



UTILITIES ADVISORY COMMISSION MEETING MINUTES OF DECEMBER 6, 2023 REGULAR MEETING

CALL TO ORDER

Chair Segal called the meeting of the Utilities Advisory Commission (UAC) to order at 6:12 p.m.

Present: Chair Segal, Vice Chair Scharff, Commissioners Croft, Forssell, Mauter, Metz, and Phillips

Absent:

AGENDA REVIEW AND REVISIONS

None

ORAL COMMUNICATIONS

None

APPROVAL OF THE MINUTES

ITEM 1: ACTION: Approval of the Minutes of the Utilities Advisory Commission Meeting Held on October 11, 2023

Chair Segal invited comments on the October 11, 2023, UAC draft meeting minutes.

ACTION: Commissioner Phillips moved to approve the draft minutes of the October 11, 2023, meeting as submitted.

Commissioner Croft seconded the motion.

The motion carried 7-0 with Chair Segal, Vice Chair Scharff, Commissioners Croft, Mauter, Metz, and Phillips, voting yes.

ITEM 2: ACTION: Approval of the Minutes of the Utilities Advisory Commission Meeting Held on November 1, 2023

Commissioner Phillips questioned whether the City received a letter from the DOE regarding grants and if anything was learned from that.

Dean Batchelor, Utilities Director, responded there was a short letter about that. One area that was lacking was long-term job opportunities as most of Palo Alto's work was going to be temporary; once the projects were complete, the jobs would go away. The other thing was that other areas were more

devastated and in need of upgrade. There were no large amounts given out, and they were spread amongst 10 or 12 cities across the country. The City will reinitiate the grant process in the coming year for when it is reoffered.

Commissioner Metz moved to approve the draft minutes of the November 1, 2023, meeting as submitted.

Commissioner Mauter seconded the motion.

The motion carried 7-0 with Chair Segal, Vice Chair Scharff, Commissioners Croft, Mauter, Metz, and Phillips, voting yes.

UNFINISHED BUSINESS

None

UTILITIES DIRECTOR REPORT

Dean Batchelor, Utilities Director, delivered the Director's Report as follows.

Advanced Metering Infrastructure Project Update: The City continues its work on the Advanced Metering Infrastructure (AMI) project to install what are commonly referred to as “smart meters” for our utilities customers. We are currently installing meters in residential areas through a phased rollout so we can test and validate the quality assurance of AMI meters and systems as the project progresses. Our contractor, Utility Partners of America (UPA), is exchanging electric meters with new advanced electric meters and retrofitting existing gas and water meters with AMI radios. City of Palo Alto Utilities (CPAU) staff are contacting customers directly by mail and email to notify them when their area is scheduled for AMI installation. Once on-site, UPA will attempt to notify a resident by knocking on the front door or ringing the doorbell. If UPA cannot contact the customer in person, they will leave a door hanger to inform them about the status of meter installation. If unable to access a meter, UPA may call the customer to schedule an appointment to complete the installation. If customers have questions about the installation process, they can contact UPA at (650) 331-2479 or (800) 747-1062. Note that return phone calls from UPA’s direct call center ID displays a phone number with 864 area code. If there are any questions about the AMI project, customers may contact Utilities Customer Service. Information about the AMI project including FAQs can be found at cityofpaloalto.org/AMI

Gas Safety Outreach: Throughout the year, the CPAU delivers a variety of outreach materials to the community about utilities safety. An important element of our public awareness program is the annual distribution of our gas safety awareness brochure. Per Federal Department of Transportation regulations, we directly mail this information to all customers, non-customers living near a gas pipeline, public officials, emergency responders, excavators, contractors, and locators working in Palo Alto. Gas safety brochures are being delivered now. If interested in additional details about gas safety or this outreach, please visit cityofpaloalto.org/safeutility

Facility Managers Meeting: On November 7, CPAU hosted a Facility Managers Meeting for our commercial and Key Account customers. The meeting was held on Zoom and there were 40 participants, including a handful of small to medium business customers. Topics included a presentation on forecasted gas prices, commercial energy efficiency, electrification, water conservation programs, and upcoming

Advanced Metering Infrastructure (AMI) rollout for commercial customers. The feedback after the meeting has been overwhelmingly positive and we hope to host our next Facility Managers Meeting in Spring 2024.

Chair Segal questioned if the attendees of the Facility Managers Meeting were customers or service providers.

Director Batchelor responded that they are customers. There are some industrial and some light customers in the Stanford Research Park. There has been a big effort to get out to the medium to small commercial customers as well. He continued the Director's Report.

Full Service Heat Pump Water Heater program update: On November 1, 2023, the Full Service HPWH program begins a new round of [lower pricing](#) on a limited time basis, thanks to the new statewide HPWH incentives through the TECH Clean program. This new pricing includes up to \$1500 of subsidy for site preparation work such as long conduit runs, relocation of the water heater, etc. The program installer has expanded its staff capacity to shorten the time to provide project estimates and increase the number of installations per week to meet the anticipated increase in program demand. For homeowners who wish to choose their own contractor, they will be eligible to receive a \$3000 state incentive if they choose a TECH-certified contractor, plus \$1500 rebate from CPAU.

Community Events and Workshops: CPAU hosted 5 well-attended events and workshops in November and early December 2023. The average turnout was around 50+ participants. The list includes:

- November 1: Save Money with an EV Now Webinar
- November 2: Edible Gardening Online Workshop
- November 11: Multilingual EV Financial Incentives Clinic with EV Expo at Mitchell Park
- November 16: EV Charging Online Workshop
- December 5: EV 102

From the beginning of the year to the first week of December 2023, CPAU hosted a total of 30 EV-related workshops. These events have ranged from topics such as “The Ultimate Guide to Purchasing an EV in 2023” to “EVs for Back-Up Power.” There were workshops hosted on E-Bikes, as well as staff participation in Earth Day events. In addition, staff ran a variety of water-related workshops (8 total) on topics such as “Tree Selection, Watering, and Care” and “Edible Gardening.”

Staff also worked with non-profit Acterra to host several EV Expos. These have become very popular in the community and allow EV enthusiasts to “show-off” their EVs to the public. Typically, there are 6-8 EVs parked in one area, giving the public a chance to get inside and “try out” each of the vehicles. Many of the EVs on display are less well-known and expose the public to the array of EVs on the market today.

In 2023, CPAU workshops and events attracted over 4,200 participants from the community! More details and registration at cityofpaloalto.org/workshops.

NEW BUSINESS

ITEM 3: ACTION: Staff Requests the Utilities Advisory Commission Recommend the City Council Approve the Continuation of the Cross-Bore Verification Program

Dean Batchelor, Utilities Director, asked for the support to move this recommendation to City Council to continue the last phase of the cross bore.

Aaron Perkins, Principal Engineer, Water Gas Wastewater Engineering, provided background on cross bores, the unintentional drilling of a new pipeline through an existing underground pipeline using a trenchless drilling method. In Palo Alto, the typical trenchless installation method for natural gas pipelines is by horizontal directional drilling. Cross bores between sewer laterals and gas lines are rare but do happen and pose a potential hazard during sewer line cleaning or plumbing work. The majority of cross bores found during the Cross-Bore Inspection Program since 2011 were found on private property. As a cross bore intersects the pipeline, grease and debris come down and clog the sewer line and the customer experiences a backup in their home. Their typical response is to call in a plumber, who will often send a root cutter or an auger bit down the lateral to clear it out and subsequently damage the gas pipeline. The sewer will later fill up with gas and present itself at manholes in the street and potentially in customers' toilets, shower, or sink.

The laterals throughout the City have been divided into six groups for phase 4 and categorized in a way to focus on where to begin, and he presented a chart demonstrating this. There are 966 laterals that still need inspection. The intention is to focus on the higher-priority, before inspecting the ones with a greater distance between the gas main and lateral. He gave some examples on how prioritization is done. From a risk standpoint, he stated he would focus on those in groups 1 through 3 that are within 11 to 15 because that can be done rather quickly, and then move to the 94 in group 4 before moving on to group 1 locations that are 21 feet or more away.

Chair Segal asked if phases 1, 2, and 3 had something higher risk than what is on the chart for the proposed phase 4.

Mr. Perkins stated the available data is analyzed and put it in boxes to help assess the risks to focus on. As the data is updated and research is done, errors may be fixed.

Commissioner Mauter noted that since the inspection process happens by putting a camera down the sewer line, there would be a lot of data collected about the lines. She asked if that data was used to inform sewer upgrades. She questioned if this is expected to be an ongoing project as new gas lines get drilled all the time.

Mr. Perkins explained that part of the inspection program includes a NASSCO coding, a recognized assessment of sewer laterals. The City pays an additional bid price for each lateral inspected to assess the lower lateral from the cleanout or property line to the main, and that is then rolled into the maintenance program for the sewer group. He also noted that for contract installs, sewer camera inspections have been done on gas main replacement projects since 2001, so the laterals being inspected with this program are prior to 2001. In-house crew installs have had inspections since 2011, and that is an ongoing process.

Commissioner Forssell asked what other communities do about inspections and how frequent the scenario of puncturing a gas line is.

Mr. Perkins noted that he had previously worked for the City of Long Beach, which had the same process with camera inspections. Some cities do complete trenching to avoid inspections, but searching for the presence of a cross bore via camera is common. Regarding adverse incidents, if a cross bore is hit and

there is no reportable incident, it will be repaired by the utility. If there is a defined incident that causes a specific amount of damage, a death, or a large gas release, it is required to be reported. He did not have the actual number of reportable incidents but would get the information.

Commissioner Phillips asked about the remediation and cost when a cross bore is found. He questioned if the program is over once the remaining 966 sewer laterals are inspected or if there is a potential that more will be found.

Mr. Perkins explained that typically when these are discovered, it is handled as an emergency. After notifying the property owner, a crew will excavate down to the cross bore. The gas line is pulled out of the sewer, the sewer is repaired, and then it is backfilled. The cost for this program is purely inspection of the existing laterals. He noted the plan is that these 966 laterals complete the program. If anything new is found, it would be handled internally by the City sewer crews.

Director Batchelor clarified that every time a new gas service is introduced to a home, it has to be inspected by camera from the beginning on the homeowner's side out to the main side. Any issues, such as tree roots blocking a view of a gas line, would be handled in house and not require contractors.

Chair Segal asked who performs the inspection in that scenario.

Director Batchelor responded the City or a contractor working for the City performs the inspection, not the homeowner.

Vice Chair Scharff felt the first phase of this program made sense and found the ones that were most concerning. The second and third phases found less and were more costly per cross bore. He stated the phase 4 inspections were the least dangerous and felt the odds of finding more than one or two cross bores was pretty low. UAC needs to decide if this is fiscally prudent, and he felt it did not seem to be at this point. He asked if there had been a cross bore incident in Palo Alto that cost hundreds of thousands of dollars.

Matt Zucca, Assistant Director Water Gas Wastewater Engineering and Operations, agreed that this is what Staff struggles with in evaluating this program. It is a risk decision. He noted the outcome might be fine but is the decision not to do something appropriate? The Staff's recommendation is based on unknown risk. It takes only once incident to make \$1.5M seem cost effective.

Vice Chair Scharff stated it is not a risk-free endeavor and wanted more information about what those risks are. Given the historical data, he viewed the risk as very low. He asked what the worst-case scenario was and how frequently that has occurred in California. He wanted, at the time of the motion, to have Staff come back with the data and options and also the risk in terms of consequences. He knew there had not been a major incident in Palo Alto with lives lost and major damages.

Mr. Zucca added that part of the risk equation is not just the economics. If a cross bore gets nicked, the result could be as simple as the sewer lines fill up with gas and the City is alerted, shuts it off, and squeezes it, done; or it could be that a house explodes and causes fatalities. Staff will not recommend taking a risk given that the range of potential consequences of the same incident can be fairly broad. The most recent cross bore found was on a sewer lateral at Church. It was not nicked. The sewer started backing up, and the City was on site quickly to intercept. That is the real data and experience within the last nine months. He agreed a sewer backup itself was not life threatening but added that the nick typically happens when

going in to clean out that sewage backup. He stated Staff was happy to bring back more data but that Staff's recommendation was one of fairly low risk tolerance.

Commissioner Phillips felt this was like buying an insurance policy. He stated it was easy to be entirely risk averse and spend \$1.XM and all sleep better, but it did not seem prudent without understanding the other side of the insurance policy. He also questioned the meaning of "other" in the table that refers to gas cross bore and other cross bore.

Mr. Zucca noted it was not impossible to quantify, but the range was big. It could be 0 because no cross bores are found, and that would be very cost ineffective. The range goes up from there but is not infinite. To capture that, Staff could look at recorded numbers to determine the ranges because the damage estimates would have been reported. He also responded that "other" could refer to a telecom cross bore, which is not a concern. The risk in that situation would be a sewage backup.

Commissioner Metz noted phase 1 found 26 natural gas cross bores. He asked if there was a common denominator among those found, such as lines close together, one contractor, or one neighborhood.

Mr. Perkins responded that those 26 were sporadic. Most of them were found on private property, but there was no common theme of one individual neighborhood or project.

Commissioner Croft asked who is putting new gas pipes in.

Mr. Perkins responded that all of the City-owned gas pipelines are put in by City crews or a City-qualified contractor.

Commissioner Croft clarified that the sewer lines are being inspected for gas lines the City may have put it, so it is the City's responsibility. She felt a big incident was such a high risk that it seemed prudent to do the inspections. She alternatively suggested a possible rule that there has to be a check before someone comes in to clean out a blocked sewer.

Mr. Perkins was not aware of a requirement for a camera before sending a root cutter or auger down.

Mr. Zucca added that it also depends on where the clog is. The City would respond to a clog in the lower lateral or if there was an indication of a cross bore, but if it is on private property, it is the owner's responsibility.

Commissioner Forssell asked to have the \$1.35M in perspective of the overall gas utility budget. She felt there was not a good definition of "incident," and stated she was interested in data on both the existence of a cross bore and reportable incidents.

Director Batchelor noted the budget was \$76M, about 2%.

Chair Segal asked if the Church incident mentioned would have been caught in the proposed phase 4 inspection.

Mr. Zucca did not think so because it occurred due to a mismapping issue of the sewer lateral. The lateral that was hit was not mapped.

Chair Segal she questioned whether it would eliminate the risk of cross-bore incidents if every property had a gas pressure valve and if that would be a better place to spend the money.

Mr. Perkins noted there is currently a requirement to install an excess flow valve, which automatically activates and shuts down the majority of the gas with a pressure drop. That significantly reduces the risk of a potential reportable incident, but some of these were installed prior to that being a regulation. The groups are broken up into services that have emergency shutoff valves and those that do not. A service that does not have it is a higher risk than one that does. Installing the valve would require excavating the street, interrupting the gas service, installing a new one, and backfilling and paving for each one. He was unsure what the cost would be, but it was not currently part of the program to go back and install an emergency valve on services that did not have one installed before it was a requirement.

Mr. Zucca explained that it costs around \$1400, on the high end, per inspection, and it would be far more than that to install valves. He felt that would not be the best way to mitigate risks.

Commissioner Mauter felt that it would also be helpful to understand the additional value for sewer line maintenance. This is not just risk prevention but also learns more about infrastructure, what is likely to fail, what has already failed, and what needs to be fixed urgently. She echoed Commissioner Croft's sentiment that there is a moral hazard and legal liability associated with a City-operated gas utility having made an error. She wanted to be conscious that it is not the homeowner that installed a gas line incorrectly. She also pointed out that only assessing risk without accounting for other value propositions misses part of the equation.

Mr. Zucca noted he could come back with the opportunistic savings from this work.

Commissioner Forssell was interested in what groups 1 through 6 actually mean. She questioned if an excess flow valve solves the reportable incident problem in a different way. She wanted clarification on the notations "house" and "curb" and the column "Main Crosses SS Lateral" on the chart.

Mr. Perkins explained that it referred to a meter located at the house or a meter located at the curb. A curb meter poses a reduced risk because the curb meter is typically on the City side and the sewer lateral is located at the time of installation.

Mr. Zucca stated Main Crosses SS Lateral denotes that there is a known utility crossing. The assumption is they are not in the same plane, but if it is mapped that way, there is a higher risk than something not mapped that way. Every line in the chart is a different way of characterizing risk.

Chair Segal asked the Commission if they preferred to have more data or to go forward as presented. Commissioners Croft, Commissioner Mauter, and Commissioner Metz did not need more data but respected the desire for more data in order to make a decision; Commissioners Forssell and Phillips needed more data. Chair Segal requested a motion to come back to the Commission with more data.

ACTION: Vice Chair Scharff moved Staff return to the Utilities Advisory Commission with options to complete fewer than the 966 sewer laterals over the next 2 years based on different risk criteria, including the rate of incidents, reportable incidents, and un-reportable incidents.

Commissioner Forssell seconded the motion.

The motion carried 7-0 with Chair Segal, Vice Chair Scharff, Commissioners Croft, Mauter, Metz, and Phillips, voting yes.

ITEM 4: ACTION: Recommendation to Adopt a Resolution Approving an Amendment to the City's 2009 California-Oregon Transmission Project Long-Term Layoff Agreement to Extend the City's Layoff of its Share of the California-Oregon Transmission Project (COTP) until 2034 and to Receive Annual Market Payments

Lena Perkins, PhD, Senior Resource Planner, explained that the 15-year layoff agreement, which is a temporary ownership agreement during which all rights, responsibilities, and costs are not the City's, is coming to an end in February. There is a possibility to mutually agree with the partner utilities and take this back or sell it during the duration of the layoff. The process required for an outright sale was not going to happen before the layoff expired. Not implementing the layoff would result in substantial capital costs owed by Palo Alto. There is more protection from wildfire liability during a layoff. If the layoff is approved, there will be 10 years of ramp to decide what to do with this asset. She gave further background and information on the COTP. It is maintained by Western Area Power Administration, a branch of the federal government under DOE, which owns around 40% of the transmission in the U.S. and has an excellent safety record. In 2008, the market redesign of the California ISO took away most of the value of this line to the City. Anyone joining the ISO pays a flat transmission charge based on the volumetric energy, and there is almost no benefit to owning transmission outside of that system. The decision was made in 2009 to do an at-cost layoff that extends through February 2024. Staff recommends extending the layoff for 10 more years to the same utilities as the current layoff. Ms. Perkins presented estimates of the value of bringing COTP back to the portfolio or extending the layoff.

Commissioner Croft stated there was a comment about prefunded amounts that need to be paid back and asked if those are the amounts calculated.

Dr. Perkins explained that the prior capital replacements in the previous 15 years have totaled about \$1M that would have to be paid back in February 2024 if this were brought back. That was spread out over the past 15 years, and the percentage of the \$1M would go down by 2034. She also noted that the City's percentage of upcoming capital expenditures 2024 and 2025 was about \$4M.

Commissioner Phillips asked if he was correct in understanding that this opportunity is created because it is worth more to the other members of the TANC that did not join the California ISO.

Dr. Perkins agreed that was correct.

Commissioner Forssell questioned the reasoning of utilities not joining Cal ISO and whether utilities can switch from one balancing authority to another.

Dr. Perkins believed there had been mistrust on whether the California ISO was going to function and be reliable. The Sierra Nevada Region of the Western Area Power Authority decided not to join the California ISO given the specific constraints of hydro power and the inability to flex with the market when water had to go down, and they had sufficient transmission to go it on their own.

Commissioner Metz asked to clarify that if the layoff is done and the City needs the energy, it could not get it. He there was a comment for future potential for wind. He questioned if that implies there is not the ability to pump federal hydro through that. He asked what the other cities in Cal ISO are doing.

Dr. Perkins noted this was transmission without energy associated with it. She responded that Northwest hydro was limited and that the Pacific Northwest would mostly be on the buying side of that. CAPU has access to federal hydro without the COTP, but there is not much available for a compelling price. Every Cal ISO utility has laid off their shares in 2015, and their layoff extends until 2039.

There was some discussion about low-cost renewables value noted on the chart.

Commissioner Phillips asked why the layoff would be 10 years rather than 15 years or permanent.

Dr. Perkins responded that the longer the better for a layoff, but the counterparties were not equipped to respond to a longer deal. Ten years was a reasonable compromise and what was able to be negotiated.

Chair Segal asked if the O&M obligation of \$1.4M was annual.

Dr. Perkins answered that it was annual and a lot of that was wildfire mitigation.

ACTION: Commissioner Forssell moved Staff recommendation the UAC recommend the City Council adopt a Resolution approving Amendment No. 3 to the City's 2009 California-Oregon Transmission Project Long-Term Layoff Agreement to extend the term for 10 years until 2034 and to receive annual market payments, as shown in Exhibit A to the attached Resolution.

Commissioner Phillips seconded the motion.

The motion carried 7-0 with Chair Segal, Vice Chair Scharff, Commissioners Croft, Mauter, Metz, and Phillips, voting yes.

The UAC took at break at 7:55 p.m. and returned at 8:06 p.m.

ITEM 5: ACTION: S/CAP Strategic Plan on the Reliability and Resiliency for the Electric Distribution Utility

PUBLIC COMMENT:

David Coale stated that when people are starting to electrify their homes, they have to do an electric load calculation to see if their electric panel can handle the extra loads. They can do this using a spreadsheet the City supplies based on the national electric code, which is a conservative calculation and can cause unnecessary panel upgrades. Another method is using historical data to determine if there is enough capacity. Now that the City will be getting smart meters, this data will be available, and the City can help by showing the max current use each month on the utility bill. This would greatly simplify the electrification process for the homeowner.

Jonathan Abendschein, Assistant Director Utilities Resource Management, recapped the history of this item. The proposed plan includes six strategies. Strategies 1 and 2 summarize a variety of work the utility is engaged in right now. He listed those efforts, with a major piece being the grid modernization project. Strategies 3 and 4 relate to encouraging and valuing flexible technologies, with several actions being taken to promote these technologies and strategies and quantify the cost versus benefit of the technologies. Staff also intends to identify potential programs the City could implement. There would most likely need to be additional budget or staffing resources for those programs, which would be identified as part of Strategy 5. Any programs chosen by Council for implementation could then move forward with additional

analysis and implementation efforts as part of Strategy 6. The aim is to complete the Strategies 3 through 5 by the end of 2024 to begin discussing potential programs in 2025. He discussed some of the achievements to date and the implementation activities in progress.

Commissioner Metz asked about the scope of the planned consulting contracts for Strategies 4 and 5. He stated if those tasks pan out, they will be increasingly core areas that will require resources to build capabilities. He questioned the meaning of public-private partnerships in Strategy 5, Action 3, and asked if there is a plan for neighborhood-level microgrids noted in Strategy 5, Action 4.

Mr. Abendschein noted the consultant scope should be able to cover Strategy 4, Actions 1, 3, and 4, evaluating the value of flexible technologies for electric supply costs and resiliency. The consultant scope would also address all actions in Strategy 5. He stated the goal of the consultant with respect to Strategy 5 is to lay out different potential paths forward and the resources needed. On the topic of public-private partnerships, he gave an example of a public-private partnership with VMware to set up a small demonstration microgrid. He said there is not currently a plan for neighborhood-level microgrids. There are ideas about how to approach it but it is very complex. The most complex programs, like microgrids, may need more analysis even after Strategy 5 is completed.

Commissioner Metz applauded that the strategy explicitly addresses resilience during an emergency. He suggested coordinating with OES regarding that. Regarding flexible and efficient technologies, he felt the language needed to be stronger to actively steer people toward these technologies to the benefit of the utility and ratepayers.

Commissioner Phillips questioned what community was being referred to. Was it just residents or was it all customers? He suggested more specificity in that language moving forward.

Mr. Abendschein stated the language was intended to be broad and inclusive of both the residential and the commercial community.

Commissioner Forssell felt it was odd for Strategy 6 to implement programs "as chosen by the community."

Mr. Abendschein suggested the wording could be changed to "as directed by Council."

Dean Batchelor, Utilities Director, explained the intent was not that community would set the policy but would have input so Council could understand what the concerns are.

Commissioner Mauter asked about the process going forward, whether approving this gives the green light to spend the money allocated under each strategy.

Mr. Abendschein explained the UAC can recommend to Council to move forward with the plan. To the extent additional resources are needed, it would be put into the annual budget requests, which could then be recommended for approval by the UAC and approved by Council. The things that require additional resources are utility projects already underway and running in parallel with this strategic plan. The studies and staff efforts noted in the plan can be absorbed within existing budgets.

Commissioner Phillips further questioned what happens next if Council approves this.

Mr. Abendschein responded that assuming it were approved by Council, Staff would come back to the UAC with regular updates and get feedback at important points during the process.

Commissioner Croft felt there were opportunities to engage the community and suggested putting out an annual mailer as a lot of people do not get physical bills with inserts. This could include things to think about when considering construction: changes in the code, electrification, appliances. It would be an opportunity to get information out.

Chair Segal wanted to include in that mailer an explanation that pulling a permit is important to help balance the electric load and not meant to be a problem for residents. She noted she would like to see two other columns in attachment B, indicating whether an item is on schedule, at risk, or behind and on, under, or over budget. She thought Strategy 3 needed more detail.

Mr. Abendschein noted there was not a lot of detail in Strategy 3 because it is still being worked out. He gave more explanation about that, and there was discussion about reframing the language.

ACTION: Commissioner Mauter moved Staff recommendation that the Utilities Advisory Commission (UAC) recommend the City Council approve the Reliability and Resiliency Strategic Plan for the Electric Distribution Utility.

Vice Chair Scharff seconded the motion.

The motion carried 7-0 with Chair Segal, Vice Chair Scharff, Commissioners Croft, Mauter, Metz, and Phillips, voting yes.

COMMISSIONER COMMENTS and REPORTS from MEETINGS/EVENTS

Commissioner Metz noted he participated in the S/CAP Ad Hoc Committee meeting on November 30. The two main topics were the heat pump water heater program, which has high customer satisfaction on installations but still has a high dropout rate and needs to improve to reach the goal of 1000 installations per year, and a presentation by Peninsula Clean Energy. Their goal is 100% renewable energy, 99% time coincident by 2027. Data suggests that 90% is probably feasible and would reduce their CO₂ footprint, but trying to achieve higher time coincidence or more reliance on the current market would lead to over-procurement and higher cost.

Commissioner Forssell had a report from an interaction with a member of the public regarding the AMI smart meters. There was a question of whether they are compatible with in-home display, and it was suggested that commission members could be guinea pigs for that technology.

Chair Segal, Commissioner Phillips, and Commissioner Croft all agreed they would like to participate.

Commissioner Mauter asked if there is a set of representative users across the City that is cultivated for providing feedback on some of these efforts. She felt it was important, in looking at these things, to have a group of broadly representative of the community.

Jonathan Abendschein, Assistant Director Utilities Resource Management, gave some examples of the types of feedback the City currently obtains, including surveys, to get feedback. He acknowledged the potential value of a representative focus group as recommended by Commissioner Mauter.

Council Member Lauing discussed that the annual survey was recently reviewed by the Council. One of the messages is that the Commission and Staff are not getting enough credit for all of their work. There were also responses that there were not the same benefits as other people are getting from places like PG&E and that rates are too high. He felt doing more marketing on the strengths and accomplishments was needed.

FUTURE TOPICS FOR UPCOMING MEETINGS:

Chair Segal noted cyber security was the only thing that had not been included already.

Commissioner Mauter looked forward to the OneWater plan discussion and asked to get that agendaized. She wondered if it was possible to specifically talk about onsite reuse regulations within Palo Alto and how it factors into the OneWater plan.

Commissioner Phillips was interested in the presentation on commercial electricity strategy.

Commissioner Forssell also wanted to get more information on the topic of permitting and inspections and the ease of installing solar storage in Palo Alto.

NEXT SCHEDULED MEETING: January 3, 2024

Commissioner Mauter moved to adjourn.

Vice Chair Scharff seconded the motion.

Motion carried 7-0 with Chair Segal, Vice Chair Scharff and Commissioners Croft, Forssell, Mauter, Metz and Phillips voting yes.

Meeting adjourned at 9:05 p.m.

Respectfully Submitted
Jenelle Kamian
City of Palo Alto Utilities