UTILITIES ADVISORY COMMISSION MEETING
MINUTES OF SEPTEMBER 2, 2020 MEETING

CALL TO ORDER
Chair Forssell called the meeting of the Utilities Advisory Commission (UAC) to order at 4:01 p.m.

Present: Chair Forssell, Vice Chair Segal, Commissioners Jackson, Johnston, Scharff, and Smith
Absent: Commissioner Danaher

ORAL COMMUNICATIONS
None.

APPROVAL OF THE MINUTES
Commissioner Jackson moved to approve the minutes of the August 5, 2020 meeting as presented. Commissioner Scharff seconded the motion. The motion carried 5-0 with Chair Forssell, Vice Chair Segal, and Commissioners Jackson, Johnston, and Scharff voting yes, and Commissioners Danaher and Smith absent.

AGENDA REVIEW AND REVISIONS
None.

REPORTS FROM COMMISSIONER MEETINGS/EVENTS
Commissioner Scharff disclosed that he attended several Northern California Power Agency (NCPA) virtual meetings, which kicked off the 5-year Strategic Plan and would bring back reports to the Commission as the process moves forward.

UTILITIES DIRECTOR REPORT
Dean Batchelor, Utilities Director, delivered the Director's Report.

American Public Gas Association Advocacy Concerns - Recently, the City has received a few inquiries through social media and comments to the UAC from advocates concerned about Palo Alto’s membership with the American Public Gas Association (APGA). In recent years, APGA has submitted comments to the California Energy Commission opposing building electrification mandates. Palo Alto has made its concerns about APGA’s advocacy known to APGA staff. City staff have communicated directly with executive management at APGA regarding legislation surrounding renewable energy, the fossil fuel industry, and electrification. In the past, APGA has extended us the courtesy of sharing their policy statements and comments to regulatory agencies on these matters. Through such correspondence, we have reiterated that Palo Alto is actively exploring electrification in our service territory and developing relevant policies and programs while carefully considering the operational implications for our gas utility operations. Specifically, we have communicated to APGA that Palo Alto’s position on this topic diverges from APGA, and we will continue to do so when corresponding about these issues.
We have debated internally whether we should continue our membership. At this time, we believe the safety and reliability of the gas system needs to continue to be our priority. APGA primarily exists to help small publicly owned gas utilities ensure the safety of their gas systems and comply with Department of Transportation (DOT) safety regulations. It provides a wide variety of resources to its members that we rely on heavily in managing our gas system. As a result, we continue to maintain our membership with APGA while expressing our dissatisfaction about their advocacy positions.

**SFPUC Water System Health** – The City of Palo Alto’s water supplier, the San Francisco Public Utilities Commission (SFPUC), has not reported any damage to the regional water system, nor known water quality impacts, due to recent regional wildfires. CPAU staff will provide updates on critical information if the agency reports any news during subsequent evaluations. Council member Cormack shared an article with us that was included in a recent Bay Area Water Supply and Conservation Agency (BAWSCA) correspondence packet that she thought might be helpful in reminding us to check in on our codes and practices with respect to backflow prevention devices and fire resistant meter boxes. CPAU staff have been working diligently for many years to ensure that appropriate backflow prevention measures are in place to protect the city’s main potable water supply distribution system.

**Rolling Power Outages** – Over the past month, California and the western United States have experienced record-breaking heatwaves. This has caused a strain on the electric grid, and high electricity demand continues to put pressure on the state’s energy infrastructure. The agency that manages the state’s electric grid, the California Independent System Operator (ISO), issued a statewide call for voluntary electricity conservation, known as a Flex Alert, in an attempt to avert rolling power outages. Palo Alto experienced a power outage for about 4,500 customers on the evening of Friday, August 14, but due to concerted efforts from state and city community members, we were able to avoid additional power outages. Thank you to all who heeded our call to power down or eliminate unnecessary appliance and lighting usage! View helpful tips at cityofpaloalto.org/efficiency tips.

- CEC – Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities
- CM Cormack – The article was included in the BAWSCA correspondence packet and she thought it would be a good idea to review the backflow devices and fire resistant meter boxes
- Workforce COVID Update
- Fiber Update – On August 5th the UAC discussed the importance of broadband service and FTTP given the shift to teleworking, telepresence and remote learning due to the pandemic. The UAC asked staff and Magellan to determine if it was feasible and effective to accelerate some FTTP analysis and tasks in Phase 3 to shorten the duration of the fiber network expansion plan and provide the UAC and Council more up to date information on cost protection and alternative approaches to build out the FTTP network

In response to inquiries, Batchelor shared that email blasts and social media posts are sent out ahead of time to inform customers of potential blackouts and how they can help conserve energy. Most of the blackouts occur a night. Staff continues to explore more efficient ways to reach customers who may experience a blackout. Batchelor emphasized to ISO that they could not inform the department of last-minute load shedding and that advanced notification needed to happen.

In reply to Council Member Cormack’s questions, Batchelor noted that the Utilities Department does keep track of areas that do have blackouts. Staff moves through the utility feeders to determine which areas may receive a blackout.

Chair Forssell recommended that everyone download the CAISO Today App which sends out alerts if there is going to be a blackout.
COMMISSIONER COMMENTS
None.

UNFINISHED BUSINESS
None.

NEW BUSINESS
ITEM 1: DISCUSSION: Discussion and Presentation of Brown Act.

Dean Batchelor, Utilities Director, introduced Aylin Bilir, Assistant City Attorney from the City Attorney’s Office, who gave a refresher course to the Commission on the Brown Act.

Aylin Bilir, Assistant City Attorney, announced that several rules have changed due to the COVID-19 pandemic and then gave a brief recap of how to avoid serial meetings. The purpose of the Brown Act is to engage the community and to ensure that all meetings are open and transparent. The Brown Act did not apply to meetings between one Commissioner and the public, Commissioner and staff communications, and temporary Ad Hoc Committees. Care needs to be taken when Commissioners post to social media and serial meetings are reviewed on a case by case basis. If majority of Commissioners use direct communication to discuss or deliberate on items, that is considered a serial meeting. Under Executive Order N-29-20, suspended Brown Act rules include no physical public location for a meeting, no physical notice needs to be posted at each location, a Commissioner can teleconference in a place outside of Palo Alto, and the agenda can be posted on online only.

In response to Chair Forssell’s question regarding what UAC business means when it comes to posts made by an individual Commissioner on social media, Bilir referred to the UAC’s Formation Statement which stated a broad overview of the UAC’s jurisdiction.

In reply to Commissioner Jackson’s inquiry about if a Commissioner could publicly announce their personal position on a general topic, Bilir predicted that it was not a violation, but a Commissioner should not pre-decide on an issue without having a conversation with the public and the Commission as a whole.

In answer to Commissioner Scharff’s comment regarding copying all UAC Commissioners on an email that advocates for a position, Bilir confirmed that a Commissioner cannot copy all UAC Commissioners onto an email that is sent to staff.

The UAC recessed at 5:04 p.m. and returned at 5:15 p.m.

Bilir continued her presentation which stated that the Brown Act prohibits sharing opinions with other members outside of the public meeting forum, but technical questions can be sent to Staff who will then present them to the public. Articles or links can be sent to all UAC Commissioners if no Commissioners express their opinion regarding the article. No Commissioner can email another Commissioner to solicit input regarding an item that is on the agenda.

Bilir concurred with Commissioner Jackson’s statement that if a Commissioner sends an article to another Commissioner and that other Commissioner replies with an opinion on the article. That Commissioner is in violation, not the original sender.

In response to Commissioner Jackson’s question regarding the UAC’s designated City email, Tabatha Boatwright reported that any email received from the public from that email goes into the public letters to the UAC and is posted online with the UAC Packet. UAC Commission Members do not respond to those
In response to Chair Forssell’s inquiry regarding the discussion that took place earlier around blackouts, Bilir did not believe that conversation was in violation because no action was taken.

**ACTION:** None

**ITEM 2: DISCUSSION: Discussion and Update on Program for Emerging Technologies.**


Lena Perkins, Senior Resource Planner, disclosed that the program has been a success, it has helped several research grants and early-stage companies, and it has allowed collaboration with neighboring load-serving entities. One change that staff recommended is to move the program to an annual application cycle.

Abendschein added that staff was not seeking any action from the Commission and the report is informational.

Commissioner Jackson fully appreciated the change to move the program to an annual application cycle and he looked forward to reading more about staff’s academic collaboration to evaluate the impact of the switch to all-electric residents.

In reply to Commissioner Johnston’s query regarding the decline in applications, Perkins explained that staff has not been actively soliciting the program due to other priorities in the past years. The program will be promoted more now that staff has been able to reorganize. Commissioner Johnston wished to see the program promoted more and he supported the change staff recommended.

Commissioner Scharff did not believe the program should be prioritized and take up more of staff’s time. It is a good program and that it should be left up to staff on how it is managed.

In response to Vice Chair Segal’s question regarding potential funding from other sources, Perkins explained that staff’s approach is to solicit applications that are more in line with the City’s interests and programs that would require minimal staff time. Abendschein added that finding long term funding sources is a challenge and existing funding sources were already allocated to other projects. Vice Chair Segal supported the annual switch.

In reply to Commissioner Smith’s query, Perkins proclaimed that all prior pilot programs provided a benefit the City. Any programs that may become permanent have a layer of commitment to them and staff resources needed to be evaluated before anything can become permanent.

In answer to Chair Forssell’s questions, Perkins concurred that on the Emerging Technologies’ Website has a list of prior pilot projects that were accepted and executed. A lighthouse customer is a customer that first deploys the product. She advised that in her opinion pilot programs should be restricted to the Series A, B space and staff can provide letters of support and consultation for very early-stage projects.

**ACTION:** None

**ITEM 3: DISCUSSION: Discussion on Scoping of Future Studies of the Potential Impacts of Building Electrification Efforts on the Electric and Gas Utilities**
Bret Andersen proclaimed that the project is very important and is impressed that the City is moving forward with it. It is important that the City publicly announce that it is doing investigations and that the City is planning a managed transition from gas to electricity. He emphasized that American Public Gas Association (APGA) should not be using utility funds to solicit negative messages that go against the effort.

Tom Kabat, a resident of the City of Menlo Park, expressed excitement that Palo Alto is following bold climate action changes in terms of combining the gas and electric utility.

Jonathan Abendschein, Assistant Director of Utilities Resource Management, said his goal was to take feedback from the Commission on what information related to the utility impacts of building electrification Commissioners were interested in so it could be incorporated into studies staff was currently working on. He noted the Sustainability and Climate Action Plan (S/CAP) goal is to reduce emissions within the City by 80 percent by 2030, which will have significant impacts on the gas and electric utility financial positions and physical operations. Staff was working to quantify these impacts. Key questions to be answered included whether achieving the 80 percent by 2030 goal would result in a non-viable gas utility and a description of the physical impacts it would have on the gas as well as the electric utility. Staff is aiming to complete the studies by the end of 2020. He shared some early insights from the studies. While there was a strong likelihood that the gas utility would be eliminated at some point in the eventual future, eliminating the gas utility was not necessary to achieve the 80 percent by 2030 goal. A key potential barrier to achieving the S/CAP goals would likely be electric utility Engineering and Operations staffing. Positions and contractors in these areas were challenging to recruit for and many more employees and/or contractors would be needed to support the community in achieving the S/CAP goals.

Commissioner Scharff wanted to know if the technologies existed to go fully electric for single-family homes (including large homes) without impacting quality of life? How much would the average homeowner’s bill go up, and what would be the range of cost to electrify different homes? Who would pay those costs? Would going fully electric cause more impacts to the City’s electric load during critical times and what is the cost of upgrading the grid so that it can handle the additional load? What would the impacts be to the broader electric grid and how would that factor into the potential for rolling blackouts? Finally, he said it was important that all questions and answers be transparent to the public and there was strong communication with the public about these goals.

In reply to Commissioner Smith’s question about whether vehicle electrification was included in the study when evaluating electric distribution system impacts, Abendschein mentioned that a parallel study is taking place that explores the total electric vehicle (EV) charging infrastructure needed across the whole City to support the 80 percent by 2030 goal. All the studies will be combined and will represent the total impact of vehicle charging and electrification on the electric distribution system. In response to Commissioner Smith’s question about whether the City should be promoting solar as a carbon reduction strategy, Abendschein noted that solar does reduce carbon emissions on the wider CAISO grid, but the City calculates emissions differently when tracking S/CAP progress, and solar does not contribute reduction of emissions in that context. Staff continues to explore solar and storage solutions for its resiliency value.

Commissioner Jackson asked how strategic the utility needed to be in withdrawing gas from specific areas in a specific order? Abendschein said staff was exploring those topics, and that there were definitely physical limitations on which gas lines had to be withdrawn first, Staff was not yet sure whether there were financial limitations. Commissioner Jackson said that people will be using copious amounts of electricity and that will have major impacts on the electric grid. He wanted to know what percentage of residential customers have 100-amp service, 200-amp service, or 400-amp service? What will the costs be for homeowners and utilities when the capacity of the electrical system must increase, and what potential financing options will the Utilities Department offer? He endorsed on-bill financing as a potential mechanism for facilitating electrification.
Vice Chair Segal recommended thinking through how peoples’ lifestyles may need to change due to building and vehicle electrification. Has staff considered the physical issues associated with building electrification? For example, how does a customer with tankless gas water heating in a small home find space for a heat pump water heater? When implementing electrification programs, will the City get involved with procurement? Lastly, she was glad to see staff would explore the question of whether it was legally required to serve gas to customers.

Commissioner Johnston underlined the point that practical problems needed to be thought through and how to persuade people to electrify.

Chair Forssell appreciated staff’s work so far and the questions raised by the other Commissioners. She emphasized that education and outreach needed to take place way in advance so that residents are not surprised. She highlighted the need to look at financing issues as well.

Council Member Cormack acknowledged that there will be an impact to staff resources in terms of processing applications. She found it interesting to learn about the possibility of a gas utility transitional strategy addressing primarily multi-family / commercial to be interesting. She emphasized that customer education and outreach was critical. She advised staff to explore standardized ways to permit electrification projects, similar to the work being done to address Accessory Dwelling Units (ADU) permitting in Palo Alto and in other cities.

Commissioner Scharff encouraged staff to look carefully at the requirements other City departments impose that can create additional costs to a project, and that are different from the requirements in other cities, and work with them to relieve those types of burdens. He gave an example related to ADUs – in Palo Alto the sewer main must be connected to the street instead of the line for the main house, unlike in some other jurisdictions.

**ACTION:** None

**ITEM 4: ACTION:** Selection of Potential Topic(s) for Discussion at Future UAC Meeting.

Commissioner Jackson suggested a topic on undergrounding electricity and fiber. He had several questions regarding the topic and would email them to staff.

Vice Chair Segal wanted more information regarding the rolling blackouts and notification for those blackouts. Commissioner Jackson supported that recommendation.

**ACTION:** None

**NEXT SCHEDULED MEETING:** October 7, 2020

Vice Chair Segal moved to adjourn. Commissioner Jackson seconded the motion. The motion carried 6-0 with Chair Forssell, Vice Chair Segal, and Commissioners Jackson, Johnston, Scharff and Smith voting yes, and Commissioner Danaher absent. Meeting adjourned at 6:43 p.m.

Respectfully Submitted
Tabatha Boatwright
City of Palo Alto Utilities