



SUMMARY MINUTES

**ABAG POWER Executive Committee
Regular Meeting 2018-04**

August 15, 2018

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

WELCOME AND INTRODUCTIONS

Vice Chair Dave Brees opened the meeting with introductions at 11:05 A.M.

Present Committee Representatives

Angela Walton
Dave Brees (Vice Chair)
Misty Mersich

Jurisdiction/Agency

City of Richmond
City of Los Altos
City of Cupertino

Absent Committee Representatives

Chris Schroeder
Dan Schoenholz
Melissa Morton

City of Milpitas
City of Fremont
Vallejo Flood & Wastewater District

Staff Present

Adrienne Weil
Brad Paul
Debbie Atmaja
May Yin
Jenny Berg
Jerry Lahr
Ryan Jacoby

Metropolitan Transportation Commission (MTC)
MTC
MTC
MTC
MTC
MTC
MTC

Guests Present

Philip Nowak

PricewaterhouseCoopers LLP

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF JUNE 20, 2018 EXECUTIVE COMMITTEE MEETING

Staff noted the distribution of corrected meeting minutes, made available by email and website access.

Motion was made by Mersich/S/Walton/C/3:0:0 to approve as corrected the Summary Minutes of the June 20, 2018 Executive Committee meeting.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



The aye votes were: Brees, Mersich, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Morton, Schroeder.

ENERGY PROGRAM MANAGER'S REPORT

Lahr noted communications with several members regarding potential additions to the Executive Committee, though no reportable action was taken. He also noted several follow-up conversations with members regarding a recent inquiry surrounding biogas/biomethane projects.

In addition, he announced the California Public Utilities Commission's recent approval of the Bay Area Regional Energy Network (BayREN) Business Plan for expanded energy efficiency programs and services through 2025.

Lastly, he provided an update on ABAG POWER's involvement in Pacific Gas and Electric Company's (PG&E) 2019 Gas Transmission & Storage Rate Case and the initiation of settlement discussions.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 2017-18

Staff noted the distribution of a correction to Attachment 5A – Monthly Summary of Operations for FY 2017-18 made available by email and website access. Staff provided members with the Monthly Summary of Operations reports for FY 2017-18; members were updated on the percentage savings comparisons with PG&E, noting that financial statements through June, 2018 indicated a cumulative savings figure of -7.4%. Staff also provided information on the program's current preliminary imbalance inventory, recorded once annually at the close of each fiscal year.

Monthly Summary of Operations FY 2018-19

Staff provided members with the preliminary Monthly Summary of Operations reports for FY 2018-19, including gas purchases and storage activity. PG&E's G-NR1 Procurement Charge was also provided through August, 2018.

Gas Hedge Chart

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

Market Price Chart

Staff provided information on current and historical gas prices.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Preliminary Income Statement as of June 30, 2018

Staff provided a preliminary/unaudited year-end Income Statement reflecting a budget surplus of approximately \$675,000. Once financials are finalized, the surplus is expected to be returned to program participants through the annual true-up process.

2018 ABAG POWER Audit Plan

Staff provided a timeline of the Fiscal Year 2017-18 audit plan, expected to conclude in October 2018. Lahr requested clarification as to whether the “Significant Risk” identified within the report was intended as identifying a specific risk to ABAG POWER; Philip Nowak with PricewaterhouseCoopers LLP clarified that to-date, there was no specific cause for increased concern above and beyond the organization’s typical auditing standards.

Mr. Nowak also expressed a requirement to initiate discussions with at least one member of the Executive Committee to identify awareness of any potential fraud in the entity and existing fraud prevention measures.

RENEWABLE NATURAL GAS OPPORTUNITIES

Staff presented an overview of a soon-to-be-released Request for Information (RFI) for Renewable Natural Gas Supply and Natural Gas Offset Products. The RFI is intended to assist ABAG POWER in determining whether to add physical renewable natural gas and/or gas offset products to the current natural gas supply offered to member agencies. The RFI provides a response period of three weeks, closing September 5, 2018. Lahr noted a desire to form a small review committee to digest information received from submissions and other discussions related to biomethane projects.

He also referenced a City of Union City Staff Report provided as a handout which described the City’s current process for using renewable natural gas as vehicle fuel for its municipal fleet.

CANADIAN GAS PURCHASE AND TRANSPORTATION AGREEMENTS

Staff presented an overview of required processes and documentation to enable the purchase and transport gas from receipt points within Canada, as well as intra/interstate pipelines and natural gas basins located in the western region of the U.S. and southwestern Canada.

Mersich questioned whether there was a significant difference in gas quality between purchase points within the U.S. and Canada which may result in a higher emissions factor when consumed. Staff agreed to report back after determining whether any significant quality requirements exist among the different pipeline operators.

APPOINTMENT OF NEW EXECUTIVE COMMITTEE MEMBER

Staff reminded members of the May 11, 2018 resignation of Tonya Gilmore as the ABAG POWER Executive Committee Chair and the inheritance of authority to the Vice Chair (Dave Brees) to fulfill the duties of the Chair until new officers are elected at the annual Board meeting, pursuant to Section 7.1.4 (Vacancies) of the Bylaws. Subsequently, Dave Brees appointed (in absentia) Dan Schoenholz, Deputy Community Development Director with the City of Fremont, to the ABAG POWER Executive Committee.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Motion was made by Mersich/S/Walton/C/3:0:0 to ratify the appointment of Dan Schoenholz to the Executive Committee.

The aye votes were: Brees, Mersich, Walton.

The nay votes were: None.

Abstentions were: None.

Absentees were: Morton, Schroeder.

EXECUTIVE COMMITTEE & KEY PERSONNEL

Staff provided a list of Calendar Year 2018 meeting dates and contact information for key personnel.

PRELIMINARY AGENDA FOR ANNUAL BOARD MEETING

Staff presented a preliminary agenda for the October 25, 2018 annual board meeting. Committee members discussed item timing and a desire to hear an update regarding the ABAG-MTC staff consolidation, and host one or more guest speakers presenting local biogas/renewable natural gas projects or initiatives.

ADJOURNMENT

Vice Chair Dave Brees adjourned the meeting at 12:37 PM.

*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.