

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A



SUMMARY MINUTES

**ABAG Power Executive Committee
Teleconference Meeting 2009-02**

April 15, 2009

Metro Center, 101 8th Street, Oakland, CA 94607

WELCOME AND INTRODUCTIONS

Chairman John Cerini opened the meeting with introductions at 12:05 p.m.

Committee Representatives

John Cerini, Chairman
Jennifer Mennucci, Vice-Chairwoman
Chris Schroeder
Terry Mann

Jurisdictions

City of Vallejo
Golden Gate Bridge District
City of Milpitas
County of Contra Costa

Members Absent

Ron Popp
Ed Buonaccorsi

City of Millbrae
City of Santa Rosa

Members of Public Present

Raj Pankhania

City of Hercules

Staff Present

Jerry Lahr
Vina Maharaj
Kenneth Moy
Herbert Pike

ABAG POWER
ABAG POWER
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PUBLIC COMMENTS & ANNOUNCEMENTS

Raj Pankhania joined the meeting as a member of the public.

APPROVAL OF SUMMARY MINUTES OF FEBRUARY 18, 2009 MEETING

Motion was made by Schroeder/S/Mennucci/C/4:0:0 to approve the Summary Minutes of February 18, 2009 Executive Committee Meeting.

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REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 08-09

Lahr provided the members with the Monthly Summary of Operations report for FY 2008-09. He said that the cumulative savings has dropped down to 0.1% in January due to the recent downturn in market prices. ABAG POWER, however, has maintained a positive cumulative savings percentage compared to PG&E during the first seven months of the fiscal year 2008-09.

Gas Hedge Chart

Lahr provided a chart showing ABAG POWER's long-term gas purchases. He mentioned that ABAG POWER has completed its long-term gas purchases for the period up to June, 2010. He will begin looking to purchase lower priced gas for the winter of 2010.

Gas Price Comparison

Lahr provided the members with a Gas Price Comparison with PG&E for a period of 2003 to 2008. He said that ABAG POWER has, with the exception of Calendar year 2006, provided a positive savings throughout this six-year period to its members, including a savings of 6.8% during calendar year 2008. However, calendar year 2009 will likely see a decline in savings due to low spot market prices.

ABAG POWER's Unused Pipeline Capacity

Lahr mentioned that ABAG POWER, being a core aggregator, receives a monthly option for certain pipeline capacity from PG&E. Now, he is looking into a new mechanism that may allow the program to make use of a portion of this capacity that has traditionally gone unused due to scheduling and pricing concerns. A company has proposed that ABAG POWER assign its unused capacity to them, and they will then aggregate a number of these, resell and share the benefits of the sale with ABAG POWER on a fifty-fifty basis.

Energy Data System – Pilot Project

Lahr provided an update on the pilot project. Utility Management Services (UMS) is in the initial phase of the project of collecting and inputting electric account data into the Utility Manager. Lahr will try to work out a timeline of the processes with UMS.

2007-08 FINANCIAL REPORTS

Herb Pike presented the Independent Auditors' Report and the Financial Statements for the year ending June 30, 2008.

Motion was made by Schroeder/S/Cerini/C/4:0:0 to approve the Audited Financial Statements as presented.

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ELECTRIC PROGRAM ESCROW FUNDS

Lahr reported that ABAG POWER staff has been notified that the electric program funds held subsequent to the California Power Exchange (Cal PX) bankruptcy have been released to the Northern California Power Agency (NCPA) – approximately \$1 million. ABAG POWER intends to enter into discussions with NCPA for the recovery of these funds, as well as the funds held by NCPA as security against the FERC refund hearings.

An electric program escrow funds allocation methodology was presented to the Committee which illustrates the allocation of the funds in accordance with the Electric Program Wind-Up Agreement.

SOLAR & ENERGY EFFICIENCY FINANCING DISTRICT

Lahr presented the members with a copy of a staff report which was presented to ABAG's Executive Board on March 19, 2009. The discussions included items such as the risks and benefits of a regional approach to financing solar and energy efficiency projects, how an ABAG sponsored program could add value to existing clean energy municipal financing programs and whether financing solar and energy efficiency projects should be a priority at ABAG?

There was a general consensus amongst agencies who felt this was an excellent idea.

Block Grants for Energy Efficiency and Conservation

Lahr handed out information on Block Grants for energy efficiency and conservation projects for cities and counties who can get federal stimulus funds for energy projects to be awarded by California Energy Commission. Some members mentioned that their agencies had already begun the application processes. ABAG was trying to evaluate whether they could team up with a consultant to coordinate this effort and offer assistance to member agencies. He received feedback from members.

ADJOURNMENT

Chairman Cerini adjourned the meeting at 1:50 p.m.

/vm

*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 = abstentions

Attachment 4A

ABAG POWER Natural Gas Program

FY 2008-09 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Jun 30	Total
Gas Purchases⁽¹⁾														
Purchase 1	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,500	14,000	15,500	15,000	15,500	15,000	182,500
	Price	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44
Purchase 2	Qty	15,500	15,500	15,000	15,500	14,781	15,500	15,500	14,000	15,500	15,000	15,500	15,000	182,281
	Price	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.50	\$7.50	\$7.50	\$7.50
Purchase 3	Qty	15,500	15,500	15,000	15,500	14,998	15,500	15,500	14,000	15,500	15,000	15,500	15,000	167,498
	Price	\$12.32	\$8.44	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90	\$7.90
Purchase 4	Qty	13,826	13,594	13,200	13,578	15,000	15,500	15,500	14,000	15,500	11,460	8,711		149,869
	Price	\$12.18	\$8.28	\$7.17	\$6.26	\$9.09	\$9.09	\$9.09	\$9.09	\$9.09	\$3.59	\$2.87		\$2.87
Purchase 5	Qty	4,020	8,325	11,950	12,700	14,751	43,602	32,547	20,896	14,067	18,000	5,275		186,133
	Price	\$9.61	\$8.04	\$6.73	\$6.37	\$5.89	\$6.16	\$5.90	\$4.47	\$3.87	\$3.42	\$3.56		\$3.56
Total Quantity Purchased		64,346	68,419	70,150	72,778	74,530	105,602	94,547	76,896	76,067	74,460	60,486	30,000	868,281
Total Purchase Cost		\$631,970	\$544,309	\$520,008	\$522,386	\$566,554	\$766,122	\$689,330	\$542,684	\$551,818	\$445,386	\$397,751	\$224,100	\$6,402,417
Backbone Shrinkage (Dths)		(589)	(590)	(570)	(589)	(568)	(589)	(589)	(532)	(589)	(540)	(527)		
Weighted Avg. Cost of Gas (WACOG) ⁽²⁾		\$9.91	\$8.02	\$7.47	\$7.24	\$7.66	\$7.30	\$7.34	\$7.11	\$7.31	\$6.03	\$6.63	\$7.47	\$7.37
Storage/Inventory														
Total Injections/ (Withdrawals)		11,966	11,966	12,738	10,633	0	(14,350)	(19,665)	(16,150)	(12,144)	13,945	8,331		7,270
Total Inventory Quantity (Dths)		46,972	58,938	71,676	82,309	82,309	67,959	48,294	32,144	20,000	33,945	42,276		
Total Inventory (\$)		\$424,830	\$520,854	\$616,691	\$694,414	\$694,414	\$571,278	\$405,970	\$270,209	\$168,124	\$263,536	\$314,360		
Gas Program Monthly Expenses (from Financial Reports)														
Cost of Energy Used ⁽³⁾		\$ 529,250	\$ 464,139	\$ 439,964	\$ 460,509	\$ 579,235	\$ 910,085	\$ 868,570	\$ 679,248	\$ 684,311	\$ 365,423			\$ 5,980,734
Program Operating Expenses ⁽⁴⁾		20,299	28,516	27,161	29,466	19,637	29,940	19,877	27,614	31,426	40,405			274,339
Subtotal		\$ 549,548	\$ 492,655	\$ 467,125	\$ 489,975	\$ 598,872	\$ 940,024	\$ 888,446	\$ 706,862	\$ 715,738	\$ 405,828	\$ -	\$ -	\$ 6,255,073
Rate (\$/Dth)		\$10.07	\$9.03	\$8.58	\$7.27	\$7.77	\$8.49	\$8.02	\$7.43	\$7.77	\$5.60			\$7.81
PG&E Pass-through costs ⁽⁵⁾		122,274	139,604	81,317	146,291	144,044	297,992	300,910	300,758	216,600	250,138			1,999,929
Total ABAG POWER Cost		\$ 671,822	\$ 632,259	\$ 548,442	\$ 636,265	\$ 742,916	\$ 1,238,016	\$ 1,189,356	\$ 1,007,620	\$ 932,337	\$ 655,966			\$ 8,255,001
Actual (metered) Gas Usage														
Core ⁽⁶⁾		43,666	41,708	41,542	54,783	67,333	99,574	99,044	85,641	81,872	61,694			676,856
Non Core		10,908	12,845	12,907	12,600	9,712	11,149	11,764	9,460	10,249	10,723	11,517		123,833
Total Program Usage		54,574	54,553	54,449	67,383	77,044	110,723	110,808	95,101	92,120	72,417	11,517	0	800,689
ABAG POWER Total Core Rate		\$ 12.87	\$ 12.38	\$ 10.54	\$ 9.94	\$ 9.91	\$ 11.48	\$ 11.06	\$ 10.94	\$ 10.42	\$ 9.66			
PG&E Rate⁽⁷⁾														
Procurement Charge ⁽⁸⁾		14.80	12.45	9.05	7.79	7.18	5.92	7.03	6.54	5.32	4.68	3.71	4.78	
Transportation/Other Charge ⁽⁹⁾		2.80	3.35	1.96	2.67	2.14	2.99	3.04	3.51	2.65	4.05			
Total PG&E Rate		\$ 17.60	\$ 15.80	\$ 11.01	\$ 10.46	\$ 9.32	\$ 8.91	\$ 10.07	\$ 10.05	\$ 7.97	\$ 8.73	\$ 3.71	\$ 4.78	
Monthly Rate Difference (\$/Dth)		(4.73)	(3.42)	(0.47)	(0.51)	0.59	2.57	0.99	0.89	2.45	0.93			
Monthly Savings (\$)		206,643	142,718	19,726	28,156	(40,009)	(256,052)	(97,971)	(76,318)	(200,545)	(57,237)			
Cumulative Savings (\$)		206,643	349,361	369,087	397,243	357,235	101,183	3,211	(73,107)	(273,652)	(330,889)			
Cumulative Savings (%)		26.9%	24.5%	19.6%	16.2%	11.6%	2.5%	0.1%	-1.3%	-4.2%	-4.7%			

ABAG POWER Natural Gas Program

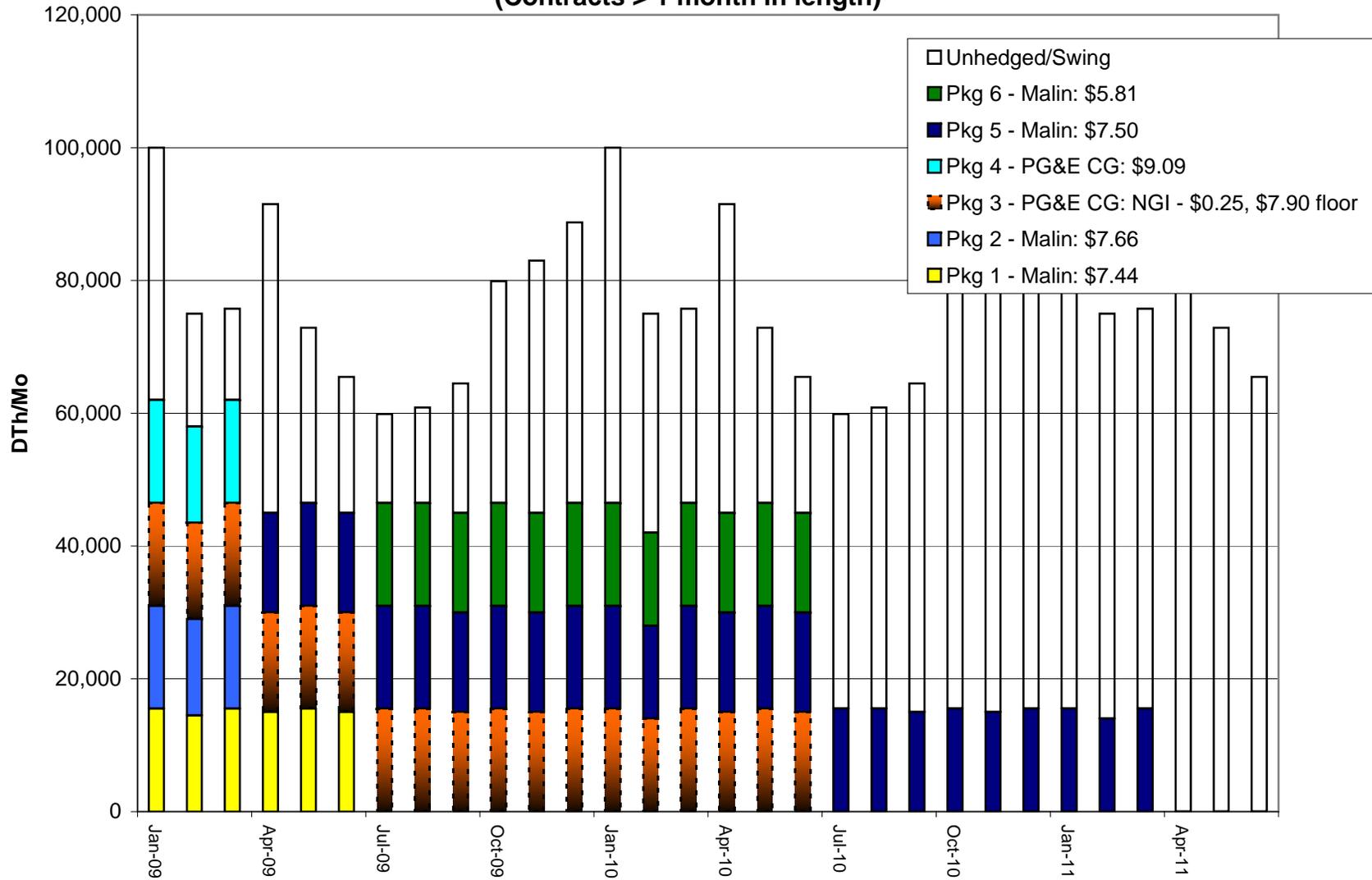
FY 2008-09 Monthly Summary of Operations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Storage Gas Accounting</u>													
Beginning Quantity	35,006												
Average Price	\$8.75												
Beginning of Month Qty	35,006	46,972	58,938	71,676	82,309	82,309	67,959	48,294	32,144	20,000	33,945	42,276	
Injections Qty	12,121	12,121	11,730	7,455	0	0	0	0	0	5,214	1,049		
Storage Shrinkage Qty	-155	-155	-150	-101						-69	-14		
Price	\$9.91	\$8.02	\$7.47	\$7.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6.03	\$6.63	\$0.00	
Imbalance Trades Qty			1,158	3,279		2,150				8,800	7,296		
Price			\$8.03	\$7.47		\$7.47				\$7.32	\$6.03		
Withdrawals Qty	0	0	0	0	0	16,500	19,665	16,150	12,144	0	0		
Price	\$8.75	\$9.04	\$8.84	\$8.60	\$8.44	\$8.44	\$8.41	\$8.41	\$8.41	\$8.41	\$7.76	\$7.44	\$7.44
End of Month Qty	46,972	58,938	71,676	82,309	82,309	67,959	48,294	32,144	20,000	33,945	42,276	42,276	
Avg. Pric	\$9.04	\$8.84	\$8.60	\$8.44	\$8.44	\$8.41	\$8.41	\$8.41	\$8.41	\$7.76	\$7.44		
End of Month Inventory	\$424,830.27	\$520,854.15	\$616,690.54	\$694,413.97	\$694,413.97	\$571,278.00	\$405,969.77	\$270,209.39	\$168,124.31	\$263,535.61	\$314,359.90		
Monthly Index Postings													
NGI Bidweek for PG&E Citygate	\$12.57	\$8.69	\$7.73	\$6.45	\$6.06	\$6.42	\$6.00	\$4.77	\$4.19	\$3.99	\$3.22	\$3.40	
Gas Daily Avg. for PG&E Citygate	\$10.75	\$8.06	\$6.73	\$6.36	\$6.15	\$6.12	\$5.35	\$4.56	\$3.96	\$3.44	\$3.68		
NGI Bidweek for Malin	\$12.15	\$8.26	\$7.15	\$6.24	\$5.80	\$6.19	\$5.67	\$4.52	\$3.82	\$3.59	\$2.85	\$2.98	

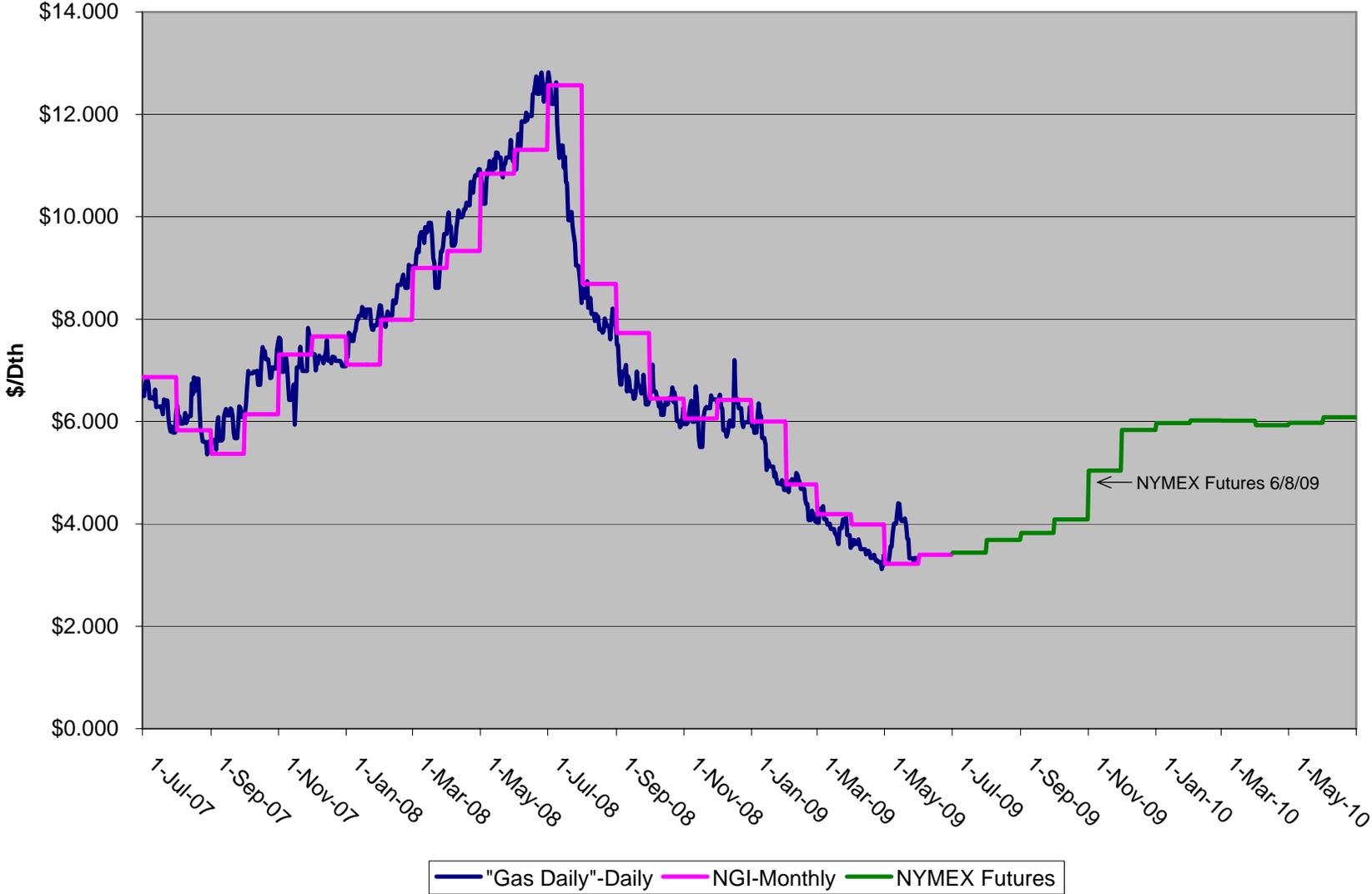
Notes:

- (1) All gas quantities in Dth and rates in \$/Dth.
- (2) WACOG at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) Actual cost of PG&E charges billed to customer via EDI process. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

**ABAG POWER Long Term Gas Purchases
(Contracts > 1 month in length)**



Market Price Indices @ PG&E Citygate



ABAG POWER
Operating Budget Estimate
 Fiscal Year Ending June 30, 2010

	<u>Electricity (1)</u>			<u>Natural Gas</u>			<u>Total</u>
	<u>FY 2008-09</u> <u>Approved (2)</u>	<u>FY 2008-09</u> <u>Projected</u>	<u>FY 2009-10</u> <u>Proposed</u>	<u>FY 2008-09</u> <u>Approved (2)</u>	<u>FY 2008-09</u> <u>Projected</u>	<u>FY 2009-10</u> <u>Proposed</u>	<u>FY 2009-10</u> <u>Proposed</u>
Revenues							
Sale of Energy	\$ -	\$ -	\$ -	\$ 10,879,034	\$ 12,443,139	\$ 9,721,109	\$ 9,721,109
Interest Income - Banks/LAIF				\$ 60,000	\$ 67,990	\$ 60,000	60,000
Members Balancing Account	8,191	7,102	23,545	-	-	-	23,545
Total revenues	8,191	7,102	23,545	10,939,034	12,511,129	9,781,109	9,804,654
Cost of energy							
Cost of Energy Used	-	-	-	7,509,948	6,860,734	6,584,696	6,584,696
PG&E Pass-Through Costs	-	-	-	2,978,110	2,399,914	2,733,750	2,733,750
Total cost of energy	-	-	-	10,488,058	9,260,648	9,318,446	9,318,446
Other Energy Costs							
Meter fees	-	-	-	-	-	-	-
Total Other Energy Costs	-	-	-	-	-	-	-
Energy Data System Upgrade (3)				50,000	10,000	40,000	40,000
Program Expenses							
Billing Costs, external				9,500	(2,924)	9,500	9,500
Amortized Billing Software Costs				14,221	14,221	14,221	14,221
Scheduling agent fees				36,750	36,750	36,750	36,750
ABAG fees	8,191	6,735	23,545	334,505	340,000	347,191	370,736
Interest Expense/Bank Charges	-	1,531	-	1,000	10,191	10,000	10,000
Legal Expenses (outside)				5,000	-	5,000	5,000
Other Expenses	-	-	-	-	-	-	-
Total Program Expenses	8,191	8,266	23,545	400,976	398,238	422,662	446,207
Total expenses	8,191	8,266	23,545	10,939,034	9,668,886	9,781,109	9,804,654
True-up Adjustment	-	(1,164)	-	-	2,842,243	-	-
				Core Annual Usage (Dths):	845,018	807,402	846,172
				Noncore Annual Usage (Dths):	124,433	134,329	124,248
				Core Gas Commodity (\$/Dth):	\$7.76	\$7.29	\$6.80
				Noncore Gas Commodity (\$/Dth):	\$7.64		\$6.67
				PG&E Pass-through (\$/Dth):	\$3.52	\$2.97	\$3.23
				Program Expenses (4) (\$/Dth):	\$0.40	\$0.42	\$0.41
				Core Total Rate (\$/Dth):	\$11.69	\$10.68	\$10.45
				Noncore Total Rate (\$/Dth):	\$8.04		\$7.09

Notes:

- (1) Electric expenses will be accrued as a liability to the program. Reimbursement will be made to ABAG once the remaining issues have been resolved
 (2) Approved budget December 2008.
 (3) Approved at Oct. 2008 Annual Board Meeting.
 (4) Program expenses minus interest income. Rate includes cost of Energy Data System Upgrade.

ABAG POWER - Levelized Charges

Attachment 5A1

Customer	Estimated Annual Usage @ PG&E Citygate (therms)	Gas Cost	Storage Costs	PG&E Pass-through Costs	Program Expenses (1)	Total Cost	FY2009-10 Monthly Levelized Charge	Revised FY2008-09 Monthly Levelized Charge
rate (\$/th):		\$0.667	\$0.013	\$0.323	\$402,662 \$0.041			
Core								
Alameda, City	220,595	\$147,213	\$2,832	\$71,268	\$9,153	\$230,467	\$19,210	\$21,010
Albany, City	19,903	\$13,282	\$256	\$6,430	\$826	\$20,793	\$1,740	\$2,300
Atherton, Town	6,568	\$4,383	\$84	\$2,122	\$273	\$6,862	\$580	\$660
Benicia, City	76,413	\$50,994	\$981	\$24,687	\$3,171	\$79,832	\$6,660	\$8,190
Contra Costa County GSD	1,468,178	\$979,784	\$18,848	\$474,328	\$60,920	\$1,533,880	\$127,830	\$142,030
Cupertino, City	57,615	\$38,449	\$740	\$18,614	\$2,391	\$60,193	\$5,020	\$5,570
Eastside Union H.S. District	106,673	\$71,188	\$1,369	\$34,463	\$4,426	\$111,446	\$9,290	\$11,940
Fremont, City	217,829	\$145,368	\$2,796	\$70,375	\$9,039	\$227,577	\$18,970	\$19,710
Gonzales, City	13,779	\$9,195	\$177	\$4,452	\$572	\$14,396	\$1,200	\$1,490
Golden Gate Bridge	82,440	\$55,016	\$1,058	\$26,634	\$3,421	\$86,130	\$7,180	\$7,740
Half Moon Bay, City	4,621	\$3,084	\$59	\$1,493	\$192	\$4,828	\$410	\$380
Hercules, City	40,208	\$26,833	\$516	\$12,990	\$1,668	\$42,007	\$3,510	\$3,810
Los Altos, City	33,076	\$22,073	\$425	\$10,686	\$1,372	\$34,556	\$2,880	\$3,380
Mill Valley, City	87,560	\$58,433	\$1,124	\$28,288	\$3,633	\$91,479	\$7,630	\$8,510
<u>Millbrae, City</u>								
Millbrae, City	37,979	\$25,345	\$488	\$12,270	\$1,576	\$39,679	\$3,310	\$3,790
Millbrae WWTP	106,563	\$71,115	\$1,368	\$34,428	\$4,422	\$111,332	\$9,280	\$6,390
Millbrae Total	144,542	\$96,460	\$1,856	\$46,698	\$5,998	\$151,010	\$12,590	\$10,180
Milpitas, City	174,914	\$116,728	\$2,245	\$56,510	\$7,258	\$182,741	\$15,230	\$17,780
Monte-Sereno, City	1,213	\$809	\$16	\$392	\$50	\$1,267	\$110	\$120
Moraga, Town	8,001	\$5,339	\$103	\$2,585	\$332	\$8,359	\$700	\$800
<u>Napa County</u>								
Napa County001	1,756	\$1,172	\$23	\$567	\$73	\$1,834	\$160	\$200
Napa County002	21,395	\$14,278	\$275	\$6,912	\$888	\$22,353	\$1,870	\$2,000
Napa County004	9,033	\$6,028	\$116	\$2,918	\$375	\$9,438	\$790	\$920
Napa County005	111,299	\$74,275	\$1,429	\$35,958	\$4,618	\$116,280	\$9,700	\$10,950
Napa County Total	143,484	\$95,754	\$1,842	\$46,356	\$5,954	\$149,905	\$12,520	\$14,070

ABAG POWER - Levelized Charges

Attachment 5A1

Customer	Estimated Annual Usage @ PG&E Citygate (therms)	Gas Cost	Storage Costs	PG&E Pass-through Costs	Program Expenses (1)	Total Cost	FY2009-10 Monthly Levelized Charge	Revised FY2008-09 Monthly Levelized Charge
					\$402,662			
rate (\$/th):		\$0.667	\$0.013	\$0.323	\$0.041			
<u>Oakland, City</u>								
Oakland, City	866,804	\$578,459	\$11,128	\$280,041	\$35,967	\$905,594	\$75,470	\$77,890
Oakland Zoological	15,965	\$10,654	\$205	\$5,158	\$662	\$16,680	\$1,390	\$1,570
Oakland, City Total	882,769	\$589,113	\$11,333	\$285,198	\$36,629	\$922,274	\$76,860	\$79,460
Orinda, City	7,345	\$4,902	\$94	\$2,373	\$305	\$7,674	\$640	\$710
Pacifica, City	29,236	\$19,510	\$375	\$9,445	\$1,213	\$30,544	\$2,550	\$2,990
Petaluma, City	25,906	\$17,288	\$333	\$8,369	\$1,075	\$27,065	\$2,260	\$2,470
Pleasanton, City	195,436	\$130,424	\$2,509	\$63,140	\$8,109	\$204,182	\$17,020	\$20,940
Regional Admin. Facility	56,194	\$37,501	\$721	\$18,155	\$2,332	\$58,709	\$4,900	\$5,770
Richmond, City	250,276	\$167,021	\$3,213	\$80,857	\$10,385	\$261,476	\$21,790	\$27,490
Salinas, City	225,667	\$150,598	\$2,897	\$72,907	\$9,364	\$235,766	\$19,650	\$22,370
San Carlos, City	69,423	\$46,329	\$891	\$22,429	\$2,881	\$72,529	\$6,050	\$6,220
<u>San Mateo County</u>								
San Mateo County006	934,781	\$623,823	\$12,000	\$302,002	\$38,787	\$976,613	\$81,390	\$94,370
San Mateo County007	701,250	\$467,977	\$9,002	\$226,554	\$29,097	\$732,631	\$61,060	\$68,540
San Mateo County008	6,012	\$4,012	\$77	\$1,942	\$249	\$6,281	\$530	\$570
San Mateo County009	8,278	\$5,524	\$106	\$2,674	\$343	\$8,648	\$730	\$800
San Mateo County011	36,363	\$24,267	\$467	\$11,748	\$1,509	\$37,990	\$3,170	\$3,460
San Mateo County013	53,386	\$35,627	\$685	\$17,248	\$2,215	\$55,775	\$4,650	\$4,010
San Mateo County Total	1,740,069	\$1,161,230	\$22,338	\$562,168	\$72,202	\$1,817,938	\$151,530	\$171,750
San Rafael, City	71,566	\$47,759	\$919	\$23,121	\$2,970	\$74,768	\$6,240	\$7,340
Santa Clara County	1,080,088	\$720,794	\$13,866	\$348,947	\$44,817	\$1,128,423	\$94,040	\$104,280
Santa Rosa, City	296,226	\$197,686	\$3,803	\$95,703	\$12,291	\$309,483	\$25,800	\$28,820
Saratoga, City	13,774	\$9,192	\$177	\$4,450	\$572	\$14,390	\$1,200	\$1,260
Union City	22,376	\$14,933	\$287	\$7,229	\$928	\$23,378	\$1,950	\$2,080
Vallejo, City	479,233	\$319,815	\$6,152	\$154,827	\$19,885	\$500,679	\$41,730	\$49,470
Vallejo Sani. & Flood Control Dist	28,384	\$18,942	\$364	\$9,170	\$1,178	\$29,655	\$2,480	\$2,070
Watsonville, City	76,697	\$51,183	\$985	\$24,779	\$3,182	\$80,129	\$6,680	\$7,830
Winters, City	3,447	\$2,300	\$44	\$1,114	\$143	\$3,601	\$310	\$340
TOTAL - Core	8,461,725	\$5,646,905	\$108,629	\$2,733,750	\$351,107	\$8,840,392	\$736,940	\$823,330
Rate (\$/th)		\$0.667	\$0.013	\$0.323	\$0.041	\$1.045		
	Total ABAG POWER Commodity Cost - Core:		\$0.680					
	Member Rate - Core:		\$0.722					

ABAG POWER - Levelized Charges

Attachment 5A1

Customer	Estimated Annual Usage @ PG&E Citygate (therms)	Gas Cost	Storage Costs	PG&E Pass-through Costs	Program Expenses (1)	Total Cost	FY2009-10 Monthly Levelized Charge	Revised FY2008-09 Monthly Levelized Charge
rate (\$/th):		\$0.667	\$0.013	\$0.323	\$402,662 \$0.041			

Non-Core

Contra Costa, County	0	\$0			\$0	\$0	\$0	\$0
San Mateo County	246,867	\$164,746			\$10,243	\$174,989	\$14,590	\$15,140
Santa Rosa, City (Co-gen)	793,792	\$529,735			\$32,937	\$562,672	\$46,890	\$54,600
Watsonville, City (Co-gen)	201,816	\$134,682			\$8,374	\$143,056	\$11,930	\$13,630
TOTAL - Non-core	1,242,476	\$829,162	\$0	\$0	\$51,555	\$880,717	\$73,410	\$83,370
Rate (\$/th)		\$0.667	\$0.000	\$0.000	\$0.041	\$0.709		
	Total ABAG POWER Commodity Cost - Non-core:		\$0.667					
	Member Rate - Non-core:		\$0.709					
GRAND TOTAL (Core + Non-core)	9,704,200	\$6,476,068	\$108,629	\$2,733,750	\$402,662	\$9,721,109	\$810,350	\$906,700
						% Change:	-10.6%	

Working Capital Deposits: \$ 2,020,735
Months: 2.49

Notes:

(1) Includes cost of Energy Data System Upgrade.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS Agenda Item #6

Representing City and County Governments of the San Francisco Bay Area

Attachment A



DT: June 10, 2009

TO: ABAG POWER Executive Committee

FM: Gerald L. Lahr, ABAG POWER Program Manager
Kenneth Moy, Legal Counsel

RE: **Recommendation for Partial Distribution of Natural Gas Litigation Proceeds**

Background. In 2004, ABAG POWER became a plaintiff in litigation dealing with the manipulation of the natural gas markets. ABAG POWER's complaint was joined with several other similar lawsuits, and the litigation process has continued for the past 4 ½ years. Over the past year ABAG POWER has reached settlements with several defendants resulting in net proceeds to ABAG POWER of approximately \$550,000.

Last Spring an allocation methodology was developed that prorates the proceeds and litigation costs to both current gas program members, and members that had previously opted out of the program, based on each agency's natural gas usage during the relevant litigation period¹ (see attached).

During the most recent Annual ABAG POWER Board Meeting (October 2008), the Board discussed the potential uses for the litigation proceeds. Ultimately, a motion was approved as follows:

- Retain the settlement proceeds until given further direction by the Executive Committee or Board;
- Allocate \$50,000 as a new line item within the current FY 2008-09 budget for the implementation of the Energy Data System Upgrade;
- Proceed with the pilot project portion of the upgrade (estimated cost \$13,000);
- Once the pilot project is completed, staff to report back to the Executive Committee with the results of the project to include a recommendation for moving forward with additional upgrades.

Discussion. At the ABAG POWER Board meeting last October most of the discussion involved whether or not to retain the proceeds allocated to current members for future projects, with a specific recommendation to undertake the Energy Data Pilot Project. Ultimately, it was decided to retain all the settlement proceeds for now, and undertake the pilot project with funds from the general ABAG POWER budget. At the same time, it was recommended that once all the settlement proceeds had been received a payout should be made to the opt-out members,

¹ Relevant Litigation Period: Jun. 2000 – Dec. 2002.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS Agenda Item #6

Representing City and County Governments of the San Francisco Bay Area

Attachment A



regardless of what is ultimately decided regarding the funds allocated to current members. There was general agreement on this recommendation.

The Pilot Project, while underway, has not proceeded to the point of being able to judge whether or not it is viable for wider use among members, and it will likely be this Fall before an initial determination can be made.

Recommendation. Staff now feels that the likelihood of additional settlement proceeds is remote, and therefore the Executive Committee should review the possibility of retaining or distributing the proceeds received to date.

Staff recommends distributing the proceeds allocated to the opt-out members, and retaining the remaining proceeds until a decision can be made as to the viability of the Energy Data Pilot Project.

/vm

Attachment: Allocation Schedule

cc: Henry Gardner, President, ABAG POWER
Herbert Pike, Finance Director, ABAG

Gas Litigation Proceeds Allocation

Total Litigation Settlements	\$	545,882.29
Interest from Cotchett firm		1,180.39
Interest from ABAG - thru 4/30/09		6,057.41
Total Allocation Amount	\$	553,120.09
Gas Litigation Costs*	\$	70,913.33

Current Members	Total Usage Jun '00 - Dec '02**	% of Total	% of Group	Allocation of Costs	Litigation Proceeds Allocation	Re-allocation of Costs	Total Distribution
Alameda, City	357,225	1.77%	1.99%	\$ 1,254.81	\$ 9,787.43	\$ 153.14	\$ 9,940.57
Albany, City	58,488	0.29%	0.33%	205.45	1,602.48	25.07	1,627.56
Atherton, Town	14,975	0.07%	0.08%	52.60	410.29	6.42	416.71
Benicia, City	224,002	1.11%	1.24%	786.84	6,137.32	96.03	6,233.35
Contra Costa County	4,378,993	21.69%	24.34%	15,381.88	119,977.83	1,877.25	121,855.07
Cupertino, City	148,205	0.73%	0.82%	520.59	4,060.59	63.53	4,124.13
Eastside Union H.S. District	80,100	0.40%	0.45%	281.36	2,194.62	34.34	2,228.96
Fremont, City	585,431	2.90%	3.25%	2,056.42	16,039.93	250.97	16,290.90
Golden Gate Bridge	195,016	0.97%	1.08%	685.02	5,343.15	83.60	5,426.75
Gonzales, City	24,430	0.12%	0.14%	85.81	669.35	10.47	679.82
Half Moon Bay, City	8,870	0.04%	0.05%	31.16	243.02	3.80	246.83
Hercules, City	88,256	0.44%	0.49%	310.01	2,418.08	37.83	2,455.92
Los Altos, City	102,520	0.51%	0.57%	360.12	2,808.89	43.95	2,852.84
Mill Valley, City	158,941	0.79%	0.88%	558.30	4,354.74	68.14	4,422.88
Millbrae, City	67,576	0.33%	0.38%	237.37	1,851.48	28.97	1,880.45
Milpitas, City	240,252	1.19%	1.34%	843.92	6,582.54	102.99	6,685.54
Monte-Sereno, City	2,261	0.01%	0.01%	7.94	61.95	0.97	62.92
Moraga, Town	24,245	0.12%	0.13%	85.16	664.28	10.39	674.67
Napa County001	5,801	0.03%	0.03%	20.38	158.94	2.49	161.43
Napa County002	49,928	0.25%	0.28%	175.38	1,367.95	21.40	1,389.36
Napa County003	32,753	0.16%	0.18%	115.05	897.38	14.04	911.42
Napa County004	21,801	0.11%	0.12%	76.58	597.31	9.35	606.66
Napa County005	317,711	1.57%	1.77%	1,116.01	8,704.80	136.20	8,841.00
Oakland, City	2,419,375	11.98%	13.45%	8,498.42	66,287.24	1,037.17	67,324.41
Oakland Zoological	35,150	0.17%	0.20%	123.47	963.06	15.07	978.13
Orinda, City	17,853	0.09%	0.10%	62.71	489.15	7.65	496.80
Pacifica, City	85,942	0.43%	0.48%	301.88	2,354.68	36.84	2,391.52
Petaluma, City	66,012	0.33%	0.37%	231.88	1,808.63	28.30	1,836.93
Pleasanton, City	386,851	1.92%	2.15%	1,358.87	10,599.14	165.84	10,764.98
Regional Adm. Facility	91,590	0.45%	0.51%	321.72	2,509.43	39.26	2,548.69
Richmond, City	403,908	2.00%	2.24%	1,418.79	11,066.47	173.15	11,239.62
Salinas, City	573,725	2.84%	3.19%	2,015.30	15,719.20	245.95	15,965.15
San Carlos, City	162,568	0.81%	0.90%	571.04	4,454.12	69.69	4,523.81
San Mateo County SANACPC006	1,311,673	6.50%	7.29%	4,607.45	35,937.87	562.31	36,500.17
San Mateo County SANACPC007	522,263	2.59%	2.90%	1,834.53	14,309.22	223.89	14,533.11
San Mateo County SANACPC008	7,055	0.03%	0.04%	24.78	193.30	3.02	196.32
San Mateo County SANACPC009	5,858	0.03%	0.03%	20.58	160.50	2.51	163.01
San Mateo County SANACPC011	2,041	0.01%	0.01%	7.17	55.92	0.87	56.80
San Rafael, City	109,188	0.54%	0.61%	383.54	2,991.59	46.81	3,038.40
Santa Clara County	2,107,458	10.44%	11.71%	7,402.77	57,741.18	903.45	58,644.63
Santa Rosa, City	670,388	3.32%	3.73%	2,354.84	18,367.62	287.39	18,655.01
Saratoga, City	37,064	0.18%	0.21%	130.19	1,015.50	15.89	1,031.39
Union City	59,603	0.30%	0.33%	209.36	1,633.03	25.55	1,658.58
Vallejo, City	1,458,664	7.23%	8.11%	5,123.78	39,965.20	625.32	40,590.52
Vallejo Sani.& Flood Control Dist	48,871	0.24%	0.27%	171.67	1,338.99	20.95	1,359.94
Watsonville, City	210,859	1.04%	1.17%	740.67	5,777.22	90.39	5,867.61
Winters, City	10,422	0.05%	0.06%	36.61	285.55	4.47	290.01
Total Current Members	17,992,161	89.12%	100.00%	\$ 63,200.21	\$ 492,958.17	\$ 7,713.12	\$ 500,671.29

Gas Litigation Proceeds Allocation

Total Litigation Settlements	\$	545,882.29
Interest from Cotchett firm		1,180.39
Interest from ABAG - thru 4/30/09		6,057.41
Total Allocation Amount	\$	553,120.09
Gas Litigation Costs*	\$	70,913.33

Current Members	Total Usage Jun '00 - Dec '02**	% of Total	% of Group	Allocation of Costs	Litigation Proceeds Allocation	Re-allocation of Costs	Total Distribution
Opt-out Members							
Belmont, City	86,583	0.43%	3.94%	\$ 304.14	\$ 2,372.24	\$ (304.14)	\$ 2,068.11
Daly, City	296,001	1.47%	13.48%	1,039.75	8,109.98	(1,039.75)	7,070.23
El Cerrito, City	0	0.00%	0.00%	-	-	-	-
Foster City	105,910	0.52%	4.82%	372.03	2,901.77	(372.03)	2,529.75
Hillsborough, Town	15,251	0.08%	0.69%	53.57	417.85	(53.57)	364.28
Menlo Park, City	347,975	1.72%	15.85%	1,222.32	9,533.99	(1,222.32)	8,311.68
Pinole, City	139,209	0.69%	6.34%	488.99	3,814.12	(488.99)	3,325.12
San Leandro, City	0	0.00%	0.00%	-	-	-	-
San Mateo, City	995,318	4.93%	45.33%	3,496.21	27,270.22	(3,496.21)	23,774.01
Sebastopol, City	96,519	0.48%	4.40%	339.04	2,644.48	(339.04)	2,305.44
Vacaville, City	113,045	0.56%	5.15%	397.09	3,097.26	(397.09)	2,700.18
Total Opt-out Members	2,195,811	10.88%	100.00%	\$ 7,713.12	\$ 60,161.92	\$ (7,713.12)	\$ 52,448.80
Grand Total	20,187,972	100.00%		\$ 70,913.33	\$ 553,120.09	\$ -	\$ 553,120.09

*During the four fiscal years beginning July 2004, ABAG POWER budgeted 5% of the Program Manager's time and 5% of the Program Assistant's time to the gas litigation tasks. These costs were included in the program fees charged to gas program participants.

** Usage for period Jun 2000 - Jun 2002 taken from the worksheet used to calculate the true-up in October 2002. Usage for period Jul 2002 - Dec 2002 taken from the 2002-03 true-up worksheet.



MEMO

Submitted by: Ezra Rapport, Deputy Executive Director

Subject: Solar and Energy Efficiency District Program Development – Status Report

Date: May 6, 2009

Executive Summary

Staff outlined an initial program concept for a region-wide solar and energy efficiency financing district at the March 19, 2009 ABAG Executive Board meeting. The Executive Board supported the continuation of staff work to further refine the program concept. This report outlines progress to date and next steps in the design of this regional program.

Recommended Action

This agenda item is informational as to the status of the program concept. A more detailed report will be presented at the next Executive Board meeting.

Next Steps

Work with the consultant team to refine the program elements that will feed into the development of a business plan.

Attachments: Solar and Energy Efficiency District Program Development – Status Report

Solar and Energy Efficiency District Program Development Status Report

Since the March 19th presentation to the ABAG Executive Board on the initial program concept for a regional solar and energy efficiency financing district, several advances have been made on the legislation that would enable the creation of a regional financing district and on the refinement of the potential program details.

Legislation

The program concept for the San Francisco Bay Area Solar and Energy Efficiency District (SEE District) is based on the financing mechanism that would be allowed by the passage of Senate Bill 279 (SB 279). Senator Hancock introduced SB 279 this year. The bill is based on the Mello-Roos Community Facilities Act of 1982, which allows a community facilities district to finance community improvements, and would amend this act to allow a community facilities district to finance energy efficiency and renewable energy improvements to or on real property. The bill passed the Senate Local Government Committee and the Senate and is now in the Assembly. Passage of this bill is seen as critical to the creation of the SEE District. From the California Constitution perspective, AB 811 relies on assessment law, while SB 279 operates under the special tax category. This is an important difference with respect to issuing bonds that will be used to finance the SEE District.

Program Concept

An initial program concept was outlined in the staff report to the ABAG Executive Board for consideration at the March 19, 2009 meeting. Since then, PG&E has made funding available through ABAG's Energy Watch contract to help refine the program concept. Staff has conducted an informal request for qualifications to hire a consultant team for a small contract to define the broad program elements. Leading the consultant team is Bevilacqua-Knight, Inc. (BKi), a consulting firm located in Oakland specializing in governmental policy development and program management. BKi will work with PowerHouse, EcoMotion, NBS, and Energy Solutions in helping to think through the program. This consultant team has a broad range of expertise that will aid in the refinement of the program parameters. The team's program recommendations will feed into the development of a business plan to test the feasibility of the program.

As BKi has outlined initially, in order to ensure significant market penetration and program success, several supporting program elements are required:

- consistent and credible program standards for energy efficiency with clear verification protocols
- training to ensure a robust and capable workforce
- an effective marketing and outreach strategy offering bundled incentives to attain high participation
- a strict quality assurance program to protect consumers and reduce local government liability

- ongoing tracking, measurement, and reporting to ensure program effectiveness and to quantify energy, water, and carbon reduction benefits.

BKi will also coordinate all program elements to combine funding sources and provide an integrated delivery model that relieves local governments of technical and administrative responsibilities. Existing PG&E utility programs in home performance contracting will be integrated with this regional initiative to capitalize on their experience and funding.

Next Steps

Staff will continue to coordinate with PG&E and the consultant team to refine the program concept. Upon review and approval of the consultant team's recommendations for the general elements of the program, a consultant will be hired to conduct a business case within the parameters defined by the program elements. Assuming a program business model is developed that meets both ABAG's and PG&E's approval, a formal request for proposals will be conducted for a program administrator.