

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

February 13, 2023

1. ROLL CALL

President Serventi called the meeting to order at 6:00 p.m. On roll call, the following commissioners were present: President Serventi, Vice President McKenna, Commissioner Giuntini, Commissioner Hunter, and City Manager Ott.

2. ORAL COMMUNICATIONS – NON-AGENDA (Public Comment)

Alameda Resident August Zajonc said that he would be interested in seeing more granular data collected from smart meters, to get better insight into household load.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

A1. Minutes of the January 23, 2023, Special Meeting of the City of Alameda Public Utilities Board

A2. Minutes of the January 23, 2023, Regular Meeting of the City of Alameda Public Utilities Board

B. Listing of Bills Paid – January 2023

C. Financial Report – December 2022

D. Treasurer’s Report for the Month Ending December 31, 2022

E. By Motion, Authorize the General Manager to Issue a Purchase Order to Conrad Forest Products in an Amount Not to Exceed \$29,300 for 17 Utility Poles

F. By Resolution, Authorize the General Manager to Issue Purchase Orders to Howard Industries, Inc., in an Amount of \$225,500 with a Contingency of \$22,600, for a Total Not to Exceed Amount of \$248,100 per Material Specification No. MS 05-18-01

G. By Motion, Accept the Independent Audit and Its Associated Reports From Maze & Associates of Alameda Municipal Power’s Financial Position for the Fiscal Years Ending on June 30, 2022, and June 30, 2021

- H. By Motion, Authorize the General Manager to Enter a Five-Year Services Agreement with Harris Computer Corporation, in a Total Amount Not To Exceed \$451,498 for Support and Maintenance Services of the Northstar Customer Information System

Following a motion from Commissioner McKenna and a second from Commissioner Hunter, the Board unanimously approved the Consent Calendar.

5. AGENDA ITEMS

- A. For Information and Feedback Only, Climate Action and Resiliency Plan Update

Following a presentation by City of Alameda Sustainability and Resilience Manager Danielle Mieler, Commissioner Hunter thanked Ms. Mieler and her staff for the work that went into preparing the report and presentation. The report showed that there were six residential multi-family and 10 commercial electric vehicle (EV) charger rebate applications, but no rebates issued. Commissioner Hunter asked if there was any reason the rebates had not been issued, and if there was any way to accelerate that process.

Ms. Mieler responded that she did not think there were any delays, only that the rebates had not been issued by the time the report was prepared, but will be captured in the next annual report. General Manager Procos added that the rebates do show up as they are completed in the monthly AMP General Manager's Report, as well. AMP reports based on fiscal year, while the City reports based on calendar year, which can create a discrepancy between them.

Commissioner Hunter asked for more information about the planned publicly accessible EV charging locations and if there is any way to support that effort and move it forward. Ms. Mieler said that the City is looking to identify viable City-owned parking lots and other publicly accessible locations to help expand the public EV charging network. Right now, the City is working with AMP on evaluating which sites have the available infrastructure and sufficient capacity to support charging deployment. General Manager Procos noted the amount available for rebates has also recently been increased in order to support the expansion of EV charging.

Commissioner McKenna thanked Ms. Mieler and staff for interesting and helpful report. She asked about the process and timeline for EV charger permitting and if there is a difference between single-family homes versus multiple chargers being installed. Ms. Mieler said that the City did implement a more streamlined EV charging permitting process a couple of years ago and has not received any complaints.

Commissioner McKenna asked if the City's urban forestation project is looking at native trees and taking into consideration trees that will do well in drought and other extreme weather patterns the area has been experiencing lately. Ms. Mieler confirmed that the City is looking at native species and also trying to include a good diversity of species and climate-adapted species. The program consultant has technical expertise on the issue. Alameda is unique in that it not only experiences issues with drought, but also has a very

high groundwater table with the potential to impact tree roots. Even in a drought, tree roots can sometimes still be in standing water. Commissioner McKenna asked if the City maintains the trees in public areas on a regular basis. Ms. Mieler said that the City has a contract with WCA for tree maintenance and coordinates with AMP on the interaction of trees and power lines and other infrastructure.

President Serventi appreciated the inclusion of a shoreline cleanup in the report and recommended expanding that to neighborhood cleanups, as well. If the City coordinated the effort with schools, it could be a great way to get kids engaged in community cleanup. On the topic of installing EV Chargers at the new ferry terminal at Seaplane Lagoon, President Serventi asked how the City will ensure that commuters do not park in the charging spaces for the length of their work day, making that space unavailable for others to use throughout the day. Ms. Mieler said that the expectation at the ferry terminals is that people will be parking there all day. Charging in City parking lots will have a much shorter turnaround on spaces with two-hour time limits.

President Serventi asked if there is a program to promote electrification in City, AMP, and school district buildings, to help lead the electrification effort for Alameda. Ms. Mieler agreed that the City, AMP, and the school district do have an opportunity to lead the electrification effort. She said that it is a policy of the Public Works department that when they make upgrades to City buildings, that they prioritize electrification. Most recently, the West End Branch Library upgraded its water heater and furnace to be electric as part of its annual maintenance. That is the plan of the City when those upgrades are needed.

Commissioner Hunter asked about City Ordinance 3309 for off-street parking and loading regulations that includes EV charging. In new multi-family and commercial buildings of a certain size, there is a requirement for a percentage of parking spaces to be Level 2 EV charger ready. She asked if these customers would still be eligible to receive a rebate from AMP if they decided to install the Level 2 EV chargers. General Manager Procos said that AMP would look into whether to allow the rebate in that circumstance, as the infrastructure to support the chargers is what is required, and not the EV charger installation itself. Commissioner Hunter expressed her support for rebates in such a case, as EV charging is a new enough technology that aligns with the City's and AMP's ambitious goals, and allowing rebates would be a worthwhile incentive to expand charging.

Mr. Zajonc spoke about his experience as a homeowner navigating home EV charging. He advocated for home charging as the ideal, but did express frustration with his former Homeowners Association in attempting to get a home charger installed. He said that AMP staff were incredible throughout the process. Now that he lives in a single-family home, he was able to install an EV charger and he said he could not have asked for a simpler process. He does think EV charging installation in multi-family units is an area to continue to work on because it's also an equity issue. Mr. Zajonc added that he supports the urban forestation plan, though he did have issues in the past with a tree on his property that was close to AMP lines, as it required coordination between the tree trimmer and AMP. As the

push for electrification and forestation goes forward, he would like to see better cooperation around public tree maintenance.

B. For Information and Feedback Only, Electric Vehicle – Time of Use Rate Review

Following a presentation by Energy Resource Analyst Midson Hay, Commissioner Hunter said that she appreciated the usage comparison graphs between customers who are on the Time of Use (TOU) rate and those who are not. She thought that the TOU rates could be a really powerful tool for customers who are electrifying and specifically those customers that are investing in load shifting technologies, such as solar and storage, heat pump water heaters, and heat pump space heating. These customers are increasingly going to have technologies that they can use to reduce their peak load and potentially shift their load to off peak times. Her general interest is in seeing whether this TOU rate could apply to customers who have solar and storage, heat pump water heaters, and heat pump space heaters. The thing that caught her eye about the presentation is that EV owners are actually able to reduce their peak usage, but it's unclear how much the EVs themselves are being used to reduce customer load in the home. Even if load shifting is not the primary use for EVs, customers on the TOU rate are still able to reduce their loads, and potentially, this rate could be a beneficial option for customers with other distributed energy resources.

General Manager Procos said that when staff prepared the presentation, they had not given a lot of thought to alternatives, but that he and Commissioner Hunter have had several discussions regarding TOU rates. One of the key takeaways is that the EV-TOU rate is successful in providing a benefit for increased EV use in Alameda. The rate has only been in effect a year and a half, but so far, the signs are really good in terms of other potential uses for it, and that is something that can be evaluated in the future. Building electrification is relatively recent and AMP has not seen a lot of applications for heat pump cooling and heating, but expansion of TOU is something to explore if that changes. Some of the larger utilities are doing some great work on things like vehicle-to-grid, including Sacramento Municipal Utility District (SMUD) and Pacific Gas & Electric (PG&E). As a smaller utility, AMP does have some constraints and it did take almost two years to launch the current TOU rate. We are pleased to see it going so well, but sometimes these things do take time.

Commissioner Hunter clarified that she was not necessarily advocating for a vehicle-to-grid pilot program at this time. Her comment was more intended to say that even with a technology that charges and doesn't yet discharge, customers are still observably shifting their peak. That shows that there is an inherent flexibility and adding on another technology will probably add even more flexibility. She appreciated the analysis and look into the future. She felt the timing is right with statewide incentives coming up offering rebates that can stack on top of AMP's local rebates, especially for heat pump technology. She wanted to compare data that was presented in the TOU item with data that was presented in the CARP item. EV-TOU enrollment is almost 700 customers, but the number of EV owners in Alameda is about 2,700 customers, putting the TOU rate at 25 percent adoption. She asked what could be done to further promote the program and

increase the adoption. Mr. Hay explained that the number of EV owners in Alameda includes battery electric, plug-in hybrid, and fuel cell vehicle owners. There are about 1,700 battery electric vehicles, which means the TOU adoption rate is actually 40 percent adoption rate, and that is assuming that every account only owns one electric vehicle.

Commissioner Hunter asked if AMP had gotten feedback from customers regarding whether they decided to go on the EV-TOU rate. General Manager Procos said that there is reason to believe a large number of customers own multiple EVs, which show up under total EV registrations, but result in a smaller percentage of adoption of the EV-TOU rate. However, AMP does track customer sign ups and drop offs to the program. Initially, customers with plug-in hybrids had signed up, but overall, they weren't seeing the savings that battery EV owners do, and decided to exit the program. AMP staff will also sit down with customers and go over their bills to make sure they can make the right decision for their situation before they leave the program.

Commissioner McKenna noted that TOU has been around for quite a while, but mostly with larger customers, and in her personal opinion, you'll find a lot of the world already has TOU rates because they are more constrained with their resources. That constraint may be an issue for AMP in the future, particularly as the energy industry becomes more expensive, both to maintain existing infrastructure and to build out infrastructure to embrace new technologies and renewables. A big educational program is going to be critical for customers in order to understand hours of the day and cost of electricity on the open market. AMP is a smaller utility and even the larger utilities have only recently begun offering TOU rates to residential customers. She added that she is one of the customers trying to determine if the EV-TOU rate would be beneficial, as it is hard to anticipate usage and timing for all household members.

President Serventi asked what the impact on revenues has been for EV-TOU customers. General Manager Procos said that AMP will be doing a cost-of-service review and bringing that back as part of the rate design in April. He mentioned that there has been a concern that the rate was originally structured to be revenue neutral, but that was because originally EV owners got a monthly discount, which was replaced by the EV-TOU rate. Now new customers who never received that monthly discount are also signing up and that will need to be incorporated into the cost-of-service update to ensure the rate is still revenue neutral. Customers have responded very well in terms of managing usage times, and part of that is the dramatic difference between the \$0.50 on peak and \$0.13 off peak rates. From a financial perspective, all that usage is being pushed into the \$0.13 rate, which is much different than under the original tiered rate, and while the EV usage forecast is going up, that usage won't necessarily translate into revenue.

Commissioner Hunter pointed out that there is a useful chart on the EV-TOU page on the AMP website that shows low usage customers, or Tier 1 customers, will not see a benefit from a TOU, unless they can reduce their own peak usage to less than 10 percent. Higher usage customers who go up into Tier 2 would see more benefit, which aligns with electrification. If customers are getting more electrification technology, then their usage will go up. As AMP is no longer offering a monthly discount for EV owners, she

wondered if, when AMP does the cost-of-service analysis, there could be any flexibility to go even a little bit lower on the peak rate and encourage customers to save money and still collect what is needed in revenues.

Alameda Resident and member of Community Action for a Sustainable Alameda (CASA) Ryan Bird spoke. He wanted to echo Commissioner Hunter's comments about AMP looking at TOU rates, not just for EVs, but also building electrification, specifically with flexible end uses. Mr. Bird works for a company called Energy Solutions that implements clean energy customer programs for utilities and will be working on the upcoming statewide Self-Generation Incentive Program (SGIP) for heat pump water heaters. This program will offer \$40 million in incentives that can stack with existing AMP rebates. AMP customers would be eligible for the incentive, but only if they are enrolled in a TOU rate. He said the SGIP water heater program feels like an ideal way to further the City's goals for decarbonization and electrification. He does understand that AMP's program budget has limitations, but he wanted to encourage the Board and staff to consider TOU potential beyond EVs, specifically with heat pump water heaters. Thank you.

Mr. Zajonc expressed his desire to see the Board request staff to evaluate a TOU rate for all customers. He noted he comes at the matter more on the accounting side of things, but that it seems like the cost of energy probably varies in the location marginal price. If there is an evaluation done, then AMP could send customers price signals, and it looks like customers are responding positively. He would also like to see an evaluation on the cost of infrastructure, to the degree that infrastructure costs are driven by peak. With the push to electrify keeping the peak down in conjunction with energy generation costs, it would be an interesting analysis. His understanding is that the California Public Utilities Commission's (CPUC) residential rate reform is pushing towards a default TOU rate structure, and a lot of other areas are going towards TOU rates to reflect the reality that energy does have a variable price. He said he is in the midst of electrification but had to pause it because there is no benefit for those in Tier 3 without a TOU rate. Access to EVs tends to be restricted to a single demographic and he likes the idea of the TOU rate being open to everybody. It will, of course, depend on the analysis. As an example, perhaps it would make sense to increase the cost of the lower, off peak rate.

President Serventi would like staff take a look at how the TOU program and rates are set up. As General Manager Procos mentioned, AMP will be doing a rate study. Right now, the Board and AMP have to be careful, understanding that a number of electric contracts are fixed rates, so it doesn't matter what time of the day it is, AMP will still pay the same amount for the electricity.

General Manager Procos added that AMP staff will be hosting a ride and drive EV workshop at the end of April, and will be on hand to discuss the EV-TOU rate and educate customers.

- C. By Resolution, Approve a Twelve-Year Purchase From Geysers Power Company LLC for up to Five Megawatts of Renewable Power From a Portfolio of Geothermal Projects Owned by Calpine and Authorize the General Manager to Execute a Third Phase Agreement with Northern California Power Agency to Enable Project Participation

Following a motion from Commissioner McKenna and a second from Commissioner Giuntini, the Board unanimously approved the item.

6. GENERAL MANAGER'S REPORT

General Manager Procos announced that AMP delivered a total of \$70,000 in EV charger rebates to Marina Village for 14 new Level 2 EV chargers. Marina Village now has a total of 32 chargers.

Staff recently held town hall meetings for the next two underground utility districts, so that process continues to move forward.

The City of Oakland reported that it was the victim of a ransomware attack. This is a good reminder that cyber-attacks are dramatically increasing. Fortunately, AMP has well-established protocols over the past couple of years that are detailed in the General Manager's Report. The Utility Information Systems team do continuous phishing exercises for all staff. General Manager Procos wanted to congratulate the IT team, led by Chief Utility Technology Office Steve Chiu, for really staying on top of the effort to promote cyber security and awareness within the organization.

Next month, the Public Utilities Board meeting will be held in person, as well as online, under the new hybrid meeting format.

7. CITY COUNCIL COMMUNICATIONS

City Manager Ott reported that at the last meeting on February 7, City Council approved a contract to commence a citywide strategic planning process. While AMP has its own strategic plan, this will be the larger City effort to create a collective vision for the Council body. They will be putting together a three-year project work plan. A consultant will be interviewing the Councilmembers and the executive management team, and there will also be some community pop-ups. A strategic plan really acts as a bridge between Council, City management, and City staff. It will help to ensure focus on the issues that are most important to the Council while taking into consideration staff capacity. City Manager Ott will keep the Board updated throughout the planning process. Climate action is one of the priorities, so likely there will be some integration with AMP and the City on that front. And the work plan for implementing some of the sustainability efforts and initiatives will also fit into that. The plan is also a lead in to the City budget process and something that will probably be done on an annual basis.

There is a work session with the City Council about Alameda Point, related to whether the City should be leasing or selling assets out at the base. There was a tenant meeting last week and there is a developer focus group this week. This could affect AMP because the way the City funds new infrastructure is through the sale of the assets at the Navy base, and that includes electric infrastructure. The findings of this draft report will be presented to City Council on March 7, along with some of the input received from developers and tenants, then Council will provide their feedback.

8. BOARD COMMUNICATIONS

Commissioner Hunter thought it was a great meeting and a great discussion. She wanted to point out that at least one member of the public in attendance that was affiliated with CASA. For her, it was a reminder that there are a lot of energy experts in the community and CASA is one of the organizing umbrellas for energy and climate experts. CASA continues to be a strong partner to AMP and she would like to see invitations going to CASA for upcoming EV workshops, to leverage their expertise.

President Serventi reported that last week he, General Manager Procos, and Commissioner McKenna, in conjunction with NCPA and the California Municipal Utilities Association (CMUA), had an opportunity to participate in Capitol Day in Sacramento. They met with state senators, assemblymembers, and staffers to make sure that the state understands the needs of public power. They met with Assemblymember Mia Bonta and Senator Nancy Skinner's staffers to make sure that they understand and appreciate that NCPA members are in their districts and supply the power to those districts.

9. ORAL COMMUNICATIONS – NON-AGENDA (Public Comment)

None.

10. ADJOURNMENT

President Serventi adjourned the meeting at 7:20 p.m.