

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

May 17, 2021

1. ROLL CALL

President McCormick called the meeting to order at 6 p.m. On roll call, the following commissioners were present: President McCormick, Commissioner Serventi, Commissioner Gould and City Manager Levitt. Commissioner Giuntini was absent.

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

None.

3. SPECIAL PRESENTATION

None.

4. CONSENT CALENDAR

A1. Minutes–Special Meeting–April 19, 2021

A2. Minutes–Regular Meeting–April 19, 2021

B. Listing of Bills Paid–April 2021

C. Financial Report–March 2021

D. Treasurer’s Report for the Month Ending March 31, 2021

E. By Motion, Approve Changes to Alameda Municipal Power’s Wildfire Mitigation Plan

F. By Motion, Authorize the General Manager to Purchase a New Diesel Generator Set from Bay City Electric Works to Replace the Current Diesel Generator for Standby Emergency Backup Power at Alameda Municipal Power’s Service Center in an Amount Not to Exceed \$35,000 Which Includes Sales Tax, Estimated Freight, and Contingency

G. By Motion, Requiring Four-Fifths Vote, Authorize the General Manager to Sole Source Service Provider Agreement PS 02-21-01 with Maze and Associates Accountancy Corporation for Audit Services for Fiscal Years 2021 and 2022 in an Amount Not to Exceed \$47,025 in Fiscal Year 2021 and \$47,966 in Fiscal Year 2022 for a Total Not to Exceed Amount of \$94,991 for the Initial Two-Year Term with an Option to Extend the Contract for an Additional Three-Year Term

H. By Motion, Recommend that City Council Adopt an All-Electric New Construction Ordinance

I. By Motion, Amend Existing Confirmation No. 0186, Increase Authorization to a Not-to-Exceed Amount of \$200,000 and Extend Services Dates to Cover Fiscal Year 2021 and 2022 for Services from Flynn Resource Consultants Inc. Through the Northern California Power Agency Support Services Program

Commissioner Gould pulled item 4F from the consent calendar. With a motion from Commissioner Serventi and a second from Commissioner Gould, the Board unanimously approved the balance of the consent calendar.

Commissioner Gould said that purchasing a replacement diesel generator set for standby emergency backup power at AMP's Service Center could send a message that AMP is not serious about electrification efforts.

President McCormick said that the resource would not be used except in case of an emergency when intermittent renewables or the grid are unavailable.

City Manager Levitt asked General Manager Procos to provide insight on why the item was being recommended.

General Manager Procos said the Service Center's current emergency generator has reached the end of its useful life. The replacement generator would power the building during a power outage, allowing AMP to power critical processes and System Control operations. The System Control team, which is staffed 24 hours per day and seven days per week, monitors AMP's electric system, he said.

AMP is extremely mindful of the direction from the city's Climate Action and Resiliency Plan and AMP's Strategic Plan, General Manager Procos said. Staff considered alternatives including natural gas and energy storage. Unfortunately, the costs of those options were significantly higher than the diesel alternative. The new unit is more efficient, and AMP will not run it often, he said.

Alameda resident Nick de Vries said that the use of a diesel generator would not align with AMP's Strategic Plan, he said.

Rand Wrobel of Alameda said the purchase of the generator would be moving in the wrong direction.

Commissioner Serventi asked staff how much longer the current generator could function. General Manager Procos responded that the current generator is very low.

If AMP did not have back-up power for its System Control team, it would impact the utility's ability to respond to outages, General Manager Procos added. It would also

present a potential safety issue because the System Control team works closely with the line crews when they respond to outages.

President McCormick said she was more concerned about the reliability of the unit than the price. The generator is only to be used in the case of an emergency. She added that she hopes AMP can look toward other solutions in the future.

Commissioner Serventi said that he was concerned about the cost of alternative options for the unit. The amount of time the unit will be used is small, and we need to look at the entire facility longer-term, he said. In a couple years, energy storage could become much more affordable.

Commissioner Gould said that the purchase of a back-up diesel generator would not send the right signals.

With a motion from Commissioner Serventi and a second from City Manager Levitt, the Board approved the item 3-1 with Commissioner Gould dissenting.

5. AGENDA ITEMS

For Information Only, Provide an Update on the Requirements of California Assembly Bill 2514

Following the staff presentation, Alameda resident Nick de Vries said that battery storage needs to solve a problem. He asked the Board the following questions: Could a battery energy storage system in Alameda help flatten the peaks that we see season to season and hour to hour? Is there value in the ancillary services voltage support?

Commissioner Serventi asked staff the following question about storage and the Doolittle solar project: Would storage need to be done on site, or could it be located at another site?

Staff responded that there is probably not room on the landfill for storage. Second, it is not necessarily a good idea to put storage at the landfill for access considerations, he said.

Commissioner Serventi said AMP could study questions about storage location such as: Where is the best place to put storage? If we can develop enough storage at another location, can it be a back-up for AMP's or the city's facilities?

In response to Mr. de Vries' questions, staff said that AMP's 100% clean portfolio provides a bigger incentive for storage. AMP is keeping the following question in mind: How do you take advantage of the least-cost renewable resources?

In response to questions about flattening peaks, General Manager Procos said that Doolittle is a 2-megawatt project and the flexibility to move markets is limited.

He addressed the topic of using large-scale storage to shift the peak. Local resiliency is very important, but the scale is going to be a challenge. AMP would need locations the size of football fields for storage that could provide resiliency to the island, he said. Still, AMP is studying this topic and will bring forward a future item on local resiliency.

The Board did not vote on the item because it was informational.

6. GENERAL MANAGER'S REPORT

A. General Manager's Report–April 2021

General Manager Procos updated the Board on the California Independent System Operator's (CAISO) 2021 summer readiness report. He also noted that there is movement at the state level to potentially approve relief programs for utility customers as part of the state budget.

7. COUNCIL COMMUNICATIONS

City Manager Levitt updated the board on the City Council's budget sessions and its work to address issues in the areas of policing and homelessness.

8. BOARD COMMUNICATIONS

9. ORAL COMMUNICATIONS – NON-AGENDA (PUBLIC COMMENT)

10. ADJOURNMENT

President McCormick adjourned the meeting at 7 p.m.