



## City of Palo Alto

(ID # 13529)

### Utilities Advisory Commission Staff Report

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**Report Type: New Business**

**Meeting Date: 9/1/2021**

**Summary Title: Work Plan**

**Title: Utilities Advisory Commission Approved 2021 Work Plan**

**From: City Manager**

**Lead Department: Utilities**

#### **Discussion**

The Utilities Advisory Commission draft work plan was reviewed and approved by the City Council on June 21<sup>st</sup>, Item 17. Council informed the City Clerk staff there was no need for a special staff report to be submitted as long as the UAC approved the finalized work plan.

The final approved UAC work plan can be found on the Utilities webpage ([Linked Document](#)).

#### **Attachments:**

- Attachment A: Work Plan

**Board or Commission Name:** Utilities Advisory Commission (UAC)

**Staff Liaison Name and Contact Information:** Dean Batchelor – 650.496.6981

**Lead Department:** Utilities

**General Purpose and/or Purview of Board/Commission:**

The Utilities Advisory Commission (UAC) is charged with providing advice on 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.

<b>Anticipated Item/Topic</b>	<b>Description and/or Info</b>	<b>Quarter (July 2021 – June 2022)</b>
Meet the S/CAP Goals	Including the goal to reduce natural gas consumption by 2030. This includes possible code modifications, potential full or partial retirement of the gas distribution system, replacement of space and water heating systems, cooking and cleaning appliances. It also includes permitting and inspection processes for customers wishing to install solar PV, energy storage, and/or EV charging systems.	These projects are ongoing and will be discussed by the Commission periodically
Utilities CIPs	Rebuild/repair reservoirs; Foothills water piping; ongoing maintenance of electric, gas, water and wastewater infrastructure.	These projects are ongoing and will be discussed by the Commission periodically.
City-wide Resiliency Efforts	Consider means to improve resiliency of all utilities, in the event of accidents, climate change, emergencies, sea level rise, etc.	Routine review of Staff reports and recommendations
Dark Fiber Network Expansion & Fiber to the Home Internet Service Provider (ISP) Initiative	1) Expansion of City's existing dark fiber network and infrastructure. 2) Assist City Council and City Staff in the development, service offering, business planning and impact studies associated with the building, maintenance and operation of a City-owned ISP (Broadband) service offering built upon a fiber-to-the-home initiative to bring high-speed (=> synchronous 1GB Services) internet services to Palo Alto residences.	These projects are ongoing and will be discussed by the Commission periodically.
Advanced Metering Infrastructure Project	Upgrade the antiquated meter system by replacing the citywide meters (gas/electric/water) with digital meters that can be read through a software program,	These projects are ongoing and will be discussed by the Commission periodically.

	enable time of use billing, and provide more detailed usage data to customers.	
Budget	Rate Increases to Water, Gas, Electric, and Wastewater collection services.	These projects are ongoing and will be discussed by the Commission annually
CA Renewable Energy Credits (RECs) - Bucket 1s and Bucket 3s	Review progress with the sale of Bucket 1 and 3 RECs.  Provide recommendations for discontinuance (or continuance) of revenue program.	Meeting Agenda Item to UAC - proposed not less than once / quarter. Special notifications / sessions as necessary.
Greenhouse Gas Emission Reduction	Meet the S/CAP goals to reduce GHG emissions 80% below 1990 levels by 2030. This includes modifying the energy supply portfolio, purchasing RECs and/or other carbon offset instruments, as well as EV charging infrastructure, allocation of LCFS funds, solar PV adoption, and distributed energy resources.	These projects are ongoing and will be discussed by the Commission periodically
Water Supply	Consider potential future sources of water supply.  Demand management programs, grey water supply, black water, treatment efforts, use of effluent.	These projects are ongoing and will be discussed by the Commission periodically.
Workforce	Attract and retain workers for key Utility positions that are chronically unfilled, including line workers, engineers, and system operators.	These issues are ongoing and will be discussed by the Commission periodically.
Other legislative or customer-driven initiatives	The Utility tracks many state and federal bills that touch on utilities. Should any bills become law during the year, the UAC may need to address the matter. Likewise, should a customer-driven initiative impact Utilities (such as reach codes or ADUs/JDUs) the commission may want to address the matter.	These issues are ongoing and may be discussed by the Commission periodically.
Undergrounding	Staff continuing to review and work with AT&T to identify recommendations for undergrounding electrical utilities	Staff report forthcoming to the UAC and Council by March 2022 updating them on the status of cost, the number of districts remaining to undergo the process, and an estimated timeline.
Reliability	<ul style="list-style-type: none"> <li>During the budget process Council approved funds to hire an outside 3<sup>rd</sup> party firm to review the electric system</li> </ul>	The consideration is by the end of FY22

	<p>and recommend improvements to eliminate outages</p> <ul style="list-style-type: none"> <li>• Staff working on an RFP to secure an Outage Management System (OMS)</li> </ul>	
Cyber Security	Security of utility services (Software, Hardware, Use of wireless devices, e.g. AMI)	The consideration is by the end of FY22
Data Handling, Storage, Use	of all data captured out of utility services and services to the community	By end of Q1 FY22
Inspection & Permitting	Working hours, Permitting, Building	Quarterly updates provided to the UAC
Emergency Preparedness & Response	<ul style="list-style-type: none"> <li>• Staff will look into the implementation and use of <i>island</i> to meet local neighborhood essential needs in an emergency (beyond critical infrastructure such as hospitals and first responders)</li> <li>• The purpose of the <i>island</i> would be to build energy resiliency</li> <li>• Environmental sustainability – refer to the Greenhouse Gas Emission Reduction goal</li> </ul>	These projects are ongoing and will be discussed by the Commission periodically