

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

April 23, 2018

1. ROLL CALL

President McCormick called the meeting to order at 7 p.m. On roll call, the following commissioners were present: President McCormick, Commissioner Serventi, Commissioner Deaton, Commissioner Giuntini and Acting City Manager Liz Warmerdam.

2. ORAL COMMUNICATIONS – NON AGENDA (Public Comment)

Alameda resident Ken Peterson said Alameda Municipal Power's (AMP) strategic plan should address climate change.

Shelby Sheehan, representing Alameda Safe Energy, said AMP should change its policies and procedures regarding smart meters. She said AMP needs to implement a safety-assurance program, a grievance process and a new opt-out policy.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

A1. Minutes – Special Meeting –March 19, 2018

A2. Minutes – Regular Meeting –March 19, 2018

B. Listing of Bills Paid – March 2018

C. Financial Report – February 2018

D. Treasurer's Report for the Month Ending March 31, 2018

E. By Motion, Authorize the General Manager to Amend the Current Agreement PS 10-08-02 with DataProse by \$48,910 for a Total Amount not to Exceed \$658,910.

F. By Resolution, Requiring Four-Fifths Vote, Authorize the General Manager to Sole Source the Purchase of Protective Relays and Related Accessories from Schweitzer Engineering Laboratories c/o Matzinger-Keegan, Inc., in an Amount Not to Exceed \$64,000.

G. By Resolution, Authorize Certain Alameda Municipal Power Employees to Execute Transactions with the Local Agency Investment Fund.

H. By Motion, Authorize the General Manager to Request the Consent of the City Council to Solicit Bids and Sell Surplus Small Bucket Utility Vehicle.

With a motion from Commissioner Serventi and a second from Commissioner Deaton, the Board unanimously approved the consent calendar.

5. AGENDA ITEMS

To accommodate a presenter, President McCormick changed the order of the two agenda items so that the item regarding Amber Kinetics would be discussed first.

- B. By Motion, Approve the Small Generator Interconnection Agreement between Alameda Municipal Power and Amber Kinetics

Following a presentation from a representative of Amber Kinetics, General Manager Procos said that staff recommends approving the amended interconnection agreement to allow Amber Kinetics to continue with its testing activities.

Alameda resident Nick deVries spoke in support of the agreement between AMP and Amber Kinetics. He also advocated for installing community solar at Alameda schools.

With a motion from Commissioner Giuntini and a second from Commissioner Deaton, the Board unanimously approved the item.

- A. By Resolution, Approve Changes to Various Alameda Municipal Power Rate Schedules and Riders for Fiscal Year 2019.

Commissioner Deaton addressed AMP's fixed and variable rates.

AMP should make an effort to switch the transfer to the fixed side, Commissioner Deaton said. Now that the transfer is mandated, and is going to be an increasing amount each year, it should be called out as part of the fixed rates, she said.

Commissioner Deaton said she understands that moving that piece to a fixed rate right away would have a huge impact on customers. However, she said that one of the things the utility has not done well in the past is to be very transparent about changes and what it proposes for the future.

She said she would like AMP to tell customers that the utility is hoping to come up with true fixed costs versus variable costs, and that it would put items, like the transfer to the city, in the fixed costs bucket, she said.

AGENDA ITEM NO.: 4.A2.3
MEETING DATE: 05/21/2018

In addition, Commissioner Deaton said that when AMP has more data from advanced metering infrastructure (AMI), it needs to do the following: evaluate the data; examine the different classes of customers and tiers; and consider whether they are solar customers or electric vehicle users. In the future, AMP should also examine the data for customers using solar and storage.

When voters passed the transfer item, Commissioner Deaton said she didn't think they thought that some people would pay more of it while others would pay less of it.

Commissioner Serventi said he wasn't sure the Board had decided whether the transfer should be treated like a tax or a fixed fee per individual. He said the Board should make that decision, he said.

Commissioner Deaton said the Board needs to develop direction for how the transfer should be allocated so that we're not creating a progressive tax situation.

General Manager Procos said staff could bring an item back to the Board at a future date that deals with this topic.

There is not much space on the bill for messaging, staff added. The topic could be covered in the Flash.

During this year and looking toward next year, AMP should think about how it's going to handle the transfer in a fair way, Commissioner Deaton said. It needs to be obvious to people, she said, and should not damage AMP's history of low-cost energy.

It's good to start with education about the general fund transfer, staff said.

President McCormick said she agreed with the idea of educating customers about the general fund transfer.

Referring to the rates report, she said that AMP has never been this close to cost of service. This is moving in the right direction, she said. It's fair and equitable, and it's the law.

Moving forward, we have high expectations for the way our data is going to inform our rate design, she said.

Regarding the eligible renewable generation (ERG) rate, President McCormick said it is sufficient for the short term, but is not exhaustive. There is more that can be done, she said, noting that she was interested in upcoming California Public Utilities Commission (CPUC) decisions relevant to the ERG.

She also said AMP needs to do better on rates for electric charging and storage.

President McCormick said she was not overly enthusiastic about time-of-use rates for Alameda, based on what she knows about Alameda's load.

Commissioner Serventi asked staff to compare AMP's rates to those of other municipal members of the Northern California Power Agency (NCPA) next year.

President McCormick added that AMP will be able to benchmark its rates against future community choice aggregation (CCA) rates.

With a motion from Acting City Manager Warmerdam and a second from Commissioner Serventi, the Board unanimously approved the item.

6. GENERAL MANAGER'S REPORT

A. General Manager's Report: March 2018

General Manager Procos updated the Board on NCPA's decision to deliver energy services to San Jose Clean Energy, a new community choice electricity provider.

7. COUNCIL COMMUNICATIONS

The city is working toward its budget, Acting City Manager Warmerdam said.

8. BOARD COMMUNICATIONS

President McCormick summarized key points from the recent NCPA trip to Washington, D.C.

Commissioner Serventi, who also attended the trip, said that it was important for NCPA to present its positions to the Federal Emergency Management Agency (FEMA) and the U.S. Department of the Interior.

9. ORAL COMMUNICATIONS – NON-AGENDA ITEMS

10. ADJOURNMENT

President McCormick adjourned the meeting at 8:10 p.m.