

**ASSOCIATION OF BAY
AREA GOVERNMENTS
Meeting Transcript**

JUNE 16, 2022

1 **ABAG POWER EXECUTIVE COMMITTEE**
2 **THURSDAY, JUNE 16, 2022 11:00 AM**

3
4 **ANGELA WALTON, CHAIR:** GOOD MORNING EVERYONE. THIS IS THE
5 MEETING OF THE ABAG POWER EXECUTIVE COMMITTEE. IT'S CALLED TO
6 ORDER AT 1102. WOULD THE ABAG MTC MEETING STAFF PLEASE BEGIN
7 THE COVID ANNOUNCEMENT VIDEO? [RECORDED MEETING PROCEDURES
8 ANNOUNCEMENT] DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED
9 AS A ZOOM WEBINAR PURSUANT TO THE PROVISIONS OF ASSEMBLY BILL
10 361 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE BROWN ACT. THIS
11 MEETING IS BEING WEBCAST ON THE ABAG WEBSITE. THE CHAIR WILL
12 CALL UPON COMMISSIONERS, PRESENTERS, STAFF, AND OTHER
13 SPEAKERS, BY NAME, AND ASK THAT THEY SPEAK CLEARLY AND STATE
14 THEIR NAMES BEFORE GIVING COMMENTS OR REMARKS. PERSONS
15 PARTICIPATING VIA WEBCAST AND ZOOM, WITH THEIR CAMERAS
16 ENABLED, ARE REMINDED THAT THEIR ACTIVITIES ARE VISIBLE TO
17 VIEWERS. COMMISSIONERS AND MEMBERS OF THE PUBLIC PARTICIPATION
18 BY ZOOM, WISHING TO SPEAK, SHOULD USE THE RAISE HAND FEATURE
19 OR DIAL STAR 9, AND THE CHAIR WILL CALL UPON THEM AT THE
20 APPROPRIATE TIME. TELECONFERENCE ATTENDEES WILL BE CALLED UPON
21 BY THE LAST FOUR DIGITS OF THEIR PHONE NUMBER. IT IS REQUESTED
22 THAT PUBLIC SPEAKERS STATE THEIR NAMES AND ORGANIZATION, BUT,
23 PROVIDING SUCH INFORMATION IS VOLUNTARY. WRITTEN PUBLIC
24 COMMENTS RECEIVED AT INFOATBAYAREAMETRO.GOV BY 5 P.M.,
25 YESTERDAY, WILL BE POSTED TO THE ONLINE AGENDA AND ENTERED

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1 INTO THE RECORD, BUT WILL NOT BE READ OUT LOUD. IF AUTHORS OF
2 THE WRITTEN CORRESPONDENCE WOULD LIKE TO SPEAK, THEY ARE FREE
3 TO DO SO. THEY SHOULD RAISE THEIR HAND AND THE CHAIR WILL CALL
4 UPON THEM AT THE APPROPRIATE TIME. A ROLL CALL VOTE WILL BE
5 TAKEN FOR ALL ACTION ITEMS. PANELISTS AND ATTENDEES SHOULD
6 NOTE THAT THE CHAT FEATURE IS NOT ACTIVE. IN ORDER TO GET THE
7 FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP-
8 TO-DATE.

9

10 **ANGELA WALTON, CHAIR:** THANK YOU. WILL THE CLERK CONDUCT ROLL
11 CALL AND CONFIRM WHETHER A QUORUM OF THE COMMITTEE IS PRESENT?

12

13 **CLERK, CINDY CHEN:** YES. GOOD MORNING EVERYONE. HERE IS THE
14 ROLL CALL. BOARD MEMBER CORRAL.

15

16 **SPEAKER:** PRESENT.

17

18 **CLERK, CINDY CHEN:** OYLER?

19

20 **DIANA OYLER:** HERE.

21

22 **CLERK, CINDY CHEN:** WALTON?

23

24 **CHAIR, ANGELA WALTON:** HERE.

25

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1 **CLERK, CINDY CHEN:** QUORUM IS PRESENT. THANK YOU.

2

3 **ANGELA WALTON, CHAIR:** DID YOU GET DOUG? DOUG IS NOT HERE?

4

5 **CLERK, CINDY CHEN:** DID YOU SAY SOMETHING? I DID NOT HEAR YOU.

6

7 **ANGELA WALTON, CHAIR:** I WAS ASKING YOU, DID YOU CALL DOUG'S

8 NAME? I DID NOT HEAR --

9

10 **CLERK, CINDY CHEN:** YES. THE QUORUM IS PRESENT.

11

12 **ANGELA WALTON, CHAIR:** OKAY. THANK YOU. COULD YOU ALSO CALL THE

13 ROLL FOR STAFF, PLEASE?

14

15 **CLERK, CINDY CHEN:** YES. BRAD PAUL?

16

17 **BRAD PAUL:** I'M PRESENT. I WANT TO APOLOGIZE IN ADVANCE, I HAVE

18 TO LEAVE FOR ANOTHER MEETING AT 11:30.

19

20 **CLERK, CINDY CHEN:** THANK YOU.

21

22 **BRAD PAUL:** PRESENT.

23

24 **CLERK, CINDY CHEN:** ANDREA VISVESHWARA?

25

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1 **ANDREA VISVESHWARA:** PRESENT.

2

3 **CLERK, CINDY CHEN:** JENNIFER BERG?

4

5 **JENNIFER BERG:** PRESENT.

6

7 **CLERK, CINDY CHEN:** RYAN JACOBY?

8

9 **RYAN JACOBY:** PRESENT.

10

11 **CLERK, CINDY CHEN:** CINDY CHEN IS PRESENT. I DO NOT SEE ANY

12 OTHER STAFF PRESENT. I'LL CONCLUDE ROLL CALL. THANK YOU.

13

14 **ANGELA WALTON, CHAIR:** WE'LL GO TO THE NEXT ITEM PUBLIC

15 COMMENT. IS THERE ANY MEMBER OF THE PUBLIC WHO WISH TO GIVE

16 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA? WOULD THE CLERK

17 INFORM US WHETHER THERE ARE PUBLIC COMMENTS RECEIVED FOR THIS

18 ITEM.

19

20 **CLERK OF THE BOARD:** NONE RECEIVED FOR THIS ITEM.

21

22 **ANGELA WALTON, CHAIR:** MOVING TO THE CONSENT CALENDAR. WE HAVE,

23 A, APPROVAL OF ABAG POWER RESOLUTION 2206 PROVIDING FOR REMOTE

24 MEETINGS PURSUANT TO A.B. 361. THE APPROVAL OF MINUTES FROM

25 APRIL 21ST, 2022 EXECUTIVE COMMITTEE MEETING AND APPROVAL OF

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1 MINUTES FROM MAY 19TH, 2022 EXECUTIVE COMMITTEE SPECIAL
2 MEETING. IS THERE A MOTION FROM THE COMMITTEE TO APPROVE THE
3 CONSENT CALENDAR?

4

5 **CHRIS SCHROEDER:** I MOVE WE APPROVE THE CONSENT CALENDAR AS
6 PRESENTED.

7

8 **ANGELA WALTON, CHAIR:** IS THERE A SECOND?

9

10 **SPEAKER:** I'LL SECOND.

11

12 **ANGELA WALTON, CHAIR:** AND THAT IS DIANA. IS THERE ANY
13 DISCUSSION BY MEMBERS OF THE COMMITTEE ON THIS MOTION? SEEING
14 NONE. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVER
15 COMMENT ON THIS ITEM? WILL THE CLERK INFORM US WHETHER THERE
16 WAS ANY PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

17

18 **CLERK, CINDY CHEN:** THERE IS NO PUBLIC COMMENT FOR THIS ITEM.

19

20 **ANGELA WALTON, CHAIR:** OKAY. WE'LL NOW CALL FOR A VOTE BY THE
21 COMMITTEE. WOULD YOU CLERK PLEASE CONDUCT ROLL CALL.

22

23 **CLERK, CINDY CHEN:** YES. BOARD MEMBER CORRAL?

24

25 **SPEAKER:** AYE.

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1

2 **CLERK, CINDY CHEN:** BOARD MEMBER OYLER?

3

4 **DIANA OYLER:** YES.

5

6 **CLERK, CINDY CHEN:** BOARD MEMBER SCHROEDER?

7

8 **CHRIS SCHROEDER:** AYE.

9

10 **CLERK, CINDY CHEN:** BOARD MEMBER WALTON?

11

12 **ANGELA WALTON, CHAIR:** YES.

13

14 **CLERK, CINDY CHEN:** THE MOTION PASSES. THANK YOU.

15

16 **ANGELA WALTON, CHAIR:** ITEM FOUR PROGRAM MANAGER'S REPORT

17 PRESENTED BY JENNY BERG.

18

19 **JENNIFER BERG:** GOOD MORNING. I WILL BE SOMEWHAT BRIEF. I JUST

20 WANT TO FOLLOW UP ON AN ITEM THAT WAS PRESENTED TO THE BOARD

21 IN MARCH BY KAREN CHRISTENSEN ON THE ABAG STAFF ABOUT THE

22 PUBLIC SECTOR OFFERINGS. ARE YOU ABLE TO HEAR ME? I'M HEARING

23 FEEDBACK. KAREN HAD PRESENTED ON THE NEW PROGRAM -- THE NEW

24 PUBLIC SECTOR OFFERINGS THAT WERE PROPOSED IN OUR BUSINESS

25 PLAN AND HAD ALSO MENTIONED THE LIBRARY INITIATIVE AND THERE

6

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1 WAS QUITE A BIT OF INTEREST EXPRESSED FROM BOARD MEMBERS SO I
2 WANTED TO GIVE AN UPDATE. THE INITIATIVE IS CALLED THE BAY
3 AREA RESILIENCE LIBRARY NETWORK, AND WE WILL BE WORKING ON
4 DEVELOPING COMMUNITY RESILIENCE CENTERS AT LIBRARIES IN THE
5 BAY AREA. WE WILL BE PROVIDING FREE ENGINEERING TECHNICAL
6 ASSISTANCE, AS WELL AS SOME SUPPORT ON DOING COMMUNITY
7 ENGAGEMENT. AND WE ARE REALLY EXCITED ABOUT THIS INITIATIVE.
8 WE'RE GETTING A LOT OF INTEREST. SO I WANTED TO JUST UPDATE
9 YOU ALL THAT THERE WILL BE AN INFORMATIONAL WORKSHOP ON JUNE
10 28TH FROM 9 TO 10:15 A.M. I KNOW DOUG'S JURISDICTION OF THE
11 CITY OF SANTA ROSA HAS ALREADY SIGNED UP. SO JUST WANTED TO
12 UPDATE YOU ALL ON THE HAPPENINGS ON THIS ACTIVITY. AND FOR
13 MORE DETAILS, I WOULD REFER YOU TO THE BAYREN.ORG WEB SITE
14 WHERE THERE IS A WHOLE PAGE ON THIS EFFORT. ANY QUESTIONS?
15 OKAY. THANK YOU. AND THAT CONCLUDES MY REPORT.

16

17 **ANGELA WALTON, CHAIR:** JENNY, I WAS ASKING A QUESTION, YOU DID
18 E-MAIL TO ALL OF THE MEMBERS, RIGHT?

19

20 **JENNIFER BERG:** I AM ANSWERING A QUALIFIED GUESS. I BELIEVE SO.
21 YES. THERE HAS BEEN A LOT OF PUBLICITY THROUGH ABAG CHANNELS,
22 AND RYAN, I DON'T KNOW IF THE ABAG MEMBERS WERE -- ABAG POWER
23 MEMBERS WERE E-MAILED, BUT I WILL, IF NOT, MS. WALTON, I WILL
24 ENSURE THAT HAPPENS TODAY.

25

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1 **ANGELA WALTON, CHAIR:** OKAY. THANK YOU. IS THERE ANY DISCUSSION
2 BY MEMBERS OF THE COMMITTEE ON THIS ITEM? OTHER THAN WHAT WAS
3 ALREADY SAID? IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO
4 GIVE PUBLIC COMMENT ON THIS ITEM? WILL THE CLERK INFORM US
5 WHETHER THERE WAS ANY PUBLIC COMMENTS RECEIVED?

6

7 **CLERK, CINDY CHEN:** THERE WAS NO PUBLIC COMMENT FOR THIS ITEM.

8

9 **ANGELA WALTON, CHAIR:** THANK YOU. OKAY. MOVING ALONG TO ITEM
10 FIVE REPORT ON THE NATURAL GAS PROGRAM. RYAN JACOBY WILL
11 PROVIDE US WITH A PRESENTATION.

12

13 **RYAN JACOBY:** THANKS ANGELA, IF AV STAFF COULD PULL UP THE
14 PRESENTATION? THANK YOU. AND GOOD MORNING EVERYONE. NICE TO
15 SEE YOU. I'M RYAN JACOBY PROGRAM MANAGER FOR ABAG POWER. NEXT
16 SLIDE PLEASE. SUMMARY OF OPERATIONS THROUGH APRIL 30TH RATE
17 COMPARISON JUST BELOW 6% PREMIUM DOWN FROM 7% AT OUR APRIL
18 MEETING. YOU CAN SEE COMPARISONS LISTED HERE, GENERALLY
19 FAIRING SLIGHTLY BETTER THAN 6% ANOTHER SIGNIFICANT INCREASE
20 IN LOCAL PRICING VOLATILITY IN CURRENT MARKETS. THE PRICE
21 RANGE CURRENTLY IS HOVERING AROUND THE 8 TO \$11 RANGE UPON
22 FROM 5 TO 7 FROM OUR PREVIOUS MEETING. MANY FACTORS DRIVING OF
23 THE PRICES REMAIN THE SAME SINCE THE LAST TIME WE SPOKE.
24 CHANCES ARE WHILE DRIVING AROUND YOUR LOCAL COMMUNITY AND
25 YOU'RE SEEING OR TALKING WITH FRIENDS OR FAMILY ABOUT THE HIGH

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1 GASOLINE PRICES EVEN BEFORE THE WAR WE WERE SEEING HIGH PRICES
2 THAT HAVE SKYROCKETED SINCE THEN. WE HAVE SEEN A SLOW CREEP OF
3 INCREASING PRODUCTION OF OIL AND GAS, BUT THAT TRICKLE IS
4 SOMEWHAT INTENTIONAL ON THE PARTS OF PRODUCERS AND MARKETERS,
5 AND THAT GETS COUPLED WITH THE IMPORT BANS OF RUSSIAN OIL AND
6 GAS. WE'RE ALSO SEEING LOW STORAGE INVENTORIES NATIONALLY AND
7 ANOTHER YEAR APPROACHING SUMMER WITHOUT A SIGNIFICANT RAINY
8 SEASON IN CALIFORNIA. WHAT THAT MEANS IS THAT THERE IS A
9 HIGHER DEPENDENCY ON NATURAL GAS OR ELECTRICITY GENERATION
10 BECAUSE YOU DON'T HAVE THE SAME HYDRO-ELECTRIC POTENTIAL. ALL
11 OF THESE FACTORS REALLY CONTRIBUTE TO WHAT WE'RE SEEING WITH
12 CURRENT PRICES BEING EXTREMELY ELEVATED. AN IMPORTANT THING TO
13 REMEMBER HERE IS THAT WE'RE NOT THE ONLY ONES SEEING THIS. IT
14 IS IMPACTING OTHER GAS UTILITIES AND IS ALSO HAPPENING ON A
15 SIGNIFICANTLY LARGER SCALE ON AN INTERNATIONAL STAGE WHERE
16 PRICES HAVE BEEN 3 TO 5 TIMES MORE THAN IN THE LAST SIX
17 MONTHS. FUTURES PRICES DO REFLECT THE WORST OF THIS OCCURRING
18 THROUGHOUT THIS SUMMER, BEFORE GETTING SLIGHTLY BETTER IN THE
19 WINTER, AND ULTIMATELY DROPPING SIGNIFICANTLY IN THE EARLY
20 SPRING NEXT YEAR. AT THAT POINT WE'RE STILL PROJECTED TO BE
21 ABOVE THE HISTORICAL NORM OF 3 TO \$5, BUT IT DOES REPRESENT A
22 RETURN TO MORE NORMAL PRICING. OUR BUDGET THAT YOU WILL SEE
23 PRESENTED IN THE NEXT FEW ITEMS DOES REFLECT THESE MARKET
24 EXPECTATIONS. MOVING ON FROM PRICING, OUR CARBON OFFSET RSP
25 SUBMISSION CLOSED JUNE 2ND, AND WE HAVE NOW MOVED INTO AN

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1 EVALUATION PERIOD. THE PANEL INTENDS TO BRING A RECOMMENDATION
2 FORWARD ON OUR NEXT SCHEDULED MEETING ON JULY 21ST, AND UNTIL
3 THAT TIME WE'RE UNABLE TO SHARE DETAILS. LAST BUT NOT LEAST WE
4 CONSTRUCTED AN INTRODUCTORY MEETING WITH THE JUDICIAL COUNCIL
5 OF CALIFORNIA COMPRISED OF COURTHOUSES AND RELATED FACILITIES
6 SERVING EACH COUNTY IN THE STATE. THIS WOULD BE INELIGIBLE
7 MEMBER ENTITY BUT AT THIS POINT THESE ARE JUST EXPLORATORY
8 CONVERSATIONS AND WE DON'T YET HAVE A STRONG INDICATION OF
9 INTEREST IN THE MEMBERSHIP. CONVERSATIONS WENT WELL AND OF
10 COURSE I'LL KEEP NUT LOOP IF OR WHEN THEY PROGRESS. NEXT SLIDE
11 PLEASE. OUR USAGE IS THE MOST IMPORTANT DRIVER OF HOW MUCH GAS
12 WE'RE REQUIRED TO PURCHASE AND FROM THAT PERSPECTIVE WE'RE
13 RIGHT ON TARGET WITH OUR BUDGETED USAGE THROUGH ABOUT 80% OF
14 THE FISCAL YEAR. OUR APRIL CHART IT'S NOT QUITE FINALIZED YET
15 CHANCES ARE THEY MAY COME IN JUST A BIT HIGHER THAN WHERE IT
16 IS CURRENTLY ALIGNING MORE WITH LAST FY 20-21. I MENTIONED
17 LAST YEAR WHEN I SAW IS YOU WE WERE PLANNING TO TAKE AN IN
18 DEPTH LOOK AT THE PROFESSIONAL USAGE AND ALSO TAKING A DEEPER
19 DIVE INTO THE MASTER ACCOUNT LEVEL IN PREPARATION FOR
20 PROPOSALS WHICH WE'RE PRESENTING TODAY. I'LL CONFIRM WE HAVE
21 DONE THAT AS YOU HAVE SEEN IN THE BUDGET ITEM AND THINGS ARE
22 LOOKING GOOD ON THIS FRONT. NEXT SLIDE PLEASE. AS HAS BEEN THE
23 CASE, AT LEAST DURING THE LAST COUPLE OF MEETINGS, OUR SUPPLY
24 CHART IS BASICALLY UNCHANGED SINCE THE APRIL MEETING. WE'RE
25 CONTINUING TO PURCHASE AT THE THREE MARKET LOCATIONS, CANADA,

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1 OREGON, AND CALIFORNIA WITH OBJECTIVES TO UTILIZING STORAGE TO
2 MINIMIZE EXPOSURE TO HIGH PRICES ESPECIALLY RIGHT NOW AVOIDING
3 PURCHASING AT CITYGATE INDICATED BY THE COLUMNS. WE ARE DOING
4 EXACTLY THAT RIGHT NOW AS I MENTIONED, AND JUST AS A REMINDER,
5 WE DID SECURE ONE FIXED PRICE CONTRACT FOR DELIVERY AT MALIN
6 OREGON RUNNING FOUR MONTHS MARCH THROUGH JUNE OF THIS YEAR.
7 THE CONTRACT AS MENTIONED DOES EXPIRE AT THE END OF THIS MONTH
8 AS WELL AS OUR TEMPORARY AUTHORITY TO ENTER FIXED PRICE
9 TRANSACTIONS WHAT THAT MEANS IS THAT SHORTLY AFTER THIS
10 MEETING I'LL BE GOING OUT FOR A NEXT SET OF GAS PURCHASES FOR
11 JULY THROUGH OCTOBER. THOSE WILL NEED TO BE BASED EITHER UPON
12 DAILY OR MONTHLY INDICES ACCORDING TO OUR CURRENT POLICY.
13 BECAUSE PRICES ARE SO HIGH RIGHT NOW, WE PROBABLY DON'T WANT
14 TO ENTER ANY FIXED PRICE CONTRACTS WITH MODERATE TO LONG-TERMS
15 SUCH AS 6 TO 12 MONTHS BECAUSE WE DON'T WANT TO GET LOCKED
16 INTO THE HIGH MARKET PRICES. SPEAKING OF THAT, THE RECENT
17 VOLATILITY HAS MADE IT INCREASINGLY DIFFICULT TO SECURE INDEX
18 BASED CONTRACTS BECAUSE OF THIS INCREASED FINANCIAL RISK. WE
19 BEGAN SEEING THIS DURING THE LAST WINTER AND ARE BEGINNING TO
20 SEE IT AGAIN NOW IF THIS CONTINUES WE MAY WANT TO RECESS
21 SECURING SOME PORTION OF OUR GAS REQUIREMENTS IN A MODERATE
22 TERM, AGAIN, SUCH AS SIX MONTHS, OR A YEAR, IN A FIXED PRICE
23 CONTRACT ONCE PRICES SETTLE DOWN A LITTLE BIT. NEXT SLIDE,
24 PLEASE. HERE IS A VISUAL REPRESENTATION OF JUST HOW DRAMATIC
25 THAT PRICE INCREASE HAS BEEN LOCALLY. AS I MENTIONED TO START

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1 THE PRESENTATION, PRICES HAVE INCREASED SIGNIFICANTLY BOTH
2 WITHIN THE LAST YEAR AND EVEN MORE SO WITHIN THE PAST FEW
3 MONTHS. WE'RE NOW WELL PAST THAT PREVIOUS HIGH POINT SET THREE
4 YEARS AGO WHEN WE STARTED THIS COMPARISON. THIS YEAR HAS BEEN
5 A SERIOUS STRAIN ON CASH FLOW AND AT THIS POINT WE ARE
6 PROJECTING ENDING THE YEAR WITH A SLIGHT DEFICIT WHICH WILL BE
7 COVERED BY THE BOARD CAPITAL DEPOSITS. WHILE NOT AN IMMEDIATE
8 ISSUE THIS DOES RAISE THE QUESTION OF WHETHER OR NOT THE
9 CURRENT DEPOSITS ARE SUFFICIENT IF CURRENT PRICES REMAIN HIGH
10 FOR AN EXTENDED PERIOD. WE'LL BE KEEPING AN EYE ON THIS
11 CLOSELY DURING THE SUMMER IN PREPARATION FOR A MID-YEAR
12 ANALYSIS WHICH TYPICALLY OCCURS IN DECEMBER. ANY QUESTIONS ON
13 THE FIRST FEW SLIDES BEFORE WE MOVE ON? SEE NONE NEXT SLIDE
14 PLEASE. WE ARE CIRCLING BACK OUR USAGE WITH ACCUMULATED BUDGET
15 SURPLUS HOVERING AROUND [INDISCERNIBLE] THIS IS A FEW MONTHS
16 BEHIND AS WE'RE STILL AWAITING TO FINALIZED [INDISCERNIBLE] IN
17 APRIL -- INFLATING THE 3% DIFFERENCE SHOWN. IN THE FUTURE I'LL
18 PROBABLY MOVE FORWARD TO CONSOLIDATING ELEMENTS AS YOU SAW IN
19 THE PRESENTATION AND ALSO INTEGRATING A HEATING DEGREE DAY
20 ASPECT SO WE'RE GETTING A FULLER PICTURE OF NOT JUST THE
21 CURRENT YEAR BUT FACTORS INTO THE COMPARISON AND EXPERIENCE
22 BETWEEN PRIOR YEARS IF AND WHEN WE RETURN TO PINT WHERE OUR
23 USAGE IS NOT TACKING PARTICULARLY CLOSELY TO OUR BUDGET, I CAN
24 RETURN TO THIS FORMAT. UNTIL THEN, JUST REITERATING GLAD TO
25 REPORT NO ISSUES WITH USAGE. NEXT SLIDE PLEASE. ON THE COST

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1 SIDE OF THE EQUATION UNFORTUNATELY THERE IS A BIT OF A
2 DIFFERENT NARRATIVE. WE DO HAVE A SIGNIFICANT OPERATING
3 DEFICIT THROUGH APRIL SHOWN HERE AS THAT NEGATIVE 836 FIGURE.
4 IT'S MAINLY DRIVEN BY THE HIGH COST OF ENERGY, AS I HAVE SHOWN
5 ON GAS PRICES, PARTICULARLY, AS WELL AS PG&E PASS THROUGH
6 DRIVING THAT DIFFERENCE. ULTIMATELY SEEING 88% AS SHOWN IN THE
7 RIGHT MOST COLUMN HEREOF OUR AMENDED BUDGET UTILIZATION OF
8 JUST THESE TWO. YOU WILL RECALL FROM THE MARKET PRICE CHART
9 PRICES BEGAN TAKING OFF IN APRIL WHICH MEANS THE REMAINING 12%
10 IN THE BUDGET WILL GET US CLOSE DURING THE LAST FEW MONTHS BUT
11 IT WON'T GET US THERE ENTIRELY, WHICH IS WHY WE'RE --
12 [INDISCERNIBLE] IN THE FOLLOWING -- ON THE RIGHT SIDE DEFICIT
13 FIGURES SHOWN HERE REFLECTS ONLY TWO MONTHS OF REVISED
14 LEVELIZED CHARGES THAT WENT INTO EFFECT IN MARCH. SO THAT
15 DEFICIT CLOSES CONSIDERABLY AS WE MOVE TOWARD THE END OF THE
16 YEAR WHERE WE'RE PURCHASING LESS GAS AND ALSO BRINGING IN MORE
17 REVENUE DUE TO THOSE REVISED LEVELIZED CHARGES. AS WE CONTINUE
18 INTO NEXT FISCAL YEAR, WE DO ANTICIPATE A CASH FLOW SURPLUS
19 DURING THE EARLY SUMMER MONTHS SO WE'LL KEEP AN EYE ON THAT TO
20 IDENTIFY OPPORTUNITIES TO BEGIN TRANSFERRING MONEY BACK INTO
21 THE INTEREST BEARING ACCOUNT. NEXT SLIDE. MOVING TO VALUE
22 ADDED INITIATIVES LAST WEEK THERE WERE PROGRESS WITH THE CLOSE
23 OF OUR CARBON OFFSET RFP SOLICITATION SCHEDULE ANTICIPATES
24 BRINGING A RECOMMENDATION TO YOU AT OUR NEXT MEETING CURRENTLY
25 SCHEDULED IN JULY UNTIL THEN NO DETAILED UNTIL THEY ARE

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1 PUBLICLY DISCLOSED IN THAT MEETING. UPDATES ON THE 1383
2 REQUEST FROM APRIL AND NO MOVEMENT YET ON THE EQUALLY
3 IMPORTANT INITIATIVES FOR VEHICLE FUEL PARTICIPATION AND
4 VOLUNTARY ELECTRIFICATION FIVES. NEXT SLIDE PLEASE. AT OUR
5 APRIL MEETING, AGAIN, WE REVIEWED THE 17 SURVEYED RESPONSES
6 SUBMITTED AT THAT POINT AND RECEIVED DIRECTION FROM STAFF TO
7 FOLLOW UP WITH FOLKS WHO DIDN'T RESPOND TO THE SURVEY IN ORDER
8 TO RECEIVE MORE RESPONSES MOVING TOWARDS PROCUREMENT. WE HAVE
9 BEEN UTILIZING TIME WISELY ACHIEVING FOUR MORE RESPONSES ONE
10 FOLLOW UP PHONE CALL AND AS SHOWN HERE A PRESENTATION TO A
11 SANTA CLARA COUNTY BASED STAKEHOLDER GROUP AS WELL AS
12 INFORMATIONAL ANNOUNCEMENT REGARDING THAT EFFORT FEATURED BY
13 THE JOINT VENTURE CLIMATE TASK FORCE. THOSE INTERACTIONS ENDED
14 UP PUSHING A RESPONSE COUNT OF FOUR TO A TOTAL OF 21
15 REPRESENTING ABOUT 57% OF THE MEMBERSHIP. IN TERMS OF THE
16 SPECIFIC FOLLOW UP WE CONDUCTED, WE REACHED OUT TO THOSE WHO
17 HAD NOT COMPLETED THE SURVEY OR NOT RESPONDED TO THE PRICE
18 SENSITIVITY QUESTION AS WELL AS OFFERED A BRIEF PHONE CALL IN
19 ORDER TO RECEIVE FEEDBACK OTHER THAN THE SURVEY. I'LL PAUSE
20 HERE TO SEE IF THERE IS ANY QUESTION ON THE LAST FEW SLIDES.
21 OKAY. NEXT SLIDE PLEASE.

22

23 **CHRIS SCHROEDER:** I WAS GOING TO SAY, RYAN, I DON'T HAVE ANY
24 COMMENT AND IT'S NOT A QUESTION OF WHAT YOU HAVE DONE BUT IT'S
25 A SHAME WE CAN'T GET MORE OF THE MEMBERSHIP TO RESPOND.

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1

2 **RYAN JACOBY:** I AGREE. WE'LL GET ON TO THAT IN THE NEXT SLIDE.
3 SINCE SURVEY RESPONSES IN APRIL I HAVE NARROWED OUR FOCUS HERE
4 TO DISPLAYING THE NEED OF THE SURVEY I WOULD SAY QUESTIONS 4
5 AND 5 BECAUSE I FEEL THEY'RE THE MOST RELEVANT TO OUR PENDING
6 PROCUREMENT. WE IDENTIFIED IN THE PREVIOUS PRESENTATION THAT
7 WE WERE REACHING THE CORRECT DECISION MAKERS AT EACH
8 ORGANIZATION AND THERE WAS INTEREST IN PROCURING RESOURCES
9 FROM ABAG POWER. THESE TWO QUESTIONS IN PARTICULAR HIGHLIGHT
10 WHAT THAT PRICE SENSITIVITY MEANS AND THE CENTRAL TIME FRAMES
11 FOR BEGINNING TO PROCURE THOSE RESOURCES. CHRIS, TO YOUR
12 POINT, YOU CAN SEE ON THE STRIKE THROUGH AT THE BOTTOM OF THE
13 SLIDES HERE OUR INITIAL FIGURES PRESENTED IN APRIL WITH THOSE
14 ANSWERED AND SKIPPED LINES AND ANY UPDATED FIGURES. AND YOU
15 CAN SEE, PARTICULARLY TO YOUR POINT IN QUESTION, WE'RE
16 SPLITTING THE DIFFERENCE HERE WITH THE FOUR ADDITIONAL
17 RESPONSES COMING IN BUT ONLY TWO OF THEM ANSWERING THIS
18 QUESTION AND THEN CONTINUING TO TRY TO HAVE MORE PEOPLE SKIP
19 IT JUST BASED ON THAT DIFFICULTY. YOU KNOW, NEEDLESS TO SAY,
20 FOR THE TWO THAT DID RESPOND, WE DID SEE AN INCREASE IN
21 WILLINGNESS TO PURCHASE MORE GAS AT THOSE LOWER PRICE PREMIUMS
22 AS THEY HAVE BEEN CONSISTENT WITH THE PRIOR GOALS AND ALSO TO
23 THE 1 TO 10% PROCUREMENT BUCKET AT THE HIGHER PRICE PREMIUM
24 LEVEL OF THE 5 TO 7%. GILLIAN, I KNOW YOU WEREN'T WITH US FOR
25 THE PRESENTATION BUT THE PRICE BRACKETS WE MET OUT OF THE NINE

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1 FOLKS THAT RESPONDED TO THIS QUESTION, OF THE FOLKS THAT
2 RESPONDED TO THE DIFFERENT PRICE BRACKETS IT'S 2 TO 4%, THOSE
3 RESPONSES ARE BUCKETS, SO THE 44%, FOR INSTANCE, IN THE 2 TO
4 4% WOULD BE OF THE FOLKS THAT RESPONDED TO THAT PARTICULAR
5 PRICE BRACKET. I KNOW IT'S A LITTLE BIT COMPLEX, BUT OUR AIM
6 HERE WAS TO IDENTIFY NOT JUST THE VARIOUS PRICE PREMIUMS,
7 WHICH CAN BE SIGNIFICANT, BUT IN THOSE VARYING LEVELS WHAT
8 PERCENTAGE OF CURRENT GAS LOAD WERE FOLKS WILLING TO REPLACE
9 IF ANY WITH A HIGHER PRICE PRODUCT WITHIN THESE REQUIREMENTS.
10 BECAUSE OF THAT COMPLEXITY, IT'S AN IMPLICATION OF NOT JUST
11 THE PRICE, BUT ALSO THE COMPUTATIONAL REQUIREMENTS BETWEEN
12 OFFSETTING SOME PORTION OF THAT GAS. TO ME THOSE ARE SOME OF
13 THE REASONS THAT WE'RE SEEING THIS RELATIVELY LOW RESPONSE
14 RATE. THAT SAID, IT DOESN'T HELP US AS WE WORK TOWARDS PUTTING
15 PROCUREMENT TOGETHER FOR FIRING UP THE QUANTITY AS WELL AS
16 WHAT WOULD BE CONSIDERED AN ACCEPTABLE PRICE PREMIUM. WE WOULD
17 HOPE TO GET THAT PRICE PREMIUM DOWN AS LOW AS POSSIBLE, BUT
18 NOT KNOWING EXACTLY WHERE IT STANDS NOW, HAVING THAT DATA IS
19 HELPFUL FOR US. FOR THE PHONE CALL, AS REPORTED IN THE LAST
20 SLIDE IT INDICATED IN HESITATION TO RESPOND TO THE QUESTION
21 BECAUSE THEY FELT LIKE THE LIABILITIES WITHIN PROCUREMENT WAS
22 WITHIN THE AUTHORITY OF CURRENT ROLES AND CONCEPTS CHANGING
23 SIGNIFICANTLY FOR AN ENVIRONMENTAL BENEFIT IN ADDITION TO
24 COMMODITY WAS A MORE APPROPRIATE TOPIC FOR CITY COUNCIL
25 ULTIMATELY TAKING THE DECISION-MAKING STRUCTURE -- TO RESPOND

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1 TO THE QUESTION. I IMAGINE THAT MIGHT BE THE CASE WITH A FEW
2 DIFFERENT MEMBERS AND [INDISCERNIBLE] EXPLAIN MORE THAN THIS
3 ONE INDIVIDUAL NOT RESPONDING TO THE QUESTION. THAT SAID,
4 ADDITIONAL RESPONSES HERE AS WELL AS THE FOUR RESPONSES WHICH
5 YOU CAN SEE EACH OF THE FOUR RESPONDENTS DID PROVIDE AN ANSWER
6 FOR QUESTION FIVE. THEY REALLY DO AFFIRM INFORMATION THAT WE
7 RECEIVED IN APRIL [INDISCERNIBLE] SIGNIFICANT CHANGES TO THE
8 DATA SINCE THEN. FOR QUESTION FIVE YOU CAN SEE A SLIGHT
9 INCREASE IN RESPONDENTS INDICATING A DESIRE FOR THE 2023 TIME
10 FRAME AND A SLIGHT DECREASE OF THAT NUMBER IN THE I'M NOT
11 INTERESTED RESPONSES DROPPING TO 20% IN APRIL, TO 14% NOW.
12 OVERALL A WILLINGNESS TO CONSIDER RENEWABLE NATURAL GAS AS
13 PART OF THE SOLUTION TO THIS PROBLEM THAT PEOPLE ARE LOOKING
14 TO SOLVE. NEXT SLIDE PLEASE. WE ARE CURRENTLY WRITING A
15 PROCUREMENT INTENDED TO IDENTIFY ELIGIBLE SUPPLY GIVEN OUR
16 DISCUSSION IN APRIL AND MEMBERSHIP IN THIS BODY AND AT-LARGE.
17 IT'S IMPORTANT TO FRAME EXPECTATIONS FROM THE STAKEHOLDER
18 PROCESS ENGAGEMENT LAST YEAR. INCLUDING SUPPLY RIGHT NOW IS
19 EXPECTED TO BE LIMITED. I'M PERSONALLY AWARE OF WHAT FACILITY
20 ELIGIBLE UNDER 3383 AND CURRENTLY PRODUCING AND MORE
21 IMPORTANTLY SELLING GAS INTO THE INFRASTRUCTURE. I HAVE BEEN
22 IN CONTACT WITH THAT FACILITY AS I MENTIONED IN OUR LAST
23 MEETING AND HAVE RECEIVED INDICATIONS THAT THEY WOULD BID ON A
24 PROCUREMENT BUT OBVIOUSLY THAT QUESTION REMAINS AT WHAT
25 QUANTITIES AND AT WHAT PRICE POINTS IS THE MEMBERSHIP WILLING

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1 TO PURSUE THAT OPTION. I DON'T THINK THERE'S A WAY TO FORMALLY
2 ANSWER THAT QUESTION WITHOUT FIRST ISSUING THE PROCUREMENT
3 PROCESS WHICH DOES TAKE TIME. SECOND, IF WE DO RECEIVE ONE OR
4 MORE BIDS FOR SUPPLY CURRENT DEMAND IS LIKELY TO EXCEED
5 AVAILABLE SUPPLY BASED ON PRELIMINARY RESPONSES. WHAT MEANS IS
6 WE PROBABLY NEED TO DEVELOP A METHODOLOGY FOR [INDISCERNIBLE]
7 SUPPLY AVAILABLE AMONGST INTERESTED MEMBERS. WE CAN CROSS THAT
8 BRIDGE ONCE WE GET TO IT BUT IT'S DEFINITELY SOMETHING TO BE
9 AWARE OF IN ADVANCE. IN THE ALTERNATIVE SCENARIO, WE SHOULD BE
10 PREPARED WHERE A SITUATION WHERE WE RELEASE THE PROCUREMENT
11 AND END UP GETTING NO RESPONSES BECAUSE THERE IS NO AVAILABLE
12 SUPPLY. IN THAT INSTANCE, I THINK IT WOULD BE VALUABLE TO GET
13 THE ADMINISTRATIVE REQUIREMENTS DOWN SO THAT WE COULD BE SETUP
14 IN THE FUTURE AT SOME POINT TO REISSUE THE PROCUREMENT IF
15 DESIRED. WITH THAT, THAT CONCLUDES MY STAFF REPORT. AND I AM
16 RELATIONSHIP TO RECEIVE YOUR FEEDBACK AND TAKE ANY QUESTIONS.

17

18 **CHRIS SCHROEDER:** RYAN, WHAT IS THAT FACILITY THAT MAY BE
19 AVAILABLE TO PRODUCE GAS? WHO ARE THEY?

20

21 **RYAN JACOBY:** IT'S THE RIALTO FACILITY IN SOUTHERN CALIFORNIA
22 AND SOCALGAS. THEY ARE GRID INTERCONNECTED, THAT IS ONE OF THE
23 HARDER ASPECTS IS THE TIME CONSUMING REGULATORY PROCESS
24 GETTING INTERCONNECTED TO THE GRID. THEY HAVE THAT COMPLETED
25 THEY'RE CURRENTLY SELLING GAS TO SOCALGAS, THE UTILITY DOWN

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1 THERE. THEY HAVE INDICATED, AS I MENTIONED THERE IS SOME
2 ADDITIONAL SUPPLY THAT THEY'RE NOT CURRENTLY SELLING THAT'S
3 AVAILABLE FROM THAT FACILITY. I DON'T KNOW IF THERE ARE PLANS
4 TO RAMP UP PRODUCTION AND SUPPLY APPLICABILITY AS WELL. WE
5 HAVEN'T GOTTEN INTO THAT LEVEL OF CONVERSATION BUT ENERGY AS
6 THE FIRM THAT OWNS AND OPERATES THE PLANT.

7

8 **CHRIS SCHROEDER:** THANK YOU.

9

10 **ANGELA WALTON, CHAIR:** ARE THERE ANY OTHER COMMENTS BY MEMBERS
11 OF THE COMMITTEE? SEEING NONE. IS THERE ANY MEMBER OF THE
12 PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? WILL
13 THE CLERK INFORM US WHETHER OR NOT THERE ARE ANY PUBLIC
14 COMMENTS RECEIVED?

15

16 **CLERK, CINDY CHEN:** THERE IS NO PUBLIC COMMENT FOR THIS ITEM.

17

18 **ANGELA WALTON, CHAIR:** MOVING ON TO ITEM NUMBER SIX, FISCAL
19 YEAR 2021, '22 OPERATING BUDGET AMENDMENT. PRESENTATION WILL
20 BE DONE BY RYAN JACOBY.

21

22 **RYAN JACOBY:** THANK YOU. JUST A SHORT STAFF REPORT FOR THIS.
23 FOR YOUR CONSIDERATION TODAY IS A STAFF RECOMMENDATION TO
24 AMEND THE CURRENT YEAR BUDGET IN THE AMOUNT OF ROUGHLY 450,000
25 WITH NO CHANGES TO MEMBERS LEVELIZED CHARGES. AS I MENTIONED

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1 DURING THE GAS PROGRAM REPORT AS OF APRIL 30TH ACCORDING TO
2 OUR UNAUDITED FINANCIAL WE ARE PROJECTING A YEAR-END
3 EXPENDITURES TO -- [INDISCERNIBLE] AUTHORIZED BUDGET BECAUSE
4 WE HAVE SEEN SIGNIFICANT SUSTAINED PRICES IN PG&E PASS THROUGH
5 AND MARKET PRICES FOR GAS BECAUSE THESE BUDGET ITEMS ARE
6 SIGNIFICANT USUALLY WE'RE ABLE TO COVER OVERRUNS IN ONE
7 CATEGORY BUT WHAT WE'RE SEEING HERE ARE HUGE DEGREES OF
8 VARIANTS IN BOTH ITEMS WHICH PRESENTS THE SITUATION THAT
9 YOU'RE SEEING TODAY. YOU HEARD ABOUT AND SAW THIS INCREASE IN
10 GAS PRICES DURING OUR LAST AGENDA ITEM BUT ON THE PG&E SIDE
11 WHAT'S REALLY DRIVING THIS ARE RATE INCREASES THAT WENT INTO
12 EFFECT THIS YEAR IN JANUARY AND A SUBSEQUENT INCREASE IN
13 APRIL. THOSE INCREASES ARE PERMANENT AND ACCUMULATIVE. WHAT'S
14 HAPPENING HERE IS REALLY THE FACT THAT OUR USAGE IS RUNNING
15 SLIGHTLY HIGHER THAN BUDGETED AS WE HAVE SHOWN AS WELL. THAT
16 MEANS THAT WE'RE USING MORE GAS AT THOSE INCREASED RATES THAT
17 ARE NOW IN EFFECT AND PRESUMABLY WILL BE HIGHER AGAIN NEXT
18 YEAR ONCE PG&E'S RATE CASE IS APPROVED OR MODIFIED AND
19 APPROVED. WHAT THIS IS DOING IS RESULTING IN A SLIGHT DEFICIT
20 COMPARED TO OUR AUTHORIZED BUDGET. I HAVE CORRECTED FOR THIS
21 ULTIMATELY IN THE BUDGET THAT YOU WILL SEE PRESENTED IN THE
22 NEXT FISCAL YEAR BUT WE ARE RECOMMENDING A SLIGHT ADJUSTMENT
23 TO THE CURRENT YEAR AGAIN ROUGHLY A \$450,000 FIGURE WHAT THAT
24 WILL DO IS ALLOW US TO FULFILL AN OBLIGATION TO PAY THESE
25 COSTS TO PG&E WITHIN A TIMELY MANNER IT IS REQUIRED BY A GAS

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1 AGGREGATION CONTRACT THAT WE HOLD WITH THEM. THE INCREASE IN
2 TOTAL REPRESENTS ABOUT 5% OF OUR BUDGET, AND JUST FOR A
3 CONFIRMATION DOES NOT AFFECT LEVELIZED CHARGES SO THERE WOULD
4 BE NO IMMEDIATE DIFFERENCE ABSORBED BY THE MEMBERSHIP BUT
5 WHERE YOU WOULD SEE THIS ULTIMATELY COME THROUGH IS THE FY 20-
6 21, 2022 TRUE-UP WHICH DOES ALLOCATE ANY DIFFERENCE IN THE
7 ACTUAL EXPENDITURES COMPARED TO OUR BUDGET FOR THE REMAINDER
8 OF THIS YEAR. TYPICALLY THAT HAS GONE INTO EFFECT IN NOVEMBER
9 OF EACH YEAR. SO WE WOULD BE LOOKING AT NOVEMBER 2022 AS THE
10 ESTIMATED DATE FOR ACTUALLY NOT JUST CALCULATING, BUT
11 AMORTIZING THOSE COSTS. ULTIMATELY, I WISH I HAD
12 RECOMMENDATIONS FOR YOU REGARDING HOW WE CAN MITIGATE THESE
13 COSTS IN THE FUTURE, BUT BECAUSE OF THE NATURE, SPECIFICALLY
14 IN THE PASS THROUGH COST, INDEPENDENT UPON MEMBER USAGE TO
15 DRIVE THESE COSTS AS WELL AS PG&E RATE CASES WE HAVE LITTLE
16 LEVERAGE HERE OUTSIDE OF THAT NORMAL REGULATORY PROCESS UNDER
17 WHICH WE'RE ALREADY PARTICIPATING IN THE RATE MAKING
18 PROCEEDINGS. JUST REITERATING MY COMMENTS IN EARLIER THESE
19 INCREASING DON'T ONLY IMPACT US EVEN THOUGH YOU'RE SEEING THEM
20 IN THIS AVENUE, THEY ALSO IMPACT PROVIDERS AS WELL AS THE
21 RESIDENTIAL BILL AT HOME. OTHERS PARTICIPATING IN THAT
22 REGULATORY ROLE AT THE APPROPRIATE TIMES I SEE OUR ROLE AS TO
23 MANAGE THE COST BY BUDGETING AND COMMUNICATING THEM
24 EFFECTIVELY, BUT ULTIMATELY THE WAY I SEE IT, WE DO HAVE
25 LIMITED AVAILABILITY TO CONTROL THE COST THEMSELVES, BECAUSE

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1 OF THE NATURE OF THEM BEING A PASS THROUGH. FOR THOSE REASONS,
2 THE RECOMMENDATION BEFORE YOU IS TO AMEND THE CURRENT BUDGET
3 IN ORDER TO FACILITATE THE TIMELY PAYMENT OF THOSE COSTS TO
4 PG&E, AND, AGAIN, AMENDING THAT BUDGET DOES INCLUDE AN
5 ANTICIPATION THAT WE WOULD END THE YEAR AT ABOUT THAT SAME
6 LEVEL OF DEFICIT BEING ROUGHLY 450,000, WHICH WOULD BE COVERED
7 SUFFICIENTLY BY THE EXISTING WORKING CAPITAL DEPOSITS. THAT
8 CONCLUDES THE STAFF RECOMMENDATION.

9

10 **ANGELA WALTON, CHAIR:** IS THERE A MOTION FROM THE COMMITTEE TO
11 APPROVE FISCAL YEAR 2021, '22 OPERATING BUDGET AMENDMENT IN
12 THE AMOUNT OF 456,687,000 FOR A TOTAL BUDGET NOT TO EXCEED
13 10,746,000,105 WITH NO CHANGE TO MEMBERS LEVELIZED CHARGES FOR
14 THE PERIOD ENDING JUNE 2022?

15

16 **CHRIS SCHROEDER:** SO MOVED.

17

18 **DIANA OYLER:** I'LL SECOND.

19

20 **ANGELA WALTON, CHAIR:** ANY PUBLIC COMMENT ON THIS ITEM? IS
21 THERE ANY MEMBERS WHO WISH TO COMMENT ON THIS ITEM?

22

23 **CLERK, CINDY CHEN:** NO PUBLIC COMMENT RECEIVED FOR THIS ITEM.

24

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1 **ANGELA WALTON, CHAIR:** I'LL CALL FOR A ROLL CALL VOTE OF THE
2 COMMITTEE. WOULD THE CLERK PLEASE CONDUCT ROLL CALL.

3

4 **CLERK, CINDY CHEN:** YES. BOARD MEMBER CORRAL?

5

6 **SPEAKER:** AYE.

7

8 **CLERK, CINDY CHEN:** BOARD MEMBER OYLER?

9

10 **DIANA OYLER:** AYE.

11

12 **CLERK, CINDY CHEN:** SCHROEDER?

13

14 **CHRIS SCHROEDER:** AYE.

15

16 **CLERK, CINDY CHEN:** WALTON?

17

18 **ANGELA WALTON, CHAIR:** AYE.

19

20 **CLERK, CINDY CHEN:** MOTION PASSES. THANK YOU.

21

22 **ANGELA WALTON, CHAIR:** THANK YOU. MOVING TO ITEM SEVEN FISCAL
23 YEAR 2022, '23 OPERATING BUDGET. PRESENTATION WILL BE GIVEN BY
24 RYAN JACOBY AND JOINED BY ARLEICKA CONLEY.

25

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1 **RYAN JACOBY:** THANK YOU. I PROMISE WE'LL GET MORE BEST SPEAKERS
2 AS WE GET INTO SOME OF THE EXCITING INITIATIVES FOR NEXT YEAR
3 SO YOU WON'T HAVE TO LISTEN TO ME QUITE AS MUCH, HOPEFULLY,
4 ANYWAYS. [LAUGHTER] CAN AV STAFF PULL UP THE FINAL
5 PRESENTATION, PLEASE? THANKS. NEXT SLIDE. OKAY. YOU'RE ALL
6 FAMILIAR WITH OUR CORE SERVICE MODEL DEVELOPING AND
7 IMPLEMENTING PROGRAM STRATEGY, CONDUCTING CONSOLIDATED BILLING
8 AND ULTIMATE OFFERING CUSTOMER SERVICE, AND REALLY THE WAYS
9 THAT WE WORK WITH PG&E PARTICIPANTS TO ACCOMPLISH THOSE
10 ACTIONS. TO ME THAT'S OUR CORE SERVICE MODEL AS ABAG POWER. AS
11 WE RETURN OUR CONVERSATION REALLY TO LOOK AT NEXT YEAR'S
12 BUDGET AND SOME OF THE INITIATIVES WE'RE CONSIDERING, WE MIGHT
13 WANT TO CONSIDER, AGAIN, THESE FOLLOWING GOALS TO FRAME THAT
14 DISCUSSION. THESE ARE STRAIGHT FROM OUR STRATEGIC
15 IMPLEMENTATION ROADMAP WHICH WAS ADOPTED LAST DECEMBER. THESE
16 ARE ALSO UNCHANGED SINCE THE VERSION THAT WE PRESENTED IN
17 APRIL. EACH ARE FUNDAMENTALLY FOCUSED WITH THE FIRST
18 LEVERAGING CARBON OFFSET RFP AGAIN TO MITIGATE THE CLIMATE
19 IMPACTS OF NATURAL GAS USE WITHIN OUR PORTFOLIO. AGAIN THE
20 EVALUATION ANTICIPATING BRINGING A RECOMMENDATION TO YOU AS
21 EARLY AS OUR NEXT MEETING SCHEDULED FOR JULY 21ST. NEXT, WE
22 ANTICIPATE PARTICIPATING IN THE VEHICLE FUEL MARKETS LIKELY
23 THROUGH A MEMORANDUM OF UNDERSTANDING, SPUR, PARTNER
24 ORGANIZATION, AND THAT WILL ALLOW US TO GENERATE SOME
25 ADDITIONAL REVENUE TO HELP PARTIALLY FUND THESE EXPANDED

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1 PROGRAM ACTIVITIES. LASTLY, THESE ACTIVITIES WILL GENUINELY
2 CREATE OPPORTUNITIES TO EXPAND THE PROGRAM'S MEMBERSHIP WHICH
3 PUSHES OUR RATES LOWER FOR ALL PARTICIPATING AGENCIES. I'M
4 LOOKING FORWARD TO MEETING WITH MORE AGENCIES IN THE FUTURE
5 JUST LIKE WE DID WITH OUR JUDICIAL COUNCIL TO FLOOR THESE
6 OPPORTUNITIES. IDENTIFYING ON EXTREME VALUE IN THE SB1383
7 CONVERSATIONS AND THE UPCOMING ISSUANCE OF A VOLUNTARY
8 ELECTRIFICATION INCENTIVE. EACH OF THESE, YOU KNOW, NOT TO
9 LIE, ARE BIG PROJECTS, AND FRANKLY, WE'RE MOVING FAST, BUT,
10 ALSO CAREFULLY AND INTENTIONALLY. TO ME, THESE POSITION US
11 WELL FOR ALIGNING US MORE CLOSELY WITH WHAT WE'RE HEARING FROM
12 THE MEMBERSHIP IN TERMS OF NEEDS AS WELL AS RESPONDING TO THE
13 RAPID CHANGES IN THE ENERGY AND CLIMATE SPACES, WHICH IS WHY I
14 THINK THEY'RE IMPORTANT. NEXT SLIDE, PLEASE. THAT PREFACE
15 BRINGS US TO THE COMPONENTS DRIVING OUR BUDGET DEVELOPMENT,
16 THE LARGEST BEING PG&E PASS THROUGH, MARKET TYPES
17 TRANSPORTATION STORAGE COST FOR GAS PROGRAM ADMINISTRATION AND
18 ULTIMATELY ENVIRONMENTAL AND OTHER INITIATIVES. THESE
19 CATEGORIES ARE INDIVIDUALLY IDENTIFIED IN AGENDA ITEM 7B WHICH
20 ALSO CONTAINS BRIEF NARRATIVES ABOUT THE PRIMARY COST DRIVER
21 DISPLAYED ON THE RIGHT HAND SIDE OF THE SLIDE. IN SHORT,
22 GENERALLY, THE THREE LARGEST DRIVERS, AGAIN, ARE PASS THROUGH,
23 OUR GAS USAGE AND MARKET PRICES. IN TURN, EACH OF THOSE ARE
24 DRIVEN BY THINGS LIKE WEATHER PATTERNS, GEO-POLITICAL
25 TENSIONS, AS WE'RE SEEING TODAY, AND SUSTAINABILITY EFFORTS

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1 NOT JUST OUR OWN, BUT WITHIN THE MEMBERSHIP. NEXT SLIDE,
2 PLEASE. AT A HIGH-LEVEL, OUR BUDGET REPRESENTS A 28% INCREASE
3 YEAR OVER YEAR, AGAIN, DUE BASICALLY TO THE CORRESPONDING
4 INCREASE THAT WE'RE SEEING IN THE COST OF ENERGY DRIVEN BY
5 INCREASING PG&E COST AND MARKET PRICES. I APOLOGIZE, I KNOW
6 I'M SOUNDING LIKE A BROKEN RECORD WITH THOSE TWO CATEGORIES.
7 THE BUDGET INCLUDES MINOR CHANGES TO ADMINISTRATOR COMPONENTS
8 SUCH AS STAFF COST AND MINOR INTEREST IN INCOME JUST LOOKING
9 AT TODAY'S INTEREST RATES. NOTABLY, I AM PROPOSING AS I
10 ANNOUNCED BACK IN APRIL, RETAINING THE \$150,000 BUDGET FROM
11 LAST YEAR THAT WAS ALLOCATED FOR PROGRAM DESIGN INITIATIVES
12 IDENTIFIED IN THE ROADMAP ONE OF THOSE PROCEEDING FROM WORK
13 FROM THE CARBON RFP. WE'RE INTENDING TO PURSUE THESE
14 ACTIVITIES ALIGNING WITH OUR BUDGET TO PRIORITIZE THESE
15 INITIATIVES EVEN IF THEY REPRESENT A RELATIVELY SMALL
16 COMPONENT RELATIVE TO SOMETHING LIKE PG&E PASS THROUGH. I DO
17 WANT TO NOTE THAT, IMPORTANTLY, THE PROPOSED BUDGET REPRESENTS
18 AN INCREASE OF 28%. BUT LEVELIZED CHARGES WILL GENERALLY
19 DECREASE BY 2% AMORTIZED WE'RE EXPECTING INCREASE OVER 12
20 MONTHS FOR THE FISCAL YEE DIFFERENCE BETWEEN OUR LAST POSITION
21 WAS THE BUDGET AMENDMENT ADOPTED FOR THE PASS THROUGH WERE
22 AMORTIZED INCREASE COST OVER FOUR MONTHS. AMORTIZING OVER 12
23 MONTHS WITH THE INCREASE ULTIMATE SHOULD DECREASE FOR THE
24 MAJORITY OF THE MEMBERS. LOCALIZED CHARGES FOR MEMBER
25 INCLUDING ESTIMATED USAGE BUT ALSO [INDISCERNIBLE] TO GIVE YOU

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1 A SENSE OF HOW THE PORTFOLIO HAS CHANGED OVER THAT PERIOD IF
2 THERE ARE SIGNIFICANT CHANGES AS WELL AS THE TRIGGER TO HAVE
3 THE CONVERSATION IF YOU HAVE QUESTIONS ABOUT WHAT'S CURRENTLY
4 PROJECTED. FOR THE MEMBERS THAT DO HAVE ESTIMATED USAGE
5 IDENTIFIED IN DIFFERENT FONT COLOR GENERALLY IT WAS A GREEN
6 WITH A GRAY SHADED BACKGROUND THIS INDICATES WE HAVE MANUALLY
7 ADJUSTED THE USAGE ESTIMATE AND WILL ACT IN COORDINATION WITH
8 AGREEMENT WITH EACH OF THOSE MEMBER AGENCY AGAIN JUST A KNOWN
9 CHANGES THAT WE WERE ANTICIPATING. I WOULD LIKE TO HAND IT OFF
10 TOLL ARLEICKA, OUR DIRECTOR OF OUR FINANCE ACCOUNTING TEAM TO
11 PROVIDE AN OVERVIEW OF THE RELATED COMPONENTS.

12

13 **ARLEICKA CONLEY:** IN THE INTEREST OF NOT BEING REPETITIVE I
14 WON'T GO OVER THE REVENUE AND COST OF ENERGY RYAN HAS DONE A
15 GOOD JOB OF EXPLAINING WHY COSTS HAVE INCREASED. I'M GOING TO
16 GET INTO THE STAFF -- [INDISCERNIBLE] SINCE OUR LAST
17 PRESENTATION WITH THIS COMMITTEE IN APRIL. SALARIES HAVE
18 INCREASED INTO SEVERAL FACTORS ONE FACTOR IS THE SALARIES
19 INCLUDE A 2.8% COST OF LIVING BUT IT IS ANTICIPATED THAT THE
20 COST OF LIVING MAY BE ADJUSTED BECAUSE THE METROPOLITAN
21 TRANSPORTATION COMMISSION WILL BE LOOKING AT A BUDGET APPROVAL
22 AND A COST OF LIVING ADJUSTMENT OF APPROXIMATELY 4.2% AT THEIR
23 JUNE 22ND MEETING THIS MONTH. SO IF THERE ARE ADDITIONAL
24 ADJUSTMENTS TO THE COST OF LIVING, WE WILL BRING BACK A BUDGET
25 ADJUSTMENT TO THIS COMMITTEE AND WE WILL MAKE THAT ADJUSTMENT

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1 WITHIN THE EXECUTIVE DIRECTOR FINANCIAL OFFICER'S AUTHORITY.
2 IN ADDITION TO THE 22% INCREASE, IT ALSO, A TERM LIMITED JR.
3 PROGRAM COORDINATOR STAFF POSITION. THIS POSITION IS 25%
4 FUNDED FROM ABAG POWER AND THIS POSITION WILL FUND ONGOING
5 RESPONSIBILITIES AS IT RELATES TO MONITORING AND RECONCILING
6 OPERATING BUDGETS AND EXPENDITURES, CONTRACT MANAGEMENT AND
7 OTHER ONGOING RESPONSIBILITIES. BECAUSE THE ABAG EXECUTIVE
8 COMMITTEE CANNOT APPROVE NEW POSITIONS, WE'RE ALL ONE
9 CONSOLIDATED STAFF UNDER THE 20 CONTRACT FOR THE METROPOLITAN
10 TRANSPORTATION COMMISSION THESE POSITIONS ARE BUDGETED IN THE
11 2023 BUDGET THROUGHOUT METROPOLITAN TRANSPORTATION COMMISSION
12 AND ONCE THE POSITIONS ARE APPROVED IN JUNE WE WILL MAKE
13 ADJUSTMENTS AS NEEDED. THERE IS A PROJECTED SURPLUS OF
14 APPROXIMATELY -- THAT CONCLUDES MY PRESENTATION. STAFF
15 REQUESTS APPROVAL OF THE FISCAL YEAR 2022, '23 BUDGET AND AT
16 THIS POINT RYAN AND I ARE HAPPY TO TAKE ANY QUESTIONS YOU MAY
17 HAVE.

18

19 **ANGELA WALTON, CHAIR:** SEEING NO QUESTIONS FROM THE COMMITTEE
20 IS THERE A MOTION TO APPROVE THE FISCAL YEAR 2022, 2023
21 OPERATING BUDGET AND ACCOMPANYING LEVELIZED CHARGES FOR JUNE
22 2022, 2023.

23

24 **CHRIS SCHROEDER:** I SO MOVE.

25

28

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1 **ANGELA WALTON, CHAIR:** IS THERE A SECOND?

2

3 **DIANA OYLER:** I'LL SECOND.

4

5 **ANGELA WALTON, CHAIR:** THANK YOU. IS THERE ANY DISCUSSION BY
6 MEMBERS OF THE COMMITTEE ON THIS MOTION?

7

8 **CHRIS SCHROEDER:** YOU HAVE DONE A GREAT JOB WITH THIS RYAN AND
9 ARLEICKA IT'S A DIFFICULT TIME AND YOU HAVE MADE THE BEST OF
10 WHAT WE'RE ABLE TO DO.

11

12 **ARLEICKA CONLEY:** THANK YOU.

13

14 **RYAN JACOBY:** THANK YOU.

15

16 **ANGELA WALTON, CHAIR:** OKAY. IS THERE ANY MEMBER OF THE PUBLIC
17 WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? WILL THE CLERK
18 INFORM US WHETHER THERE WERE ANY PUBLIC COMMENTS RECEIVED?

19

20 **CLERK, CINDY CHEN:** THERE IS NO PUBLIC COMMENT RECEIVED FOR
21 THIS ITEM.

22

23 **ANGELA WALTON, CHAIR:** THANK YOU. ILL NOW CALL FOR THE VOTE BY
24 COMMITTEE. WILL THE CLERK PLEASE CONDUCT THE ROLL CALL VOTE?

25

29

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1 **CLERK, CINDY CHEN:** ABSOLUTELY. BOARD MEMBER CORRAL?

2

3 **SPEAKER:** AYE.

4

5 **CLERK, CINDY CHEN:** BOARD MEMBER OYLER?

6

7 **DIANA OYLER:** AYE.

8

9 **CLERK, CINDY CHEN:** BOARD MEMBER SCHROEDER?

10

11 **CHRIS SCHROEDER:** AYE.

12

13 **CLERK, CINDY CHEN:** BOARD MEMBER WALTON?

14

15 **CHAIR, ANGELA WALTON:** AYE.

16

17 **CLERK, CINDY CHEN:** MOTION PASSES. THANK YOU.

18

19 **ANGELA WALTON, CHAIR:** THANK YOU. MOVING ALONG TO OTHER
20 BUSINESS. IS THERE ANY MEMBER OF THE COMMITTEE WHO WISHES TO
21 PROVIDE AN UPDATE ON ITEMS WITHIN MEMBER AGENCIES RELEVANT TO
22 ABAG POWER OR THE ABAG MTC ENERGY PROGRAM? I'M SORRY. EXCUSE
23 ME. SEEING NONE.

24

25 **CHRIS SCHROEDER:** WAIT. I HAVE GOT A HAND UP.

30

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1

2 **ANGELA WALTON, CHAIR:** I'M SORRY. I DIDN'T SEE YOU. GO AHEAD,
3 CHRIS.

4

5 **CHRIS SCHROEDER:** I'M NOT SURE. THIS IS RIGHT OUT OF LEFT
6 FIELD, I'M NOT SURE WHAT IF ANYTHING WE CAN DO ABOUT IT. IS
7 ANYBODY AWARE OF WHAT'S GOING ON IN CALIFORNIA IN REGARD TO
8 SOLAR RIGHT NOW? THERE IS AN ASSAULT GOING ON BY THE ENERGY
9 COMPANIES, PG&E, SOCAL -- SOCAL EDISON, AND SOUTHERN
10 CALIFORNIA TRYING TO FORCE CHARGES ON TO HOMEOWNERS THAT WOULD
11 PROHIBITIVELY RESTRICTIVE TO PUTTING ROOF TOP SOLAR ON. HAS
12 ANYONE HEARD ABOUT THIS?

13

14 **ANGELA WALTON, CHAIR:** I HAVEN'T.

15

16 **CHRIS SCHROEDER:** I HAVE. EVEN THOUGH THE GOVERNOR HAS A STATED
17 POSITION ON WANTING TO MAKE CALIFORNIA GREEN AND INCLUDE SOLAR
18 IN HIS ENERGY PROGRAMS HAS BASICALLY REMAINED SILENT WHILE
19 THIS BATTLE IS GOING ON. IT'S COME PRETTY SHARPLY INTO FOCUS.
20 FOR ME, JUST RECENTLY. I'M WONDERING IF THERE IS ANYTHING WE
21 COULD DO AS ABAG POWER IN REGARD TO SUPPORTING THE INITIATIVE
22 TO STOP THE ASSAULT ON SOLAR?

23

24 **ANDREA VISVESHWARA:** MY SUGGESTION IS STAFF WOULD PERHAPS LOOK
25 INTO THIS AND AGENDIZE THE MATTER AT A FUTURE MEETING IF THE

31

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1 REST OF THE BOARD IS IN AGREEMENT WITH AGENDAIZING IT AS A
2 FUTURE MATTER.

3

4 **ANGELA WALTON, CHAIR:** OKAY. I HAVE IT NOTED.

5

6 **CHRIS SCHROEDER:** DO WE NEED A VOTE ON THAT?

7

8 **ANDREA VISVESHWARA:** YOU DON'T NEED A FORMAL VOTE, BUT A
9 CONSENSUS WOULD BE GOOD.

10

11 **GILEE CORRAL:** I WOULD BE INTERESTED IN HEARING WHAT ABAG'S
12 POWER'S POSITION IS IF ANYTHING ON THIS? THAT'S 2.0? 3.0.
13 THAT'S WHAT YOU'RE REFERENCING? I WOULD BE INTERESTED IN
14 LEARNING MORE ABOUT HOW IT AFFECTS OUR POSITION AT ABAG POWER.

15

16 **CHRIS SCHROEDER:** I HAVE BEEN ON THE BOARD FOR A LONG TIME AND
17 IN YEARS PAST, WE HAVE STRONGLY SUPPORTED SOLAR. IN FACT, IT
18 WAS WORKING WITH THIS ORGANIZATION AND AT THE TIME SUSTAINABLE
19 SILICON VALLEY THAT WE WERE ABLE TO PUT TOGETHER THE
20 MEMBERSHIP OF THOSE TWO ORGANIZATIONS. AND WE DIDN'T KNOW IT
21 AT THE TIME, BUT IT TURNED OUT TO BE THE LARGEST SINGLE
22 PURCHASE OF SOLAR POWER IN THE COUNTRY AT THAT TIME. MADE NEWS
23 ALL THE WAY BACK TO THE DEPARTMENT OF ENERGY. THAT PROGRAM IS
24 STILL GOING ON. AND I THINK ITS IN ITS THIRD ITERATION.
25 MILPITAS WOULDN'T EVEN HAVE SOLAR IF IT WEREN'T FOR THAT

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1 PROGRAM. SO IN THE PAST WE HAVE STRONGLY SUPPORTED SOLAR. AND
2 I PERSONALLY WOULD BE HAPPY TO BRING THIS BACK TO THE BOARD
3 FOR DISCUSSION AT A LATER TIME.

4

5 **JENNIFER BERG:** I CAN JUST ASK FOR CLARIFICATION ABOUT THE
6 ACTION ITEM FOR STAFF? I MEAN, THIS IS A VERY CONTROVERSIAL
7 AND RATHER DOCUMENT-HEAVY ISSUE. SO, I THINK THIS IS, IN MY
8 TENURE, THE FIRST TIME THERE HAS BEEN THIS REQUEST, THAT, OF
9 COURSE WE'RE HAPPY TO ACCOMMODATE, BUT IF WE COULD JUST GET
10 SOME KIND OF UNDERSTANDING OF WHAT WOULD BE REQUESTED OF
11 STAFF?

12

13 **CHRIS SCHROEDER:** ULTIMATELY, A STRONGLY WORDED LETTER TO THE
14 CPUC IN FAVOR OF SOLAR AND NOT ALLOWING THE ENERGY COMPANIES
15 TO ADD ALL THESE ADDITIONAL COSTS THAT HURT HOMEOWNERS. I
16 DON'T KNOW EXACTLY WHAT FORMAT THAT WOULD TAKE, BUT I WOULD
17 JUST LIKE TO SEE ABAG POWER COME OUT IN SUPPORT OF SOLAR,
18 AGAIN.

19

20 **JENNIFER BERG:** THANK YOU FOR THAT CLARIFICATION. BUT U JUST
21 FROM LEGAL COUNSEL, WHAT YOU -- YEAH?

22

23 **ANDREA VISVESHWARA:** I THINK AT THIS POINT WE JUST SIMPLY NEED
24 TO GET CONSENSUS FROM THE MAJORITY OF THE BOARD. AND WHAT
25 STAFF WILL NEED TO DO IS, BASED ON THE CONVERSATION, SORT OF,

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1 FIGURE OUT WHAT CAN BE BROUGHT FORWARD AT A FUTURE MEETING.
2 AND IT MAY BE THAT WE HAVE TO COME BACK AND HAVE MORE
3 PRELIMINARY DISCUSSION AND THEN THERE IS A SUBSEQUENT MEETING
4 AFTER THAT ONCE WE HAVE RECEIVED EVEN MORE DIRECTION. BUT AT
5 THIS POINT, SINCE IT'S NOT AGENDAIZED ON THE MEETING, THIS
6 CONVERSATION IS REALLY JUST ABOUT INFORMATIONAL ITEMS AND A
7 POTENTIAL REQUEST FOR A FUTURE AGENDA ITEM.

8

9 **JENNIFER BERG:** THANK YOU.

10

11 **ANGELA WALTON, CHAIR:** THANK YOU.

12

13 **CHRIS SCHROEDER:** SO THEN ARE WE ABLE TO AGENDAIZE THAT FOR A
14 FUTURE MEETING?

15

16 **ANGELA WALTON, CHAIR:** [INDISCERNIBLE].

17

18 **ANDREA VISVESHWARA:** DO WE HAVE THE MAJORITY OF THE BOARD? I'M
19 ONLY -- SORRY. I ONLY RECEIVED CONSENSUS, I ONLY COUNT THE
20 CONSENSUS FROM MEMBER SCHROEDER AND MEMBER CORRAL.

21

22 **DIANA OYLER:** I, TOO, WOULD BE INTERESTED IN GETTING SOME
23 FURTHER INFORMATION.

24

25 **ANGELA WALTON, CHAIR:** AND I WOULD AS WELL. OKAY.

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1

2 **ANDREA VISVESHWARA:** THANK YOU.

3

4 **ANGELA WALTON, CHAIR:** OKAY, MOVING ALONG. THE GOVERNANCE
5 MEETING OF THE ABAG POWER EXECUTIVE BOARD IS SCHEDULED TO BE
6 HELD JULY 21ST, 2022. THIS MEETING OF THE ABAG POWER COMMITTEE
7 IS ADJOURNING AT 11:55 THANKS EVERYBODY. [ADJOURNED]



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