ASSOCIATION OF BAY AREA GOVERNMENTS

Meeting Transcript

ASSOCIATION OF BAY AREA GOVERNMENTS

ABAG POWER BOARD OF DIRECTORS

THRUSDAY, OCTOBER 21, 2021, 11:00 A.M.

ANGELA WALTON, VICE CHAIR: GOOD MORNING. THANK YOU FOR JOINING US THIS MORNING. I'M ANGELA WALTON VICE CHAIR OF ABAG POWER. THE MEETING IS CALLED TO ORDER AT 11:05 A.M. WILL THE ABAG/MTC MEETING STAFF PERSON PLEASE BEGIN THE COVID ANNOUNCEMENT VIDEO? [RECORDED MEETING PROCEDURES ANNOUNCEMENT] DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A ZOOM WEBINAR PURSUANT TO THE PROVISIONS OF ASSEMBLY BILL 361 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE BROWN ACT. THIS MEETING IS BEING WEBCAST ON THE ABAG WEBSITE. THE CHAIR WILL CALL UPON COMMISSIONERS, PRESENTERS, STAFF, AND OTHER SPEAKERS, BY NAME, AND ASK THAT THEY SPEAK CLEARLY AND STATE THEIR NAMES BEFORE GIVING COMMENTS OR REMARKS. PERSONS PARTICIPATING VIA WEBCAST AND ZOOM, WITH THEIR CAMERAS ENABLED, ARE REMINDED THAT THEIR ACTIVITIES ARE VISIBLE TO VIEWERS. COMMISSIONERS AND MEMBERS OF THE PUBLIC PARTICIPATION BY ZOOM, WISHING TO SPEAK, SHOULD USE THE RAISE HAND FEATURE OR DIAL STAR 9, AND THE CHAIR WILL CALL UPON THEM AT THE APPROPRIATE TIME. TELECONFERENCE ATTENDEES WILL BE CALLED UPON BY THE LAST FOUR DIGITS OF THEIR PHONE NUMBER. IT IS REQUESTED THAT PUBLIC SPEAKERS STATE THEIR NAMES AND ORGANIZATION, BUT, PROVIDING SUCH INFORMATION IS VOLUNTARY. WRITTEN PUBLIC COMMENTS RECEIVED AT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

INFOATBAYAREAMETRO.GOV BY 5 P.M., YESTERDAY, WILL BE POSTED TO THE ONLINE AGENDA AND ENTERED INTO THE RECORD, BUT WILL NOT BE READ OUT LOUD. IF AUTHORS OF THE WRITTEN CORRESPONDENCE WOULD LIKE TO SPEAK, THEY ARE FREE TO DO SO. THEY SHOULD RAISE THEIR HAND AND THE CHAIR WILL CALL UPON THEM AT THE APPROPRIATE TIME. A ROLL CALL VOTE WILL BE TAKEN FOR ALL ACTION ITEMS. PANELISTS AND ATTENDEES SHOULD NOTE THAT THE CHAT FEATURE IS NOT ACTIVE. IN ORDER TO GET THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP TO DATE.

ANGELA WALTON, VICE CHAIR: OKAY. WILL THE CLERK CONDUCT ROLL CALL AND CONFIRM WHETHER A QUORUM OF THE COMMITTEE IS PRESENT?

CINDY CHEN, CLERK: YES, ANGELA. GOOD MORNING EVERYBODY.

SPEAKER: GOOD MORNING.

CINDY CHEN, CLERK: THERE ARE 37 BOARD MEMBERS. I'LL CALL EACH JURISDICTION IN ALPHABETICAL ORDER. PLEASE BE READY TO STATE YOUR PRESENCE, AND IF I MISPRONOUNCE YOUR NAME PLEASE CORRECT ME. ANNE SMITH WITH CITY OF ALAMEDA. MARK HURLEY WITH CITY OF ALBANY?

MARK HURLEY: I'M HERE.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: GEORGE RODERICKS WITH TOWN OF ATHERTON. ABSENT. WILL TARBOX, WITH CITY OF BENICIA? ABSENT. DIANA OYLER WITH COUNTY OF CONTRA COSTA?

DIANA OYLER: PRESENT.

CINDY CHEN, CLERK: TILLY CORAL, WITH CITY OF CUPERTINO.

SPEAKER: PRESENT.

CINDY CHEN, CLERK: DAN SCHOENHOLZ WITH CITY OF FREMONT.

DAN SHOENHOLZ: PRESENT.

CINDY CHEN, CLERK: JENNIFER MENNUCCI, GOLDEN GATE BRIDGE AND HIGH DISTRICT? ABSENT. RENE MENDEZ CITY OF GONZALEZ? ABSENT. JOHN CITY OF HALF MOON BAY.

SPEAKER: PRESENT.

CINDY CHEN, CLERK: MIKE ROBERS, CITY OF HERCULES? ABSENT. CHELETTE QUIAMBOA WITH CITY OF ALAMEDA? ABSENT. EMIKO ANCHETA, CITY OF LOS ALTOS

SPEAKER: PRESENT.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: ERIC ERICSON, CITY OF MILL VALLEY? ABSENT. KHEE LIM, CITY OF MILLBRAE? ABSENT. CHRIS SCHROEDER WITH CITY OF MILPITAS?

CHRIS SCHROEDER: PRESENT.

CINDY CHEN, CLERK: STEVE LEONARDIS, CITY OF MONTE SERENO? ABSENT. NORMAN VELOSO, TOWN OF MORAGA? ABSENT. STEVE LEDERER WITH COUNTY OF NAPA? ABSENT. DANIEL HAMILTON WITH CITY OF OAKLAND? ABSENT. DAVID BIGGS WITH CITY OF ORINDA? ABSENT. TINA WEHMEISTER WITH CITY OF PACIFICA? ABSENT. PATRICK CARTER WITH CITY OF PETALUMA?

PATRICK CARTER: PRESENT.

CINDY CHEN, CLERK: BECKY HOPKINS WITH CITY OF PLEASANTON?

BECKY HOPKINS: PRESENT.

CINDY CHEN, CLERK: ANGELA WALTON WITH CITY OF RICHMOND?

ANGELA WALTON, VICE CHAIR: PRESENT.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: BRYAN FRUS WITH CITY SALINAS? ABSENT. STEVEN MACHIDA WITH CITY OF SAN CARLOS? ABSENT. ALYSHA REYES WITH CITY OF SAN RAFAEL? ABSENT. ORTEGA WITH CITY OF SANTA CLARA?

SPEAKER: HERE.

CINDY CHEN, CLERK: DOUG WILLIAMS WITH CITY OF SANTA ROSA? ABSENT.

CINDY CHEN, CLERK: THOMAS SCOTT WITH CITY OF SARATOGA?

THOMAS SCOTT: HERE.

CINDY CHEN, CLERK: THANK YOU. MARK CARNFIELD WITH CITY OF UNION CITY? ABSENT. MELISSA MORTON WITH CITY OF VALLEJO?

SPEAKER: HERE.

CINDY CHEN, CLERK: OSCAR A CITY OF VALLEJO? ABSENT. GABRIEL GORDO CITY OF WATSONVILLE?

GABRIEL GORDO: PRESENT.

CINDY CHEN, CLERK: SHELLY G. CITY OF WINTERS ABSENT.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: ANYONE WHOSE NAME I DID NOT CALL? WE HAVE A QUORUM. THANK YOU.

ANGELA WALTON, VICE CHAIR: I WOULD LIKE TO ASK THE CLERK TO PLEASE CALL THE ROLL OF STAFF MEMBERS, PLEASE.

CINDY CHEN, CLERK: YES. STAFF MEMBERS, PLEASE BE READY TO UNMUTE YOURSELF TO STATE YOUR PRESENCE. BRAD PAUL DEPUTY EXECUTIVE DIRECTOR?

BRAD PAUL: PRESENT. AND GOOD MORNING.

CINDY CHEN, CLERK: GOOD MORNING.

CINDY CHEN, CLERK: BRIAN MAYHEW, CHIEF FINANCIAL OFFICER? IS ABSENT. ARLEICKA CONLEY, FINANCE DIRECTOR.

ARLEICKA CONLEY: PRESENT.

CINDY CHEN, CLERK: RAYMOND WOO BUDGET MANAGER.

RAYMOND WOO: PRESENT.

CINDY CHEN, CLERK: MATTHEW LAVRINETS DEPUTY GENERAL COUNSEL.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: JENNIFER BERG ASSISTANT DIRECTOR?

JENNIFER BERG: PRESENT.

CINDY CHEN, CLERK: RYAN JACOBY PROGRAM MANAGER?

RYAN JACOBY: PRESENT. GOOD MORNING.

CINDY CHEN, CLERK: CINDY CHEN PROGRAM COORDINATOR IS PRESENT. ANYONE WHOSE NAME I HAVE NOT CALLED? THANK YOU.

ANGELA WALTON, VICE CHAIR: WE'RE GOING PUBLIC COMMENT. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE COMMENT ON ITEMS NOT ON THE AGENDA? WILL THE CLERK INFORM US WHETHER OR NOT THERE ARE ANY PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

SPEAKER: IT DOES LOOK LIKE THERE IS A PARTNERSHIP WITH A HAND RAISED, ON THE TELEPHONE.

MATTHEW LAVRINETS: PARTICIPANT WITH A HAND RAISED.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: I'M GOING TO GO THROUGH IT. DON'T SEE ANYBODY.

SPEAKER: HELLO, THIS IS STEVE LEDERER, COUNTY OF NAPA. TELLING YOU I'M PRESENT.

CINDY CHEN, CLERK: THANK YOU, STEVE. ANYBODY ELSE JUST JOINED?

OSCAR ALCANTAR, CITY OF VALLEJO.

>>CINDY CHEN, CLERK: THANK YOU.

SPEAKER: CINDY, THERE IS STILL ANOTHER HAND RAISED.

ANGELA WALTON, VICE CHAIR: OKAY. NO PUBLIC COMMENTS. WE'LL MOVE TO THE CONSENT CALENDAR. IS THERE A BOARD MEMBER WHO WOULD LIKE TO MAKE A MOTION FOR THE CONSENT CALENDAR FOR THE MINUTES OF OCTOBER 29TH, 2020?

SPEAKER: I MOVE WE APPROVE.

CHRIS SCHROEDER: CHRIS SCHROEDER, SECOND.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ANGELA WALTON, VICE CHAIR: OKAY. SO THERE WAS MELISSA, CHRIS SCHROEDER SECOND. ANY MEMBER DISCUSSION ON THIS MOTION? ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? OKAY. SEEING NONE. WILL THE CLERK PLEASE INFORM US IF THERE HAVE BEEN ANY PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

ANGELA WALTON, VICE CHAIR: OKAY. THANK YOU. I WOULD LIKE TO CALL FOR THE ROLL CALL VOTE OF THE BOARD. WILL THE CLERK PLEASE CONDUCT THE ROLL CALL VOTE?

CINDY CHEN, CLERK: YES. I WILL FOLLOW THE ORDER WITHOUT JURISDICTION NAMES. PLEASE BE READY TO UNMUTE YOURSELF TO STATE YOUR VOTE FOR THIS ITEM. [ROLL CALL VOTE] ANYBODY ELSE I MISSED? IF NOT, I CONCLUDED THE ROLL CALL. THE MOTION PASSES. THANK YOU.

ANGELA WALTON, VICE CHAIR: THANK YOU. WE'RE GOING TO MOVE ON TO ITEM NUMBER FOUR, ABAG POWER AUDIT STATEMENTS FOR FISCAL YEAR 2020, TO 2021. THIS IS AN ACTION ITEM. AND AT THIS TIME I WOULD LIKE TO INTRODUCE ARLEICKA CONLEY, MTC DIRECTION FOR FINANCE AND ACCOUNTING.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ARLEICKA CONLEY: GOOD MORNING. YOU WILL RECEIVE PRESENTATIONS FOR THE BATTLE BAG POWER AUDIT, STARTING WITH KATHY LAI WITH CROWE LLP, SHE WILL PROVIDE AUDIT RESULTS AND REQUIRED COMMUNICATIONS UPON CONCLUSION OF KATHY'S PRESENTATION, I WILL GIVE A BRIEF OVERVIEW OF ABAG POWER AUDITED FINANCIAL STATEMENTS FOR FY 20-21. WITH THAT, I'LL TURN IT OVER TO YOU, KATHY.

KATHY LAI: THANK YOU ARLEIKA, AND GOOD MORNING EVERYONE. IT'S A PLEASURE TO BE HERE WITH YOU TODAY. I'LL GIVE STAFF A SECOND TO PULL UP OUR AUDIT COMMUNICATION PRESENTATION. TERRIFIC. WELL, IF YOU COULD GO AHEAD AND ADVANCE TO THE NEXT SLIDE. SO, AS ARLEICKA MENTIONED I'M HERE TODAY TO PRESENT OUR AUDIT RESULTS AS WELL AS THE REQUIRED COMMUNICATIONS THAT ARE REQUIRED UNDER OUR PROFESSIONAL AUDITING STANDARDS. AND AT THIS STAGE OF OUR AUDIT, WE ARE SUBSTANTIALLY COMPLETED, THERE ARE JUST A FEW PENDING ITEMS THAT ARE VERY TYPICAL OF THIS STAGE IN THE ENGAGEMENT. MOVE TO THE NEXT SLIDE HERE, I WOULD BE REMISS IF I DIDN'T ACKNOWLEDGE BOTH MANAGEMENT, AS WELL AS THE CROWE ENGAGEMENT TEAM THIS YEAR. A LOT OF WORK GOES INTO AN ANNUAL FINANCIAL STATEMENT AUDIT, AS YOU KNOW, BUT ON TOP OF THAT, WE'RE IN YEAR TWO OF THE PANDEMIC AND WE HAD TO CONDUCT OUR FIELD WORK REMOTELY AGAIN, SO I WANT TO EXPRESS MY APPRECIATION TO THE COLLECTIVE TEAM TO GET US WHERE WE ARE TODAY. SO IF YOU ADVANCE TO THE NEXT SLIDE, I'LL GO OVER THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

AGENDA. IT'S VERY SIMPLE. I'M GOING TO DISCUSS THE AUDIT OBJECTIVE AND RESULTS PERSPECTIVE AND LIKEWISE COMMUNICATION. IF YOU COULD ADVANCE A FEW SLIDES TO THE OBJECTIVES. BEFORE I GIVE THE AUDIT RESULTS I THOUGHT IT WAS WORTHWHILE TO VISIT WHAT WE'RE ENGAGED TO DO, TO EXPRESS OPINION ON WHETHER ABAG FINANCIAL STATEMENTS ARE MATERIALLY CORRECT IN ACCORDANCE WITH WHAT'S CALLED GENERALLY ACCEPTED GAP FOR SHORT, GENERAL ACCEPTED AUDITING STANDARDS REALLY THOSE ARE AUDITOR BE RESPONSIBILITIES AND CONVERSELY IT'S IMPORTANT TO NOTE MANAGEMENT IS RESPONSIBLE FOR THE FINANCIAL STATEMENTS AND PRESENTATION IN ACCORDANCE WITH GAP AND ALL OF THE RELATED INTERNAL CONTROLS OVER FINANCIAL REPORTING. I'M PLEASED TO REPORT FOR ABAG POWER, THE NEXT SLIDE HERE, I ANTICIPATE TO ISSUE AN UNMODIFIED OPINION. BY WAY OF REMINDER, AN UNMODIFIED OPINION IS THE HIGHEST LEVEL OF ASSURANCE MY OPINION STATES THE FINANCIAL STATEMENTS ARE FAIRLY STATED IN ALL MATERIAL RESPECTS IN ACCORDANCE WITH GAP IN THAT'S GOOD NEWS. WE ALSO CONSIDER THE INTERNAL CONTROLS OVER FINANCIAL REPORTING AND I AM PLEASED TO REPORT THAT DURING THE AUDIT WE DIDN'T IDENTIFY ANY MATERIAL WEAKNESSES OR DEFICIENCIES IN INTERNAL CONTROL. GOOD REPORT FOR THIS YEAR. I'LL GO TO THE NEXT SLIDE ON REQUIRED COMMUNICATION. OUR STANDARDS REQUIRE CERTAIN COMMUNICATIONS I'LL GO OVER THOSE QUICKLY. FIRST IN RELATION TO SIGNIFICANT ACCOUNTING POLICIES MANAGEMENT HAS PROPERLY DISCLOSED THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

TYPICALLY LOCATED IN FOOTNOTE ONE OF THE REPORT AND AS AUDITORS WE HAVE REVIEWED THEM AND THEY APPEAR TO BE CLEAR AND CONSISTENT WITH THE PRIOR PERIOD. WITH RESPECT TO MANAGEMENT'S ACCOUNTING ESTIMATES, IN THE FINANCIAL STATEMENTS IT MAY INCLUDE ESTIMATES THAT ARE SUBJECT TO OUR AUDIT. A GREAT EXAMPLE OF FAIR VALUE INVESTMENT OR EVALUATION OF INVENTORY AND WE PERFORMED OUR AUDIT PROCEDURES USING THOSE ESTIMATES AND BELIEVE THEM TO BE APPROPRIATE. ON THE NEXT SLIDE HERE, EVERY YEAR THERE IS THE ADOPTION OF NEW ACCOUNTING STANDARDS. THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD OR GASB ISSUES NEW ACCOUNTING STANDARDS EACH YEAR AND MANAGEMENT HAS TO EVALUATE ALL OF THEM TO DETERMINE WHETHER OR NOT THEY HAVE IMPACT. THESE ARE LISTED ON THIS SLIDE, AND I AM PLEASED TO REPORT THAT MANAGEMENT HAS LOOKED AT THOSE AND HAS DETERMINED THERE IS NO IMPACT OF THE FINANCIAL STATEMENT THIS IS YEAR, AND WE CONCUR WITH THAT ASSESSMENT. ON THE NEXT SLIDE HERE, I'M PLEASED TO REPORT THAT WE DID NOT NOTE ANY MATERIAL CORRECTED OR UNCORRECTED MISSTATEMENTS. AND ON THE LAST SLIDE, LAST BUT NOT LEAST, WE DID NOT NOTE ANY OF THE FOLLOWING MATTERS NOTED ON THIS SLIDE, FROM SIGNIFICANT ACCOUNTS POLICIES AND CONTROVERSIAL EMERGING AREAS ALL THE WAY TO INDEPENDENT MATTERS THAT WOULD NEED TO BE COMMUNICATED HERE. WITH THAT, THAT CONCLUDES MY PRESENTATION. I AM HAPPY TO ADDRESS ANY QUESTIONS. NOT HEARING ANY. I'LL TURN IT BACK OVER TO YOU.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ARLEICKA CONLEY: YOU CAN PULL UP THE PRESENTATION? WHILE THE PRESENTATION IS COMING I WANT TO START OFF BY SAYING MANAGEMENT FOR ABAG POWER TAKE A LOOK AT FINANCIAL INDICATORS INCLUDING HOW WE PERFORM IN COMPARISON TO THE PRIOR YEAR, BUDGET TO ACTUAL, TO SEE IF IT'S IN ALIGNMENT WITH OUR FINANCIAL PROJECTIONS. SO, I'LL BE PROVIDING AN OVERVIEW OF HOW ABAG POWER PERFORMED THIS FISCAL YEAR, 2021, AND A LOT OF THAT WILL BE IN COMPARISON TO THE PRIOR YEAR. NEXT SLIDE PLEASE. SO, FOR FY 20-21, ABAG POWER SERVED OVER 753 CORE ACCOUNTS, AND THREE NON-CORE ACCOUNTS. THERE WAS AN 11 COUNT CORE DECREASE FROM FISCAL YEAR '19/'20. MOSTLY ATTRIBUTABLE TO ATTRITION. WE EXPECTED TO LOSE SOME CORE ACCOUNTS BUT AT THE SAME TIME WE'RE EXPECTING TO HAVE MEMBERS COME ON BOARD WITH THE COST SAVINGS AND PRICE STABILITY OF ABAG POWERS. CURRENTLY STRATEGY PURCHASING NATURAL MARKET LOCATIONS ARE BOTH NATIONAL AND INTERNATIONAL. WE HAVE OUR INTERNATIONAL LOCATION IN CANADA. AND AS KATHY MENTIONED EARLIER, THERE ARE SOME COVID-19 IMPACTS, AND WE'RE STILL IN THAT VERY FLUID ENVIRONMENT OF COVID, AND MANAGEMENT CONTINUES TO MONITOR THE BUSINESS IMPACTS AND FINANCIAL IMPACTS AS IT RELATES TO COVID-19. NEXT SLIDE, PLEASE. SO, I KNOW THIS SLIDE IS A LITTLE SMALL, SO HOPEFULLY YOU HAVE YOUR FINANCIAL STATEMENTS, WHICH ARE SEPARATELY ENCLOSED IN YOUR AGENDA PACKET, BUT WE'LL DO A BRIEF OVERVIEW OF THE STATEMENT OF THAT POSITION, WHICH IN THE CORPORATE WORLD IS LOOKED AT AS THE BALANCE SHEET. CASH

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

INVESTMENTS DECREASED A LITTLE BY 987,000 COMPARED TO 2019 AND 2020 PRIMARILY AS A RESULT OF SIGNIFICANT INCREASE IN NATURAL GAS PRICES. WE DID LOSE SOME CORE ACCOUNT MEMBERS. WORKING CAPITAL DEPOSITS REMAINED AT A LITTLE OVER $2 MILLION. WITH THAT BEING SAID ONE CORE MEMBER CANCELLED MEMBERSHIP. SO WE DON'T RETURN OR REFUND CAPITAL DEPOSITS FOR INDIVIDUAL ACCOUNT CANCELLATIONS BUT WHEN A MEMBER DOES CANCEL A MEMBERSHIP, WE DO REFUND THEIR DEPOSIT. SO THE REGIONAL ADMINISTRATIVE FACILITY CORPORATION HAS DISSOLVED AND WE WILL BE RETURNING THAT DEPOSIT THAT WOULD BE REFLECTED IN FY 20-21, AND 2022 AUDITED FINANCIAL STATEMENTS. POWERS MODEL REFLECTS SURPLUSES AND DEFECTS AND LIABILITIES TO OR FROM MEMBERS. FOR THIS FISCAL YEAR ABAG POWER HAD A DEFICIT WHICH MEANS WE WILL BE BILLING THE MEMBERS FOR THAT DEFICIT. THAT'S WHY THE NET POSITION IS ZERO BECAUSE IF IT'S A SURPLUS WE END UP WITH UNEARNED REVENUE WHICH WE WOULD OWE OUR MEMBERS AND WITH A DEFICIT WE HAVE A RECEIVABLE IN WHICH THE MEMBERS WOULD BE CHARGED DURING THE TRUE-UP. NEXT SLIDE PLEASE. IN COMPARISON TO PRIOR YEAR REVENUE OPERATIONS HAVE INCREASE EXPECTED THE INCREASE DUE TO MARKET PRICE BUT CORRESPONDINGLY OPERATING EXPENSES ALSO INCREASED DUE TO INCREASE IN MARKET PRICE AND PACIFIC GAS AND ELECTRIC HAD PASS THROUGH COST AND JULY 1ST, 2017 THE METROPOLITAN TRANSPORTATION COMMISSION AND THE ASSOCIATION OF BAY AREA GOVERNMENTS CONSOLIDATED STAFF WE NOW HAVE A CONTRACTED SERVICES WITH ABAG TO PROVIDE STAFFING. YOU

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

WILL NOTICE FOR FY 20-21, THAT MTC CHARGED ABAG POWER $321,484 FOR ADMINISTRATIVE SUPPORT, WHICH IS PRIMARY SALARY, BENEFITS, AND OVERHEAD. AND THEN IN CONCLUSION IN FISCAL YEAR 2021, WE HAVE PRIOR YEAR ADJUSTMENTS THERE WAS A DEFICIT OF $473,000 WHICH WE'LL BE CHARGING TO OUR MEMBERS IN THE NEXT TRUE-UP. THAT'S THE END OF MY PRESENTATION, BUT BEFORE I END I WOULD LIKE TO SAY A COUPLE OF THINGS. ONE, WE WORKED WITH CROWE LLP FOR THE LAST COUPLE OF YEARS, AND BEING A PRIOR AUDITOR MYSELF, I KNOW IT'S A FINE LINE TO HAVE A BALANCE OF AUDITOR INDEPENDENTS, AUDITOR SKEPTICISM AT THE SAME TIME MAKING SURE YOU ADEQUATELY SERVE YOUR CLIENTS. I WANT TO SAY IT'S AN ABSOLUTE PLEASURE, AND VERY RESOURCEFUL TO WORK WITH CROWE LLP AND THEIR TEAM. THEY HAVE BEEN EXTREMELY EFFICIENT AND VERY MUCH FOCUSED ON GETTING THE ABAG POWER FINANCE REPORT DONE IN A SHORT PERIOD OF TIME AND REMOTELY WHICH IS NOT AN EASY ACHIEVEMENT. I WANT TO EMPHASIZE THAT ABAG STAFF DESERVES A LOT OF APPRECIATION AND ACCOLADES. THERE WAS NOT ONLY UNMODIFIED OPINION, THERE WERE NO FINDINGS WHICH IS A TESTAMENT OF CONTINUOUS MONITORING OF INTERNAL CONTROLS MAKING SURE WE HAVE CLOSELY IN PLACE INTERNALLY AND EXTERNALLY, SO THAT WE DON'T MISAPPROPRIATE ANY OF OUR ASSETS. SO I WANT TO GIVE A BIG THANK YOU TO ALL OF ABAG POWER STAFF AND AGENCY STAFF FOR BEING ABLE TO MAKE THAT ACHIEVEMENT. AND WITH THAT, THAT CONCLUDES MY PRESENTATION, AND I WELCOME ANY QUESTIONS. AND IF THERE IS NO QUESTIONS, STAFF RECOMMENDS APPROVAL OF THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

AUDIT RESULTS AND COMMUNICATIONS AND AUDITED FINANCIAL STATEMENTS FOR FY 20-21.

ANGELA WALTON, VICE CHAIR: IS THERE A MOTION FROM THE BOARD TO ACCEPT AS PRESENTED THE FISCAL YEAR 2020, 2021 AUDITED FINANCIAL STATEMENTS REPORTS FOR ABAG POWER?

MELISSA MORTON: THIS IS MELISSA MORTON, I MOVE WE APPROVE THE AUDIT FINDINGS AND AUDIT REPORT.

CHRIS SCHROEDER: THIS IS CHRIS SCHROEDER, I MAKE THE SECOND.

ANGELA WALTON, VICE CHAIR: ANY DISCUSSION FROM THE BOARD MEMBERS ON THIS MOTION? SEEING NONE. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? WILL THE CLERK INFORM US ON WHETHER THERE ARE ANY PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

ANGELA WALTON, VICE CHAIR: OKAY. WITH THAT SAID, I WILL NOW CALL FOR THE VOTE BY THE BOARD. WOULD THE CLERK PLEASE CONDUCT A CALL VOTE, PLEASE. A ROLL CALL VOTE -- I'M SORRY -- [LAUGHTER]

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: NO PROBLEM. ABSOLUTELY. BOARD MEMBERS PLEASE BE READY TO UNMUTE YOURSELF TO STATE YOUR VOTE FOR THIS ITEM. [ROLL CALL VOTE] THAT ITEM PASSES.

ANGELA WALTON, VICE CHAIR: WE'RE GOING TO MOVE TO ITEM SIX APPROVAL CALENDAR YEAR 2022 EXECUTIVE COMMITTEE INCLUDING ELECTION OF THE CHAIR AND VICE CHAIR.

SPEAKER: ISN'T THAT ITEM FIVE?

ANGELA WALTON, VICE CHAIR: I'M SORRY.

SPEAKER: ISN'T THAT ITEM FIVE?

ANGELA WALTON, VICE CHAIR: YES IT IS. ITEM FIVE. I AM HAVING DIFFICULTIES WHERE MY CAMERA IS GOING IN AND OUT SO I'M SWITCHING IN AND OUT BECAUSE OF THE PROBLEM I'M HAVING. I WANT EVERYBODY TO KNOW THAT. I WANT TO GIVE THIS TIME TO GIVE THANKS TO DAVE BREES, HE IS OUR PAST CHAIR, AND I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO ASK ANY OF YOU IF YOU WOULD LIKE TO SAY ANYTHING OR IF YOU HAVE ANY COMMENTS ABOUT YOUR EXPERIENCE WITH DAVE, AS BEING THE CHAIR FOR THE LAST PAST YEAR OR TWO?

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CHRIS SCHROEDER: I WOULD JUST LIKE TO SAY THAT I THOUGHT DAVE WAS VERY ARTICULATE, EXTREMELY ORGANIZED, RAN THE PRESENTATIONS VERY SMOOTHLY, AND WAS A PLEASURE TO WORK WITH.

ANGELA WALTON, VICE CHAIR: THANK YOU, CHRIS. IS THERE ANYBODY ELSE? OKAY. THE OTHER THING, TOO, I WANT TO ASK, IS THERE, BY WAY OF HAND, ANYBODY ELSE IN THE AUDIENCE WHO WOULD BE INTERESTED IN JOINING THE EXECUTIVE COMMITTEE? OKAY. IF YOU DON'T WANT TO ANSWER NOW, YOU CAN ANSWER LATER BY E-MAILING MYSELF, RYAN, OR DOUG, IF YOU ARE INTERESTED. AND IF YOU NEED TO KNOW MORE INFORMATION ABOUT BEING ON THE EXECUTIVE BOARD. SO, MOVING FORWARD. IS THERE A MOTION FROM THE BOARD TO APPROVE, AS PROPOSED, THE CALENDAR YEAR 2022 ABAG POWER EXECUTIVE COMMITTEE COMMITTEE, INCLUDING ELECTION OF THE CHAIR AND VICE CHAIR?

MELISSA MORTON: I MOVE WE APPROVE THE SLATE OF COMMITTEE MEMBERS.

ANGELA WALTON, VICE CHAIR: MELISSA.

CHRIS SCHROEDER: I SECOND THE MOTION.

ANGELA WALTON, VICE CHAIR: AND THAT WOULD BE CHRIS. IS THERE ANY DISCUSSION BY MEMBERS OF THE BOARD ON THIS MOTION? SEEING

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

NONE. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? WOULD THE CLERK INFORM US WHETHER THERE ARE ANY PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

ANGELA WALTON, VICE CHAIR: THANK YOU. I WILL NOW CALL FOR THE VOTE BY THE BOARD. WILL THE CLERK PLEASE CONDUCT THE ROLL CALL VOTE?

CINDY CHEN, CLERK: YES. BOARD MEMBERS PLEASE BE READY TO UNMUTE YOURSELF ONE MORE TIME TO STATE YOUR VOTE FOR THIS ITEM. [ROLL CALL VOTE] THANK YOU. THE MOTION PASSES

STEVE LEDERER: THIS IS STEVE LEDERER, NAPA COUNTY. AYE ON THE TWO MOTIONS.

ANGELA WALTON, VICE CHAIR: THANK YOU. STEVE. WE'RE GOING TO MOVE TO ITEM SIX, MTC/ABAG LOCAL GOVERNMENT SERVICES UPDATE. THIS IS AN INFORMATION ITEM AND AT THIS TIME I WOULD LIKE TO INTRODUCE BRAD PAUL MTC'S EXECUTIVE DIRECTOR LOCAL GOVERNMENT SERVICES AND JENNY BERG ENERGY PROGRAMS MANAGER WILL PROVIDE AN UPDATE ON THE AGENCY PROGRAMS.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BRAD PAUL: THANK YOU. COULD WE PULL UP THE POWERPOINT PRESENTATION, PLEASE. I'LL PROVIDE AN OVERVIEW AND HOPEFULLY LEAVE TIME FOR QUESTIONS AT THE END. THIS OVERVIEW IS GOING TO BE BIG THINGS THAT HAVE BEEN HAPPENING AT MTC AND ABAG OVER THE PAST YEAR ABAG/MTC WAS CREATED AS GIANT POWERS AUTHORITY IN 1961 AS A WAY TO ADDRESS COMMON ISSUES AND CHALLENGES FROM A REGIONAL PERSPECTIVE OF THE 101 CITIES AND NINE COUNTIES ARE FACING. NEXT SLIDE. BACK IN MAY OF 2016, THE TWO BOARDS, GOVERNING BOARDS OF ABAG AND MTC AGREED TO CONSOLIDATE STAFF JULY 1ST, AND WE HAVE DONE THAT WE HAVE NOW ONE STAFF THAT SERVES BOTH ORGANIZATIONS. NEXT SLIDE PLEASE. THIS IS A CHART OF HOW THAT WORKS. ON THE LEFT IS ABAG. ON THE RIGHT IS MTC, THAT SLOPING LINE BETWEEN THE TWO BOARDS, IS OUR CONTRACTS FOR SERVICES, THAT ARLEICKA MENTIONED EARLIER, AND NEXT SLIDE URN NEATH MTC STAFF, I AM THE DEPUTY EXECUTIVE DIRECTOR FOR LOCAL GOVERNMENT SERVICES AND UNDER ME IS POWER AND THE ABAG ENERGY PROGRAMS, THE SAN FRANCISCO ESTUARY PARTNERSHIP, AND THE ADVANCING CALIFORNIA FINANCING AUTHORITY AND BARC, THE BAY AREA REGIONAL COLLABORATIVE. NEXT SLIDE. RHNA IS IN THE NEWS THESE DAYS. WE DON'T CREATE THE BIG NUMBER. BUT HCD GIVES US A NUMBER EVERY EIGHT YEARS AND ABAG'S JOB IS TO CREATE A RHNA METHODOLOGY WITH A CITIZENS COMMITTEE TO ADVISE US ON HOW TO DISTRIBUTE THAT BIG NUMBER ACROSS ALL 109 CITIES AND COUNTIES, AND THE NUMBER OF 441,000 FOR THE REGION THIS YEAR COMPARISON LAST YEAR 160,000. WE'RE IN THE MIDST OF APPEALS FROM

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

JURISDICTIONS AND ONCE FINISHED EACH ACCOMMODATION WILL TAKE PLACE. ABAG GOT $25 MILLION TO HELP THE LOCAL JURISDICTIONS TO DEVELOP THOSE HOUSING ELEMENTS AND PLAN TO BUILD MORE NEW HOUSING. THAT WAS AFTER TWO PREVIOUS GRANTS, ONE FROM SB2, OF 25 MILLION, AND 1 FROM SOMETHING CALLED A LOCAL EARLY ACTION PLANNING GRANT OF 25 MILLION. OUR MONEY IS BEING USED TO GIVE MONEY DIRECTLY TO LOCAL JURISDICTIONS TO CREATE IMPORTANT TOOLS THAT WE'RE USING TO DO HOUSING ELEMENTS AND CREATE A BENCH OF CONSULTANTS FOR THEM TO RELY ON FOR THAT WORK. AN EXAMPLE TWO CREATIVE DIRECTORS AND LOCAL CITY MANAGERS REALLY LOVE OUR DATA SET OF INFORMATION YOU CAN PLUG INTO YOUR HOUSING ELEMENT THAT HAS ALL THE INFORMATION ABOUT YOUR COMMUNITY, WHO LIVES THERE, HOW MANY PEOPLE, WHAT KIND OF HOUSING, WHERE THE HOUSING IS AND WHERE SITES MIGHT BE TO BUILD NEW HOUSES IT LITERALLY SAVES DAYS AND DAYS OF STAFF WORK. NEXT IS A TOOL THAT ALLOWS LOOK AT POTENTIAL HOUSING SIZE FOR CONDITIONS FOR HOUSING SITES. BE WE GOT A LOT OF POSITIVE FEEDBACK ON THAT. NEXT SLIDE. NEXT SLIDE. PLANNED BAY AREA IS A BIG THING WINDING UP THIS YEAR. IT'S A FOUR YEAR EFFORT WE HAVE TO DO THIS EVERY FOUR YEARS BECAUSE OF SB 375 THAT ASKS MTC AND ABAG IN OUR REGION AND OTHER REGION AROUND THE STATE TO COME UP WITH A FOUR-YEAR PLAN FOR GROWTH BETWEEN NOW AND 30 YEARS FROM NOW WITH INFRASTRUCTURE INVESTMENT AND REDUCTION OF GHG FOCUSING ON TRANSPORTATION AND HOUSING AND ALSO THE ECONOMY AND ENVIRONMENT. WE HAVE -- NEXT SLIDE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PLEASE. AGAIN, THIS IS THE END OF THE FOUR YEAR EFFORT, THE VOTE IS TONIGHT, STARTING AROUND 5:00. AND THE DIFFERENCE THIS TIME AROUND IS WE HAVE 11 THEMES ON THOSE FOUR ISSUE AREAS, AND 35 VERY SPECIFIC STRATEGIES TO ACCOMPLISH THOSE. WE ALSO HAVE THE IMPLEMENTATION PLAN, WHAT CAN WE DO IN THE NEXT FOUR YEARS BEFORE THE NEXT PLAN IS DUE. NEXT FIVE YEARS, TO REALLY MOVE THE NEEDLE ON SOME OF THESE ISSUES. I'LL GIVE YOU ONE EXAMPLE, HOUSING STRATEGY 86 HAS TO DO WITH USING AGING SHOPPING MALLS AND PARKS AND COMMERCIAL CORRIDORS FOR LARGE NUMBERS OF UNITS FOR NEW HOUSING. SAN PABLO AVENUE AND EAST BAY, 25% COVERED BY COMMERCIAL BUILDING THE REST PARKING LOT. CAPACITY OF EL CAMINO REAL ALONE FOR A QUARTER MILLION OF NEW UNITS OF HOUSING WITH INFRASTRUCTURE, FINANCING DISTRICTS ALONG THE WAY WITH MONEY TO COMPLETE STREETS AND BIKE LANES AND RAPID TRANSIT. LOCAL GOVERNMENT SERVICES. I'LL GO THROUGH THESE QUICKLY. NEXT SLIDE. ABAG ESTUARY PARTNERSHIP IS SETUP, IT'S 1 OF 39 -- 38, ACROSS THE COUNTRY THAT DEAL WITH BIG ECOSYSTEMS, HOW TO PRESERVE THEM, IMPROVE THEM, THE QUALITY OF FRESH WATER, AND PROTECT THEM, NOW, THESE DAYS FROM SEA LEVEL RISE, AND CLIMATE CHANGE, CREATE GREATER RESILIENCE. THEY ALSO ARE STAFFED THE ESTUARY PARTNERSHIP HELPS THE BAY AREA RESTORATION AUTHORITY DISTRIBUTE $25 MILLION IN TAX MEASURE REVENUE. FINANCING AUTHORITY HAS BEEN AROUND SINCE 1978 PROVIDED OVER $8 BILLION IN TAXES AND FINANCING TO HELP THE NEEDS OF PUBLIC AGENCIES AND NON-PROFITS USUALLY SMALLER

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CITIES AND TOWNS THAT DON'T HAVE STAFF ON-SITE TO HELP WITH THIS. IF YOU PUSH THE BUTTON A NUMBER OF TIMES IT WILL DO ANIMATION HERE IF YOU KEEP ADVANCING THE SLIDES YOU WILL SEE WHAT THIS HAS BEEN USED FOR. THE NEXT SLIDE. HOUSING, SCHOOLS, HOSPITALS, CLINICS, KEEP GOING, WATER DISTRICTS, LOTS OF DIFFERENT THINGS. NEXT SLIDE. KEY BENEFITS ARE SIMPLE, FAST, AND LOW COST, AND WE HAVE PEOPLE, LIKE MYSELF, AND OTHERS WHO HAVE A LOT OF EXPERTISE IN LOCAL LAND USE HOUSING AND DEVELOPMENT ISSUES. SO IF YOU ARE IN NEED OF FINANCING YOUR COMMUNITY, JUST GIVE ME A CALL. NEXT SLIDE. OH, AND THE FEES WE GENERATE SUPPORT ABAG AND ITS PROGRAMS, LIKE THIS PROGRAM. THE SAN FRANCISCO BAY TRAIL IN THIS PAST YEAR WAS TRANSITIONED FROM LOCAL GOVERNMENT SERVICES TO OPERATIONS. BAY TRAIL IS A 500 MILE TRAIL, BIKE AND PEDESTRIAN TRAIL AROUND THE BAY THAT WILL CONNECT 500 MILES OF TRAIL WE ARE AT 360 NOW, COMPLETELY MOVED OPERATIONS DIVISION TO STREAMLINE THE PROCESS FOR NEW ADDITIONAL RESOURCES TO PAY FOR THE LAST FEW MILES, 140 MILES. NEXT SLIDE. BAY AREA REGIONAL COLLABORATION, ASSOCIATIONS LIKE ABAG/MTC BAY AREA AIR QUALITY MANAGEMENT DISTRICT BCDC AND OTHERS PRIMARY FOCUS THESE DAYS IS RESILIENCE BUILDING RESILIENCE TO CLIMATE CHANGE SEA LEVEL RISE AND WILDFIRES EARTHQUAKES. NEXT. REGIONAL ENERGY PROGRAM --

JENNIFER BERG: BRAD, I'M GOING TO STOP YOU. THESE ARE MY SLIDES.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BRAD PAUL: OH YOUR TURN. GO AHEAD.

JENNIFER BERG: GOOD MORNING EVERYBODY. I'M JENNY BERG, I KNOW MANY OF YOU. AND THE OTHER LARGE PROGRAM WITHIN THE ENERGY SECTION IS THE BAY AREA REGIONAL ENERGY NETWORK, OTHERWISE KNOWN AS BAYREN, AND WE HAVE BEEN A PROGRAM ADMINISTRATIVE OF RATEPAYER FUND SINCE 2013. SO WE ARE NOW MOVING -- WE STARTED AS A PILOT PROGRAM ADMINISTRATOR, AND WE GOT PERMANENT STATUS IN 2019. WE WERE APPROVED AS 1 OF 2 REGIONAL ENERGY NETWORKS IN THE STATE, AS OF THIS WEEK, THERE ARE NOW FOUR RENS, SO I WOULD SAY, IN MY OPINION, AN ACKNOWLEDGEMENT BY THE CALIFORNIA PUBLIC UTILITIES COMMISSION WHO REGULATES THE REN AS WELL AS INVESTOR OWNED UTILITIES WITH THERE REGIONAL MODEL OF PROJECT ADMINISTRATION OF ENERGY EFFICIENCY IS WORKING. SO WE ARE THRILLED TO WELCOME THE INLAND EMPIRE OF REN INTO OUR FOLD. SO BAYREN IS A COLLABORATION OF THE NINE BAY AREA COUNTIES. WE HAVE OUR OWN BOARD THAT MAKES DECISIONS ABOUT WHAT PROGRAMS WE AUTHOR, ABOUT BUDGET, SUCCESSFUL OUTREACH ACROSS THE REGION. SO THERE IS A REPRESENTATIVE FROM EACH OF THE COUNTIES, AND THEY ALSO ARE RESPONSIBLE FOR ENSURING THAT ALL JURISDICTIONS WITHIN THEIR COUNTY ARE AWARE OF BAYREN PROGRAMS, AND THAT THEY ASSIST WITH PARTICIPATION. SO WE ARE PRIMARILY, 99% FUNDED BY RATEPAYERS. SO OUR PROGRAMS ARE LIMITED TO THOSE THAT DECREASE ENERGY EFFICIENCY. SO SOME, THERE IS A DIRECT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CORRELATION, AND OUR RESIDENTIAL APOLOGIES FOR THE TYPO IN THAT SLIDE PROGRAM WHERE WE DO ENERGY EFFICIENCY RETROFITS AND PROVIDE INCENTIVES TO THE PROPERTY OWNERS, OR SINGLE FAMILY RESIDENTS, OR RENTERS FOR IMPLEMENTING ENERGY EFFICIENCY MEASURES INTO THEIR BUILDINGS. WE ALSO HAVE THE BAYREN BUSINESS PROGRAM WHICH IS A PAY FOR PERFORMANCE MODEL FOCUSED ON VERY SMALL MICRO BUSINESSES, THAT'S ABOUT TEN EMPLOYEES OR LESS. WE HAVE A CODES AND STANDARDS PROGRAM WHERE WE WORK WITH BUILDING OFFICIALS WITH THE GOAL OF INCREASING ENERGY CODE COMPLIANCE. AND, FINALLY, OUR WATER UPGRADES SAVE, FORMERLY KNOWN AS WATER BILL SAVINGS PROGRAM IS A COLLABORATION WITH ABAG. ABAG HAS PROVIDED THE CAPITAL FOR THIS PROGRAM, AND WE PARTNER WITH WATER UTILITIES WHO OFFER A TURN KEY PROGRAM WHERE THE UTILITY -- THE WATER UTILITY CUSTOMER CAN SELECT FROM A LIST OF MEASURES THAT REDUCE BOTH WATER AND ENERGY, AND THAT, THROUGH THE UTILITY, THE CONTRACTOR WILL COME AND INSTALL THE MEASURES. AND IT'S PAID BACK ON THE WATER UTILITY BILL WITH THE PROMISE OF, THAT THE WATER SAVINGS CHARGES WILL BE EQUAL TO OR LESS THAN THE PAYMENT FOR THE MEASURES. NEXT SLIDE. SO, THIS YEAR HAS BEEN KIND OF A BANNER YEAR IN THE ENERGY WORLD WITH THE PUBLIC UTILITIES COMMISSION ISSUING WHAT I CONSIDER TO BE A LANDMARK DECISION IN THAT THEY ARE NOW LOOKING TO EVALUATE THE SUCCESS OF ENERGY EFFICIENCY PROGRAMS BASED ON SOMETHING OTHER THAN A TRADITIONAL COST EFFECTIVENESS STANDARD. SO THE PROGRAM

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ADMINISTRATORS, INCLUDING BAYREN, HAVE BEEN DIRECTED TO SUBMIT AN EIGHT YEAR BUSINESS PLAN THAT'S DUE IN FEBRUARY. AND, INSTEAD OF JUST LOOKING AT THE ENERGY SAVINGS, WE NOW HAVE TO PUT ALL OF OUR PROGRAMS INTO THREE DIFFERENT BUCKETS. ONE IS THE RESERVES ACQUISITION, TRADITIONAL ENERGY SAVINGS, BUT THE OTHER TWO, PARTICULARLY, THE EQUITY BUCKET, IS WHAT I CONSIDER TO BE VERY DIFFERENT FROM THE WAY OF THINKING. AND IT'S AN ACKNOWLEDGEMENT THAT ENERGY EFFICIENCY PROGRAMS NEED TO SERVE A LARGER MARKET THAN WHO THEY ARE, WHO THEY TRADITIONALLY HAVE BEEN SERVING. SO THERE IS THE MARKET SUPPORT AND THE EQUITY BUCKETS, AND FROM A BAYREN PERSPECTIVE, THE MAJORITY OF OUR PROGRAMS WILL LIKELY BE IN THE EQUITY BUCKET. NEXT SLIDE, PLEASE. SO, LOOKING FORWARD, WE HAVE A LOT OF WORK TO DO TO DEVELOP OUR BUSINESS PLAN. WE HAVE BEEN DOING A SIGNIFICANT AMOUNT OF STAKEHOLDER ENGAGEMENT TO SEE WHAT THE NEED IS FROM DIFFERENT GROUPS. AND WE ALSO JUST COMPLETED A STRATEGIC PLAN WITH A FOCUS ON EQUITY WITHIN BAYREN AS AN ORGANIZATION, AS WELL AS SOMETHING TO LOOK THROUGH THAT LENS FOR ALL OF OUR PROGRAMS. WE ALSO ARE GOING TO BE CONDUCTING A THIRD PARTY ORGANIZATIONAL STUDY TO SEE IF THE STRUCTURE AT BAYREN IS IN FACT THE MOST EFFECTIVE DESIGN FOR US. AND WE ALSO HAVE BEEN WORKING VERY CLOSELY TO LEVERAGE DIFFERENT FUNDING SOURCES, PARTICULARLY WITH THE SEVEN CCAS IN OUR TERRITORY, CBOS, AND ALSO LOOKING AT GREATER INTRA-AGENCY, AND INTEGRATION, PARTICULARLY SOME PLANNED BAY AREA AND SOME OF THE OTHER

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ACTIVITIES THAT BRAD MENTIONED. AND, FINALLY, JUST A FEW BRAG ITEMS TO END WITH, THAT WE HAVE TWO PARTNER WATER UTILITIES FOR OUR WATER UPGRADES SAVE PROGRAMS, AND THEY'RE JUST ABOUT TO SIGN A THIRD. AND WE -- THERE IS -- WE WERE RECOGNIZED BY CALCOG, THE CALIFORNIA ASSOCIATION OF COUNCIL AND GOVERNMENTS, DID A VERY NICE ARTICLE ON BAYREN, AND THE SUCCESS OF KIND OF A REGIONAL MODEL. SO, WITH THAT, I WILL END. QUESTIONS FOR BRAD OR I?

ANGELA WALTON, VICE CHAIR: OKAY, THANK YOU, BRAD, AND JENNY FOR YOUR REPORT THIS IS EVEN.

BRAD PAUL: I CAN SAY ONE MORE THING. JUST WANT TO SAY THERE HAS BEEN A LOT MORE COOPERATION AND COLLABORATION WITH YEAR WITH MTC AND ABAG. AS JENNY MENTIONED MTC LOANED ABAG THE $2 MILLION TO START THE WATER SAVE PROGRAM THEY'RE ALSO DOING WORK ON MEANS BASE SAID FARES DOING PILOT PROGRAMS TO PROVIDE DISCOUNTS TO LOW-INCOME RIDERS OF TRANSIT. AND FINALLY I WANT TO SAY A BIG THANK YOU TO OUR STAFF. TO RYAN, CINDY, JENNY, AND FROM FINANCE, ARLEICKA, AND I THINK MATT IS ON HERE, AS WELL, FROM LEGAL. THEY HAVE DONE AN INCREDIBLE JOB WORKING ON ALL OF THE THINGS YOU HAVE BEEN HEARING ABOUT TODAY. THANK YOU.

ANGELA WALTON, VICE CHAIR: THANK YOU.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CINDY CHEN, CLERK: WE HAVE TWO RAISED HANDS. FIRST IS PATRICK CARTER.

PATRICK CARTER: GREAT PRESENTATION. INTERESTING TO KNOW ABOUT ALL OF THESE DIFFERENT PROGRAMS I'M INTERESTED IN THE WATER SAVINGS UPGRADE PROGRAM AND IT SOUNDS LIKE THERE IS A MONETARY LIMIT. OR IS THERE A LIMIT TO NUMBER OF PARTICIPANTS FROM UTILITY PERSPECTIVE FOR THAT PROGRAM? LIKE, DO I NEED TO PUSH THIS FORWARD RIGHT AWAY? OR IS THERE STILL TIME, IS THE QUESTION.

JENNIFER BERG: YOU WILL BE HAPPY TO KNOW THAT THE CITY OF PETALUMA IS ONE OF OUR PARTNERS. SO LET'S TALK OFFLINE. YOU ARE SIGNED UP WITH WATER UPGRADE SAVE.

PATRICK CARTER: OKAY. THANK YOU.

JENNIFER BERG: SO I WILL FOLLOW UP WITH YOU, OFFLINE, IF THAT'S OKAY.

PATRICK CARTER: SOUND GREAT. THANK YOU.

CINDY CHEN, CLERK: AND THE SECOND HAND IS DAN SCHOENHOLZ.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

DAN SHOENHOLZ: THANK YOU. THANKS, BRAD, AND JENNY, FOR THE INTERESTING PRESENTATION. I HAD ONE QUESTION FOR JENNY AT BAYREN PROGRAM. MANY CITIES IN THE BAY AREA ARE LOOKING INTO PROJECTS THROUGH THE STATE PROJECT HOMEKEY WHERE WE MAY BE ACQUIRING ALL OF THE HOTELS AND CONVERTING THOSE ULTIMATELY INTO PERMANENT AFFORDABLE HOUSING AND IT SEEMS LIKE THERE MIGHT BE OPPORTUNITY FOR PARTNERSHIP WITH BAYREN TO TRY TO FIGURE OUT HOW TO DO ENERGY EFFICIENCY UPGRADES ON THOSE PROJECTS, AND POSSIBLY TO LEVERAGE IN SOME FUNDING TO HELP CITIES, YOU KNOW, COME UP WITH A LOCAL MATCH THAT THEY CAN COME UP WITH TO MAKE THESE PROJECTS FUNDABLE BY THE STATE. JUST A SUGGESTION. WE CAN TALK ABOUT IT OFFLINE AT SOME POINT.

JENNIFER BERG: DAN, THAT'S A FANTASTIC SUGGESTION, AND I AM ALL EARS, AND I HAVE MY HAND RAISED TIED, BECAUSE THAT'S CERTAINLY IN LINE WITH OUR THINKING WITH SO MANY OF THE EFFORTS THAT ARE IN OUR STRATEGIC PLAN, AND, ALSO, ASSUMING THAT IT'S IN THE RESIDENTIAL SPACE, WE HAVE PROGRAMS THAT EASILY COULD BE LAYERED ON. SO, I LOVE THAT IDEA, SO IF DAN OR ANYONE ELSE IS PURSUING THAT FUNDING, PLEASE REACH OUT, AND I WOULD LOVE TO TALK ABOUT IT FURTHER, SOONER RATHER THAN LATER, SINCE WE ARE IN THE PROCESS OF DOING OUR BUSINESS PLAN, AND MY, KIND OF, MARCHING ORDERS TO THE TEAM IS THAT WE NEED TO THINK BIG. THIS IS AN OPPORTUNITY THAT WE CAN HAVE AND THE WORST THEY COULD SAY IS NO.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BRAD PAUL: DAN, THERE IS A VIDEO THAT WE CAN SEND YOU OF A PLACE CALLED THE AMBASSADOR HOTEL IN THE TENDERLOIN, WHICH IS ONE OF THE PROJECTS [INDISCERNIBLE] BAYREN AND THEY HELP WITH REDUCING RENTS FOR TENANTS WHO ARE LOW-INCOME MANY FORMERLY VETERANS, AS MUCH AS $75 A MONTH, PUTTING $75 A MONTH BACK IN THE POCKETS OF THESE LOW-INCOME PEOPLE. THERE IS A GREAT STORY WE CAN TELL ABOUT THE HOMEKEY PROJECTS AND AS JENNY SAID BEING HELPFUL. IT'S ONE THING TO PAY FOR IT BUT YOU HAVE GOT TO KEEP OPERATING COST IN MIND IF YOU CAN LOWER OPERATING COSTS IT FREES UP REVENUE TO HELP PAY FOR THE PURCHASE OF BUILDINGS.

DAN SHOENHOLZ: THANK YOU.

ANGELA WALTON, VICE CHAIR: IS THERE ANYONE ELSE, CINDY?

CINDY CHEN, CLERK: I DO NOT SEE ANY MORE HANDS. THAT'S IT.

ANGELA WALTON, VICE CHAIR: OKAY. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM? WOULD THE CLERK INFORM US WHETHER THERE HAVE BEEN ANY PUBLIC COMMENTS RECEIVED?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ANGELA WALTON, VICE CHAIR: MOVING FORWARD, ITEM SEVEN STAFF REPORT ON NATURAL GAS PROGRAM THAT WILL BE PRESENTED TO US BY RYAN.

RYAN JACOBY: THANKS ANGELA. IF I COULD HAVE STAFF PULL UP THE PRESENTATION FOR ITEM SEVEN, PLEASE. I'M RYAN JACOBY PROGRAM MANAGER FOR ABAG POWER. I'M GOING TO WALK THROUGH PROGRESS WE HAVE MADE OVER THE PAST LEER AND HOW THAT'S SHAPING OUR OUTLOOK FOR THE CURRENT YEAR. NEXT SLIDE. WE'RE GOING TO START BY TURNING THE CLOCK BACK ABOUT 25 YEARS OKAY NOW NOT SURPRISINGLY WHEN NATURAL GAS PROGRAM WAS FIRST CREATED BY ABAG IN 1996 AND 2 YEARS LATER THE POWER EXECUTIVE COMMITTEE PROGRAM WAS ESTABLISHED AS THE INDUSTRY WAS DEREGULATED. CONSISTING OF BOTH ELECTRIC AND GAS PROGRAMS BUT THE ELECTRIC PROGRAM WAS A VICTIM OF VOLATILE PRICING AND PG&E FIRST BANKRUPTCY AND WE CLOSED THE PROGRAM IN THE EARLY TWO THOUSANDS. GAS PROGRAM CONTINUES TO THIS DAY OFFERING GAS PURCHASING AND TRANSPORTATION, BILLING AND CUSTOMER SERVICE, AS WELL AS THE OPPORTUNITY TO DETERMINE OUR OWN PRIORITIES. WHILE THE ORIGINAL AND CURRENT GOALS OF THE PROGRAM ARE TO OFFER COMPETITIVE AND STABLE RATES, YOU WILL HEAR MORE THROUGHOUT THIS PRESENTATION IN THE NEXT, REGARDING OUR EFFORTS TO DETERMINE WHETHER TO ALIGN THE PROGRAM WITH THE STATE'S MORE RECENT GOALS REGARDING EMISSIONS REDUCTIONS.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

INCREASINGLY, THESE GOALS RELY UPON PHASING OUT FOSSIL FUELS, INCLUDING NATURAL GAS. NEXT SLIDE, PLEASE. THERE ARE CURRENTLY 37 PARTICIPATING MEMBERS IN THE GAS PROGRAM. MANY OF WHOM ARE HERE TODAY. AS A REMINDER, EACH MEMBER IS PROVIDED EQUAL VOTING POWER REGARDLESS OF NUMBER OF ACCOUNTS OR ANNUAL GAS USAGE. THE FULL BOARD MEETS ANNUALLY, LIKE TODAY, AND IN ALTERNATING MONTHS AND AN EXECUTIVE COMMITTEE OVERSEES PROGRAM DETAILS INCLUDING BUDGET GAS PURCHASING STRATEGY SUSTAINABILITY INITIATIVES REGULATORY PROCEEDINGS AND OTHER MATTERS. DURING THE PAST YEAR THIS HAS BEEN ACCOMPLISHED THROUGH A SIX-MEMBER COMMITTEE. WITH THE RECENT RETIREMENT OF DAVE BREES, WE ARE LOOKING TO FILL ONE MORE SPOT AS ANGELA MENTIONED EARLIER. PLEASE FEEL FREE TO REACH OUT TO ANGELA, DOUG, OUR VICE CHAIR, OR STAFF IF YOU ARE INTERESTED IN LEARNING MORE. I WOULD LIKE TO EXTEND A SPECIAL THANK YOU TO THE FOLKS AROUND HERE WHO SERVED ON THE EXECUTIVE COMMITTEE DURING THE LAST YEAR. WE HAVE BEEN LUCKY TO HAVE A GROUP OF THOUGHTFUL AND INFORMED COMMITTEE MEMBERS. NEXT SLIDE PLEASE. SHOWN HERE ARE THE IN-HOUSE OFFICERS AND PRINCIPLE CONTRIBUTORS TO THE PROGRAM, WITH THERESE MCMILLAN LEADING THE AGENCY OF CONSOLIDATED STAFF. THE MAJORITY OF OUR PROGRAM FUNCTIONS FALL UNDER EITHER FINANCE OVERSEEN BY BRIAN MAYHEW AND ARLEICKA CONNOLLY OR OPERATIONS BY BRAD AND JENNY. CINDY LEADS MONTHLY INVOICING AND BUILDING PROCESSES AND KATHLEEN AND MATT HAVE KEPT US IN COMPLIANCE WITH REMOTE MEETING

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

REQUIREMENTS, CONTRACTING, AND OTHER BUSINESS NEEDS. ADVANCE TO THE NEXT SLIDE, PLEASE. IN TERMS OF THE OPERATING ENVIRONMENT, ABAG POWER IS SIMILAR TO THE COMMUNITY CHOICE ENERGY MODEL EXCEPT ON THE NATURAL GAS SIDE. WE ADOPT A GENERAL GAS PURCHASING STRATEGY TO PURCHASE GAS AT VARIOUS POINTS THEN ARRANGE FOR TRANSPORTATION TO PG&E'S INFRASTRUCTURE WHERE THEY DISTRIBUTE THE GAS LOCALLY TO EACH FACILITY. PG&E RETAINS THE OWNERSHIP AND MAINTENANCE RESPONSIBILITIES FOR THE INFRASTRUCTURE AS WELL AS METER READING AND OTHER UTILITY FUNCTIONS. ONE PRIMARY DIFFERENCE BETWEEN CCAS AND ABAG POWER IS THAT WE OFFER A CONSOLIDATED BILLING. MEANING WE CONSOLIDATE PG&E'S CHARGES WITH OUR OWN THEN BILL EACH PARTICIPANT FOR THE COMBINED CHARGES. BECAUSE OF THIS CINDY AND I PROVIDE CUSTOMER SERVICE AND ACCOUNT MANAGEMENT THAT IN MOST CASES ALLOWS TO YOU BYPASS COMPLETELY PG&E'S CUSTOMER SERVICE. AS A PROGRAM PARTICIPANT, YOU RECEIVE GAS DELIVERED DIRECTLY TO YOUR FACILITIES OR YOUR FLEET VEHICLES AND THROUGH MEETINGS LIKE THIS, AS WELL AS THROUGH THE EXECUTIVE COMMITTEE, YOU GOVERN THE PROGRAM. NEXT SLIDE PLEASE. ON A DAILY BASIS OUR OPERATIONS CONSIST OF MANAGES GAS PURCHASES MONITORING PRICING MARKETS ALONG WITH OPTIMIZING STORAGE AND BALANCE ACCOUNTS. FOR INSTANCE CURRENT GAS PURCHASING STRATEGY RELIES HEAVILY ON THE SHORT-TERM MARKETS SO WE AIM TO BECOME BETTER AT RESPONDING TO MARKET FLUCTUATIONS AT DIFFERENT RECEIPT POINTS IN ORDER TO TAKE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ADVANTAGE OF PRICING DIFFERENCES. THE TRANSPORTATION ASPECT IS IMPORTANT, BECAUSE AS A STATE, CALIFORNIA IMPORTS UPWARDS OF 90% OF THE GAS USED HERE. SO WE CURRENTLY RELY ON A HANDFUL OF INTERSTATE PIPELINES TO BRING THAT GAS INTO THE STATE. ON A WEEKLY BASIS, WE INDIVIDUALLY VALIDATE EACH ACCOUNT'S BILLING DATA TO VERIFY THAT THE USAGE AND COST ARE CONSISTENT WITH PRIOR TRENDS. IN THE EVENT THE DATA IS NOT CONSISTENT, YOU WILL RECEIVE A PROACTIVE COMMUNICATION FROM EITHER CINDY OR ME THAT SOMETHING SEEMS UNUSUAL AND ALERT YOU TO THE DIFFERENCE. THE HIGH LEVEL BENEFITS OF PARTICIPATING IN THIS PROGRAM INSTEAD OF PG&E'S ARE THREE FOLD FIRST IS PUBLIC OWNERSHIP WITH ROUTINE AND TRANSPARENT PUBLIC MEETINGS THAT ALONE GUARANTEES A HIGH LEVEL OF TRANSPARENCY AND PROVIDES OPPORTUNITY FOR MEMBERS TO PROVIDE FEEDBACK AND VOTE IN PROGRAM OPERATIONS. THIS ENABLES US TO BE ADAPTABLE TO THE CHANGING ENERGY LANDSCAPE. WHILE IT'S NOT AN EASY TASK HAVING A SAY IN THAT FUTURE, THE PROGRAM IS A BENEFIT NOT OFFERED WITH INVESTOR OWNED UTILITIES AND IS A NOD TOWARDS THE CONTENT THAT WE WILL BE SPEAKING ABOUT TODAY. AS I SPOKE TO YOU PREVIOUSLY, OUR IN-HOUSE CUSTOMER SERVICE PROVIDES FASTER AND MORE PERSONAL APPROACH TO ACCOUNT MANAGEMENT, RATE ANALYSIS, AND TARIFF COMPARISONS. THESE SERVICES ALLOW TO YOU QUICKLY CONNECT WITH A DIRECT CONTACT TO OBTAIN A NON-BIASED OPINION. IN AN INSTANCE WHERE WE NEED TO REFER YOU TO PG&E, WE WILL LEVERAGE OUR POSITIVE WORKING RELATIONSHIPS TO ENSURE YOU ARE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PROVIDED PROMPT ASSISTANCE AND ACTIONABLE INFORMATION. LASTLY, IT'S RARE AND VALUABLE TO HAVE THIS MANY PUBLIC AGENCIES ENGAGED IN A SINGLE PROGRAM. THE ECONOMIES OF SCALE MAKE THIS PROGRAM AN ATTRACTIVE FUNDING OPTION FOR OPPORTUNITIES FROM THE CALIFORNIA ENERGY COMMISSION OR THE PUBLIC UTILITIES COMMISSION. THE STRUCTURE OF THE PROGRAM PROVIDES UNIQUE OPPORTUNITIES THAT WE'RE CURRENTLY EXPLORING THROUGH A PROGRAM DESIGN SOLICITATION WORK, AND WE EXPECT THAT AS THE STATE CONTINUES TO DECARBONIZE ITS ENERGY SOURCES, THERE WILL BE FUNDING THAT ALIGNS WITH THESE OPPORTUNITIES, AND YOUR MEMBERSHIP IN THE PROGRAM WILL BENEFIT FROM THAT. NEXT SLIDE, PLEASE. TRANSITIONING INTO LAST YEAR'S OVERVIEW, YOU WILL NOTE A MINOR CHANGE TO THE PROGRAM'S MEMBERSHIP. AGAIN, AS ARLEICKA MENTIONED EARLIER. THIS IS DUE TO THE EXIT OF THE REGIONAL ADMINISTRATOR FACILITY CORPORATION THIS ACCOUNT WAS A JPA CREATED JOINTLY MANAGEMENT OWNERSHIP OF THE BUILDING IN OAKLAND THAT ABAG/MTC AND BARC USED TO OCCUPY. BECAUSE WE NO LONGER SHARE OWNERSHIP WITH THE BUILDING THE JPA WAS DISSOLVED AND THE SOLE ACCOUNT ASSOCIATED WITH THAT MEMBER HAS BEEN REMOVED FROM THE PROGRAM. ADDITIONALLY WE SEE A VERY SLIGHT DECREASE IN THE NUMBER OF CORE ACCOUNTS AND NO CHANGE TO THE NONCORE ACCOUNTS. AS A REMINDER CORE ACCOUNTS ARE TYPICALLY SMALLER COMMERCIAL RESIDENTIAL ACCOUNTS WHEREAS NONCORE ACCOUNTS ARE LARGER ACCOUNTS SUCH AS ELECTRIC COGENERATION. COMPARED TO NONCORE ACCOUNTS RECEIVING A DISCOUNT IN

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

TRANSPORTATION RATE RETURN IN FOR HIGHER PRIORITY, THIS MEANS THAT IF PG&E IMPOSES OPERATIONAL REQUIREMENTS FOR SAFETY REASONS NONCORE FACILITIES WOULD BE AFFECTED BEFORE CORE FACILITIES BUT IN REALITY THE EVENTS OF THIS SEVERITY OF EXTREMELY RARE. THE CHART ON THE RIGHT HAND SIDE OF THE SLIDE DISPLAYS APPROXIMATELY 85% OF THE PROGRAM'S USAGE FALLING INTO THE LEFT MOST FOUR CATEGORIES OF CORE ACCOUNTS WITH THE REMAINING 15% OF USAGE ASSOCIATED WITH THOSE THREE NONCORE ACCOUNTS. OVERALL, THE COMBINED USAGE CAME IN APPROXIMATELY 3% HIGHER THAN LAST YEAR, BUT THIS IS LARGELY KIND OF A SURFACE LEVEL FIGURE. THE INCREASE IS CAUSED BY SOMEWHAT OF A NORMAL, A RETURN TO NORMALCY TO OPERATIONAL HOURS AT MOST FACILITIES AFTER TEMPORARILY COVID RELATED FACILITY CLOSURES THAT ACCOUNTED MUCH MORE WIDELY IN THE PRIOR FISCAL YEAR AND THAT'S WHEN WE SAW THE 5% SLUMP IN USAGE LAST YEAR. NEXT SLIDE PLEASE. CONTINUING LAST YEAR'S TREND, WE IMPLEMENTED SEVERAL SUCCESSFUL PROGRAMMATIC CHANGES DURING THE FISCAL YEAR INCLUDING CLOSING THE STRATEGY PROGRAM DESIGN SOLICITATION, TRANSITIONING FROM PROGRAM'S NATURAL GAS SCHEDULING SERVICES AND REVITALIZING ADDITIONAL SAVINGS ASSOCIATED WITH CANADIAN NATURAL GAS SUPPLY FOLLOWING THIS PRESENTATION WE'LL MOVE INTO OUR DETAIL TO THE STRATEGIC DESIGN WORK WHICH MANY OF YOU HAVE PARTICIPATED IN ALREADY. RATE COMPARISON LEVELIZE THE PAYMENT STRUCTURE WAS SUCCESSFUL IN ACHIEVING RATES MORE STABLE THAN PG&ES BUT THE ACCUMULATIVE RATE WAS NINE% HIGHER THAN PG&E

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

SMALL COMMERCIAL RATE. THE MEMBERS THAT HAVE SERVED ON THE BOARD OVER THE PAST FIVE YEARS OR SO WILL KNOW THIS HAS BEEN AN EXISTENT CHALLENGE TO RETAIN RATEPAYER DEE FOR A NUMBER OF REASONS CHALLENGES THIS YEAR BECOMING SIX MONTH PROCUREMENT CREDIT APPLIED, FROM APRIL THROUGH SEPTEMBER THE CREDIT ORIGINATED FROM $90 MILLION IN GAS SALES IN PG&E, DURING FEBRUARY WINTER STORMS CREDITED ULTIMATELY RESULTED IN DIFFERENCE OF 2.3% REPRESENTS THREE MONTHS OF APRIL, MAY, AND JUNE DURING LAST FISCAL YEAR. THE SECOND LARGEST CONTRIBUTOR TO THAT PREMIUM IS ABOUT A% AND A HALF ATTRIBUTED TO WHAT WE REFER TO AS STRANDED PIPELINE CAPACITY COST. UNDER OUR CURRENT REGULATORY REQUIREMENTS, WE'RE REQUIRED TO PAY FOR INTERSTATE PIPELINE CAPACITY HELD BY PG&E, REGARDLESS OF WHETHER WE USE THE CAPACITIES TO TRANSPORT GAS. -- -- UNFORTUNATELY I DON'T EXPECT THIS WILL CHANGE DRASTICALLY IN THE NEAR-TERM, BUT WE ARE INVOLVED IN AT LEAST ONE REGULATORY PROCEEDING TO TRY AND MINIMIZE SOME OF THESE COSTS. LASTLY, ENGAGING IN THE PROGRAM DESIGN WORK HAS CONTRIBUTED TO A RELATIVELY MINOR COST COMING IN AT ABOUT HALF A PERCENT. THESE COSTS ARE TEMPORARY AND NECESSARY AS WE LOOK AT POSITIONING THE PROGRAM TO CONTINUE PROVIDING VALUE IN THE YEARS TO COME. SUBTRACTING OUT THOSE THREE COMPONENTS LEAVES US WITH THE REMAINING FOUR AND A HALF% PREMIUM, WHICH WE HAVE NOTED HERE IS EXPLAINABLE AS BUSINESS DIFFERENCES, DEFINED PRIMARILY AS DIFFERING GAS PURCHASES IN ECONOMIES OF SCALE, WHICH REFERS TO THE ADVANTAGE OFFERED BY

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

THE COMPARATIVELY LARGE USAGE POOL THAT PG&E ENJOYS, COMPARED TO THIS PROGRAM. THE LARGER USAGE POOL IS IMPORTANT BECAUSE IT ALLOWS FIXED COST TO BE SPREAD OVER A LARGER BASE RESULTING IN A LOWER RATE PER THERM. ARE THERE ANY QUESTIONS ON THESE ASPECTS OR THE FIRST COUPLE OF SLIDES THAT I COVERED BEFORE WE MOVE ON? NEXT SLIDE, PLEASE. COVID-19 HAS DEFINITELY BEEN A ROLLER COASTER FOR THE ENERGY INDUSTRY, MUCH AS IT HAS FOR OTHER SPACES. IN GENERAL, WE SAW A REVERSAL OF MOST IMPACTS THAT INITIALLY HIT LAST YEAR. THE WAY I THINK ABOUT THE SUPPLY AND COMMAND CURVE IS THAT WE'RE SEEING RECOVERY IN DEMAND AFTER LAST YEAR'S SLUMP AND THAT RECOVERY HAS OUTPACED THE REDUCTION SIDE. -- THIS IMBALANCE DIDN'T HAPPEN OVERNIGHT BUT NOW WE'RE IN A PERIOD OF PROLONGED LAGGING PRODUCTION WHICH LEADS TO HIGHER PRICES, ESPECIALLY WHEN COMBINED WITH LOW NATIONAL STORAGE INVENTORIES COMPARED TO A FIVE-YEAR AVERAGE, IN A DRY WINTER THAT CONTRIBUTES TO LOWER HYDRO-ELECTRIC GENERATION POTENTIAL. ON THE INDUSTRY PERCEPTION FRONT, THE HIGHER PRICES, FOR SOME CAPITAL INVESTMENT AND PIPELINES AND BRIGGS ARE ALSO CONTINUING TO SEE CONTINUING PUBLIC INVESTMENT FROM FOSSIL FUELS INCLUDING A LARGE NOTABLE DIVESTMENT FROM HARVARD ABOUT A MONTH AGO IN ADDITION SEVERE HESITANCE SURROUNDING THE NEW ADMINISTRATION'S STANCE ON THE INTERSTATE PIPELINE PERMITS. FROM A CLIMATE PERSPECTIVE, THESE CAN BE GOOD THINGS BUT ON THE SUPPLY AND DEMAND EQUATION THEY'RE CONTRIBUTING TO HIGHER PRICES AND UNCERTAINTY AS OUR

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

EXISTING PRODUCTION ATTEMPTS TO SERVE COMPETING CASE USAGE INCLUDING EXPORT MARKET TO EUROPE AND JAPAN. LASTLY CONTINUED REMOTE WORK AS A BASELINE FOR STAFF AND WE HAVE BEEN SUCCESSFUL IN ADAPTING OUR BUSINESS PROCESS FROM AN EFFICIENCY PERSPECTIVE. WE DID SEE A RECOVERY IN THE PORTFOLIO'S USAGE AND ALONG WITH THAT, A SIGNIFICANT INCREASE IN THE COST OF GAS ASSOCIATED WITH THOSE ELEVATED MARKET PRICES. NEXT SLIDE PLEASE. THIS CHART IS A 20 YEAR LOOK AT THE VOLATILITY AT OUR LOCAL MARKET INDEX KNOWN AS CITYGATE, THE RECTANGLE IS A SHORT-LIVED PRICE SPIKE REPRESENTING THE FEBRUARY STORMS EARLIER THIS YEAR BUT JUST AS IMPORTANTLY, IS THE CONSISTENT CLIMB NEARING $6 PER DEKATHERM. AND THAT'S WHAT I WANT TO DRAW YOUR ATTENTION TO LOCAL PRICES ARE SITTING BETWEEN THE 6 TO $7 RANGE AND FUTURE PRICES FOR THE WINTER MONTHS EXPECT THAT TO STICK AROUND THROUGH THE SEASON AGAIN PRIMARILY DUE TO COMBINATION OF STORAGE INVENTORIES, LAGGING PRODUCTION, AND RECORD LEVEL EXPORTS TO JAPAN AND EUROPE THAT ARE ALREADY PAYING AROUND $30 PER DEKATHERM. THOSE FORCES CREATE THIS PULL AWAY FROM THAT LIMITED DEMOCRACY SUPPLY CAUSING AN INCREASE IN PRICES. NEXT SLIDE, PLEASE. DRILLING DOWN ONE LAYER FURTHER, WE'RE ABLE TO EXAMINE THE WEIGHTED AVERAGE PRICE POINTS FOR EACH OF OUR PURCHASE LOCATIONS THROUGHOUT THE YEAR. ABOUT TWO AND A HALF YEARS AGO, WE ADOPTED A PURCHASING STRATEGY OF IMPORTING GAS FROM CANADA, ON THE PROMISE OF COST SAVINGS. THIS CHART ILLUSTRATES EACH OF THE MONTHLY PRICE POINTS BY

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ORIGIN, INCLUSIVE OF TRANSPORTATION COSTS FOR THE CANADA, AND ORGAN RECEIPT POINTS. IN ADDITION TO THE BENEFITS OF RISK DIVERSIFICATION THIS STRATEGY HAS REMAINED SUCCESSFUL IN LOWERING OUR COMMODITY COST SIGNIFICANTLY COMPARED TO PURCHASING AT THE PGE CITYGATE INDEX WITH A DIFFERENCE OF $0.44 PER DEKATHERM OVER THE LAST YEAR. NEXT SLIDE PLEASE. RECOGNIZING THAT OUR CHEAPEST OPTION IS TO IMPORT GAS FROM CANADA, OUR PURCHASE QUANTITY IS LIMITED BY EXISTING PIPELINE CAPACITY, WHICH CAPS US AT ABOUT 40% OF OUR ANNUAL GAS NEEDS. OVER THE NEXT YEAR, WE'LL CONTINUE TO EXPLORE ADDITIONAL OPPORTUNITIES TO INCORPORATE ADDITIONAL PRICING POINTS, AND REFINE EXISTING BUSINESS PROCESSES WITH AN EYE TOWARDS BOTH COST SAVINGS AND RISK MANAGEMENT, ESPECIALLY WITH POTENTIAL ADDED COMPLEXITY OF ADDITIONAL PROGRAM OFFERINGS THAT WE'LL TALK ABOUT IN A MINUTE. IT HAS BEEN MY GOAL, OVER THE PAST TWO YEARS TO GET US ENTIRELY OFF PURCHASING ON THE CITYGATE INDEX. SO THAT WE AVOID THE ASSOCIATED PREMIUM. YOU WILL NOTE, DURING AUGUST OF 2020, WE ENDED UP SELLING ABOUT 10,000 DECK THERMS AT THE CITYGATE CAPITALIZED ON HIGH PRICES AT THE TIME, THOUGH WE WEREN'T ABLE TO DO THE SAME THING LATER IN THE YEAR IN FEBRUARY. OVER THE NEXT YEAR, I EXPECT THE YELLOW SLICE THAT YOU WILL SEE HERE TO RIDE IN AS WE EXPECT TO INCORPORATE MORE GAS FROM OREGON TO OFFSET LOCAL PURCHASES AT PG&E CITYGATE. NEXT SLIDE PLEASE. AS WE ALL KNOW, THE ENERGY INDUSTRY IS RAPIDLY EVOLVING TOWARDS DECARBONIZATION, THIS IS

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

HAPPENING IN MANY DIFFERENT AREAS SIMULTANEOUSLY BUT IT'S MOST EVIDENT IN POLICIES LIKE SB100, COMMUNITY CHOICE ENERGY, DETECT AND BUILD INITIATIVES AND PREFERENTIAL BUILDING CODES. ALL OF THESE ARE EVOLVING IN A REGULATORY LANDSCAPE THAT WE ATTEMPT TO MONITOR A ROUTINE BASIS. I'LL SUMMARIZE OUR INVOLVEMENT IN THOSE PROCEEDINGS IN THE NEXT FEW SLIDES. NEXT SLIDE, PLEASE. ONE SIGNIFICANT EFFORT THAT KICKED OFF LAST YEAR WAS THE CPUC'S PROCEEDING TO MANAGE THE STATE'S LONG-TERM PLANNING STRATEGY, WHICH, AMONG OTHER THINGS, INCLUDES THE DEVELOPMENT OF A STRATEGY FOR MANAGING TRANSITIONAL TECHNOLOGIES FOR INSTABILITY AND INFRASTRUCTURE, AND LOOKING AT A FUTURE THAT ENVISIONS SIGNIFICANT DECLINES IN FOSSIL BASED GAS OVER THE NEXT 25 YEARS. THE PROCEEDING CONSISTS OF TWO TRACKS WITH THE FIRST AIMING TO COMPREHENSIVELY EXAMINE THE CURRENT SYSTEM OF RELIABILITY STANDARDS, AND THE MARKET STRUCTURE, AND REGULATIONS WITH REGARD TO MITIGATING PRICE VOLATILITY. THE FIRST TRACK IS EXPECTED TO CONCLUDE LATER THIS YEAR. BUT MOST OF THE IMPACTS DIRECTLY AFFECT PIPELINE OPERATORS, INVESTOR OWNED UTILITIES AND VERY LARGE ELECTRIC GENERATION CUSTOMERS, RATHER THAN PROGRAMS LIKE OURS. THE SECOND TRACK, WHICH IS EXPECTED TO GARNER MUCH MORE PARTICIPATION IN CONTENTION HAS BEEN SLIGHTLY DELAYED FROM ITS INITIAL START DATE IN 2021. IT IS EXPECTED TO COMMENCE LATER THIS YEAR AND WE ARE A PARTY TO THE PROCEEDINGS SO WE WILL KEEP THE EXECUTIVE COMMITTEE INFORMED OF ANY SIGNIFICANT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

DEVELOPMENTS. NEXT SLIDE. NEXT UP, WE HAVE TWO BRIEF UPDATES ON PG&E 59EDING APPLICATIONS AT THE PUC. FIRST REQUEST APPROVAL TO EXTEND A TRANSPORTATION AGREEMENT ALONG WHAT'S KNOWN AS THE RUBY PIPELINE IDENTIFIED IN THE RIGHT HAND SIDE OF THIS SLIDE. THIS PROCEEDING DOES DIRECTLY IMPACT THE PROGRAM BECAUSE IT TIES INTO WHAT I REFERRED TO EARLIER AS OUR STRANDED PIPELINE CAPACITY COST. RUBY IS ONE OF THE INTERSTATE PIPELINES FOR WHICH WE'RE ALLOCATING CAPACITY FROM PG&E AND ARE REQUIRED TO PAY FOR REGARDLESS OF WHETHER WE USE IT. WE ARE A PARTICIPANT IN THIS PROCEEDING SEEKING TO DENY APPROVAL OF THE AMENDMENT ON THE GROUNDS THAT AN AMENDMENT WOULD PROLONG THE PERIOD FOR WHICH WE AND OTHER TRANSPORT AGENTS ARE RESPONSIBLE FOR PG&E'S CAPACITY. WE'RE EXPECTING A DECISION TO COME DOWN, REALLY, ANY DAY NOW, SO I HAVE MY FINGERS CROSSED THAT WE'RE GOING TO REALLY SEE A LITTLE BIT OF CHANGE IN THIS. NEXT SLIDE, PLEASE. LAST IN OUR REGULATORY UPDATE IS PG&E'S FAIRLY RECENT FILING OF ITS 2023 GENERAL RATE CASE WHICH NOW COVERS A FOUR-YEAR PERIOD RANGING 2023 TO 2026. NEW IN THIS CASE IS A COMBINATION OF ELECTRICITY, GAS, AND WILDFIRE MITIGATION COMPONENTS ALL WRAPPED INTO ONE. YOU CAN SEE HERE THE INCREASES ARE SUBSTANTIAL WITH ABOUT AN ACCUMULATIVE 50% INCREASE PROPOSED BY 2026. ACROSS EACH OF THE THREE SECTORS IDENTIFIED IN THIS SLIDE. ON THE NATURAL GAS SIDE THE INCREASES ARE PRIMARILY ASSOCIATED WITH AUTOMATION AND SAFETY FOR BOTH TRANSMISSION AND DISTRIBUTION ASSETS. WE DO INTEND TO

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PARTICIPATE IN THE PROCEEDING AS WE HAVE IN THE PAST, SO YOU CAN EXPECT TO HEAR UPDATES OVER THE ROUGHLY 18 MONTH TIME FRAME FROM WHICH THIS WILL DEVELOP. NEXT SLIDE PLEASE. I WOULD JUST LIKE TO CLOSE WITH SOME FORWARD-LOOKING THOUGHTS ON OUR CURRENT PRIORITIES FOR THIS FISCAL YEAR. FIRST, WE'RE HIGHLY ENGAGED AND EXCITED BY THE STRATEGIC PROGRAM DESIGN WORK WHICH YOU WILL HEAR MORE ABOUT IN JUST A SECOND. THE INITIATIVES CAN PROVIDE THE PROGRAM WITH VALUABLE BENEFITS THAT DIFFERENT US FROM PG&E. NEXT, WE'LL CONTINUE TO LOOK FOR FUNDING IN REGULATORY OPPORTUNITIES, FOR WHICH WE ARE WELL POSITIONED TO IMPLEMENT, GIVEN THE NUMBER OF PARTICIPATING MEMBER AGENCIES AND EXPERTISE WITHIN THE INDUSTRY. LAST, WE'LL MAKE PROGRESS ON OUR ATTEMPTS TO GET OFF THE CITYGATE INDEX AND THE ASSOCIATED PREMIUM WHICH SHOULD CONTINUE TO BRING THE PROGRAM FINANCIAL SAVINGS COMPARED TO OUR CURRENT APPROACH. IF YOU WOULD LIKE TO MOVE TO THE NEXT SLIDE, THAT CONCLUDES MY PRESENTATION. AT THIS POINT, WE WOULD LIKE TO OPEN IT UP FOR QUESTIONS OR GENERAL COMMENTS. AS ANGELA MENTIONED EARLIER YOU ARE WELCOME TO REACH OUT TO US SEPARATELY USING THE E-MAIL PROVIDED IN THE SLIDE.

ANGELA WALTON, VICE CHAIR: OKAY. IF THERE IS NO DISCUSSION BY MEMBERS.

CINDY CHEN, CLERK: WE HAVE ONE RAISED HAND. PATRICK CARTER.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PATRICK CARTER: I LIKE TO ASK LOTS OF QUESTIONS. IS THERE ANY ANALYSIS THAT'S DONE ABOUT THE RELATIVE -- FOR LACK OF A BETTER WORD -- CLEANLINESS OF THE FUEL. ALBERTA FUEL, I BELIEVE THAT'S THE TAR SAND, AND I BELIEVE THERE IS A BIT OF CONTROVERSY RELATED TO THAT. DO WE KNOW THE DIFFERENT SOURCES, WHAT THEIR EMISSIONS PROFILES LOOK LIKE, AND HOW WE COMPARE THAT TO THE COST, AND JUST BECAUSE ALBERTA IS THE CHEAPEST, I DON'T KNOW THAT SOME OF US DON'T WANT TO BE ASSOCIATED WITH THAT. I'M CURIOUS IF THERE IS MORE INFORMATION THAT COULD BE PROVIDED ABOUT THAT.

RYAN JACOBY: ABSOLUTELY. GREAT QUESTION. AND I THINK SOME OF THE FRAMING IN MY MIND HAS BEEN KIND OF THIS TRANSFORMATION OF NATURAL GAS OVER THE YEARS FROM A COMMODITY THAT HAS TYPICALLY BEEN A RACE TO THE BOTTOM, WHERE IT'S SEEN AS THIS INTERCHANGEABLE COMMODITY WHERE THE LOWEST PRICE FOR THAT COMMODITY HAS ARRAIGNED SUPREME IN ITS ENERGY INDEPENDENCE MISSION. AND THE WORK WE'RE CONDUCTING THROUGHOUT STRATEGIC PROGRAM DESIGN WORK I THINK IT TENDS TO VALUE SOME OF THE DIFFERENTIATION OF THOSE PRODUCTS AND HOW THE GAS IS ACTUALLY PRODUCED. I WILL SAY THAT THE PIPELINE OPERATORS HAVE VERY STRICT STANDARD IN TERMS OF THE QUALITY OF GAS THAT IS INJECTED AND TRANSPORTED INTO THE TYPE LINES SO TYPICALLY YOU WOULDN'T SEE VARIATION IN QUALITY ASSOCIATED WITH THE PERMIAN

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PRODUCTION BASIN, THEY'RE IN TEXAS AND IN TERMS OF EMISSIONS PROFILES IT WOULDN'T BE SIGNIFICANTLY DIFFERENT, I THINK, ASSUMING THAT YOU'RE STILL PURCHASING AT ONE OF THOSE PRODUCTION BASINS, ALBERTA BEING WORSE THAN THE OTHERS OR VICE-VERSA, BUT I HEAR YOU IN TERMS OF THE POTENTIAL VALUE. AND I THINK WE ARE THINKING ABOUT IT, AND ATTEMPTING TO, KIND OF, CREATE A FRAMEWORK THAT VALUES MORE OF A CALLING, RESPONSIBLY SOURCED GAS IN THE NEXT PRESENTATION, HOPEFUL THAT'S PROVIDES SOME THINKING.

PATRICK CARTER: I HAVE BEEN A PARTICIPANT IN SOME OF THOSE EARLIER DISCUSSIONS AND I APPRECIATE THAT YOU GUYS ARE LOOKING INTO THIS AND KIND OF SEEING, EVEN IF THERE IS A PREMIUM THAT'S PAID FOR SOME OF THESE OTHER PRODUCTS, A LOT OF US HAVE CLIMATE ACTION PLANS AND GOALS THAT WE'RE TRYING TO HIT. SO APPRECIATE THAT YOU'RE FACILITATING THAT. AND I KNOW WE'LL DISCUSS THAT MORE LATER.

RYAN JACOBY: UH-HUH. THANK YOU FOR THE QUESTION.

CINDY CHEN, CLERK: WE HAVE A SECOND HAND RAISED. MELISSA MORTON.

MELISSA MORTON: WHEN THIS GROUP WAS FORMED IT WAS TO GET A LOWER PRICE FOR GAS. AND WE ARE NOT LOWER. DO WE REALLY

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BELIEVE THAT THIS IS JUST COVID? OR IS THIS A TREND THAT WE WOULD EXPECT NOW AND IN THE FUTURE IN TERMS OF, YOU KNOW, PG&E HAS MADE ENOUGH CHANGES THAT IT'S NO LONGER POSSIBLE FOR US TO GET GAS CHEAPER.

RYAN JACOBY: GREAT QUESTION, AS WELL. WE WERE CONSISTENTLY CHEAPER IN THE EARLIER YEARS, AND KIND OF AS YOU ALLUDED TO, IT HAS BEEN A CHALLENGE, I WOULD SAY, PROBABLY THE PAST FIVE YEARS, CONSISTENTLY, AND THERE IS A -- THERE HAVE BEEN OVERARCHING KIND OF REGULATORY CHANGES THAT HAVE HINDERED SOME PROGRESS, I THINK, ON OUR END WITH US BEING SADDLED WITH THESE PIPELINE CAPACITY COSTS, AND YOU KNOW, FRANKLY, THE, KIND OF, YOU KNOW, DECLINE IN USAGE THAT WE HAVE SEEN OVER THE YEARS IS A BIT CHALLENGING, AS WELL. I DO THINK THAT THERE'S POTENTIAL, YOU KNOW, AS WE'RE LOOKING INTO FOR OTHER VALUE METRICS, I WOULD SAY, WHERE, TO ME IT'S -- IT'S AN IMPORTANT QUESTION, I THINK, IS WHAT ASPECTS OF THE PROGRAM ARE MOST VALUABLE FOR THE MEMBERSHIPS. IS IT PURELY THE COST SAVINGS? IS IT THAT MIXED WITH PRICE STABILITY? IS IT SOME ENVIRONMENTAL COMPONENTS THAT ARE AVAILABLE THROUGH THE PROGRAM THAT YOU CANNOT GET AT PG&E, OR ANOTHER ORGANIZATION? I WILL SAY WE HAVE BOUNCED AROUND IN THE 5% RANGE WHERE WE ARE IN MY OPINION WITHIN THAT STRIKING DISTANCE OF REALLY REFINING SOME BUSINESS PROCESSES ON OUR END TO GET US VERY CLOSE TO THAT RATE PARITY, BUT I DO NOT KNOW IN THE NEXT 20 YEARS WE'RE GOING TO BE 20 OR

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

TEN PERCENT CHEAPER. I THINK IT'S A HARD FIGHT, AND PGE HAS SOMEWHAT OF AN ADVANTAGE IN TERMS OF THE ECONOMIES OF SCALE ASSOCIATED WITH THAT, BUT IT'S CERTAINLY STUFF WE'RE LOOKING AT FROM MY PERSPECTIVE. JENNY, I KNOW YOU HAVE YOUR HAND UP, AS WELL.

JENNIFER BERG: I WAS GOOD GOING TO ADD, MELISSA THAT WAS THE STRATEGIC PLAN AND WE'RE KIND OF EXCITED WITH SOME OF THE RECOMMENDATIONS THAT THE TEAM IS COMING UP WITH, ALIGNED WITH PATRICK COMMENT, MOST JURISDICTIONS HAVE CLIMATE ACTION PLANS AND IS THERE A WAY, I MEAN, CAN ABAG POWER BETTER SERVE SOME OF THOSE GOALS AND NEEDS THAN PG&E? I GUESS I'M JUST TRYING TO SAY THAT WE ACKNOWLEDGE THE PRICE DIFFERENCE, BUT ARE ALSO LOOKING AT OTHER BENEFITS TO POWER MEMBERS BEYOND THAT, AND IT'S SOMETHING THAT IS DEFINITELY AT THE FOREFRONT OF OUR THINKING.

MELISSA MORTON: WELL, I THINK, JENNIFER, IT'S A BALANCING ACT FOR US, REALLY. WHEN WE HAVE SOME CARBON SEQUESTRATION THAT WE'RE ACCOMPLISHING THROUGH BIO SOLIDS DEPOSITION, AND USING THAT AS FARMING. BUT, IN TERMS OF BUSINESS-CASE ANALYSIS, WHEN I LOOK AT THIS, IT WOULD HAVE TO BE A TANGIBLE CREDIT THAT WE RECEIVE FROM SOME OF THESE OTHER THINGS TO KEEP US ENGAGED IN GAS PURCHASE. I MEAN IF THIS IS A BLIP, WELL THEN WE CAN RIDE OUT THE BLIP, WE HAVE BEEN A PARTNERSHIP OF THE PROGRAM FOR

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

SOMETIME, BUT FEELS GOOD IS HARD TO JUSTIFY TO A CUSTOMER BASE THAT'S ALREADY VERY LOW AND LOW-INCOME DISADVANTAGED. SO UNFORTUNATELY I HAVE TO DO THE BUSINESS-CASE ANALYSIS ON THIS. AND SO, I'LL BE WATCHING THIS REALLY CLOSELY.

CINDY CHEN, CLERK: JOHN DOUGHTY, YOU HAVE YOUR HAND UP?

SPEAKER: I AM NEW TO THIS, BUT IN THE NEXT FEW WEEKS WE'RE IN INTRODUCTION OF AN ORDINANCE WHICH BASICALLY CALLS FOR THE E ELIMINATION OF ALL GAS FOR USERS BY 2045 AND BACKING INTO THAT ADDITIONAL REDUCTIONS AND I'M JUMPING AHEAD, ONE OF THE QUESTIONS IS I'M HOPING THAT AT SOME POINT THERE IS SOME MORE INFORMATION, WITH THIS GROUP MONITORING WHAT THE STATE IS DOING, WHAT THE CODES COMMISSION IS DOING, AND HOW WE THINK THIS IS GOING TO BE AFFECTING US, BUT I'LL SET THAT ASIDE. I'LL SAY THIS, FROM MY FIRST TIME SITTING IN THIS, IT'S KIND OF ODD, BECAUSE HERE WE ARE AS AN ESSENCE OF VENDOR OR CONTRIBUTOR TO THE GAS, THE NATURAL GAS WORLD, MELISSA POINTED OUT, WE'RE NOT SAVING MONEY OUT OF THIS, REALLY, AT THIS POINT, I'M NOT SURE WHETHER WE WILL EVER SAVE MONEY, AND WE ARE PART OF THE PROBLEM. SO I THINK THIS GROUP AS A WHOLE, AND THIS AUTHORITY IS GOING TO HAVE TO REALLY EVALUATE ITSELF IN LIGHT OF THE FACT, SOMETIMES YOU WANT PG&E TO BE THE EVIL EMPIRE BUT YOU DON'T WANT YOURSELF TO BE PART OF THE EVIL EMPIRE WHICH IS BEING A PROVIDER OF THE NATURAL GAS AS THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

EVIL. IT'S NOT THE POSITION OF MY AGENCY; WE ARE A VERY SMALL PIECE TO THIS BUT IT'S BROADER AND THE GROUP IS GOING TO HAVE TO EVALUATE ITS POSITION. AND I UNDERSTAND THIS IS JUST THE START, AND I DON'T WANT TO BE THAT DUMB IN THE ISSUE, I GET THAT. BUT, YOU KNOW, I'M JUST KIND OF, LIKE MANY OF YOU ON THE FRONTLINE OF THIS ISSUE, OF SAYING, YOU KNOW, NATURAL GAS ISN'T GOING AWAY IMMEDIATELY, BUT WE'RE REALLY PUSH INTO THIS ISSUE, AND, YOU KNOW, I PAY -- I SIGN OFF AND PAY THE BILLS FOR ABAG POWER. YOU KNOW, I DIDN'T EVEN KNOW WHAT THE HELL IS WAS, FRANKLY, UNTIL I SAT IN HERE TODAY AND UNDERSTOOD A LITTLE MORE ABOUT THOSE BILLS AND WHAT THEY COME FROM AND DEAL WITH IT AND NOW I'M LIKE, THE WHEEL IS TURNING OF, OH GOD, WE'RE PART OF THIS, AND IT'S NOT JUST PG&E WE'RE DEALING WITH. THANK YOU. I WON'T TAKE ANY MORE TIME BUT I DO THINK A REEVALUATION OF THIS IS GOING TO BE CRITICAL, BOTH FROM A COST PERSPECTIVE, AND FROM A POLICY PERSPECTIVE, ON THE DECARBONIZATION.

RYAN JACOBY: THANKS. I APPRECIATE IT. I DO THINK IT'S A CHALLENGING POSITION TO BE IN, FRANKLY. AND I THINK THERE IS OPPORTUNITY IN CRAFTING SOME OF THOSE SOLUTIONS HOWEVER CHALLENGING IT S AND I DO THINK THAT IS UNIQUE, FRANKLY, TO THIS PROGRAM, AND HOPEFULLY SOME OF THE POTENTIAL PROGRAM OFFERINGS OR PRODUCT OFFERINGS THAT WE'RE LOOKING AT ARE MEANT TO ADDRESS, REALLY, WHAT TO DO IN THAT TRANSITION, AS WELL AS

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

ACTUALLY FACILITATING AND ENCOURAGING THAT TRANSITION ITSELF. SO THAT'S KIND OF THE FRAMING FOR MY THINKING. BUT I AGREE. I THINK THAT, YOU KNOW, JUST BECAUSE WE'RE IN THIS, YOU KNOW, IT STILL GIVES YOU, I THINK, THAT OPPORTUNITY TO CRAFT SOME OF THOSE SOLUTIONS YOURSELVES. WE ARE RUNNING JUST A LITTLE BIT SHORT OF TIME HERE. ANGELA, IF IT'S OKAY, I COULD JUST INTRODUCE OUR NEXT TWO SPEAKERS, AND THEN HOPEFULLY GO THROUGH THAT PRESENTATION RELATIVELY QUICKLY?

ANGELA WALTON, VICE CHAIR: UH-HUH.

RYAN JACOBY: GREAT. IF WE COULD PULL UP THE NEXT PRESENTATION, AGENDA ITEM 7C PLEASE. I WOULD LIKE TO INTRODUCE BOTH CHRIS WHO WILL STARTING US OFF ALONG WITH MARK ESTRADA, RESPONDING TO THE PROGRAM'S PROCUREMENT AND SELECTED TO CONDUCTING STAKEHOLDER ENGAGEMENT ACTIVITIES AND IDENTIFYING EVALUATING POTENTIAL PROGRAM OFFERINGS AND DEVELOPING A ROADMAP THAT COULD BE USED TO IMPLEMENT THE OFFERINGS. CHRIS, THE FLOOR IS YOURS.

CHRIS SENTIERI: HELLO MEMBERS OF THE BOARD. MY NAME IS CHRIS SENTIERI, I AM A SENIOR CONSULTANT WITH ECO SHIFT CONSULTING. WORKING ON THE STRATEGIC PROGRAM DESIGN PROJECT WE HELP COORDINATE THE STAKEHOLDER ENGAGEMENT ACTIVITIES THAT WE'RE GOING TO COVER IN OUR PRESENTATION TODAY. I'M GOING TO PRESENT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

THE 50 FEW SLIDES IN OUR DECK BEFORE I HAND IT OVER TO MARK ESTRADA AT GPT WHO IS THE PRIMARY CONTRACTOR FOR THE PROGRAM. RYAN AND JENNY ARE WELCOME TO WEIGH IN ALONG THE WAY AND I BELIEVE WE'LL HAVE OPPORTUNITY FOR DISCUSSION AT THE END OF THE PRESENTATION. NEXT SLIDE. WE'RE GOING TO START WITH AN OVERVIEW OF THE STAKEHOLDER ENGAGEMENT PROCESS THAT WAS CONDUCTED TO SUPPORT THE PROJECT. AND THEN WE'RE GOING TO PRESENT A NUMBER OF THE RELEVANT FINDINGS FROM ALL OF THAT OUTREACH AND ENGAGEMENT, WHICH IS ALL INFORMED THE PRELIMINARY CONCLUSIONS THAT WE'LL PRESENT FOR SOME DISCUSSION. AND THEN WE'LL WRAP UP WITH BRIEF NEXT STEPS FOR COMPLETING THE PROJECT. NEXT SLIDE. SO LET'S GET STARTED WITH AN OVERVIEW OF THE STAKEHOLDER ENGAGEMENT PROCESS. NEXT SLIDE. THAT PROCESS WAS AN INTEGRAL PART OF THE STRATEGIC PROGRAM DESIGN EFFORT THAT WAS LAUNCHED IN THE SPRING OF THIS YEAR. THE TEAM FOCUSED, INITIALLY, ON IDENTIFYING A SUITE OF POTENTIAL CUSTOMER PROGRAMS AND PREMIUM GAS PRODUCTS THAT COULD PRODUCE VALUE AND BENEFITS TO THE ABAG POWER MEMBERS. THEN WE WORKED TOGETHER TO DESIGN AND IMPLEMENT THE MULTI-FACETED STAKEHOLDER ENGAGEMENT PROCESS WHICH PROVIDED A VALUABLE FORUM FOR EXPLORING AND DISCUSSING THE RELATIVE VALUE OF THESE PRODUCTS AND PROGRAMS. EVALUATING THE CURRENT AND PROJECTED DIE NAM NICKS IN SUPPLY OF PREMIUM PRODUCTS AND GAUGING THE LEFT OF INTERESTING OF INTEREST FROM EXISTING AND POTENTIAL ABAG POWER MEMBERS. IN JUNE AND SEPTEMBER THE TEAM HOSTED A TOTAL OF 24

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

STAKEHOLDER EVENTS IN TWO DISTINCT PHASES WHICH I'LL DISCUSS IN MORE DETAIL IN A MOMENT. ALL OF THE VALUABLE INPUT THAT WE COLLECTED FROM THE STAKEHOLDERS DURING THIS EXTENSIVE PROCESS IS CURRENTLY BEING DISTILLED INTO A STAKEHOLDER ENGAGEMENT REPORT, AND ALSO INFORM OTHER THE DEVELOPMENT OF A PROGRAM STRATEGY ROADMAP THAT WILL BE PRESENTED AT THE CONCLUSION OF THE PROJECT LATER THIS YEAR. NEXT SLIDE. ROUND ONE OF THE STAKEHOLDER ENGAGEMENT PROCESS TOOK PLACE IN JUNE AND JULY MANY OF YOU PARTICIPATED IN THAT PROCESS. THE TEAM FACILITATED A TOTAL OF 14 STAKEHOLDER EVENTS DURING THAT SPAN OF TIME INCLUDING A WELL ATTENDED MEMBER AND STAKEHOLDER ROUNDTABLE EVENTS WHICH OPENED THE DIALOGUE AS WELL AS A DOZEN INDIVIDUAL FOCUS GROUP EVENTS WITH A WIDE RANGE OF STAKEHOLDERS. THE TABLE PROVIDES AN OVERVIEW OF THE PARTICIPATING STAKEHOLDERS WHICH INCLUDED A STRONG SHOWING OF CURRENT ABAG POWER MEMBERS AS WELL AS POTENTIAL NEW MEMBERS, ORGANIZATIONS LIKE CAL RECYCLE, A NUMBER OF COMMUNITIES CHOICE AGGREGATORS AND COMMUNITY CLIMATE ACTION ADVOCATES, AS WELL AS PREMIUM GAS PRODUCT VENDORS AND MORE. NEXT SLIDE. THEN IN AUGUST AND SEPTEMBERS THE TEAM PRODUCED A SECOND ROUND OF STAKEHOLDER ENGAGEMENT ACTIVITIES DURING ROUND TWO OF THE PROCESS WE HOSTED ANOTHER TEN STAKEHOLDER EVENTS INCLUDING EIGHT ADDITIONAL FOCUS GROUPS AND CULMINATING WITH A FINAL ROUNDTABLE EVENT FOR BOTH MEMBERS AND STAKEHOLDERS. HERE, AGAIN, THE TABLE PROVIDES A DETAILED OVERVIEW OF THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PARTICIPATING STAKEHOLDERS. THE ROUND TWO FOCUS GROUPS WERE PARTICULARLY FRUITFUL AS THEY PROVIDED AN OPPORTUNITY TO DRILL DOWN ON THE AVAILABILITY OF SPECIFIC PRODUCTS AND ALSO TO EXPLORE POTENTIAL PARTNERSHIP OPPORTUNITIES WITH A PEER ORGANIZATION, WHICH WE'LL COME BACK TO DURING OUR SEGMENT ON FINDINGS LATER. NEXT SLIDE. DURING EACH OF THE STAKEHOLDER EVENTS, THE TEAM PRESENTED AN OVERVIEW OF A RANGE OF POSSIBLY PREMIUM GAS PRODUCTS THAT EACH HAVE ASSOCIATED ENVIRONMENTAL BENEFITS. AS WELL AS A RANGE OF POTENTIAL CUSTOMER PROGRAMS THAT COULD ENHANCE THE VALUE OF THOSE PRODUCTS AND DRIVE INCREASED INTEREST AND PARTICIPATION FROM ABAG POWER MEMBERS. WE THINK IT'S WORTH SPENDING A FEW MINUTES TO PROVIDE A BRIEF OVERVIEW OF EACH OF THOSE PRODUCT AND PROGRAM OPTIONS NOW, WHICH WE HOPE WILL PROVIDE A SOLID FOUNDATION FOR THE SUBSEQUENT SLIDES. I'M GOING TO MOVE RELATIVELY QUICKLY THROUGH THIS. AGAIN, WE'LL HAVE SOME OPPORTUNITY FOR DISCUSSION AT THE END. BUT BEGINNING WITH THE PRODUCTS ON THE LEFT SIDE OF THE SLIDE, WE REALLY STARTED THE DISCUSSION WITH A CONVERSATION ABOUT BLUE NATURAL GAS PRODUCTS. THIS IS ESSENTIALLY THE BUNDLING OF CERTIFIED CARBON OFFSETS WITH THE GAS SUPPLIES. AND MANY OF US ON THE CONSULTING TEAM HAD LEARNED OF THIS APPROACH A NUMBER OF YEARS AGO, MAYBE SEVEN OR EIGHT YEARS AGO, SOME OF YOUR PEER ORGANIZATIONS LIKE PALO ALTO MUNICIPAL UTILITY OFFERED A BLUE NATURAL GAS PILOT WHICH HAS BEEN SINCE TURNED INTO THE DEFAULT PRODUCT STILL OFFERED

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BY PALO ALTO TODAY. FROM THERE, WE MOVED INTO A DISCUSSION ABOUT BIO GAS, WHICH IS A VERY INTERESTING CONVERSATION IN CALIFORNIA. WE SEE A LOT OF EMERGING BIO GAS SUPPLY COMING FROM DAIRY FARMS, FROM WASTEWATER TREATMENT FACILITIES, AND NOW FROM LANDFILLS, AS WELL. AND WITH A LITTLE ADDITIONAL WORK, THAT BIOGAS CAN BE CLEANED UP INTO A PIPELINE QUALITY PRODUCT WHAT WE CALL RENEWABLE NATURAL GAS OR RNG THAT BECAME A STRONG FOCUS OF THE DISCUSSION. THERE IS A WHOLE LOT GOING ON RELATED TO THE DEVELOPMENT OF RNG SUPPLIES AND MANDATES FOR PROCUREMENT FOR THOSE TYPES OF PRODUCTS. SO WE'LL COME BACK TO THAT. WE ALSO TALKED A LOT ABOUT LOW CARBON TRANSPORTATION FUELS. MANY OF YOU MIGHT BE FAMILIAR WITH CALIFORNIA'S LOW CARBON FUEL STANDARD, LCFS, OR THE FEDERAL EQUIVALENT TO THAT WHICH IS KNOWN AS THE RENEWABLE IDENTIFICATION NUMBER PROGRAM, THESE OFFER VERY LOW CARBON INTENSITY FUELS FOR TRANSPORTATION APPLICATIONS TYPICALLY COMPRESSED NATURAL GAS VEHICLE FLEETS. WE'RE ALSO TALKED ABOUT SOMETHING THAT RYAN MENTIONED A MINUTE AGO WHICH WE'RE REFERRING TO AS RESPONSIBLY SOURCED NATURAL GAS OR RSG. THIS IS INTERESTING, BECAUSE THERE IS A NEW RECENTLY ADOPTED CERTIFICATION FOR RSG, WHICH IS CALLED "TRUST WELL" IT INCLUDES VALIDATION THIRD PARTY VERIFICATION OF THE CONTENT OF THE CERTIFIED PRODUCT, WHICH OFTEN CONTAINS SOME PORTION OF GAS THAT'S BEEN EXTRACTED WITHOUT HYDRAULIC FRACTURING OR WHAT WE CALL FRACK-FREE NATURAL GAS. IT CAN ALSO INCLUDE SUPPLIES OF GAS THAT ARE SOURCED FROM MINORITY

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

BUSINESS ENTITY, DISADVANTAGED BUSINESS ENTITIES, AND THERE ARE SOME OTHER CATEGORIES, AS WELL. SO WE REFER TO THAT AS RESPONSIBLY SOURCED NATURAL GAS. AND THEN THAT BRINGS US TO A FRAMEWORK THAT MANY OF YOU ARE FAMILIAR, FROM THE ELECTRICITY SECTOR, WHICH IS THE RENEWABLE PORTFOLIO STANDARD FRAMEWORK. AND WE HAD LOTS OF DISCUSSION WITH STAKEHOLDERS ABOUT HOW THAT SAME CONCEPT COULD WORK, EQUALLY WELL, IN THE GAS SECTOR, AS IT HAS IN THE ELECTRICITY SECTOR, WHERE IT REALLY INCREASED SUPPLY AND DEMAND FOR RENEWABLE ENERGY PRODUCTS, AND ALSO REALLY DROVE DOWN THE PRICE OVER TIME. AND WE THINK ALL OF THAT CAN WORK EQUALLY AS WELL IN THE GAS SECTOR. MOVING OVER TO THE PROGRAMS, JUST BRIEFLY, I MENTIONED SB1383, THIS IS A NEW MANDATE THAT'S AFFECTING MANY OF YOU ON THE CALL TODAY. MANY OF THE JURISDICTIONS WE SPOKE TO TALKED ABOUT THE MANDATORY PROCUREMENT OF SOME OF THESE LAND FILLED PRODUCTS WHICH INCLUDE POTENTIALLY RENEWABLE NATURAL GAS. AND MANY MEMBERS INDICATED A DESIRE FOR SUPPORT AND WE'RE LOOKING TO ABAG POWER AS A POTENTIAL SOURCE OF THAT SUPPORT IN MEETING THEIR COMPLIANCE OBLIGATION. SO THAT'S A PROGRAM THAT WE COULD PUT TOGETHER THAT WOULD FEATURE THE INSTATE SUPPLIES OF OUR RNG. WE ALSO TALK A LOT ABOUT SOMETHING THAT RYAN TOUCHED ON A FEW TIMES IN HIS PRESENTATION, WHICH IS, CAN WE HAVE PROGRAMS THAT REALLY SUPPORT THE MEMBERS AND MAKING THE TRANSITION FROM THEIR GAS, THEIR CURRENT GAS PORTFOLIO TO ELECTRIC. IN OTHER WORDS SUPPORTING THE ELECTRIFY EVERYTHING,

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

WHICH IS SOMETHING THAT ABAG POWER IS VERY INTERESTED IN DOING. SO WE TALK A LOT ABOUT HOW WE CAN TAKE A PORTION OF THE PROCEEDS FROM PREMIUM GAS SALES, HOLD THEM IN A FUND, AND THEN RETURN THEM TO THE PARTICIPATING CUSTOMERS IN THE FORM OF AN INSTANT REBATE FOR ELECTRIFYING THEIR GAS EQUIPMENT, WHEN THEY'RE READY FOR THAT. WE ALSO TALKED A LOT ABOUT GHG ACCOUNTING AND VERIFICATION SUPPORT PROGRAMS AND TO HELP CITIES AND COUNTIES AND OTHER AGENCIES IN THEIR IMPLEMENTING THEIR CLIMATE ACTION PLANS HELPING THEM WITH MATERIALS THAT VERIFY THEIR EMISSIONS IN GAS PORTFOLIOS. AND TALKED ABOUT TRADITIONAL NATURAL GAS EFFICIENCY CARD PROGRAMS TO GET A SHOT IN THE ARM BY REQUIRING USERS TO USE PREMIUM PRODUCTS IN ORDER TO BE ABLE TO ACCESS THE INCENTIVES FOR GAS EFFICIENCY UPGRADE. NEXT SLIDE. WE'RE GOING TO DIG DEEPER INTO THE DETAILS OF THIS IN SUBSEQUENT SLIDES BUT HERE SHOWING HIGH LEVEL OUTCOMES OF THE STAKEHOLDER INPUT RECEIVED DURING THE ENGAGEMENT PROCESS. TO SUMMARIZE BRIEFLY ARROWS INDICATE PRODUCTS AND PROGRAMS RECEIVING THE MOST INTEREST AND ENGAGEMENT FROM ABAG POWER MEMBERS. THE DOWN ARROW BY THE BLUE GAS INDICATES THAT THE TEAM FOUND THERE WAS A HIGHER DEGREE OF PRICE SENSITIVITY WHEN IT CAME TO THIS PRODUCT TYPE AND THUS A SLIGHTLY LOWER LEVEL OF INTEREST. HOWEVER, OVERALL, THERE IS STILL INTEREST AND VALUE FOR MEMBERSHIP MEMBERS AND STAKEHOLDERS IN THE BLUE GAS PRODUCT. THE BOLD FONT INDICATE ITEMS WHERE THE VALUE WAS STRONGLY SUPPORTED AND REINFORCED

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

THROUGHOUT OUR CONVERSATIONS WITH STAKEHOLDERS. NEXT SLIDE. ALL RIGHT HOPEFULLY THAT OVERVIEW OF THE PROCESS PROVIDES FOUNDATION OF OUR NEXT SEGMENT WHICH FOCUSES ON SUMMARY OF TOP FINDING FROM THE PROCESS. NEXT SLIDE. STARTING WITH KEY FINDING IS FROM ROUND ONE. STAKEHOLDERS CONSISTENTLY FOUND THAT THE STATE GOALS AND MANDATES ARE INDEED DRIVING INCREASED DEMAND AND VALUE FOR PREMIUM GAS PRODUCT IN CALIFORNIA. THESE MANDATES INCLUDE A STRONG PUSH FOR CLIMATE PROTECTION THROUGH DECREASED GHG EMISSIONS AND AN INCREASED USE OF RENEWABLE PRODUCTS AT THE COMMUNITY LEVEL. ANOTHER THING THAT WAS UNDERSCORED BY MANY STAKEHOLDERS IS THE NEED FOR RIGOR AND TRANSPARENCY WHEN IT COMES TO PREMIUM ENERGY PRODUCTS INCLUDING PREMIUM GAS PRODUCTS WITH ASSOCIATED ENVIRONMENTAL BENEFITS. STAKEHOLDERS CONVEYED THAT A THIRD PARTY VERIFICATION OF THE CONTENT AND/OR SOURCING OF ANY PREMIUM GAS PRODUCT, FOR EXAMPLE, GREENY CERTIFICATION WOULD BE IMPORTANT ESPECIALLY WITH ANY DIVERSIFIED SUPPLIES. THE TEAM CONFIRMED THAT COST OF ANY PREMIUM GAS PRODUCT WILL BE OF CRITICAL IMPORTANCE FOR ANY STAKEHOLDERS CONSIDERING PROCUREMENT OF SUCH PRODUCTS FROM ABAG POWER. MEMBERS OF THE STAKEHOLDERS CONSISTENTLY REPORTED THAT BUDGET CONSTRAINTS ARE A MAJOR FACTOR IN THEIR DECISION MAKING PROCESS. HOWEVER, MANY MEMBERS ALSO CONFIRMED THAT THEIR JURISDICTIONS ARE PURCHASING OPT UP PREMIUM ELECTRICITY PRODUCTS FOR EXAMPLE, DEEP GREEN PRODUCTS OFFERED BY CCA' WHICH INDICATES WILLINGNESS TO PAY MORE FOR

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

VERIFIED ENVIRONMENTAL BENEFITS. ANOTHER THING THAT AROSE DURING ROUND ONE OF THE ENGAGEMENT PROCESS WAS WHILE STATE MANDATES ARE DRIVING INCREASED DEMAND FOR PREMIUM GAS PRODUCTS SUPPLIES THAT HAVE BEEN SB1383 COMPLIANCE ARE NASCENT AND CURRENTLY SEVERELY CONSTRAINED IT WILL TAKE TIME FOR THOSE TO BE COMPLIANT WITH LOCAL LANDFILLS AND THERE IS OPPORTUNITY FOR ABAG POWER TO BECOME AN ESSENTIAL BUYER FOR 1383 COMPLIANCE IN RENEWABLE NATURAL GAS, AND PREMIUM GAS PRODUCTS SUCH AS WELL. CFS COMPLIANT FOR FLEET VEHICLES IS READILY AVAILABLE IN THE MARKET TODAY. NEXT SLIDE. LET'S LOOK AT FINDINGS FROM ROUND TWO ENGAGEMENT PROCESS NOW. ONE OF THE MOST CONSISTENT FINDINGS WAS THAT CITIES COUNTIES, AND OTHER GOVERNMENT AGENCIES ARE STRONGLY MOTIVATED TO REDUCE GHG EMISSIONS OVERALL, AND THAT NATURAL GAS EMISSIONS ARE ONE OF THE DIFFICULT PARTS OF THEIR GHG PORTFOLIOS TO REDUCE. BASED ON THE FACT THAT MANY STAKEHOLDERS REPORTED PAYING A PREMIUM FOR OPED UP ELECTRICITY PRODUCT THERE IS A GROWING OPPORTUNITY FOR SIMILAR PREMIUM PRODUCT OFFERING IN THE GAS SECTOR. THE TEAM HOSTED A NUMBER OF FOCUS GROUPS WITH VENDORS AND SUPPLIERS OF PREMIUM GAS PRODUCTS AND THROUGH THOSE EXTENSIVE DISCUSSIONS HAS FOUND THAT SB1383 COMPLIANT RNG SUPPLIES ARE CURRENTLY QUITE LIMITED. HOWEVER, SUPPLIERS INDICATED THAT THERE IS A PATHWAY FOR ABAG POWER TO SUPPORT THE DEVELOPMENT OF THOSE INSTATE RNG SUPPLIES AND THERE WAS STRONG INTEREST EXPRESSED BY MANY MEMBERS IN HAVING THE ABILITY TO PROCURE SB1383

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

COMPLIANT GAS FROM ABAG POWER. AGAIN, THOSE STAKEHOLDERS UNDERSCORED THE IMPORTANCE OF COST WHEN WEIGHING ANY DECISIONS REGARDING THE OPT UP PREMIUM PRODUCT PROCUREMENT. STAKEHOLDERS INDICATED THEY WOULD ALSO WEIGHT THE AVOIDANCE OF SB1383 FINANCIAL PENALTIES FOR NON-COMPLIANCE AS A FACTOR IN THEIR DECISION REGARDING PROCUREMENT OF ANY PREMIUM SB1383 COMPLIANT PRODUCT. STAKEHOLDERS CONSISTENTLY EMPHASIZED THE IMPORTANCE OF ELECTRIFICATION AND DECARBONIZATION TO ACHIEVING THEIR COMMUNITY WIDE CLIMATE PROTECTION GOALS AND MANDATES. BUT THE TEAM IS CONFIDENT THAT ENHANCED INCENTIVES FOR ELECTRIFICATION AND DECARBONIZATION CAN BE A FEATURE OF CUSTOMER PROGRAMS. NEXT SLIDE. SO WITH THAT, I'M GOING HAND IT OVER TO MARK ESTRADA FROM GTP TO TAKE IT OVER FROM THERE. ARE YOU READY?

MARK ESTRADA: GOOD AFTERNOON EVERYBODY MY NAME IS MARK ESTRADA PRESIDENT OF GTP, PRIMARY CONSULTANT ON THIS PROJECT. I'LL GO OVER FINDINGS. THE GRAPH SHOWS RESPONSES DURING THE MEMBER'S ROUNDTABLE DURING THE SECOND ROUND. THE FIRST CHART SHOWS THE RESULTS FOR RESPONSIBLY SOURCED GAS WITH 50% SAYING YES THEY'RE INTERESTED AND 50% SAYING MAYBE, BASED ON PRICE. THE SECOND GRAPH SHOWS THE POLLING RESULTS FOR A PREMIUM GAS PRODUCT FOR CARBON OFFSETS THE BLUE GAS PRODUCT NINE% SAYING YES, 73% SAYING MAYBE, BASED ON PRICE AND 18% SAYING NO. THIRD GRAPH RESULTS FOR THE 1383 COMPLIANT, 91% YES, NINE% MAYBE BASED ON PRICE, AND 0% SAYING NO. NEXT SLIDE PLEASE. ONE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

CRITICAL ASPECT FOR OUR ANALYSIS OF THE PORTFOLIO IS TO DELVE DEEPER INTO THE PRICING SENSITIVITIES THAT CHRIS MENTIONED. PRICING IS AN IMPORTANT PART OF IT. WE FRAMED QUESTIONS DURING THE ROUNDTABLES THAT FOCUSED ON WHAT WERE THE UPPER LIMITS FOR PRICING. IN THIS SUPPLIED IT REPRESENTS THE PRICING RANGE FOR RSG PRICING SENSITIVITIES WITH 89% OF THE RERESPONDENTS WITH 3% SAYING UPPER LIMIT WAS ACCEPTABLE, 33% INDICATING INTERESTED IN UP TO $0.06 PER THERM PREMIUM AND ALL THIS TRANSPARENCY AND VERIFICATION WAS A CRITICAL COMPONENT IN ALL OF THESE. NEXT SLIDE PLEASE. -- -- THIS SLIDE REPRESENTS THE LCFS, CHRIS MENTIONED, CALIFORNIA HAS AN LCFS PROGRAM, ALONG WITH RENS, AND WE WERE TRYING TO GAIN THE INTEREST LEVEL OF LCFS, AND REN'S PROGRAM, YOU CAN SEE HERE, 67% WERE INTERESTED, DEPENDING ON PRICE, AND 33% WERE NOT INTERESTED, AND ON MOST LIKELY DID NOT HAVE LCFS QUALIFIED PROGRAM. WHAT WAS INTERESTING WAS 8% OF THE MEMBERS POLLED SAID THEY'RE CONTEMPLATING NEW CNPG PROGRAMS. NEXT SLIDE. THE NEXT SLIDE IS THE POLLING RESULTS FOR THE BLUE NATURAL GAS WHICH IS THE CARBON OFFSETS. 70% OF THE MEMBERSHIP SAID THAT THEIR UPPER LIMIT WAS A $0.10 PER THERM PREMIUM, 30% SAID A HIGHER PREMIUM OF $0.30 PER THERM WOULD BE ARE INTEREST, AND ULTIMATELY, THE TRANSPARENCY, ESPECIALLY ON THE CARBON OFFSETS IS EXTREMELY IMPORTANT. NEXT SLIDE. THE SB1383RNG PROCUREMENT WAS IMPORTANT FOR US TO DETERMINE AT WHAT LEVELS, BECAUSE THERE ARE SO MANY CHOICES FOR RNG, AND AS CHRIS MENTIONED, THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

SUPPLY RESOURCES FOR THIS IS NASCENT. WE WANTED TO SEE BOTH ON MEMBERSHIP RESPONSES AS WELL AS ENGAGEMENT WITH SUPPLIERS WHERE THOSE RANGES WOULD FALL AND AS YOU CAN SEE HERE, 70% SAID THE UPPER LIMIT WOULD BE ABOUT $TWO PER THERM AND 10% SAID THEY WOULD GO TO THREE AND A HALF DOLLARS PER THERM. WE DO SEE A ROLE HERE FOR ABAG. BECAUSE OF ABAG POWER'S EXPERIENCE WITH NATURAL GAS, AND TRANSPORTATION, AND THAT WILL BE CRITICAL AS JURISDICTIONS LOOK AT THEIR OPTIONS TO MEET THE PROCUREMENT REQUIREMENTS FOR SB1383. NEXT SLIDE, PLEASE. THIS SLIDE IS A GRAPHICAL WAY TO SHOW THE RANGES FOR EACH TYPE OF SUPPLY PRODUCT THAT WOULD BE USED FOR EACH PROGRAM THAT CHRIS WENT THROUGH. AND I THOUGHT IT WAS A GOOD WAY TO SHOW THE VARIABILITY FOR EACH. I'LL GO THROUGH IT. THE BLUE GAS IS MAINLY THE CARBON OFFSETS OR A LESS EXPENSIVE OPTION, WHICH IS WHY THE RANGE IS MUCH SMALLER. WHEN YOU GET INTO THE RNG OPTIONALITY, YOU HAVE OUT OF STATE OPTIONS, AS WELL AS INSTATE OPTIONS, SB1383 COMPLIANT AND RSG COMPLIANT. RSG HAS A WIDER RANGE BECAUSE OF THE POTENTIAL NEED FOR OUT OF STATE OR INSTATE DEPENDING ON WHAT THE JURISDICTION DECIDE ON, SO WE WANT TO MODEL THAT CORRECTLY AND PROVIDE THOSE RANGES. LCFS HAS A NEGATIVE BECAUSE OF THE CREDIT THAT'S RECEIVED FOR THE LCFS PROGRAM. NEXT SLIDE, PLEASE. WITH THAT, I'LL TURN IT BACK TO RYAN.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

RYAN JACOBY: SURE. THANK YOU, CHRIS. I WANT TO START BY, JUST, FRANKLY APOLOGIZING, I KNOW WE'RE AT 1:00 P.M. HERE. WE HAD ORIGINALLY ANTICIPATED THIS MEETING WOULD RUN FROM 11:00 A.M. TO 1:00 P.M. IF YOU ARE ABLE TO SWING AN ADDITIONAL 30 MINUTES OR SO, IF YOU DO NOT HAVE A HARD STOP AT 1:00, I WOULD HIGHLY ENCOURAGE YOU TO STICK AROUND FOR THE ADDITIONAL HALF HOUR. WE HAVE AN EXCITING PRESENTATION FROM CAL RECYCLE, AS WELL, ABOUT SB1383 COMPLIANCE, SO, AGAIN, I THINK THAT WILL BE AN INFORMATIVE AND ENCOURAGING PRESENTATION FOR THE COMMUNITIES ACTIVELY TRYING TO FIGURE OUT THEIR COMPLIANCE STRATEGIES. FOR THE COUPLE OF SITES THAT WE HAVE LEFT FOR PRELIMINARY CONCLUSIONS I CAN SUMMARIZE THOSE VERBALLY. THE PRELIMINARY CONCLUSIONS ARE INTENDED TO BRIDGE THE OUTCOMES OF THE STRIKE HOLDER ENGAGEMENT PROCESS AND TO GIVE US A PREVIEW OF METHODS FOR POTENTIAL OFFERINGS. LOOKING AT THREE WAYS, ONE WITH RENEWABLE NATURAL GAS ONE WITH CONSOLIDATED RENEWABLE PORTFOLIO STANDARD OR RPS STYLE APPROACH THAT DISPLACES OVER TIME FOSSIL BASED GAS PREFERRING INSTEAD RESPONSIBLY SOURCED ASH ON OFFSET GAS AND RENEWABLE NATURAL GAS GOES IN AND OUT OF STATE AS AVAILABILITY WIDENS IN COMING YEARS. NEXT IS ELECTRIFICATION COMPONENT BOTH FOR BUILDINGS AND FLEET. AS CHRIS MENTIONED WE DO RECOGNIZE AND ENCOURAGE THAT ELECTRIFICATION IS AN IMPORTANT ASPECT OF MANY MEMBERS CLIMATE ACTION PLANS, AND FRANKLY I DON'T KNOW OF A GAS OR SINGLE FUEL PROVIDER ENCOURAGING ELECTRIFICATION YET, OR, YOU KNOW, AT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

LEAST IN THE NEAR-TERM FUTURE. SO I THINK THAT WILL BE A VALUABLE PROGRAM OFFERING, THAT'S, FRANKLY, YOU KNOW, POSSIBLE, BOTH ON A BUILDING AND VEHICLE FUEL SIDE. WITH THAT, I WOULD LIKE TO HAND IT BACK TO ANGELA TO INTRODUCE OUR SPEAKERS FOR THE NEXT AGENDA ITEM.

ANGELA WALTON, VICE CHAIR: BEFORE THAT, RYAN, I THINK YOU NEED TO ASK, IF WE HAVE ANY PUBLIC COMMENTS ON THIS PARTICULAR ITEM. WOULD THE CLERK INFORM US WHETHER OR NOT WE HAVE PUBLIC COMMENTS RECEIVED FOR THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

ANGELA WALTON, VICE CHAIR: OKAY WITH THAT SAID, WE'RE GOING TO MOVE ON TO ITEM EIGHT, SB1383 COMPLIANCE STRATEGIES. THIS IS AN INFORMATIONAL ITEM. AND I WOULD LIKE TO INTRODUCE AND WELCOME JULIA DOLOFF AN ENVIRONMENTAL SCIENTIST WITH CAL RECYCLE AND AFTERWARDS WE HAVE WANDA REDIC JOINING US WITH OPPORTUNITY TO LEARN FROM THE CITY OF OAKLAND'S CURRENT COMPLIANCE STRATEGY. JULIE?

JULIE DOLLOFF: ALL RIGHT. THANK YOU. GIVE ME A MINUTE AND I'LL PULL UP MY SLIDES. THEY'RE ALREADY THERE. THANK YOU SO MUCH. IT'S SO NICE WHEN SOMEONE ELSE DOES THAT. FOR THE SAKE OF TIME

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

I'M GOING TO TRY TO RUN THROUGH THIS QUICKLY FOR YOU ALL. I'M GOING TO PROVIDE A BRIEF REVIEW OF THE REQUIREMENTS FOR 1383 COMPLIANCE, AND THEN DIVE RIGHT INTO THE PROCUREMENT REQUIREMENTS. NEXT SLIDE, PLEASE. SO, SB1383 IS A VERY IMPORTANT CHANGE FOR HOW CALIFORNIA IS GOING TO MANAGE ITS ORGANIC WASTE GIVEN THAT ORGANIC WASTE COMPRISES OVER HALF OF CALIFORNIA'S DISPOSED WASTE STREAM AND FOOD WASTE ALONE COMPRISES 13% OF THE STATE'S DISPOSED WASTE. THIS IS AT A TIME WHEN APPROXIMATELY 8 MILLION CALIFORNIANS ARE FOOD INSECURE. NEXT SLIDE PLEASE. SB1383 AS YOU ALL KNOW WAS DESIGNED TO REDUCE GLOBAL WARMING SUPER POLLUTANTS INCLUDING METHANE AND LANDFILLS ARE 1 OF 3 LARGEST PRODUCERS OF METHANE IN THE STATE WE NEED TO MOVE AWAY FROM LANDFILLING ORGANIC WASTE AND OF COURSE EDIBLE FOOD. REDUCTION OF ORGANIC WASTE DISPOSAL REDUCTION BY 75% AND INCREASE EDIBLE FOOD RECOVERY BY 20% BY 2025. REGULATIONS TAKE EFFECT ON JANUARY 1ST, 2022 COMING UP QUICK. JURISDICTIONS MUST HAVE THEIR PROGRAM IN PLACE BY THAT DATE AND CAL RECYCLE CAN BEGIN ENFORCEMENT ACTIONS AT THAT TIME. NEXT SLIDE PLEASE. SO THIS SLIDE PROVIDES A BRIEF SNAPSHOT OF THE PROGRAM REQUIREMENTS THAT JURISDICTIONS WILL BE REQUIRED TO ADEQUATELY STAFF AND RESOURCE. NEXT SLIDE, PLEASE. SB1383 DOES EXTEND WELL BEYOND WASTE MANAGEMENT AND RECYCLING OPERATIONS AND STAFF. RIGHT NOW JURISDICTIONS ARE CURRENTLY PLANNING FOR IMPLEMENTATION. NEXT SLIDE PLEASE. ALL RIGHT. SO NOW INTO THE PROCUREMENT REQUIREMENTS THAT

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

YOU'RE ALL WAITING FOR. ONE OF THE KEY COMPONENTS OF THE REGULATION ARE THE PROCUREMENT REQUIREMENTS. JURISDICTIONS HAVE TWO DISTINCT PROCUREMENT REQUIREMENTS. THOSE ARE TO PROCURE RECOVERED ORGANIC WASTE PRODUCT AND RECYCLED CONTENT PAPER. RECYCLED ORGANIC WASTE PRODUCTS INCLUDE MULCH COMPONENT ANAEROBIC PRODUCT INCLUDING TRANSPORTATION FUEL ELECTRICITY GAS USED FOR HEATING ELECTRICITY AND BIOMASS CONVERSION REGULATIONS ARE DETAILED TO WHAT MAKES THESE PRODUCTS ELIGIBLE TO PROCUREMENT THE PRODUCTS MUST BE MADE FROM CALIFORNIA, LANDFILL DIVERTED ORGANIC WASTE AND SPECIFIC TYPES OF FACILITIES OR OPERATIONS. CAL RECYCLE WILL ASSIGN AN ANNUAL PROCUREMENT TARGET TO EACH JURISDICTIONS BASED ON POPULATION SIZE. JURISDICTIONS WILL BE INFORMED OF PROCUREMENT TARGETS POSTED ON OUR WEB SITE AND DIRECT WRITTEN NOTIFICATION. THE TARGET WILL BE RECALCULATED EVERY FIVE YEARS TO ACCOUNT FOR CHANGES IN POPULATION SIZE. AS A PROCUREMENT OF ORGANIC WASTE PRODUCTS, JURISDICTION IS DEFINED AS CITY COUNTY OR CITY AND COUNTY. JURISDICTIONS ARE ENCOURAGED TO WORK WITH SPECIAL DISTRICTS REGIONAL AGENCIES AND OTHER JURISDICTIONS, AND OTHER SIMILAR ENTITIES TO HELP JURISDICTIONS MEET ITS PROCUREMENT TARGETS PROVIDED THIS IS ACCOMPLISHED THROUGH A DIRECT SERVICE PROVIDER CONTRACT OR WRITTEN AGREEMENT. NEXT SLIDE PLEASE. THE JURISDICTIONS CAN MEET THEIR PROCUREMENT TARGET THROUGH DIRECT PROCUREMENT OR A DIRECT SERVICE PROVIDER. AN EXAMPLE OF DIRECT PROCUREMENT WOULD BE A JURISDICTION DIRECTLY USING THE

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

PRODUCTS THEMSELVES OR GIVING IT AWAY. IT'S IMPORTANT TO NOTE THAT THE REGULATION'S LIMIT PROCUREMENT TO USE OR GIVE AWAY DON'T INCLUDE THE SALE OF PRODUCTS. AN EXAMPLE OF A DIRECT SERVICE PROVIDER WOULD BEING A JURISDICTION CONTRACTING WITH A HAULER TO PROCURE ELIGIBLE PRODUCTS ON BEHALF OF THAT JURISDICTION. PROCUREMENT THROUGH A DIRECT SERVICE PROVIDER REQUIRES THAT A JURISDICTION HAVE A WRITTEN CONTRACT OR AGREEMENT WITH THAT DIRECT SERVICE PROVIDER TO PROCURE PRODUCTS ON BEHALF OF THAT JURISDICTION. PROCUREMENT DOES NOT NECESSARILY MEAN THAT -- [INDISCERNIBLE] HAVE TO BE PURCHASED. JURISDICTIONS THAT OWN AN ORGANICS RECOVERY FACILITY WITH PROCURE PRODUCTS FOR A COUNTY OR CITY WITHOUT FINANCIAL TRANSACTION. ADDITIONALLY PRODUCTS THAT ARE PROCURED DON'T HAVE TO BE PROCURED WITHIN THE JURISDICTION MADE FROM ORGANICS COLLECTED WITHIN A JURISDICTION OR EVEN USED WITHIN THE JURISDICTION. AND LASTLY, CAL RECYCLE BUILT A MECHANISM INTO THE REGULATION WHERE THE TARGET CAN BE LOWERED TO ENSURE A JURISDICTION DOES NOT PROCURE MORE ORGANIC WASTE PRODUCTS THAN IT CAN USE. AND JURISDICTIONS CAN SUPPORT USE OF THE LOWER PROCUREMENT TARGET BY SHOWING THE AMOUNT OF FUEL, ELECTRICITY AND GAS USED FOR HEATING APPLICATIONS PROCURED IN THE PREVIOUS YEAR IS LOWER THAN THEIR PROCUREMENT TARGET. AND THIS MECHANISM WILL BE TRIGGERED BY A JURISDICTION AS PART OF THEIR ANNUAL REPORT TO CAL RECYCLE AND THE JURISDICTION MUST KEEP RECORDS TO SHOW USE OF THAT REDUCED TARGET. NEXT SLIDE PLEASE.

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

SO THE SECOND PIECE OF THE PROCUREMENT REQUIREMENTS ARE THE RECYCLED PAPER PROCUREMENT REQUIREMENTS, AND I DON'T THINK THESE ARE AS RELEVANT TO THIS GROUP, SO I'M GOING TO 65 OVER THIS SLIDE AND KEEP GOING. NEXT SLIDE PLEASE. SO JURISDICTIONS HAVE SOME RECORD KEEPING REQUIREMENTS SO THAT CAL RECYCLE CAN VERIFY COMPLIANCE WITH THE PROCUREMENT REQUIREMENTS. NEXT SLIDE. THERE ARE ALSO REQUIREMENTS FOR JURISDICTIONS TO REPORT ANNUALLY TO CAL RECYCLE TO DEMONSTRATE COMPLIANCE WITH THE REGULATIONS AND FOR PROCUREMENT REPORTING REQUIREMENTS FOR JURISDICTIONS ARE VERY MINIMAL. NEXT SLIDE. THIS SLIDE HIGHLIGHTS TOOLS AND RESOURCES THAT ARE CURRENTLY AVAILABLE TO HELP JURISDICTIONS IMPLEMENT THE PROCUREMENT REQUIREMENTS. SO TO SUMMARIZE, WE HAVE A PROCUREMENT CALCULATOR TOOL THAT CAN HELP JURISDICTIONS PLAN FOR PROCUREMENT AND TRACK ITS PROGRESS TOWARDS MEETING ITS TARGET. WE'VE ALSO HAVE A WEBINAR RECORDING POSTED TO OUR WEB SITE THAT GOES OVER THE TRAINING THAT WE HOSTED FOR THAT PARTICULAR TOOL. WE ALSO HAVE PUBLISHED RECORDINGS FROM REGIONAL WEBINARS THAT WE HOSTED THIS PAST SPRING WHICH INCLUDED A SECTION ON THE PROCUREMENT REQUIREMENTS AND A LIVE Q&A SESSION. WE HAVE A MODEL PROCUREMENT POLICY WHICH IS CUSTOMIZABLE FOR JURISDICTIONS THAT ARE MANNING TO DEVELOP AND ADOPT A PROCUREMENT POLICY. AND WE HAVE ALSO PUBLISHED CASE STUDIES ON THE WEB SITE TO HIGHLIGHT JURISDICTION THAT IS ALREADY TAKING ACTIONS TOWARDS COMPLIANCE AND WE HAVE MANY

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

FAQS THAT ARE CURRENTLY PUBLISHED AND THAT ARE COMING. NEXT SLIDE PLEASE. LAST ON MY PRESENTATION, IT WAS VERY HIGH LEVEL BUT THE GROUP SEEMS TO BE AWARE OF THE REQUIREMENTS, NEXT I HAVE OUR ASSOCIATES WHO MANAGE OUR BAY AREA SECTION FOR LOCAL, AS WE'RE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE TODAY.

RYAN JACOBY: THANK YOU. I THINK WE'RE ALSO GOING HEAR FROM WANDA REDIC FROM THE CITY OF OAKLAND.

WANDA REDIC: HI EVERYONE. SO, I'M WANDA REDIC A SENIOR RECYCLING SPECIALIST FROM THE CITY OF OAKLAND, I HAVE BEEN WORKING IN WASTE AND RECYCLING IN GOVERNMENT FOR 27 YEARS. FOR TODAY'S PRESENTATION I DON'T HAVE A SLIDE SHOW, I JUST LIKE TO TALK AND IT'S EASIER FOR ME TO TALK WITHOUT MAKING THE SLIDES TO KEEP UP WITH ME. THERE ARE A LOT OF THINGS THEY WAS GOING TO TALK ABOUT IN THE PRESENTATION THAT MY COLLEAGUES HAVE ALREADY COVERED, SO I WILL BYPASS ALL OF THAT AND JUST JUMP TO WHAT THESE REGULATIONS MEAN FOR OAKLAND. SINCE THE REGULATIONS REQUIRE COMPOST TO BE PROCURED ON A .08 TONS PER CAPITA, PER PERSON, RESIDING IN YOUR CITY, THAT MEANS FOR OAKLAND, THAT WE HAVE A 32,000 PLUS TONS OF COMPOST THAT WE WOULD BE REQUIRED TO PROCURE ANNUALLY, AT AN ESTIMATED COST OF $5.2 MILLION, AND HAVING A MAJORITY OF RESIDENTS IN THE LOW-INCOME TO VERY LOW-INCOME, IT WOULD BE IN OUR ESTIMATION, IRRESPONSIBLE FOR US TO BURDEN THEM WITH ADDITIONAL TRASH COST BY INCREASING OUR

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

GARBAGE RATES TO PAY FOR THIS REQUIREMENT. KEEPING IN MIND ALSO THAT OUR GARBAGE RATES ARE ALREADY THE HIGHEST RATES IN THE COUNTY OF ALAMEDA, WE JUST CANNOT JUSTIFY, EVEN FOR COMPLYING WITH THESE REQUIREMENTS, BURDENING THEM WITH THESE COSTS. SO, WHAT IN THE WORLD COULD WE EVER DO? WELL, ONE OF THE THINGS THAT WE DID WAS WE DID A SURVEY OF OUR CITY, AND WE LOOKED AT ALL OF THE PLACES IN OUR CITY WHERE COMPOST COULD BE APPLIED THAT WERE OWNED BY CITY FACILITIES EVEN IF IT'S JUST A MEDIAN STRIP, WE HAVE LONG AND WIDE MEDIAN STRIPS IN THE CITY, AND WE WERE LOOKING AT ALL OUR PARKS, WE'RE LOOKING AT OUR CAPITAL IMPROVEMENT PROGRAMS, WE'RE LOOKING AT OUR WATER SHED PROGRAMS. WHAT ARE ALL THE OPPORTUNITIES IN YOUR CITY THAT WE COULD CHANGE OUR POLICIES AND CHANGE OUR PRACTICES TO INCLUDE COMPOST FROM ORGANIC WASTE FEED STOCKS. AND IN ADDITION THAT, BECAUSE THAT'S NOT GOING TO GET US VERY FAR, SO WE'RE NEGOTIATING WITH OUR CALLERS TO SEE IF THERE IS MORE COMPONENT THAT CAN COME OUT OF OUR COLLECTION AGREEMENTS, MORE COMPOST GIVEAWAYS IN OUR CITY. WHAT ARE THINGS THAT WE CAN READILY DO AND PUT OUR FINGERS ON EASILY AND GET TAKEN CARE OF. ADDITIONAL TOW THAT, WE'RE LOOKING AT PARTNERSHIPS. YOU HAVE HEARD THE DISCUSSION ABOUT DIRECT SERVICE PROVIDERS. WELL, THERE ARE A NUMBER OF POTENTIALLY LARGE ORGANIZATIONS IN OAKLAND THAT WE'RE TALKING TO, OR THAT WE WANT TO TALK TO. ONE OF THE LARGEST IS THE EAST BAY PARKS DISTRICT. THE REGIONAL PARKS DISTRICT HAS 11 LOCATIONS IN OAKLAND CITY LIMES AND

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

THEIR PARKS REACH OUT AND TOUCH A NUMBER OF JURISDICTIONS INSIDE AND OUTSIDE OF ALAMEDA COUNTY. SO WE'RE WORKING WITH THE ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY TO BEGIN TALKING WITH THOSE LARGE REGIONAL ORGANIZATIONS. WE'RE HOPING THAT CALTRANS WILL BECOME ONE. PARTNER AGENCIES. THEY HAVE LOCATION IN OAKLAND, THEY HAVE LOCATIONS ALL OVER THE STATE. IF THERE IS OPPORTUNITY TO WORK WITH THEM TO GET PROCUREMENT CREDIT FOR UTILIZING COMPOST IN THEIR ACTIVITIES WE WANT TO EXPLORE THAT. WE DID EXPLORE THE ENERGY ASPECT, BECAUSE WE HAD THOUGHT THAT THE RENEWABLE ENERGY WOULD BE ONE OF THE WAYS WE MIGHT COMPLY WITH THIS REQUIREMENT. HOWEVER, THE REQUIREMENT WILL ONLY ALLOW YOU TO TAKE CREDIT FOR ENERGY THAT IS DERIVED BY ORGANIC WASTE MATERIAL. THAT IS THE LOWEST QUALITY OF ENERGY THAT'S AVAILABLE RIGHT NOW, AND THE QUALITY OF ENERGY THAT OAKLAND CURRENTLY USES IS THE TOP TIER. AND MANY OF OUR JURISDICTIONS USE THAT TOP TIER THAT'S ALL RENEWABLE, ALL WIND, ALL SOLAR, AND WE DON'T SEE WHY WE WOULD GO BACK, GO BACKWARDS AND USE A LOWER QUALITY ENERGY PROJECT, PARTICULARLY IN A CITY LIKE OURS, WHERE YOU HAVE A VERY LARGE POPULATION OF FOLKS WHO SUFFER FROM ASTHMA, AND WHO SUFFER FROM ALL OTHER TYPES OF RESPIRATORY ILLNESSES. WE DON'T WANT THEM TO BE EXPOSED TO ENERGY PRODUCTS OR GAS PRODUCTS THAT ARE NOT THE CLEANEST POSSIBLE. BECAUSE IT'S, FIRST, OUR RESPONSIBILITY TO TAKE CARE OF OUR CITIZENS, AND THEN WE'LL WORK ON COMPLYING WITH THESE REQUIREMENTS. SO THESE ARE THINGS THAT WE HAD TALKED TO CAL

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

RECYCLE ABOUT, DURING THE RULEMAKING PROCESS, WEREN'T ABLE TO SWAY THEM IN OUR DIRECTION BUT WE'RE GOING TO DO BEST WE CAN WITH RESOURCES WE HAVE AVAILABLE TO MAKE SURE WE COMPLY AS MUCH AS POSSIBLE. BUT AT SOME POINT, OAKLAND IS PREPARED TO DRAW THE LINE. WE ARE NOT GOING TO BURDEN OUR LOW-INCOME AND MODERATELY INCOME RESIDENTS WHO HAVE HIGH COST OF HOUSING, WHO ARE CONSTANTLY BEING WORRIED ABOUT EVICTIONS. WE'RE NOT GOING TO BURDEN THEM WITH THE COST OF COMPOST. WE WILL DO THE BEST THAT WE CAN WITH WHAT WE HAVE, AND WE WILL KEEP LOOKING FOR OPPORTUNITIES. THERE ARE OPPORTUNITY FOR THINGS LIKE GOLF COURSES, CEMETERIES, ALL KIND OF ORGANIZATIONS AND BUSINESSES AND COMPANIES OUT THERE WHO HAVE THE OPPORTUNITY TO APPLY COMPOST AND WE WILL BE KNOCKING ON ALL THEIR DOORS TO GET DIRECT SERVICE PROVIDER CREDITS FROM THEM THAT WE CAN APPLY TO OUR COMPLIANCE. SO THAT'S ABOUT ALL I HAVE TO SAY ON THAT. AND I'M HAPPY TO SAY THAT, IN OUR LEADERSHIP ROLE, WE HAVE CONVENED A GROUP WITH ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY, OR YOU MAY KNOW US AS "STOP WAYS" WE HAVE A PROCUREMENT COMMITTEE. I AM THE CHAIRPERSON FOR THAT COMMITTEE SEVERAL JURISDICTIONS SIT DOWN AND MEET ONCE A MONTH TO TALK ABOUT IDEAS FOR FINANCING, AND IDEAS FOR PROCUREMENT, AND APPLICATION, BECAUSE IF EVEN IF A CITY CAN AFFORD TO PURCHASE THE COMPOST THAT IS REQUIRED EACH YEAR THERE HAS TO BE STAFF TO APPLY THAT COMPOST WE'RE TALKING ABOUT POLICY AND THE IMPLEMENTATION OF THAT POLICY. SO, ANY JURISDICTION IS WELCOME

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

TO JOIN US. I PUT MY E-MAIL IN MY SIGNATURE BLOCK, AND STAFF AT ABAG ALSO HAVE MY CONTACT INFORMATION IF ANYONE WANTS TO SEND SOMEONE TO JOIN THAT COMMITTEE OR TO FIND OUT WHAT WE'RE TALKING ABOUT AND GET SAMPLES OF THE DOCUMENTS AND THINGS THAT WERE CREATED. THANK YOU.

JENNIFER BERG: ANGELA, I THINK YOU WERE ON MUTE. WERE YOU TALKING?

ANGELA WALTON, VICE CHAIR: YES I'M TALKING THE WHOLE TIME. I'M SORRY. [LAUGHTER] THANK YOU, BOTH JULIE AND WANDA FOR THEIR PRESENTATIONS. AND I WAS ALSO ASKING ARE THERE ANY COMMITTEE MEMBER DISCUSSION ON THE ITEM? NOT SEEING ANY. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THE ITEM? WILL THE CLERK INFORM US WHETHER WE HAVE ANY PUBLIC COMMENTS RECEIVED ON THIS ITEM?

CINDY CHEN, CLERK: I DID NOT RECEIVE ANY PUBLIC COMMENTS FOR THIS ITEM.

ANGELA WALTON, VICE CHAIR: OKAY. WITH THAT SAID, I AM -- I'M GOING TO -- THE NEXT REGULAR MEETING FOR ABAG POWER EXECUTIVE COMMITTEE IS SCHEDULED FOR DECEMBER 16TH, 2021. AND THIS MEETING OF THE BOARD OF DIRECTORS IS ADJOURNED AT APPROXIMATELY 1:20 P.M. [ADJOURNED]

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

1

This transcript was prepared from television closed captioning and is not certified for its form or content. Errors and omissions within this transcript have likely occurred. This document is provided as a convenience only and is not an official record of any action taken.

NTT

Broadcasting Government