long-term gas purchases (contracts which are greater than one month in length).

##### **Market Price Chart**

Lahr provided information on gas prices. Lahr noted a correction to the chart's legend: "Budget (NYMEX Futures 6/1/15)" should instead be "Budget (NYMEX Futures 6/9/15)".

##### **Historic Stranded Capacity Costs**

Lahr provided a list of invoices received from PG&E for the CTA Unrecovered Pipelines Capacity costs. To date the program has paid a total of \$417,257 for these costs starting from April, 2012 (costs for FY 2014-15: \$155,541).

Lahr also provided additional pipeline capacity cost estimates for Fiscal Year 2015-16 that incorporated several recent developments (e.g. higher-than-expected cost reimbursement and lower contracted pipeline capacity on PG&E's behalf).

#### **FY 2015-16 ABAG POWER OPERATING BUDGET**

##### **FY 2015-16 Operating Budget**

Lahr presented the Committee with an Operating Budget for Fiscal Year 2015-16 indicating a total core rate decrease of 4.1%, primarily due to significant decreases in natural gas commodity costs and a continuance of relatively moderate gas consumption brought about by warm temperatures.



The Committee agreed that ABAG POWER may benefit financially by more actively managing its LAIF and checking accounts. No formal action was taken.

#### **FY 2015-16 Operating Budget – Levelized Charges**

Lahr presented a worksheet displaying the calculation of monthly levelized charges for each of the program's master accounts. The calculation displayed a total (Core and Non-core) decrease of 13.1% when compared to FY 2014-15 levelized charges.

Motion was made by Schroeder/S/Gilmore/6:0:0 to approve the Operating Budget (including levelized charges) for Fiscal Year 2015-16.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom, Olds.

The nay votes were: None.

Abstentions were: None.

Absentees were: Sealana.

Lahr noted potential concerns brought about by program's increased susceptibility to the traditionally volatile gas market as a result of heavily relying on market prices rather than fixed-price contracts. Lahr specifically elaborated on the program's cash flow management processes in the event that natural gas prices were to rapidly increase.

Following discussion, consensus among the Committee was reached: if the ABAG POWER working capital deposits deplete to a reserve amount less than one and a half months of program operation, ABAG POWER staff may choose to adjust levelized charges as necessary to ensure normalized program operation. In the event this action is deemed necessary, the Program Manager shall notify the Executive Committee and program participants.

Motion was made by Schroeder/S/Gilmore/6:0:0 to grant ABAG POWER staff authority to alter the Committee-approved levelized charges in the event a time-sensitive issue arose that would not provide adequate time to address the issue at a normally scheduled Executive Committee meeting.

The aye votes were: Gilmore, Schroeder, Bueren, Walton, Hom, Olds.

The nay votes were: None.

Abstentions were: None.

#### **Gas Program Goals and Purchasing Strategy**

Lahr reiterated the changes to the program's general gas purchasing strategy as decided and implemented during the past fiscal year.



#### LEGISLATION

Lahr briefed the Committee on the progress and recent submission of SB-687, which sought to introduce a Renewable Gas Standard (RGS) for gas sellers in California. The deadline to move this bill out of committee has passed, and therefore the bill is considered ‘dead’ for this legislative session. Staff and the Committee agreed this would likely be a conversational topic at the upcoming Annual Board Meeting.

#### OTHER BUSINESS

Lahr provided updates on regional Community Choice Aggregation (CCA) efforts as well as the status of a Direct Access (DA) bill, SB-286.

Schroeder stated plans to provide the Committee with actionable items related to the adoption of rooftop solar and its place within California’s Renewables Portfolio Standard (RPS). The action items would likely be presented at the August Executive Committee meeting and would be formulated in collaboration with Walker Wright, of Sunrun, Inc.

#### CLOSED SESSION

Conference with Legal Counsel—Existing Litigation, Govt. C. §54956.9(d):

1. Application of Pacific Gas & Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (A.13-06-011)
2. Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2015-2017 (A.13-12-012)

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

#### ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:47 PM.

/rj

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\*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.