

DRAFT MINUTES OF THE REGULAR MEETING
CITY OF ALAMEDA PUBLIC UTILITIES BOARD MEETING

July 17, 2017

1. ROLL CALL

President McCormick called the meeting to order at 7 p.m. On roll call, the following commissioners were present: Deaton, Giuntini, Keimach, McCormick and Serventi.

2. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

None.

3. ELECTION OF OFFICERS

With a motion from Commissioner Deaton and a second from Commissioner Giuntini, the Public Utilities Board (Board) approved the following slate of officers:

The Board re-elected Ann McCormick to the position of president. Commissioner Jerry Serventi was elected to the vice president position. The general manager was re-elected to the position of public utilities board secretary.

On a related topic, Commissioner Madeline Deaton agreed to continue to serve as the Board's Northern California Power Agency's (NCPA) representative. (Serving as NCPA representative is not an elected position.)

4. SPECIAL PRESENTATION

There were two special presentations at the Board's meeting in July. In the first presentation, the Board presented a check for \$10,426 to the Alameda Education Foundation (AEF). The check represents funds collected in the 2016-2017 fiscal year by Alameda Municipal Power (AMP) for Power Up for Learning, a joint program of AMP and AEF.

In the second special presentation, Severin Borenstein, an energy economist at UC Berkeley's Haas School of Business, shared his perspectives on the future of the power industry. He spoke about the rapid changes affecting the industry, noting that municipal utilities could be behind the curve if they wait too long to respond to technological advancements.

President McCormick asked Mr. Borenstein about his comment that community choice aggregators (CCA) could pose a challenge to municipal utilities. Mr. Borenstein said that he would not pretend to understand the legal mechanisms involved with such a challenge. However, if municipal utilities don't continue to offer competitive rates, and services that customers want, they could face pressure from CCAs, he said.

Commissioner Deaton said that regionalization was somewhat frightening for a small, municipal electric agency because the agency could get lost in the process. For example, she said, "The pricing of new transmission installations, to serve huge solar farms, aren't going to be in our area. It also looks like we're going to be charged more money – rather than less – to cross boundaries. In addition, we're going to have stranded assets." She asked Mr. Borenstein for his ideas, particularly in the area of AMP's future contracts.

Mr. Borenstein responded that he would not be able to provide a satisfying answer because these issues are in flux right now. "The way that the California ISO currently allocates transmission costs, and handles decisions regarding building transmission, is controversial. As a network, the costs are not going to correspond to everyone's exact usage. And when we get into a larger network, that will also be the case. There are upsides to regionalization, though. In the eastern region of the United States, there have been substantial gains from trade," he said.

Commissioner McCormick asked Mr. Borenstein for advice on the public's awareness of the differences between dynamic and fixed pricing. In response, Mr. Borenstein recommended that the Board read a study on a Sacramento Municipal Utility District's critical peak pricing program.

City Manager Keimach asked Mr. Borenstein if he saw any downsides to community solar. Mr. Borenstein said that he had not studied Alameda, but added that he thinks building a community solar project can be potentially cost effective.

5. CONSENT CALENDAR

A. Draft Minutes – Regular Meeting – June 2017

B. Listing of Bills Paid – June 2017

C. Financial Report – May 2017

D. Treasurer's Report – June 2017

E. By Resolution, Approve Changes to Supplemental Schedule VG Voluntary Renewable Power Program

F. For Information Only, Review of Alameda Municipal Power's Community Sponsorships for Fiscal Year 2017

- G. By Resolution, Commend Pam Conway for Her Long and Distinguished Service to Alameda Municipal Power
- H. By Resolution, Approve Modifications to Alameda Municipal Power's M-2 Municipal Electric Service Street By Resolution, Approve Modifications to Alameda Municipal Power's M-2 Municipal Electric Service Street Lighting Rate Schedule

President McCormick pulled Item 4F from the consent calendar so the Board could listen to a presentation on it. With a motion from Commissioner Giuntini and a second from Commissioner Serventi, the Board unanimously approved the balance of the consent calendar.

Following a staff presentation on AMP's community sponsorships, Commissioner Serventi asked if there were any requests that had been rejected. Staff responded there was one request that was rejected because it came in after the funding was allocated. Staff encouraged the applicant to apply again next year. Since this item was information-only, the Board did not take a vote to approve it.

6. AGENDA ITEMS

- A. By Resolution, Approve Modification to Alameda Municipal Power's Rider EA – Energy Assistance Program Rate Schedule and Amend Budget by \$50,000 and Approve Modifications to the Project EASE Program and By Resolution, Approve Modification to Alameda Municipal Power's Rider EA – Energy Assistance Program Rate Schedule and Amend Budget by \$50,000 and Approve Modifications to the Project EASE Program and Amend Budget by \$2,000.

Following a staff presentation, Commissioner Giuntini asked if the program was an increase in expense or a reduction in revenue. Staff confirmed that it was a discount.

President McCormick said she was "very enthusiastic" about the proposed updates to the program. She asked whether an application for the program had triggered an energy audit in the past. Staff confirmed, adding that AMP is working on the development of a new low-income energy savings program that will trigger energy audits.

Commissioner Serventi asked whether AMP allows ratepayers to donate money to help fund the energy assistance program. Staff replied that the energy assistance program is a public purpose fund mandated by AB 1890. Commissioner Serventi said that PG&E offers a program in which customers can round up their bill to donate funding for low-income customers. Following a motion from Commissioner Deaton and second from Commissioner Serventi, the Board unanimously approved the item.

7. GENERAL MANAGER'S REPORT

- A. General Manager's Report – June 2017

General Manager Procos updated the Board on AMP's Energy inView smart meter installations; the organization's participation in the City of Alameda's (City) July 4 parade; and AMP's work on the July 4 power outage.

8. COUNCIL COMMUNICATIONS

City Manager Keimach said that the developers who hoped to build at Site A at Alameda Point have until August 9, 2017 to cure their financial default. One of their options is to pay for additional time, she said. At a recent city council meeting, the developers said they anticipated they would pay the City to gain additional time.

City Manager Keimach also noted that the City is watching the impacts of Regional Measure 3, which pertains to transportation funding.

9. BOARD COMMUNICATIONS

Commissioner Deaton said she would leave her role on NCPA's finance committee, but continue to serve on the agency's legislative and regulatory committee.

She noted that the NCPA finance committee will be in Alameda in August to interview candidates for new financial advisors and consultants.

10. ORAL COMMUNICATIONS – NON-AGENDA ITEMS

None.

11. ADJOURNMENT

President McCormick adjourned the meeting at 8:30 p.m.