



AGENDA

PITTSBURG POWER COMPANY ADVISORY SUBCOMMITTEE

Wednesday, March 22, 2023
5:00 PM

Pittsburg City Hall
First Floor Conference Room, 4B
65 Civic Avenue
Pittsburg, CA 94565

Subcommittee Members

Dionne Adams, Councilmember
Angelica Lopez, Councilmember

1. Public Comment for Non-Agenda Items

2. Pittsburg Power Company – Island Energy Introduction

- A Brief History
- Utility Operation on Mare Island – Island Energy
- Utility Rate Structure – a New Proposal
- City PPC Project Development Support
- PPC Strategic Plan

3. Utility Operations; Island Energy

Pittsburg Power Company (PPC) is a California joint powers authority and operates the electric and gas utility distribution system on Mare Island, Vallejo under the name of Island Energy.

Customer class includes residential (10%), along with commercial and industrial (90%). The utility manages approximately 1,050 electric and gas meters. Power is delivered to Island Energy via a 115 kv PG&E line from the Western Area Power Administration (WAPA), a federal agency managing hydroelectric delivery under an ongoing full-service contract.

Natural gas is procured from California's Department of General Services (DGS) and delivered over PG&E's gas transmission system. Natural gas commodity cost is a pass-through to Island Energy customers.

Current Island Energy activities include –

- Daily System Operations and Maintenance, Utility Management
- Large Customer Support Projects – Gas and Electric
 - Mare Island Dry Docks
 - ALCO Iron and Metals
 - Kindred Motorworks
 - Touro University
 - Mare Island Operating Company
 - Concord Naval Weapons Station
- Safety Inspections and Protocol
- Customer Service, Billing
- Utility-specific Procurement Plan – in Development
- Local Renewable Generation Procurement – In Development

4. Utility Rate Structure – Bi-Annual Rate Adjustments

- PPC currently operates under an annual fixed-rate tariff.
- Soaring and volatile energy costs since January 2022.
 - Severe drought – WAPA supplemental energy supply costs.
 - Gas pricing – 300% increase
- Utility capital reserves used to smooth volatility.
- Cost-based bi-annual adjustments proposed, w/restoration of capital reserves.

5. City Project Development Support

PPC has historically supported major power project developments in Pittsburg including:

- Delta Energy Center
- Los Medanos Energy Center
- Trans-Bay Cable
- Hanergy Global Solar Group
- LS Power Battery Storage Project
- Energy Delivery Solutions (EDS)

New projects include:

- AVAIO Data Hub (Tech Park)
- Hilco (UPI)
- Diamond Generating Co.
- PPC to Serve Water Treatment Plant and City Hall – In Development

6. PPC Strategic Plan

PPC is developing a Strategic Plan to expand PPC utility operations beyond Mare Island to serve new electric load in the City of Pittsburg and potentially elsewhere.

Activities to Date –

- A written plan is in development.
- PPC and its Engineering Team have performed a regional High Voltage transmission system analysis study to assess PPC's ability to serve new Avaio Data Hub (and other) project loads over PG&E's transmission system.
- PPC, with support from its outside regulatory council (Cameron Daniels, P.C.) and power marketer consultants (Robertson-Bryan, Inc.) have developed an energy pricing model to forecast and plan for energy delivery to new commercial and industrial customers in Pittsburg.
- Residential service requires different analysis when compared to industrial loads.

7. Upcoming Resolution and Staff Reports for PPC Governing Board Approval

8. Non-Agenda Items

9. Adjourn