



UTILITIES ADVISORY COMMISSION
Regular Meeting
Wednesday, April 12, 2023
Community Meeting Room & Hybrid
6:00 PM

Pursuant to [AB 361](#) Palo Alto City Council meetings will be held as “hybrid” meetings with the option to attend by teleconference/video conference or in person. To maximize public safety while still maintaining transparency and public access, members of the public can choose to participate from home or attend in person. Information on how the public may observe and participate in the meeting is located at the end of the agenda. Masks are strongly encouraged if attending in person. The meeting will be broadcast on Cable TV Channel 26, live on YouTube <https://www.youtube.com/c/cityofpaloalto>, and streamed to Midpen Media Center <https://midpenmedia.org>.

VIRTUAL PARTICIPATION [CLICK HERE TO JOIN](https://cityofpaloalto.zoom.us/j/96691297246) (<https://cityofpaloalto.zoom.us/j/96691297246>)
Meeting ID: 966 9129 7246 Phone: 1(669)900-6833

PUBLIC COMMENTS

Public comments will be accepted both in person and via Zoom for up to three minutes or an amount of time determined by the Chair. All requests to speak will be taken until 5 minutes after the staff’s presentation. Written public comments can be submitted in advance to UACPublicMeetings@CityofPaloAlto.org and will be provided to the Council and available for inspection on the City’s website. Please clearly indicate which agenda item you are referencing in your subject line.

PowerPoints, videos, or other media to be presented during public comment are accepted only by email to UACPublicMeetings@CityofPaloAlto.org at least 24 hours prior to the meeting. Once received, the Clerk will have them shared at public comment for the specified item. To uphold strong cybersecurity management practices, USB’s or other physical electronic storage devices are not accepted.

TIME ESTIMATES

Listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Commission reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public.

CALL TO ORDER 6:00 pm - 6:05 pm

AGENDA CHANGES, ADDITIONS AND DELETIONS 6:05 pm - 6:10 pm

The Chair or Board majority may modify the agenda order to improve meeting management.

PUBLIC COMMENT 6:10 pm - 6:25 pm

Members of the public may speak to any item NOT on the agenda.

NEW BUSINESS 6:25 pm - 7:25 pm

1. Utilities Advisory Commission FY 2023 - 2024 Workplan

COMMISSIONER COMMENTS AND REPORTS FROM MEETINGS/EVENTS

FUTURE TOPICS FOR UPCOMMING MEETING - May 03, 2023

SUPPLEMENTAL INFORMATION

The materials below are provided for informational purposes, not for action or discussion during UAC Meetings (Govt. Code Section 54954.2(a)(3)).

PUBLIC COMMENT INSTRUCTIONS

Members of the Public may provide public comments to teleconference meetings via email, teleconference, or by phone.

1. **Written public comments** may be submitted by email to UACPublicMeetings@cityofpaloalto.org.
2. **Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Council, click on the link below to access a Zoom-based meeting. Please read the following instructions carefully.
 - You may download the Zoom client or connect to the meeting in- browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30 , Firefox 27 , Microsoft Edge 12 , Safari 7 . Certain functionality may be disabled in older browsers including Internet Explorer.
 - You may be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
 - When you wish to speak on an Agenda Item, click on “raise hand.” The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
 - When called, please limit your remarks to the time limit allotted. A timer will be shown on the computer to help keep track of your comments.
3. **Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow the instructions B-E above.
4. **Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit *9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Council. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

CLICK HERE TO JOIN Meeting ID: 966 9129 7246 Phone:1-669-900-6833

Americans with Disability Act (ADA) It is the policy of the City of Palo Alto to offer its public programs, services and meetings in a manner that is readily accessible to all. Persons with disabilities who require materials in an appropriate alternative format or who require auxiliary aids to access City meetings, programs, or services may contact the City’s ADA Coordinator at (650) 329-2550 (voice) or by emailing ada@cityofpaloalto.org. Requests for assistance or accommodations must be submitted at least 24 hours in advance of the meeting, program, or service.



CITY OF
**PALO
ALTO**

Utilities Advisory Commission Staff Report

From: Dean Batchelor, Director Utilities
Lead Department: Utilities

Meeting Date: April 12, 2023
Staff Report: 2303-1165

TITLE

Utilities Advisory Commission FY 2023 - 2024 Workplan

RECOMMENDATION

Staff Recommends the Utilities Advisory Commission Review and Approve the Utilities Advisory Commission's 2023-2024 Annual Work Plan, and Recommend the City Council Review the Work Plan and Provide Feedback

BACKGROUND

ANNUAL WORKPLAN AND PERFORMANCE MEASURES

In accordance with the 2020 City Boards, Commissions, and Committees Handbook, each Board and Commission should prepare an annual work plan for proposal to the City Council by the second quarter of the calendar year. The Council will review the work plan and provide feedback annually at a dedicated City Council meeting. The annual report should include the results of the prior year's plan. When applicable, the City Council would like to see metrics of community involvement and participation in meetings and activities included in the work plan.

Council expects Boards and Commissions to work on items in the approved workplan. In addition, Council may refer additional items to the Boards and Commissions in response to new developments. Boards and Commissions should refrain from expending their time and that of the staff liaison on items that have not been approved by the City Council. If the Board or Commission would like to add an issue for review after an annual workplan has been approved by the City Council, a prompt request by the Board or Commission Chair to the City Council is required and the item will then be addressed by the City Council as a whole.

ATTACHMENTS

Attachment A: Utilities Advisory Commission FY 2023 – 2024 Workplan

APPROVED BY:
Dean Batchelor, Utilities Director



Utilities Advisory Commission 2023-2024 Workplan

Staff Liaison: Dean Batchelor, Director of Utilities
Lead Department: Utilities

About the Commission

The Utilities Advisory Commission (UAC) is charged with providing advice and making recommendations on planning and policy matters, acquisition, development, rate-setting, operating budgets and related reserves, Capital Improvement Projects and financial review of electric, gas and water resources; joint action projects with other public or private entities which impact electric, gas or water resources; environmental implications of proposed electric, gas or water utility projects; and conservation and demand management. Additionally, the UAC is charged with providing advice on the acquisition, development and financial review of the dark fiber network and wastewater collection utilities. As a highly regulated industry, there may be matters not listed below that will be presented to the UAC in accordance with current or future (local, state or federal) legislative requirements.

The Commission is composed of 7 members.

Terms are for 3 years and commence on the first meeting in April.

See Palo Alto Municipal Code (PAMC) Sections 2.23.010 (Membership), 2.23.030 (Term of Office), 2.23.040 (Officers), 2.23.050 (Purpose and Duties), and 2.23.060 (Meetings).

Current Commissioners

- Lauren Segal (Chair) – may change once the Commission is full
- Vacant (Vice Chair) – set to select at the next fully seated Commission meeting
- Lisa Forssell 3
- Phil Metz 4
- Vacant 5 – Greg Scharff may remain as a Commissioner until Council selects successors (PAMC 2.23.03)
- Vacant 6
- Vacant 7

Mission Statement

The purpose of the Utilities Advisory Commission shall be to advise the City Council on present and prospective long-range planning, policy, major program, and project matters relating to the electric, gas, water, wastewater collection, fiber optics utilities, and recycled water matters, and environmental implications of electric, gas or water utility projects, and conservation and demand management.

The Utilities Advisory Commission shall have the following duties:

- Advise the City Council on long-range planning and policy matters pertaining to:
Joint action projects with other public or private entities which involve, affect or impact the utilities;
Environmental aspects and attributes of the utilities;

- Water and energy conservation, energy efficiency, and demand side management; and Recycled water matters not otherwise addressed in the preceding subparagraphs;
- Review and make recommendations to the City Council on the consistency with adopted and approved plans, policies, and programs of any major utility;
 - Formulate and review legislative proposals regarding the utilities, to which the city is a party, in which the city has an interest, or by which the city may be affected;
 - Review the utilities' capital improvement programs, operating budgets and related reserves and rates, and the recycled water program, budget, rate, and thereafter forward any comments and recommendations to the finance committee or its successor or to City Council;
 - Provide advice upon such other matters as the City Council may from time-to-time assign.

The Utilities Advisory Commission shall not have the power or authority to cause the expenditure of city funds or to bind the city to any written, oral or implied contract.

Metrics of Community Involvement and Participation

Between January 2022 and December 2022, the UAC held Twelve (12) hybrid meeting via In-Person/Zoom. The average community attendance was 2 (in-person) and 3 (zoom).

Prior Year Accomplishments	<p>Heat Pump Water Heater (HPWH) Pilot: 400 customers have been signed up to participate 5 customers have had completed installs</p> <p>Advanced Meter Infrastructure (AMI) Beta and Electrification 353 gas customers have completed installs 359 water customers have completed installs 440 electric customers have completed installs</p> <p>Outage Management System (OMS) RFP issued on 3/2/2022 Contract approved by City Council on 9/27/2022 Anticipate install/integration complete by the end of Q2 FY24</p> <p>CA Renewable Energy Credits (REC's) Yielded \$1.75 million in net revenue in calendar year 2022 Approved by Council on 12/12/2022 to continue the program and return to the UAC and Council in 2025</p>
-----------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

STANDING TOPIC 1:	Annual Budget - Rate changes to Water, Gas, Electric, Wastewater collection, and Fiber services.			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASUREMENT OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED

The community will have a better understanding of the rates and why they are set at the levels they are being charged.	Rates are reviewed annually and each rate change is determined by the COSA reports. UAC review is in February, FCM review is in April and CCM approval is in June	Staff time, Legal team review time, Consultant time to create the COSA reports.	Council approval of rate changes and Utilities budget	N/A
------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------	-------------------------------------------------------	-----

HIGH PRIORITY	LOWER PRIORITY	COUNCIL-DIRECTED POLICY UPDATE
----------------------	-----------------------	---------------------------------------

Rates are always a high priority. The change has an impact on the community and economy.	N/A	N/A
------------------------------------------------------------------------------------------	-----	-----

STANDING TOPIC 2:	Water Supply: Water infrastructure and potential future sources of water supply. This includes recycled water, demand management programs, grey water, treatment efforts, and use of effluent.			
--------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
---------------------------	-----------------	-------------------------	---------------------------	------------------------------------------------------

The benefit to the community is to have ample water sources and supply for basic uses and when needed in the event of a drought or other water reduction events or population shifts	This is not a single effort or project; however, a year-round effort	Staff time, Legal team review time, Consultant time for development of the One Water Plan which is a holistic 20-year water portfolio	Council approval of the One Water Plan which includes adaptable, dynamic, water supply portfolios.	N/A
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	-----

HIGH PRIORITY	LOWER PRIORITY	COUNCIL-DIRECTED POLICY UPDATE
----------------------	-----------------------	---------------------------------------

Having knowledge of where the City's water supply is coming from and how we maintain that supply is a maintained priority.	N/A	N/A
----------------------------------------------------------------------------------------------------------------------------	-----	-----

STANDING TOPIC 3:	Electric Supply: Consider updates to the electric supply portfolio, environmental impacts of the electric supply portfolio, electric infrastructure, electrification, and issues relating thereto.			
--------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
---------------------------	-----------------	-------------------------	---------------------------	------------------------------------------------------

Reliability for customers, health benefits, and clean energy responsible for the vast carbon reduction the City has achieved over the past decade	This is an ongoing regularly monitored effort and does not have a start or completion time	Approved budget, staff time, legal review time, consultants as needed, and technology	Release of RFP for more renewable energy supply options in the Integrated Resource Plan (IRP). Have the IRP near completion to present to the UAC for review and approval. Maintaining the zero emissions portion of the portfolio and carbon neutral plan.	N/A
---------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----

HIGH PRIORITY	LOWER PRIORITY	COUNCIL-DIRECTED POLICY UPDATE
----------------------	-----------------------	---------------------------------------

The health and well being of the community is a high priority for Council and Utilities	N/A	N/A
-----------------------------------------------------------------------------------------	-----	-----

STANDING TOPIC 4:	Gas Supply: Consider aspects of the gas infrastructure and supply portfolio; environmental impacts of the gas portfolio such as the carbon offset program.			
--------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
--------------------	----------	------------------	--------------------	-----------------------------------------------

Gas is a type of energy used to provide some residence and businesses in Palo Alto with heat for their facilities and some cooking appliances.	This is not a single effort or project; however, a year-round effort	Staff time, Legal team review time, Consultant time when necessary	Utilities on average are 10% below PG&E's rates year round	N/A
------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------	--------------------------------------------------------------------	------------------------------------------------------------	-----

HIGH PRIORITY	LOWER PRIORITY	COUNCIL-DIRECTED POLICY UPDATE
----------------------	-----------------------	---------------------------------------

The health and well being of the community is a high priority for Council and Utilities	N/A	N/A
-----------------------------------------------------------------------------------------	-----	-----

STANDING TOPIC 5:	Utilities Capital Improvement Programs (CIP): Discuss and advise on CIP projects.			
--------------------------	-----------------------------------------------------------------------------------	--	--	--

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
--------------------	----------	------------------	--------------------	-----------------------------------------------

<p>There are multiple CIP's throughout the Utilities, each with their own benefits to the City and the community from rebuilding the water reservoirs, repairing and replacing sewer lines or water mains, maintaining street lights, building out the fiber backbone, upgrading and replacing the electric and gas systems, upgrading the meter system, and installing a new outage management system(*)</p>	<p>Utilities has multiple projects in their Council approved CIP budget. Most of these projects are multiyear .</p> <ul style="list-style-type: none"> • Anticipate install/integration complete by the end of Q2 FY24 	<p>Staff time, Legal review time, Procurement time for setting up contracts, contractors for work completion</p> <ul style="list-style-type: none"> • IT time • Staff time 	<p>Utilities CIP success is completion of the project within the timeline that was approved by Council.</p> <ul style="list-style-type: none"> • To increase outward communication to community 	<p>N/A</p>
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
<p>Maintaining quality of life for the community creates the priority for Utilities projects</p>		<p>N/A</p>		<p>N/A</p>
STANDING TOPIC 6:	<p>Reliability and Resiliency: Ongoing evaluations and discussions regarding the reliability and resiliency of the utilities.</p>			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
<p>This matter encompasses a number of situations including but not limited to the S/CAP program and power outages. The benefit of any of the reliability or resiliency projects is to support the City and community now and into the future with reliable, resilient and safe connections and provisioning of water, electricity, fiber and natural gas</p>	<p>These programs and projects are year-round and do not have a beginning or an end. For example, the S/CAP is projected to accomplish its goal by 2030</p>	<p>Budget approval, staff time, additional staff, and some use of consultants</p>	<p>Maintaining a high level of efficient, safe, and reliable services with an emphasis on moving forward with a pilot program of converting homes to electric.</p>	<p>YES</p>
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
<p>The S/CAP is a Council priority and therefore a High priority for the Utilities Advisory Commission</p>		<p>N/A</p>		<p>N/A</p>

STANDING TOPIC 7:	<p>Legislative Initiatives: The Utility tracks many local, state and federal bills that touch on utilities. Should any new laws, regulations, or ordinances be proposed or pass during the year, the UAC may need to discuss the implications.</p>
--------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Staff tracks the possible changes in laws and regulations and presents the proposed changes to the UAC for review and consideration to the Council.	Legislature meets throughout the year and possible changes can occur at any point that affect utilities	Staff time, travel, and legal review time	This is a non-measurable project	State Mandated
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
N/A		The level of priority is based on the particular legislation being proposed and how it affects the regulated utilities		N/A
STANDING TOPIC 8:	Council Driven Initiatives: The UAC will address any matter assigned to it by the City Council.			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
The UAC is made up of a diverse group with insight of the innerworkings of and vast knowledge in the utilities arena.	Timeline will be addressed once assigned	UAC, Staff and legal review time	Council approval of completed task	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Typically, when Council requests a review of an item it is considered a priority		N/A		N/A

FY2024 Topic 1:	S/CAP Support: Discuss community engagement, technology (current & emerging), finance, and community scaling of S/CAP plans to meet the City's goals for sustainability and climate action. This includes electrification efforts, possible code modifications, potential full or partial retirement of the gas distribution system, and electrification of gas appliances. It also includes permitting and inspection processes for customers wishing to upgrade panels, electrify appliances, or install solar PV, energy storage, and/or EV charging systems.
------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
UAC expertise will help the Council S/CAP Committee make progress on achieving S/CAP goals with benefits to reducing the impacts of climate change.	Ongoing support to the S/CAP Committee	Staff time	The development of clear plans for building electrification, including concrete improvements to the utility or permitting processes resulting from UAC actions.	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Support S/CAP Committee goals to develop plans and improve processes for building electrification		Discussions of other forms of emissions reduction beyond building electrification		YES
FY2024 Topic 2:	Advanced Metering Infrastructure Project: Discuss the launch and deployment of the utility's AMI project.			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Empower customers to more efficiently utilize utility supplies, facilitate customer adoption of distributed energy resources (DER) such as solar photovoltaics, energy storage, and electric vehicles, and enable the timely detection of water leaks	The initial small-scale testing of meters will take place over 12 months between CYQ3-2022 to CYQ2-2024. The full rollout is scheduled to commence during CYQ3-2023 and expected to be completed by CYQ4-2024, according to the current timeline	Staff, Legal, and Contractor time and budget,	Implementing the fully deployed AMI system	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Having a fully implemented system provides time of use rates, identifies gas and water leaks, restores outages quicker and more efficiently, enables energy efficiency for residents		N/A		N/A
FY2024 Topic 3:	Electric Integrated Resource Plan			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Long term supply planning	A report is required every 5 yrs., the most recent due date is December 31, 2023	Staff and legal review time and budget	State approved report	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
N/A		Mandated by the state energy commission		N/A
FY2024 Topic 4:	One Water Plan			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Community will have a 20 – year adaptable roadmap for implementation of prioritized water supply and conservation portfolio alternatives that can be used as a water supply plan.	For Council approval in Fall 2023	Staff time, budget for consultant time, Legal team review time	Council approval of the One Water Plan which includes an adaptable, dynamic water supply portfolio.	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
The One Water Plan will serve as a long-term guide to prepare the City's water supply for future uncertainties like changes in population, multi-year drought, and climate change.		N/A		N/A
FY2024 TOPIC 5:	Undergrounding: Discuss the progress and potential acceleration of undergrounding electric infrastructure.			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Reduces the impact to visual nuisances, increased reliability, especially during severe weather, safer for staff and the public	Districts are designated for undergrounding and have been selected based on the age of the system in place	Staff time, contractor time, and budget	Removal of overhead lines in the designated districts	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Because of the impact on safety and reliability		N/A		N/A
FY2024 Topic 6:	Cybersecurity: Discuss issues related to the cybersecurity of utility operations.			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Protect and secure Utility data at risk and in transit. Utilities created a SCADA cybersecurity team to set a policy to prevent outside attempts to infiltrate our systems.	Ongoing	IT staff, Utility staff, budget	Zero data loss, zero infrastructure damage	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Due to the sensitive nature of the Utilities, cybersecurity protects against theft, destruction, economic impacts, public health risks, financial loss (ransomware), and data (community, commercial and residential) information available in our systems, protecting it from attacks is critical		N/A		N/A
FY2024 Topic 7:	Water Quality: Discuss community concerns with water quality			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
CPAU regularly collects and tests water samples from reservoirs and designated sample points throughout the city.	Ongoing	Staff time	CPAU customers are fortunate to have access to high quality water flowing from the faucet - the pristine snowmelt from Hetch Hetchy	State Water Resource Control Board regulated
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
N/A		Palo Alto maintains high quality control with frequent testing of its water to maintain a higher than state standard		N/A
FY2024 Topic 8:	Tesla Project - \$10M Upgrade to Hanover Substation			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Upgraded substation increases capacity to facilitate electrification process.	Start October 2023, completion anticipated end of 2 nd quarter 2024	CPAU design review (1 FTE), construction resource manager (FTE), engineering support and inspection (1FTE each)	2 Fully upgraded 50 mva transformers	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Electrification and an increase of load by 30-50 mva.		N/A		N/A
FY2024 Topic 9:	Sanitary Sewer Replacement Project 31			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Replacement of aging infrastructure to prevent sewer back ups, sink holes, and lessen the need to take up newly paved streets	Construction start July 2023, anticipated duration is 9 months	Utility staff, budget	Changed out 11,000 linear feet of sewer main	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Due to the timing of collaboration with Caltrans repaving work on El Camino Real		N/A		N/A
FY2024 Topic 10:	Heat Pump Water Heater customer installation program			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Reduces the use of natural gas thereby reducing carbon emissions and improving indoor air quality	December 31, 2023	Staff, Consultant, and Contractor time, budget, and S/CAP Committee time	1,000 HPWH's installed by the end of 2023	YES
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
This is the 1 st program for the community to start on the achievement to electrification by eliminating most gas appliances in CPA which is needed to reach the S/CAP 80/30 goals		N/A		S/CAP policy
FY2024 Topic 11:	Electric Rate Design Review			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Evaluate cost of service and set rates accordingly and in alignment with policy objectives wherever possible.	Anticipated completion December 31, 2023	Staff time, budget, legal review. And possible additional resources	completion of study and adoption of any rate changes.	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Because rate design can impact customer investment choices related to electrification		N/A		N/A
FY2024 Topic 12:	Gas Supply Hedging in the Winter months			
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Lowens the risk to the city by decreasing the volatility of extreme high market pricing that would be passed on to the customer	UAC approval in August Council approval in September Completion by October	Staff and Consultant time, and budget	Execution of hedges for the appropriate winter months, if it makes sense	Council approval needed
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Due to the need to have this implemented in order to execute the transactions in October for the winter months		N/A		N/A
FY2024 Topic 13:	Gas Rate Design Review			

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Gas rates that are cost-based, constitutionally compliant and with an eye toward competitiveness with gas rates in neighboring communities.	Council approval in September 2023	Staff time, budget for consultant time, legal review time.	Gas rates that are competitive with neighboring communities across customer classes.	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Rate impacts on Palo Alto residents and businesses.		N/A		N/A