



# SUMMARY MINUTES

**ABAG POWER Executive Committee  
Regular Meeting 2017-04**

**June 21, 2017**

Conference Room 7102 - Tamalpais  
375 Beale Street, San Francisco, CA 94105

## **WELCOME AND INTRODUCTIONS**

Chair Julie Bueren opened the meeting with introductions at 11:06 AM.

### **Present Committee Representatives**

Angela Walton  
Chris Schroeder  
Dave Brees  
Julie Bueren (Chair)  
Mintze Cheng  
Tonya Gilmore (Vice Chair)

### **Jurisdiction/Agency**

City of Richmond  
City of Milpitas  
City of Los Altos  
County of Contra Costa  
City of Union City  
City of Orinda

### **Absent Committee Representatives**

Melissa Morton

Vallejo Sanitation & Flood Control District

### **Guests Present**

Brian Mayhew  
Eva Sun

Metropolitan Transportation Commission  
Metropolitan Transportation Commission

### **Staff Present**

Jerry Lahr  
Ryan Jacoby  
Courtney Ruby  
Ken Moy

ABAG POWER  
ABAG POWER  
ABAG  
ABAG

## **PUBLIC COMMENTS & ANNOUNCEMENTS**

There were no public comments.



**APPROVAL OF SUMMARY MINUTES OF APRIL 19, 2017 & MAY 31, 2017.**

Lahr noted a spelling correction within the Summary Minutes of the May 31, 2017 Executive Committee meeting (Attachment 3B – Page 2 of 2).

Contingent on the above correction, motion was made by Schroeder/S/Walton/C/4:0:0 to approve the Summary Minutes of the April 19 and May 31, 2017 Executive Committee meetings.

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

The nay votes were: None.

Abstentions were: None.

Absentees were: Gilmore, Morton, Cheng.

**ABAG/MTC STAFF CONSOLIDATION**

Lahr noted the signing of the ABAG-MTC Contract for Services, and provided the Committee with a redlined version of the ABAG-ABAG POWER MOU, highlighting several minor changes that were made since the ABAG POWER Executive Committee approved as to form the document at its May 31 special meeting.

*[Mintze Cheng arrived prior to this vote.]*

Motion was made by Schroeder/S/Brees/C/5:0:0 to approve the revised Memorandum of Understanding between ABAG and ABAG POWER.

The aye votes were: Brees, Bueren, Cheng, Schroeder, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Gilmore, Morton.

**REPORT ON NATURAL GAS PROGRAM**

**Monthly Summary of Operations FY 2016-17**

Lahr provided members with the Monthly Summary of Operations reports for FY 2016-17; members were updated on the percentage savings comparisons with PG&E. Lahr noted that financial statements for April, 2017 indicated a cumulative savings figure of -3.2%.

Lahr also described recent conversations among ABAG staff to analyze factors that may increase the program's savings potential, including methods to increase the program's load profile and/or modifying the program's gas purchasing strategy. He noted intent to present a proposal at the August 16 Executive Committee meeting relating to these topics.



### **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.

### **Core Transport Agent (CTA) Minimum Standards**

Lahr informed Committee members of intent to present a proposal at the August 16 Executive Committee meeting addressing Senate Bill 656's requirements for CTAs to adopt certain minimum operating standards.

### **Invoicing Changes**

Staff informed the Committee of expected aesthetic changes to the July 1, 2017 ABAG POWER invoices, including updated remittance information. The changes are a result of the ABAG-MTC staff consolidation and a transition to MTC's financial software.

### **NATURAL GAS PROGRAM GOALS AND PURCHASING POLICY & STRATEGY**

Lahr provided the current gas purchasing strategy established by the Executive Committee. He provided the percentage of gas purchased in fixed-price contracts during the past year, and reiterated the broad authority of the ABAG POWER Program Manager to make gas purchase and sale transactions: (a) there is no set limit on the potential cost of a gas purchase contract or on a specific purchase and sale transaction under a contract, (b) the only limit on the amount on a gas contract or on a specific purchase and sale transaction under a contract is the total load of POWER for the period covered by the contract or specific purchase and sale transaction, and (c) no contract or purchase and sale can be longer than three years. Noting potential complications caused by this gas transaction authority when compared to MTC's existing accounting and contracting procedures, Lahr provided several examples of potential limitations on the Program Manager's purchasing authority.

Following discussion, the Committee decided to leave the current authority in place and to revisit potential gas purchase limitations at its scheduled August 16 meeting, when a potential limitation may be considered in the context of a larger program strategy proposal.

### **FY 2017-18 ABAG POWER OPERATING BUDGET**

Upon reviewing the gas program's goals and purchasing strategy, Lahr presented the Committee with an Operating Budget for Fiscal Year 2017-18 indicating a total core rate decrease of 3.4%. He noted several drivers of the decrease, including decreases in ABAG fees and the program's usage profile.

Total Working Capital Deposits remain at \$2,000,785, representing approximately three months of working capital. This is greater than the stated goal of at least two months of working capital, so no additional deposits are anticipated during Fiscal Year 2017-18.

The program's core and non-core Fiscal Year 2017-18 Levelized Charges represent a decrease of 7.2% when compared to FY 2016-17.

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

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*[Tonya Gilmore arrived prior to this vote.]*

Motion was made by Schroeder/S/Cheng/C/6:0:0 to deem Working Capital Deposits sufficient and approve as proposed the FY 2017-18 Operating Budget, including the monthly levelized charges.

The aye votes were: Brees, Bueren, Cheng, Gilmore, Schroeder, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Morton.

### **ENERGY PROGRAMS UPDATE**

Lahr summarized the recent accomplishments and goals of the Bay Area Regional Energy Network (BayREN), BayREN Integrated Commercial Retrofits (BRICR), and the Berkeley Energy Assurance Transformation (BEAT). Local Community Choice Aggregation efforts were also discussed.

### **ADJOURNMENT**

Chair Julie Bueren adjourned the meeting at 12:52 PM.

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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.