



**CITY OF
PALO ALTO**
Utilities Advisory Commission
2021-2022 Workplan Overview

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

Date approved by UAC: 2/2/2022

About the Commission

The Commission is created pursuant to Chapter 2.23 of the Code. The Commission shall perform the duties imposed upon it by applicable ordinances of the City and applicable California and federal laws. In addition, the Commission shall, as may be requested by the Council or the City Manager, provide advice on any matter pertaining to the purpose and duties of the Commission, as set forth in section 2.23.050 of the Code, and as the same may be amended from time to time by ordinance of the City.

Current Commissioners

- Lisa Forssell (Chair)
- Lauren Segal (Vice Chair)
- John Bowie, A.C. Johnston, Phil Metz, Greg Scharff, Loren Smith

Mission Statement

The Utilities Advisory Commission (UAC) is charged with providing advice on long range planning and policy matters, acquisition, development and financial review of electric, gas and water resources; joint action projects with other public or private entities which involve 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.

Prior Year Accomplishments

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| <ul style="list-style-type: none"> • S/CAP: <ul style="list-style-type: none"> o implementing SolarAPP+ for ease of permitting the installation of Solar o Solar: 12 installations • EVTAP: <ul style="list-style-type: none"> o 4 applications submitted, o 48 sites enrolled in program, • Curbside Pilot: <ul style="list-style-type: none"> o 1 application submitted, • EV Rebates: <ul style="list-style-type: none"> o 32 ports installed, • City Owned: <ul style="list-style-type: none"> o 33 ports installed • CIPs: <ul style="list-style-type: none"> o Cote Madera Reservoir was 85% complete by the end of 2021. o GMR23 was 75% completed by the end of 2021. o Cross Bore Inspection was 38% completed by the end of 2021. o Foothills Overhead Line Project (Project EL-21001) for the Palo Alto Foothills: <ul style="list-style-type: none"> o 7000 feet of substructure work; o design to eliminate the corresponding; o 26 poles; and o installation of new underground equipment has been completed o Second Transmission Line Corridor Connecting the City of Palo Alto Electric Distribution System to the Pacific Gas & Electric Transmission Grid: <ul style="list-style-type: none"> o Submitted a formal request to CAISO | <ul style="list-style-type: none"> • FIBER: <ul style="list-style-type: none"> o Completed Phases 1 and 3, o Completed half of Phase 2, o Completed just under half of Phase 4 • AMI: <ul style="list-style-type: none"> o Received Council approval to begin planning phase o Hired a Consultant Firm • BUDGET: <ul style="list-style-type: none"> o Received Council approval on rate adjustments • RECs: <ul style="list-style-type: none"> o Bucket 1 Sales (MWh) - 287,210 Revenue \$4.01M o Bucket 3 Purchase (MWh) – 383,408 Cost \$1.97M o Net Revenue \$2.04M • DSM: <ul style="list-style-type: none"> o One Water Plan has been scoped for the RFP, o Working with Valley Water on purified water for the RWQCP • Work Force: <ul style="list-style-type: none"> o Attending college job fairs to attract young graduates o Discussing a sign on bonus program with CMO/HR • Metrics of community involvement and participation: <ul style="list-style-type: none"> o Between January 2021 and December 2021, the UAC held only virtual meetings via Zoom. o The average community attendance was 7-10 o The average (not per meeting but overall) community participation was 2-4 |
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2022-2023 Workplan

Staff Liaison: Dean Batchelor, Director of Utilities

Lead Department: Utilities

PURPOSE STATEMENT:

The Utilities Advisory Commission's goals and purposes are to acquire and maintain the highest level of water, gas and electric resources to ensure the City is stable on a daily basis as well as in an emergency situation. The Commission's goals and purposes include overseeing the CIP's to ensure the infrastructure is reliable and safe.

Standing Topic 1 :

Annual Budget - Rate changes to Water, Gas, Electric, Wastewater collection, and Fiber services.

BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
The community will have a better understanding of the rates and why 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 report.	Council approval of 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: Consider 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 source and supply when needed in the event of a drought or for basic uses	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 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 supply 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 CIP's: Discuss CIP projects.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
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 the meter system to upgrading the outage management system	Utilities has multiple projects in their Council approved CIP budget. Most of these projects are multi year based.	Staff time, Legal review time, Procurement time for setting up contracts, contractors for work completion	Utilities CIP success is completion of the project within the timeline that was approved by Council.	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Maintaining quality of life for the community creates the priority for Utilities projects		N/A		N/A

Standing Topic 6: Reliability and Resiliency: Ongoing discussions regarding the reliability and resiliency of the utilities.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
This matter encompasses a number of situations including but not limited to the S/CAP program. The benefit of any of the reliability or resiliency projects is to support the City and community now and into the future with reliable, safe connections, water, electricity, fiber and natural gas	These programs and projects are year-round and do not have a beginning or an end. For example the S/CAP is set to accomplish the goal by 2030	Budget approval, staff time, additional staff, and some use of consultants	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.	Yes
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
The S/CAP is a Council priority and therefore a High priority for the Utilities Advisory Commission to focus on		N/A		N/A
Standing Topic 7: Legislative Initiatives: The Utility tracks many local, state and federal bills that touch on utilities. Should any new laws, regulations, or ordinances pass during the year, the UAC may need to discuss the changes.				
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 effect 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 effects the regulated utilities		N/A
Standing Topic 8: Council Driven Initiatives: The UAC will address any matter assigned 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

FY2023 Topic 1: CA Renewable Energy Credits (REC's): Review progress with the sale of Bucket 1 and 3 RECs. Provide recommendations for discontinuance (or continuance) of revenue program.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
The purchase of REC 3's allow the Utilities to lower cost to the Utility customer, saving future rate increases to the community	Ongoing	Staff time	Maintain a green portfolio and purchase Bucket 3 REC's at a lower rate than Bucket 1 REC's	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Keeping rates stable and lower than PG&E				
FY2023 Topic 2: 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.	April 2022 until late 2022	Approximately 0.1 to 0.2 FTE beyond that required for the S/CAP Committee, plus UAC Commissioner time outside of normal UAC meeting times.	The development of clear plans for building electrification, including concrete improvements to 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 besides building electrification		yes
FY2023 Topic 3: 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 will commence CYQ3-2023 and expected to be completed by CYQ4-2024 according to the current timeline	Staff 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, energy efficiency for residents				No

FY2023 Topic 4: Fiber to the Premises: Discuss the proposal for launching and deploying fiber to support AMI and possibly City-wide FTTP.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Service excellence, local ownership, increased quality of life, investment in the community, competitive pricing, and economic development.	05/2021 - 09/2022 On May 24, 2021, the City Council directed staff to combine Phases 2 and 4. Study Session with Council set for August 8.	Staff time, Consultant time, Budget	Unknown	Yes
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Have a poignant discussion with Council resulting in approval to move forward to the next phase.				n/a
FY2023 Topic 5: Climate Impacts: Discuss impacts of climate change, including sea level rise, drought, and wildfires, on the utilities.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Internal discussions on the future of how the sea level rise and drought impact the community. Wildfire: to protect the City against any future damage claims due to wildfires affecting the electric lines.	Wildfire: The plan update will be submitted to the Wildfire Safety Advisory Board by July 1, 2022. Sea level rise and drought do not have a specific timeline, they are nature driven.	Wildfire: Staff Time, Contractor time		Wildfire: yes
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Temperatures are rising worldwide due to greenhouse gases, droughts are becoming longer and more extreme around the world, tropical storms are becoming more severe due to warmer ocean water temperature rise.				
Potential Topics 1: 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
Removes the impact to visual nuisances, increased reliability, 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 safety and reliability				No

Potential Topics 2: 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 rest 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	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
Due to the sensitive nature of the Utilities, cybersecurity protects against theft, economical impacts, public health risks, and data (community, commercial and residential) information available in our systems, protecting it from attacks is critical				no
Potential Topics 3: Workforce: Discuss ongoing issues with hiring and retaining qualified utility workers.				
BENEFICIAL IMPACTS	TIMELINE	RESOURCES NEEDED	MEASURE OF SUCCESS	STATE MANDATED / LOCAL LAW / COUNCIL-APPROVED
Having the ability to maintain a workforce gains consistency in Utility maintenance, and completion of Council approved CIP's	Ongoing	HR time, Utility staff time, budget	Filling of all open positions	N/A
HIGH PRIORITY		LOWER PRIORITY		COUNCIL-DIRECTED POLICY UPDATE
It is a high priority to fill these open positions in order to lower the overall cost of the Utilities. If critical positions are filled, the need for having contract workers lowers the cost to serve the community.				No
Potential Topics 4: 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
		Palo Alto maintains high quality control with frequent testing of its water to maintain a higher than state standard		No