



**AGENDA
ENERGY BOARD MEETING
PROVO POWER
251 W 800 N, 4:00 P.M.
January 9th, 2017**

1. Welcome
2. Approval of Minutes—December 5th, 2016
3. Financial Report—Dustin Grabau
4. Net Metering Update –Travis Ball
5. Automated Metering (AMI) Update – Travis Ball
6. APPA Resource Registration – Kat Linford
7. Upcoming Events:
 - a. Next Board Meeting: Monday, February 6th, 2017 @ 4:00pm
 - b. UMPA Annual Meeting (Zermatt Resort, Midway, UT)
 - April 20-21st, 2017
 - c. APPA National Conferenc (Orlando, FL.)
 - June 16-21st, 2017

A copy of the agenda was posted in the Civic Center, and the Provo City Library, on January 4th, 2017, and also delivered to the Mayor, City Council Members, required news media, and adjacent cities in compliance with the Utah Code 52-4-6

The City of Provo
Department of Energy
Minutes of the Provo City Energy Board Meeting
December 5, 2016

Energy Board Members

Norm Wright
Julie Radle
Cheryl Taylor
Paul Greenwood

City Staff & Administration

Travis Ball Wayne Parker
Scott Bunker
Dustin Grabau
Kat Linford
Tad Smallcomb
Chaz Addis

Municipal Council & Staff

Gary Winterton

Welcome & Introductions

Chairman Norm Wright conducted the meeting and welcomed everyone. Mary Rasband, Fidel Montero and Ned Hill were excused.

Approval of Minutes

Approval of the minutes from the August 29th, 2016 and the October 3rd, 2016 meetings: Paul Greenwood motioned to approve, Cheryl Taylor seconded, all approved.

Financial Report

From the last meeting, it was pointed out that the August financial report had a formatting issue and the totals were incorrect. An updated version of the report was included in the handouts as discussed.

Dustin Grabau gave a financial report for October which indicates that we're on track for a strong financial position so far. There are always a few variances in the numbers due to the hotter months in the beginning of the year where we make more money but it will balance itself out towards the end of the year.

Overall we stand at 33% of revenues and 30% of expenditures which is right on target. In the Street Tree Planting Budget, there is a high balance which is due to an influx of development. This budget will be utilized once the tree plantings take place in the warmer weather. This budget can roll in place for up to two years because of the time it takes for developers/homeowners to be ready for planting as set forth in the city code. Travis stated that this influx is a good sign of economic growth.

The budget is also reflecting that we are getting close to the goal amount set for the Reserve Fund Balance of around \$22 million dollars. Once that goal is obtained a determination will need to be made whether to change the rates and how and where those funds are accumulated or maintained.

Net Metering Update

In the past several meetings the board members were given information as to the importance of addressing the impending issues and dilemmas that the current Net Metering (Solar) practices causes the utility. The board members made a recommendation to the Municipal Council on two different occasions to charge a rate to the net metering customers which covers the fixed costs of utilizing the grid – something that is bypassed in the current utility rate.

After presenting to the Municipal Council in both the study sessions and at the City Council Meeting, the council voted in favor of the rate proposed by the Energy Department 4 to 3. After the vote was made there was significant public outcry, and Mayor John Curtis publicly stated that he would veto the decision.

Members of the board had expressed concern/questions about the potential threat of the Veto from the Mayor and wanted to know more about his decision. Representing the Mayor, Wayne Parker stated that because of the outcry that Provo City and Provo Power didn't support solar or green initiatives, the Mayor was of the opinion that it was necessary to discuss and educate on this topic further. However, before the veto was made, the Energy Board Council Representative Gary Winterton was of the opinion that it would be more beneficial to rescind his favorable vote and turn what could be a very negative spin into a positive discussion rather than allow the veto to happen.

Since all of this occurred, a Net Metering Committee has been established with a very strict timeline to come back to the council with a proposal in January. The committee is made up of several parties including customers with and without net metering, solar companies, members of the council, a representative of the Energy Board (Cheryl Taylor) and members of the city staff and UMPA.

Travis is actively participating on the committee and has been working hard to establish the correct stance that Provo Power is in favor of solar and green initiatives – but also keeping in mind what is right and equitable for all of our customers and how it affects the City.

An idea that some of the committee members have come up with for large Net Metering Customers (over 25 KW) would be that the customer can sell all of their generated power to UMPA through a PPA (Power Purchase Agreement) then the customer will be paid the value of solar from UMPA. This option creates a logical avenue for the customer to sell power to an entity that already manages all of the power needs for Provo Power, yet keeps Provo Power out of the middle of buying power but allows us to bill for all electrical services appropriately through the standard utility billing. This option is what the staff of Provo Power would recommend for a large-scale net metering project (over 25 KW), although it is a very lengthy and in-depth process, but one that could be a win-win situation for both the city and UMPA.

Paul Greenwood weighed in on this subject because BYU has been working with Provo Power and UMPA to entertain this option for their “co-gen” operation. There are federal regulations (FERC) that make this a complicated process, however there are great benefits for all parties to utilize this option. The agreement with BYU, Provo Power and UMPA hasn't been finalized and rates still need to be passed but BYU will continue to pursue this option.

At the next Net Metering Committee Meeting, the solar companies are coming back with a proposal of what they think would be fair, however Travis stated that this shouldn't be looked at as a negotiable rate, but what is most fair and equitable for all of the customers of Provo.

Norm Wright asked if the Energy Boards position was being represented to the committee and if the non-solar customers are in mind. Travis and Wayne both clarified that the boards position was being upheld in all of the discussions.

The consensus of the board was that this rate and issue be addressed now instead of later because of the potential growth and negative impact that it has on the utility and customers.

Regardless of the recommendation or decision made, the contract language needs to be addressed pertaining specifically to the solar companies and the installers to make sure that training and processes are implemented appropriately. This is something that the staff of Provo Power is working on with the Legal Department to get changed in the code and will be discussed further at the next meeting.

In addition, several meetings back the board made a request that Provo Power put together an educational piece of what Net Metering is and how it works so that all customers can understand it. Kat Linford has been working on a marketing piece that will go out in the February Newsletter. A draft was given to the board for their recommendations. Kat mentioned that because the subject is so broad there will be a series of information that will go out in the newsletters and other avenues.

Forestry Update

Our City Forester, Chaz Addis was introduced to the board. He has been with Provo Power for about nine months but has 12 years of experience in the forestry field. The staff of Provo Power is very pleased with the work that Chaz is doing.

Chaz gave a summary report on the Forestry Division and what they do for the city and Provo Power.

The Forestry Division consists of two parts - Utility Forestry and City Forestry and their duties are as follows:

The Utility Forestry Program consists of crews that cycle through the city to prune and maintain trees that are growing near or under power lines. The crews can get through the city in its entirety in about three years but continue to monitor trouble areas.

The City Forestry Division takes care of all the trees that are in the park strips. Even though the trees are on the property of the home/business owner, our forestry division will prune and take care of all of those trees.

Our Forestry Division participates in many community outreach programs including Arbor Day celebrations, tree plantings with community and scout groups, offers a tree replacement program and hosts an annual tree giveaway for energy conservation to name a few.

The Forestry Division has been recognized for 21 consecutive years as a Tree Line USA Utility, and as Tree City USA City for 33 consecutive years.

Automated Metering Infrastructure (AMI) Update

Because of the time constraints this topic was not discussed and will be continued to the next board meeting.

Calendaring and Scheduling

There has been concerns about not everyone being able to make the regularly scheduled meeting times. The board members discussed options of what would work best for the majority of the group. After discussing with those present it was decided to keep the meetings scheduled for the first Monday's of the month in the afternoon.

Reminders of upcoming meetings:

- Energy Department Christmas Luncheon – Thursday, December 15th at 12:00pm
- The next Energy Board Meeting is scheduled for Monday, January 9th, 2017. Time TBD once discussed with two board members.

Paul Greenwood motioned to adjourn, Cheryl Taylor seconded, all approved.

Meeting adjourned at 6:20 PM



**EXECUTIVE SUMMARY
ENERGY BOARD MEETING
Monday, December 5, 2016
5:00PM**

1. Welcome
2. Approval of Minutes—August 29th, 2016 & October 3rd, 2016
3. Financial Report—Dustin Grabau
Report, discussion item.
4. Net Metering Discussion – Travis Ball
The Energy Board expressed concern that their position is being represented during the Net Metering Committee Meetings, and the consensus of the board was that this rate and issue be addressed now instead of later because of the potential growth and negative impact that it has on the utility and customers.
5. Forestry Division Update – Chaz Addis
Report, discussion item.
6. Automated Metering Infrastructure (AMI) Update – Travis Ball
Item continued to next meeting.
7. Calendar and Scheduling
Next meeting: January 9th, 2017 Time TBD. A discussion was held regarding the start time of the meetings to make sure the majority of the board members can be in attendance. This item is still to be discussed.

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2017 Meeting Schedule

Energy Board Meetings 4:00pm
APPA Legislative Rally (Washington D.C.) February 27 - March 1
UMPA Annual Meeting Midway, UT April 20 - 21, 2017
APPA National Conference Orlando, FL June 16 - 21st, 2017
City and National Holidays

Unless otherwise noted, the Energy Board meets on the first Monday of every month at 4:00pm, however due to holiday schedules and other meeting conflicts, the exceptions are as follows:

April's board meeting will be held on Friday, April 21st during the UMPA Annual Meeting

There will be no meeting in May, June, July or December unless deemed necessary by the chairman of the board

If you have any questions about the scheduling or if there needs to be anything added please contact Kat Linford at 801-852-6886 or by email at klinford@provo.org