



375 Beale Street
Suite 700
San Francisco, California

Meeting Agenda - Final

ABAG POWER Executive Committee

Chair, Doug Williams, City of Santa Rosa
Vice Chair, Andre Duurvoort, City of Cupertino

Thursday, June 15, 2023

11:00 AM

CR-112 Claremont

**ABAG Publicly Owned Energy Resources
Executive Committee
Meeting No. 2023-03**

Committee Representative Roster:
Doug Williams, City of Santa Rosa
Andre Duurvoort, City of Cupertino
Diana Oyler, County of Contra Costa
Becky Hopkins, City of Pleasanton

The meeting agenda and webcast will be available publicly at: <https://abag.ca.gov/meetings>.

Attendee Link: <https://bayareametro.zoom.us/j/82316537361>
Join by Telephone: 888-788-0099 or 877-853-5247 (both toll free)
Webinar ID: 823 1653 7361

Members of the public may participate or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line.

Due to the current circumstances, there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Welcome and Introductions

Call to order.

Doug Williams, ABAG POWER Executive Committee Chair, City of Santa Rosa

Roll Call / Confirm Quorum.

Cindy Chen, Energy Programs Coordinator, ABAG/MTC

2. Public Comment

The public is encouraged to provide comment at Committee meetings. This public comment period is intended for items not agendized.

3. Consent Calendar

[23-0744](#) Approval of Minutes from April 20, 2023 Executive Committee Special Meeting.

Action: Approval

Presenter: Ryan Jacoby, Program Manager, ABAG/MTC

Attachments: [3.a. - Approval of Minutes from April 20, 2023 Exec. Committee Special Mtg](#)

[23-0925](#) Approval to authorize the Executive Director of the Metropolitan Transportation Commission to negotiate and execute an amendment to the professional services agreement with GPT Secure, LLC, to increase the compensation by \$83,375, for a total contracted amount of \$496,975, to provide natural gas scheduling services for ABAG POWER through June 30, 2024.

Action: Approval

Presenter: Ryan Jacoby, Program Manager, ABAG/MTC

Attachments: [3.b.1 - Summary Sheet – Natural Gas Scheduling GPT Secure LLC](#)
[3.b.2 - GPT Secure LLC Sole Source Authorization](#)
[3.c. - Summary Approval - GPT Secure LLC](#)

4. Renewable Natural Gas Program

[23-0746](#) Approval of Renewable Natural Gas Program membership agreement.

Action: Approval

Presenter: Ryan Jacoby, Program Manager, ABAG/MTC

Attachments: [4.a. - Summary Sheet - RNG Program Member Agreement](#)
[4.b. - Proposed RNG Program Member Agreement](#)
[4.c. - Summary Approval - RNG Program Member Agreement](#)

5. Report on Natural Gas Program

[23-0747](#) Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; regulatory updates; and other miscellaneous program items.

Action: Information

Presenter: Ryan Jacoby, Program Manager, ABAG/MTC

Attachments: [5.a. - Monthly Summary of Operations \(Presentation\)](#)
[5.b. - Monthly Summary of Operations \(Summary Sheet\)](#)

6. Fiscal Year 2023-24 Operating Budget

[23-0749](#) Approval of fiscal year (FY) 2023-24 Operating Budget in the amount \$12,372,840 and accompanying levelized charges for the period July 1, 2023 to June 30, 2024.

Action: Approval

Presenter: Oscar Quintanilla Lopez, Assistant Director, Budgets and Financial Planning and Analysis, ABAG/MTC
Ryan Jacoby, Program Manager, ABAG/MTC

Attachments: [6.a. - FY 23-24 Operating Budget Presentation](#)
[6.b. - FY 23-24 Operating Budget Summary Sheet](#)
[6.c. - FY 23-24 Operating Budget](#)
[6.d. - FY 23-24 Operating Budget Levelized Charges](#)
[6.e. - FY 23-24 Operating Budget Summary Approval](#)

7. Other Business

Committee to provide update on items within member agencies relevant to ABAG POWER and/or the ABAG/MTC energy programs.

8. Adjournment / Next Meeting

The next meeting is the ABAG POWER Executive Committee Meeting scheduled to be held on August 17, 2023.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0744 **Version:** 1 **Name:**
Type: Action Item **Status:** Committee Approval
File created: 5/4/2023 **In control:** ABAG POWER Executive Committee
On agenda: 6/15/2023 **Final action:**
Title: Approval of Minutes from April 20, 2023 Executive Committee Special Meeting.
Sponsors:
Indexes:
Code sections:
Attachments: [3.a. - Approval of Minutes from April 20, 2023 Exec. Committee Special Mtg](#)

Date	Ver.	Action By	Action	Result
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Subject:
Approval of Minutes from April 20, 2023 Executive Committee Special Meeting.

Presenter:
Ryan Jacoby, Program Manager, ABAG/MTC

Recommended Action:
Approval

Attachments: List any attachments.



Metropolitan Transportation Commission Meeting Minutes 3 - Draft

375 Beale Street
Suite 700
San Francisco, California

ABAG POWER Executive Committee

Chair, Vacant

Vice Chair, Doug Williams, City of Santa Rosa

Thursday, April 20, 2023

11:00 AM

Tamalpais CR 7102 - 7th Floor (HYBRID)

ABAG Publicly Owned Energy Resources Executive Committee Meeting No. 2023-02

Committee Representative Roster:
Andre Duurvoort, City of Cupertino
Diana Oyler, County of Contra Costa
Doug Williams, City of Santa Rosa
Becky Hopkins, City of Pleasanton

Staff Roster

Brad Paul
Derek Hansel
Arleicka Conley
Denise Mandap
Oscar Quintanilla Lopez
Andrea Visveshwara
Jennifer Berg
Ryan Jacoby
Fera Chandra
Cindy Chen (Clerk)

1. Welcome and Introductions

Vice Chair Williams called the meeting to order at 11:07 a.m. Quorum was present.

Call to order.

Doug Williams, ABAG POWER Executive Committee Vice Chair, City of Santa Rosa

Roll Call / Confirm Quorum.

Cindy Chen, Energy Programs Coordinator, ABAG/MTC

Present: 4 - Committee Member Duurvoort, Committee Member Oyler, Vice Chair Williams,
and Committee Member Hopkins

2. Public Comment

Vice Chair Williams invited any member of the public in attendance to provide public comment on items not on the agenda. None was provided.

3. Consent Calendar

[23-0482](#) Approval of Minutes from February 16, 2023 Executive Committee Special Meeting.

Attachments: [3.a.-Minutes from February 16, 2023 Executive Committee Special Meeting](#)

Motion was made by Committee Member Duurvoort and seconded by Committee Member Oyler to approve the Consent Calendar, consisting of the Meeting Minutes of February 16, 2023. The motion passed by the following vote:

Aye: 3 - Committee Member Duurvoort, Committee Member Oyler, and Vice Chair Williams

Abstain: 1 - Hopkins

4. Energy Section Director's Report

Jennifer Berg provided program updates on the Bay Area Energy Network (BayREN) in related to The California Climate & Energy Collaborative (CCEC) 14th Annual Forum.

[23-0483](#) Staff will provide a report of recent energy industry developments and programmatic updates regarding the Bay Area Regional Energy Network (BayREN).

5. Appointment of Members to Serve on the Executive Committee for Calendar Year 2023

Vice Chair Williams appointed Becky Hopkins, City of Pleasanton, to the ABAG POWER Executive Committee.

[23-0484](#) Vice Chair Doug Williams to appoint Becky Hopkins, City of Pleasanton, to the ABAG POWER Executive Committee.

Attachments: [5.a.-Appointment of Members to the Executive Committee](#)

Motion was made by Committee Member Duurvoort and seconded by Committee Member Oyler to approve the appointment of Becky Hopkins, City of Pleasanton, to the Executive Committee for Calendar Year 2023. The motion passed by the following vote:

Aye: 3 - Committee Member Duurvoort, Committee Member Oyler, and Vice Chair Williams

Abstain: 1 - Hopkins

6. Request for Offers for Senate Bill 1383-compliant Renewable Natural Gas

Ryan Jacoby provided status updates regarding actions taken to establish the SB 1383-Compliant Renewable Natural Gas (RNG) program.

[23-0485](#) Staff will provide a verbal report of actions taken to establish a SB 1383-compliant renewable natural gas program.

7. Quantification of Carbon Emissions

Ryan Jacoby and Marc Estrada from GPT, Inc. presented a methodology decision matrix and a framework to calculate carbon dioxide-equivalent (CO₂e) emissions.

[23-0486](#) Staff and GPT, Inc. will present a methodology decision matrix and recommend approval of a framework to calculate carbon dioxide-equivalent (CO₂e) emissions, resulting in a emissions of 59,948 mt CO₂e for fiscal year 2021-22.

Attachments: [7.a.-Quantification of Carbon Emissions \(Presentation\)](#)
[7.b.-Quantification of Carbon Emissions \(Summary Sheet\)](#)

Motion was made by Committee Member Hopkins and seconded by Committee Member Williams to move this item to a future date, potentially June 2023, to be further discussed. The motion passed by the following vote:

Aye: 4 - Committee Member Duurvoort, Committee Member Oyler, Vice Chair Williams, and Committee Member Hopkins

8. Report on Natural Gas Program

Ryan Jacoby presented recent updates on natural gas operations, including gas usage; gas purchases; gas market price comparison, especially the extraordinarily high market prices this winter; and FY22-23 cost Budget-to-Actual.

[23-0487](#) Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; regulatory updates; and other miscellaneous program items.

Attachments: [8.a.-Monthly Summary of Operations \(Presentation\)](#)
[8.b.-Monthly Summary of Operations \(Summary Sheet\)](#)

9. Preliminary Fiscal Year 2023-24 Operating Budget

Oscar Quintanilla Lopez presented a preliminary operating budget for fiscal year 2023-24.

[23-0488](#) Staff will present a preliminary operating budget for fiscal year (FY) 2023-24 and request feedback from the Executive Committee before a final budget is presented for approval at the June 15, 2023 Executive Committee meeting.

Attachments: [9.a.-Preliminary FY 23-24 Budget Presentation](#)
[9.b.-Preliminary FY 23-24 Budget Summary Sheet](#)

10. Other Business

Meeting participants were invited to provide a verbal report on other related business. There were no reports provided.

11. Adjournment / Next Meeting

Vice Chair Williams adjourned the meeting at 1 p.m.

The next meeting is the ABAG POWER Executive Committee Meeting scheduled to be held on June 15, 2023.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0925 **Version:** 1 **Name:**

Type: Action Item **Status:** Committee Approval

File created: 6/8/2023 **In control:** ABAG POWER Executive Committee

On agenda: 6/15/2023 **Final action:**

Title: Approval to authorize the Executive Director of the Metropolitan Transportation Commission to negotiate and execute an amendment to the professional services agreement with GPT Secure, LLC, to increase the compensation by \$83,375, for a total contracted amount of \$496,975, to provide natural gas scheduling services for ABAG POWER through June 30, 2024.

Sponsors:

Indexes:

Code sections:

Attachments: [3.b.1 - Summary Sheet – Natural Gas Scheduling GPT Secure LLC](#)
[3.b.2 - GPT Secure LLC Sole Source Authorization](#)
[3.c. - Summary Approval - GPT Secure LLC](#)

Date	Ver.	Action By	Action	Result
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Subject:

Approval to authorize the Executive Director of the Metropolitan Transportation Commission to negotiate and execute an amendment to the professional services agreement with GPT Secure, LLC, to increase the compensation by \$83,375, for a total contracted amount of \$496,975, to provide natural gas scheduling services for ABAG POWER through June 30, 2024.

Presenter:

Ryan Jacoby, Program Manager, ABAG/MTC

Recommended Action:

Approval

Attachments: List any attachments.

Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

June 15, 2023

Agenda Item 3.b.

Fifth Amendment to Agreement with GPT Secure LLC (\$83,375)

Subject:

Authorization to negotiate and execute an amendment to the professional services agreement with GPT Secure, LLC, to increase the compensation by \$83,375, for a total contract amount not to exceed \$496,975 to provide natural gas scheduling services through June 30, 2024.

Background:

ABAG POWER currently purchases natural gas from various suppliers within the United States and Canada. In order to transport gas from the point of receipt (California, Canada, and Oregon) to the point of consumption, these services are required:

- Interacting with web-based electronic bulletin board and reporting systems used by pipeline operators
- Managing daily nominations and monthly balancing operations which requires a high degree of detail
- Proactively identifying and resolving supplier/transporter volume discrepancies, and
- Researching and evaluating transportation and storage strategies

Following the abrupt termination of a prior consultant, GPT Secure LLC (GPT) was selected to perform these services (as well as to provide strategic support, following a competitive procurement) and has been doing so since April 2021. GPT's fees are included in the operating budget for an amount of not to exceed \$496,975 (\$8,900 per month, or \$106,800 per year). The current contract term expires June 30, 2023.

Throughout the past two years, GPT has delivered exceptional service providing scheduling duties. In addition to acting as a consistent, reliable service provider, GPT has also helped in the development of the Strategic Implementation Roadmap, development of carbon emissions quantification projects, and other initiatives. GPT's knowledge of ABAG POWER's processes and operations often contributes to achieving other objectives in a cost-effective manner. For these reasons, staff recommend extending the scheduling services agreement with GPT for one

Agenda Item 3.b. – Natural Gas Scheduling Services – GPT Secure LLC

June 15, 2023

Page 2 of 2

additional year, until June 30, 2024, at a continued price of \$8,900 per month, or \$106,800 per year. A summary of GPT's task order history is provided on the following page.¹

Task Order No. / Name	Conclusion Date	Amount
1.0 Program Design – Phase 1	05/2021	\$26,575
2.0 Business Optimization	08/2021	\$25,025
3.0 Natural Gas Scheduling and Balancing Operations	06/2024*	\$347,100*
4.0 Program Design – Phase II & III	12/2021	\$98,275
	Outstanding Total:	\$496,975

**Contingent upon Executive Committee approval*

Issues:

None.

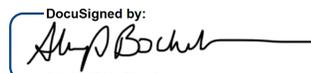
Recommended Action:

The ABAG POWER Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission to negotiate and execute an amendment to the professional services agreement with GPT Secure, LLC, to increase the compensation by \$83,375, for a total contracted amount of \$496,975, to provide natural gas scheduling services for ABAG POWER through June 30, 2024.

Attachments:

- Sole Source Authorization – GPT Secure LLC
- Summary Approval – GPT Secure LLC

Reviewed:

DocuSigned by:

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Alix Bockelman

¹ GPT and ABAG POWER have a separate contract for the quantification and management of carbon emissions. The contract is in an amount not to exceed \$216,645 for services through June 30, 2024.



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Memorandum

MTC-ABAG Memo

To:

Alix Bockelman, Deputy Executive Director, Policy
Brad Paul, Deputy Executive Director, Local Government Services
Jennifer Berg, Section Director, Energy

From:

Ryan Jacoby, Principal Program Manager, Local Government Services

Date:

June 5, 2023

Work Item Number:

1707

Regarding:

Sole Source Authorization – GPT Secure LLC

Recommended Action:

The purpose of this memorandum is to request sole source authorization for compelling business reasons to continue a professional services agreement between ABAG POWER and GPT Secure LLC for fiscal year 2023-24 in an amount not to exceed \$83,375.

Background:

ABAG POWER currently purchases natural gas from various suppliers within the United States and Canada. In order to transport gas from the point of receipt (California, Canada, and Oregon) to the point of consumption, these services (“scheduling services”) are required:

- Interacting with web-based electronic bulletin board and reporting systems used by pipeline operators
- Managing daily nominations and monthly balancing operations which requires a high degree of detail
- Proactively identifying and resolving supplier/transporter volume discrepancies, and
- Researching and evaluating transportation and storage strategies

On April 14, 2020, a Request for Proposals (RFP) was issued seeking firms with exemplary experience conducting scheduling services. The procurement closed on May 18, 2020; two proposals were received, and the evaluation panel determined that DMJ Gas Marketing Consultants, LLC (“DMJ”) was found most able to cost-effectively fulfill the services desired by the solicitation.

DMJ and ABAG POWER entered a contract effective October 1, 2020; however, on March 30, 2021, ABAG POWER provided DMJ a notice of termination without cause, effective April 7, 2021.

Scheduling services are a highly specialized and crucial component of ABAG POWER’s ability to operate as a natural gas service provider. It is extremely important that they continue uninterrupted daily, otherwise, ABAG POWER may be subject to significant fines and lose its ability to operate within Pacific Gas and Electric Company’s service territory.

Given this urgent need and the abrupt termination of DMJ, scheduling services transitioned to GPT Secure LLC (GPT), a California-based, minority-owned business enterprise with more than 15 years of experience providing scheduling services for third-party gas suppliers similar to ABAG POWER. Prior to the scheduling transition, in October 2020, GPT was selected through a competitive procurement to provide strategic program design services to ABAG POWER.

Since April 2021, GPT has delivered exceptional service providing scheduling activities. This performance record, the need for uninterrupted services, and the fact that historically, ABAG POWER has received minimal interest in scheduling services solicitations, provide a basis for compelling business reasons to extend the current scheduling services agreement through June 30, 2024.

Prepared by:

DocuSigned by:
Ryan Jacoby
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Ryan Jacoby
Principal Program Manager

Concur:

DocuSigned by:
Jennifer Berg
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Jennifer Berg
Section Director, Energy

Concur:

DocuSigned by:
Brad Paul
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Brad Paul
Deputy Executive Director, LGS

For

Approve:

DocuSigned by:
Alix Bockelman
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Alix Bockelman
Deputy Executive Director, Policy



SUMMARY OF EXECUTIVE COMMITTEE APPROVAL

Work Item No.:	1707
Consultant:	GPT Secure LLC
Work Project Title:	ABAG POWER
Purpose of Project:	Purchase/transport of natural gas
Brief Scope of Work:	Enable price stability and cost savings by conducting pooled purchasing of natural gas on behalf of local governments.
Project Cost Not to Exceed:	Current Amount: \$413,600 Proposed Amendment: \$83,375 Updated Not-to-Exceed: \$496,975
Funding Source:	Program Participant Fees
Fiscal Impact:	Fiscal Year 2023-24
Motion by Committee:	The ABAG POWER Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or her designee, on behalf of ABAG POWER, to negotiate and execute an amendment to the professional services agreement with GPT Secure LLC to increase the compensation by \$83,375, for a total not to exceed contract amount of \$496,975 for services through June 30, 2024.
Executive Committee Approval:	Doug Williams Chair, Executive Committee
Approval Date:	June 15, 2023



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0746 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 5/4/2023 **In control:** ABAG POWER Executive Committee
On agenda: 6/15/2023 **Final action:**
Title: Approval of Renewable Natural Gas Program membership agreement.
Sponsors:
Indexes:
Code sections:
Attachments: [4.a. - Summary Sheet - RNG Program Member Agreement](#)
[4.b. - Proposed RNG Program Member Agreement](#)
[4.c. - Summary Approval - RNG Program Member Agreement](#)

Date	Ver.	Action By	Action	Result
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Subject:
Approval of Renewable Natural Gas Program membership agreement.

Presenter:
Ryan Jacoby, Program Manager, ABAG/MTC

Recommended Action:
Approval

Attachments: List any attachments.

Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

June 15, 2023

Agenda Item 4.a.

Renewable Natural Gas Program

Subject:

Approval of Form of Renewable Natural Gas Program Member Agreement

Background:

On May 25, 2023, the ABAG POWER Board of Directors established a Renewable Natural Gas (RNG) Program to achieve reductions in greenhouse gas emissions, realize cost savings enabled by aggregated purchasing, address the recycling of organic waste, and assist participants with the promotion and use of low carbon fuels. The Board also:

- established that the Executive Committee will serve as the program committee to the RNG program
- authorized the Executive Director (ED) or designee of the Metropolitan Transportation Commission (MTC) to:
 - negotiate and execute program agreements with current members of ABAG POWER desiring to participate in the RNG program
 - negotiate and execute purchase and sale agreements with suppliers of products within the scope of the RNG program
 - take other actions necessary or incidental to establishing and implementing the RNG program

To ensure that the program agreement aligns with the intent and expectations of the Executive Committee, staff is recommending review and approval of the agreement as-to-form.

Products Offered

Similar to the natural gas aggregation program, an RNG program agreement will govern the terms of participation for those members that are voluntarily joining the program. The draft agreement included as Agenda Item 4.b. identifies three products – Senate Bill (SB) 1383-compliant RNG and similar products, RNG and similar products for non-SB 1383 compliance purposes, and alternative fuels that qualify for Renewable Fuel Standard (RFS)/Low Carbon Fuel Standard (LCFS) credits¹. The draft agreement requires members to provide a rolling

¹ Both the State and Federal governments, through LCFS and RFS, respectively, incentive the use of compressed natural gas or RNG as vehicle fuel.

Agenda Item 4.a. – Approval of Form of Renewable Natural Gas Program Member Agreement

June 15, 2023

Page 2 of 2

three-year forecast for each of these products. Staff will assist in the development of a non-binding forecast for member agencies, upon request, and will also consolidate forecasts and seek offers from suppliers before presenting the offers to participants.

Payment Terms

The agreement contemplates two potential scenarios for transactions:

- If ABAG POWER will be handling payment and invoicing as the counterparty, then the public agency shall pay ABAG POWER a working capital deposit equal to two (2) months of payments for the desired product(s), or
- ABAG POWER may facilitate a transaction between a public agency and a supplier, of which ABAG POWER is not a party to and thus payment will be made from public agency directly to the supplier(s). In this scenario, a working capital deposit is not required.

Service Fees

The agreement establishes that the ABAG POWER Executive Committee may set annual fees to reimburse ABAG POWER for the cost of implementing the RNG program. Both SB 1383 and the RFS/LCFS programs require record keeping and a degree of ongoing reconciliation with facility usage data. The costs, if any, are anticipated to be minimal. There will separate tracking of costs to ensure that no costs are absorbed by the natural gas aggregation program and that non-participating members rates do not increase as a result of these new services.

Issues:

None.

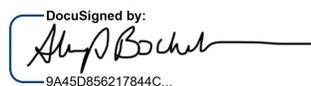
Recommended Action:

The ABAG POWER Executive Committee approve as to form the attached Renewable Natural Gas Program Member Agreement.

Attachments:

- RNG Program Member Agreement
- Summary Approval – RNG Program Member Agreement

Reviewed:

DocuSigned by:

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Alix Bockelman

RENEWABLE NATURAL GAS PROGRAM MEMBER AGREEMENT

By and Between

ABAG POWER

and

(Name of Public Agency)

RENEWABLE NATURAL GAS PROGRAM MEMBER AGREEMENT

This Renewable Natural Gas Program Member Agreement (“Agreement”) is made and entered into as of July 1, 2023, by and between the ABAG Publicly Owned Energy Resources, a California joint powers agency ("ABAG POWER"), and [*insert name and legal status of Member*] ("Public Agency").

RECITALS

- A. ABAG POWER currently conducts a voluntary program for pooled purchasing of natural gas on behalf of local government and special district members to provide cost savings, economies of scale that promote price stability and strategic monitoring and participation in regulatory and legislative proceedings.
- B. California has adopted various policies and regulatory requirements to achieve the State’s goals for reductions in greenhouse gas emissions, including programs and incentives to address the recycling of organic waste pursuant to Senate Bill 1383, which was adopted in 2016 (“SB 1383”) and the promotion and use of low carbon fuels pursuant to the low carbon fuel standard (“LCFS”) adopted by the California Air Resource Board (“CARB”).
- C. One of the key elements in the reduction of greenhouse gas emissions is the generation and use of biomethane, which is commonly referred to as renewable natural gas (“RNG”). For the purposes of this Agreement, the definition of RNG will include compliance credits and fuels generated using RNG, as well as alternative fuels that qualify as low carbon under LCFS.
- D. Pursuant to rules and regulations issued by the California Department of Resources Recycling and Recovery (“CalRecycle”) to implement SB 1383, local governments are required to procure products from the recycling of organic waste in accordance with jurisdictional targets established by CalRecycle (“SB 1383 Procurement Requirements”) and one of the ways to satisfy procurement targets is to purchase RNG that has been generated as a result of such recycling efforts (as permitted pursuant to 14 CCR Section 18993.1(f)).
- D. ABAG POWER established a procurement program for RNG on May 25, 2023 (the “RNG Program”) to allow members to voluntarily pool purchasing of RNG and related products that are delivered into the California gas transmission and/or distribution system or compliance credits which are eligible for use in California to further the objectives of the State and local public agencies to reduce greenhouse gas emissions and assist such agencies with meeting their SB 1383 Procurement Requirements.
- E. Public Agency desires to participate in the RNG Program pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and the covenants, terms and conditions of this Agreement, the Parties hereby agree as follows:

AGREEMENT

1. RNG Program. Subject to the terms of the RNG Program approved by ABAG POWER and this Agreement, ABAG POWER shall provide directly or, at its option, shall contract to provide coordination services for the purchase and management of the following products on behalf of eligible members: (i) RNG, or its equivalent, that has been generated pursuant to the requirements of CalRecycle for the purpose of satisfying SB 1383 Procurement Requirements; (ii) RNG, or its equivalent, that is generated for purposes other than SB 1383 compliance, such as LCFS or general reductions in greenhouse gas emissions; or (iii) procurement compliance attributes associated with the generation of RNG, or its equivalent, that are recognized by CalRecycle through a credit or certification process that satisfies SB 1383 Procurement Requirements (“Compliance Credits”). Public Agency shall be a participant in the RNG Program (“Participant”).

2. Program Eligibility. The RNG Program is available to members of ABAG for RNG procurement needs within the State of California. Public Agency appoints ABAG POWER as its agent to coordinate the purchase and management of RNG and Compliance Credits that are purchased on behalf of Public Agency pursuant to this Agreement.

3. Services: ABAG POWER shall deliver, or cause to be delivered, the following services to Public Agency:

3.1 Analyze and evaluate supply and delivery strategies for Participant to use RNG and/or Compliance Credits to lower its greenhouse gas emissions, satisfy SB 1383 Procurement Requirements or comply with other policy or regulatory requirements;

3.2 Negotiate and implement agreements for the purchase and delivery of RNG and/or Compliance Credits for Participants;

3.3 Monitor delivery of RNG and/or Compliance Credits pursuant to procurement contracts, including prompt identification of shortfalls or imbalances;

3.4 Perform reporting of RNG and/or Compliance Credits with PG&E, CalRecycle and any other applicable regulatory authority, as necessary to ensure that purchases of RNG and/or Compliance Credits are properly allocated to Participants to satisfy SB 1383 Procurement Requirements;

3.5 Generate invoices for purchases of RNG and/or Compliance Credits for each Participant, as well as the fees for services payable to ABAG POWER; and

3.6 Such other services as are identified in the RNG Program from time to time, such as regulatory and legislative tracking and analysis.

4. Procurement Commitment.

4.1 Public Agency will provide ABAG POWER with a forecast of the procurement needs it desires to fill with RNG and/or Compliance Credits on a rolling three year basis commencing on the Effective Date (“Procurement Forecast”), including procurement for SB 1383 Procurement Requirements, procurement for non SB-1383 uses and alternative fuels that qualify for LCFS. Accordingly, the first Procurement Forecast will be for the fiscal years commencing on July 1, 2023, 2024 and 2025. Each such forecast will provide a range of volumes and prices upon which Public Agency is willing to enter into transactions confirmations with third parties sources of supply. Public Agency may update its Procurement Forecast at any time upon forty-five (45) days written notice to ABAG POWER, but will update its Procurement Forecast on an annual basis no later than June 1 of each year so that there is always a three year forecast of procurement requirements. The initial Procurement Forecast for Public Agency is attached hereto as Exhibit “A”.

4.2 ABAG POWER will use the Procurement Forecast of Public Agency and other participants in the RNG Program to seek out procurement opportunities for Public Agency and to negotiate prices and terms. All procurements of RNG and/or Compliance Credits by ABAG POWER will be subject to execution of a transaction confirmation (each a “Transaction Confirmation”). If a Transaction Confirmation solely relates to purchases by Public Agency, then ABAG POWER will arrange the bilateral transaction between Public Agency and the provider and such confirmation will be a binding contractual commitment of Public Agency and the provider. If multiple members will participate in a transaction, then ABAG POWER reserves the right to act as the counterparty with the provider, in which case ABAG POWER will execute the Transaction Confirmation with the provider and will prepare a separate Transaction Confirmation between it and each of the Participants setting for the allocation to each Participant and the Participant’s contractual obligations as a beneficiary of the primary Transaction Confirmation. ABAG POWER will give Public Agency no less than ten (10) days written notice of each Transaction Confirmation setting forth the volume and pricing terms, all of which will be consistent with Public Agency’s Procurement Forecast. Public Agency will give notice to ABAG POWER within such period whether it accepts the Transaction Confirmation if it is a bilateral transaction or desires to participate in an ABAG POWER facilitated Transaction Confirmation. ABAG POWER will propose participation in a particular transaction opportunity based on the Participants that best fit the opportunity in its reasonable judgment and no Participant will have the right to participate in an opportunity without ABAG POWER’s consent. Although Public Agency will have the right of final approval with respect to each Transaction Confirmation, Public Agency acknowledges that ABAG POWER will be relying on the Procurement Forecast to negotiate and arrange transactions and that if Public Agency is consistently unwilling to enter into a Transaction Confirmation that meets the criteria set forth in the Procurement Forecast, ABAG POWER reserves the right to termination Public Agency’s participation in the RNG Program.

4.3 From time to time, ABAG POWER may present Public Agency with procurement opportunities that have terms outside of the Procurement Forecast, including participation in long term generation projects for RNG. The participation of Public Agency in such projects will be entirely on a voluntary basis upon mutually acceptable terms between ABAG POWER, Public Agency, other Participants and the RNG provider.

4.4 Once a Transaction Confirmation has been executed by Public Agency (either with ABAG POWER or directly with a provider), Public Agency agrees to comply with its obligations under such Transaction Confirmation, including all payment obligations, whether or not Public Agency remains in a Participant in the RNG Program. In no event will ABAG POWER be responsible for complying with any obligation of Public Agency under a Transaction Confirmation.

4.5 Public Agency will have the right to enter into its own negotiations and transactions for RNG and/or Compliance Credits, provided, however, that such transactions will be in addition to the volumes that Public Agency has submitted pursuant to any then current Procurement Forecast.

5. Agency Relationship. Public Agency authorizes ABAG POWER to act as its agent for the RNG Program and does hereby constitute and appoint an authorized officer or agent of ABAG POWER to act on its behalf as its lawful agent for the implementation of the RNG Program and the negotiation of Transaction Confirmations, subject to the final approval and execution of Transaction Confirmation pursuant to Section 4.2. This authorization shall include the right to do and perform all acts contemplated in this Agreement, including, but not limited to:

5.1 Aggregating the supplies of RNG and/or Compliance Credits of Public Agency with those of other Participants pursuant to the terms and conditions of the RNG Program and the Transaction Confirmations to which Public Agency is a party;

5.2 Making all filings necessary to ensure that Public Agency is allocated RNG and/or Compliance Credits in accordance with the SB 1383 Compliance Requirements or other regulatory compliance programs;

5.3 Arranging delivery of RNG and resolving RNG imbalances, gas storage, and all other operational transactions with the appropriate utility or distribution provider for subsequent redelivery to Public Agency when physical deliveries are contemplated; and

5.4 Arranging for payment of bills by Public Agency for RNG and/or Compliance Credits, transportation and other utility, distribution provider or credit clearinghouse charges in accordance with the terms of each Transaction Confirmation.

6. Title. Title to all RNG and/or Compliance Credits will vest in the name in the Public Agency in accordance with the requirements of each Transaction Confirmation.

7. Term. The term of this Agreement shall be for a period of three (3) years, which will automatically be extended on July 1 of each year for one (1) additional year unless earlier terminated in accordance with this Agreement or notice of non-renewal is given by Public Agency or ABAG POWER no later than May 31 of each year.

8. Fees. Participation in the RNG Program will be subject to the payment of annual fees to reimburse ABAG POWER for the cost of providing the RNG Program and the services contemplated

herein. Such fees will be set each year by the ABAG POWER Executive Committee and will be invoiced on a monthly basis. The fees for RNG Program for the year following the Effective Date are attached hereto as Exhibit “B” (“Service Fees”).

9. Payment.

9.1 On a monthly basis, unless otherwise approved by Public Agency, ABAG POWER will provide, or cause to be provided, to Public Agency an invoice for amounts payable pursuant to each Transaction Confirmation (unless Public Agency is required by a bilateral Transaction Confirmation to pay such amounts directly), fees imposed by any utility, distribution provider or credit clearinghouse and any ABAG POWER Service Fees. Invoices will be directed to and payment is to be made directly by Public Agency to the escrow account designated pursuant to Paragraph 10 of this Agreement. Payment is due within thirty (30) days of receipt of the invoice. Late payment charges at the rate of one percent (1.0%) per month calculated daily on the outstanding balance will be imposed commencing on the thirty-first (31st) day after the mailing date of the invoice.

9.2 Upon execution of each Transaction Confirmation, if ABAG POWER will be handling payment and invoicing as the counterparty, then Public Agency shall pay a ABAG POWER a working capital deposit equal to two (2) months of payments for RNG and/or Compliance Credits. This deposit is refundable when a Transaction Confirmation terminates.

9.3 In the event Public Agency fails to make timely payment of any invoice from ABAG POWER, in addition to any other remedy it may have hereunder and notwithstanding the existence of any late payment penalty, ABAG POWER may declare Public Agency to be in default and terminate the agreement. ABAG POWER is further authorized to bill Public Agency for reasonable charges associated with demands for payment on late accounts pursuant to any Transaction Confirmation as well as reasonable charges associated with suspension and resumption of service hereunder.

10. Disbursement of Funds. In order to implement the payment of invoices for Transaction Confirmations where ABAG POWER will make payments on behalf of Public Agency, Public Agency agrees to the following:

10.1 A deposit account for the purposes of receiving payments by Participants and making payments to providers of RNG and/or Compliance Credits, and other payees as authorized by ABAG POWER will be established and ABAG POWER will use such account to make payments as required by each Transaction Confirmation until payment of each monthly invoice is received from Public Agency.

10.2 Only ABAG POWER may authorize release of funds from the deposit account and such shall only be to those payees allowed pursuant to this Agreement.

11. Change of Regulations. Any future change in law, rule or regulation, or utility practice which prohibits or frustrates ABAG POWER or the Public Agency from carrying out the terms of this

Agreement or the RNG Program shall excuse both parties from their obligations, other than the obligation of Public Agency to make payments due under any Transaction Confirmation.

12. Termination.

12.1 Termination by Public Agency. Public Agency may cancel the Agreement by giving ABAG POWER written notice by May 31 of its intent to terminate on June 30 of the third year following the date notice was given or such later date as all Transaction Confirmations then in effect shall have terminated. Nothing contained in this Section 12 will allow Public Agency to terminate a Transaction Confirmation prior to the date specified therein.

12.2 Termination by ABAG POWER: Actions by any utility, clearinghouse, CalRecycle or other regulatory authorities with jurisdiction over the transactions contemplated in this Agreement to develop rules which are in conflict with sound business practices, or impose unnecessary risk on either party to this Agreement, or substantially prevent ABAG POWER from performing its functions under this Agreement may result in the termination of the RNG Program (or a component of the RNG Program) and this Agreement by ABAG POWER. ABAG POWER shall give Public Agency written notice ninety (90) days prior to such termination and both parties shall work diligently to minimize the negative effects on ABAG POWER and the Public Agency of such termination.

13. Approvals. Public Agency will appoint a representative that is authorized to grant any approval, or give any direction required by this Agreement, in writing or orally. Written approvals or directions may be transmitted physically, by facsimile or electronically. Oral approvals will be confirmed in writing by either party.

14. Attorneys' Fees. The prevailing party in any action to enforce the terms of this Agreement shall be entitled to recover reasonable attorneys' fees and costs as determined by the arbitrator.

15. Indemnity: Public Agency shall indemnify and hold harmless ABAG, ABAG POWER and their respective directors, officers, member agencies, agents and employees from and against all claims, damages, losses and expenses including attorney's fees arising out of or resulting from the performance or non-performance of the services required by this Agreement, unless such is caused by the negligence of ABAG, ABAG POWER or their respective directors, officers, member agencies, agents or employees.

16. Assignment/Security Arrangements: Public Agency hereby acknowledges that ABAG POWER may, in order to finance security deposit and cash flow deficits incurred in connection with the operation with the RNG Program, incur short-term debt which may be secured by an assignment, encumbrance or hypothecation of this Agreement and/or payments due hereunder.

17. Notices: Notices will be given in writing and will be effective when (i) personally served; (ii) sent via commercial overnight courier on the date of receipt; or (iii) sent via electronic email, provided, however, that any notice sent via electronic mail will not be effective until acknowledged by the recipient

of the electronic email (not by automated response). The following addresses for the giving of notices and billings shall be:

To Public Agency:

To ABAG POWER: Attn: Ryan Jacoby
ABAG POWER
San Francisco, CA 94105
Telephone No: (415) 820-7956
Email: rjacoby@bayareametro.gov

18. Severability: If any provision of this Agreement or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void, or unenforceable to any extent, the remaining provisions of this Agreement and the application thereof shall remain in full force and effect and shall not be affected, impaired, or invalidated.

19. Captions: The captions appearing in this Agreement are inserted as a matter of convenience and in no way define or limit the provisions of this Agreement.

Signature page follows

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first written above.

ABAG POWER:

ABAG Publicly Owned Energy Resources,
a California joint powers agency

By: _____
Name: _____
Title: _____

Public Agency:

[_____]

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A

PROCUREMENT FORECAST

Product	Renewable Natural Gas, Compliance Credits and similar products that qualify for 1383 Compliance Requirements.		
Period of Delivery	July 1, 2023 – June 30, 2023	July 1, 2024 – June 30, 2024	July 1, 2025 – June 30, 2026
Contract Quantity (dekatherms (Dth))	Up to [_____]	Up to [_____]	Up to [_____]
Contract Price (\$/Dth)	\$___ to \$___	\$___ to \$___	\$___ to \$___

Product	Renewable Natural Gas, Compliance Credits and similar products for non-1383 Compliance Purposes		
Period of Delivery	July 1, 2023 – June 30, 2023	July 1, 2024 – June 30, 2024	July 1, 2025 – June 30, 2026
Contract Quantity (dekatherms (Dth))	Up to [_____]	Up to [_____]	Up to [_____]
Contract Price (\$/Dth)	\$___ to \$___	\$___ to \$___	\$___ to \$___

Product	Alternative fuels that qualify for LCFS credits		
Period of Delivery	July 1, 2023 – June 30, 2023	July 1, 2024 – June 30, 2024	July 1, 2025 – June 30, 2026
Contract Quantity	Up to [_____]	Up to [_____]	Up to [_____]
Contract Price (\$/Dth)	\$___ to \$___	\$___ to \$___	\$___ to \$___

EXHIBIT B
SERVICE FEES



SUMMARY OF EXECUTIVE COMMITTEE APPROVAL

Work Item No.:	1707
Consultant:	-
Work Project Title:	ABAG POWER
Purpose of Project:	Renewable natural gas aggregation program
Brief Scope of Work:	Achieve reductions in greenhouse gas emissions, realize cost savings enabled by aggregated purchasing, address the recycling of organic waste, and assist participants with the promotion and use of low carbon fuels.
Project Cost Not to Exceed:	-
Funding Source:	Program Participant Fees
Fiscal Impact:	-
Motion by Committee:	The ABAG POWER Executive Committee is requested to approve as to form the Renewable Natural Gas Program Member Agreement.
Executive Committee Approval:	Doug Williams Chair, Executive Committee
Approval Date:	June 15, 2023



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0747 **Version:** 1 **Name:**
Type: Action Item **Status:** Informational
File created: 5/4/2023 **In control:** ABAG POWER Executive Committee
On agenda: 6/15/2023 **Final action:**
Title: Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; regulatory updates; and other miscellaneous program items.
Sponsors:
Indexes:
Code sections:
Attachments: [5.a. - Monthly Summary of Operations \(Presentation\)](#)
[5.b. - Monthly Summary of Operations \(Summary Sheet\)](#)

Date	Ver.	Action By	Action	Result
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Subject:
Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; regulatory updates; and other miscellaneous program items.

Presenter:
Ryan Jacoby, Program Manager, ABAG/MTC

Recommended Action:
Information

Attachments: List any attachments.

ABAG POWER Executive Committee Meeting

Thursday, June 15, 2023

Ryan Jacoby
Program Manager



1

Monthly Summary of Operations

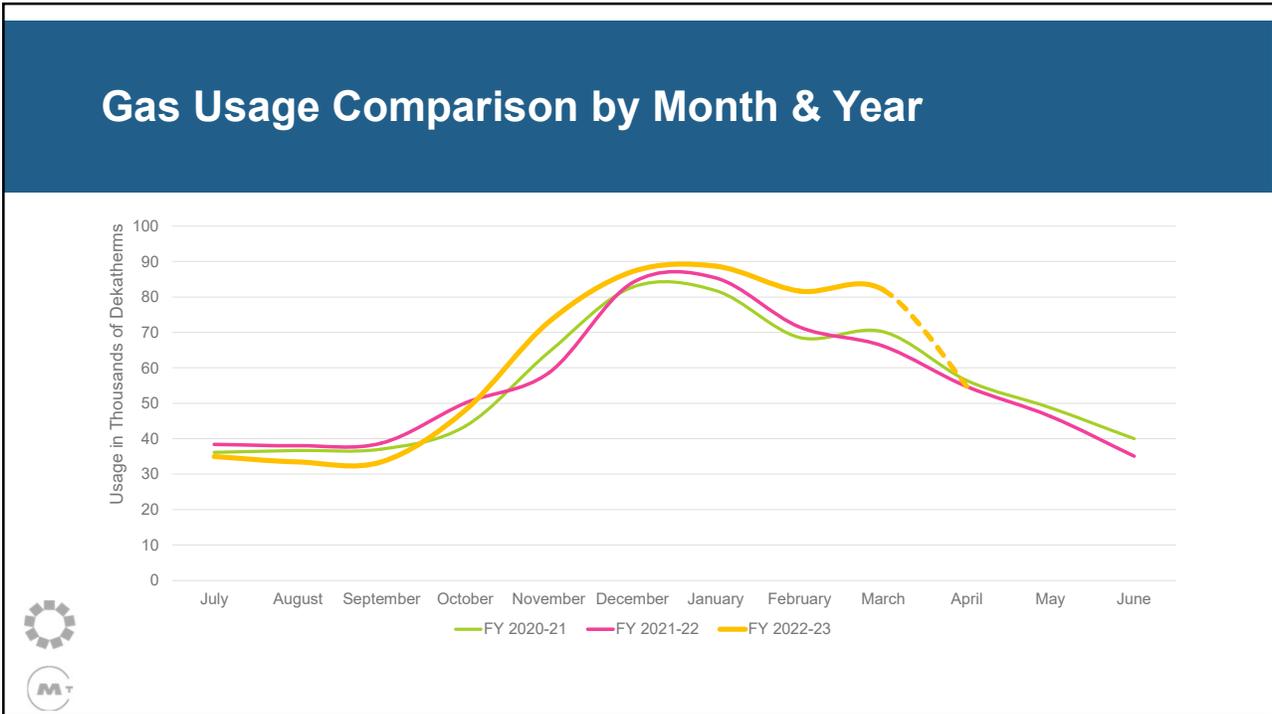
- Preliminary (unaudited) financial statements indicate the following fiscal year cumulative rates relative to PG&E's rate schedules:

	November '22	→ December '22	→ April '23
➤ Small Commercial:	+2.0%	+19.6%	+16.3%
➤ Large Commercial:	+4.7%	+22.5%	+19.0%
➤ Residential:	-1.8%	+17.7%	+1.8%
➤ Natural Gas Vehicle:	-0.4%	+19.6%	+0.9%

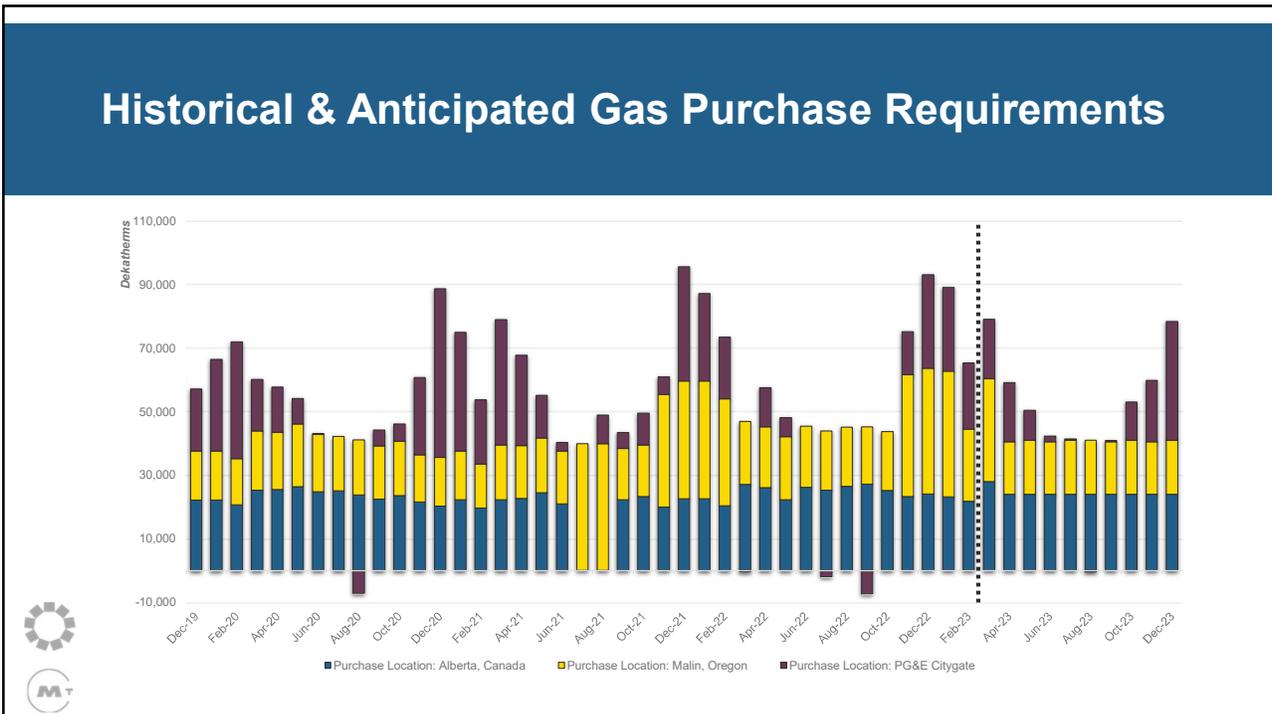
- Since winter pricing peaks, market pressure has declined resulted in pricing within the \$3-5 per dekatherm (close to historical averages).



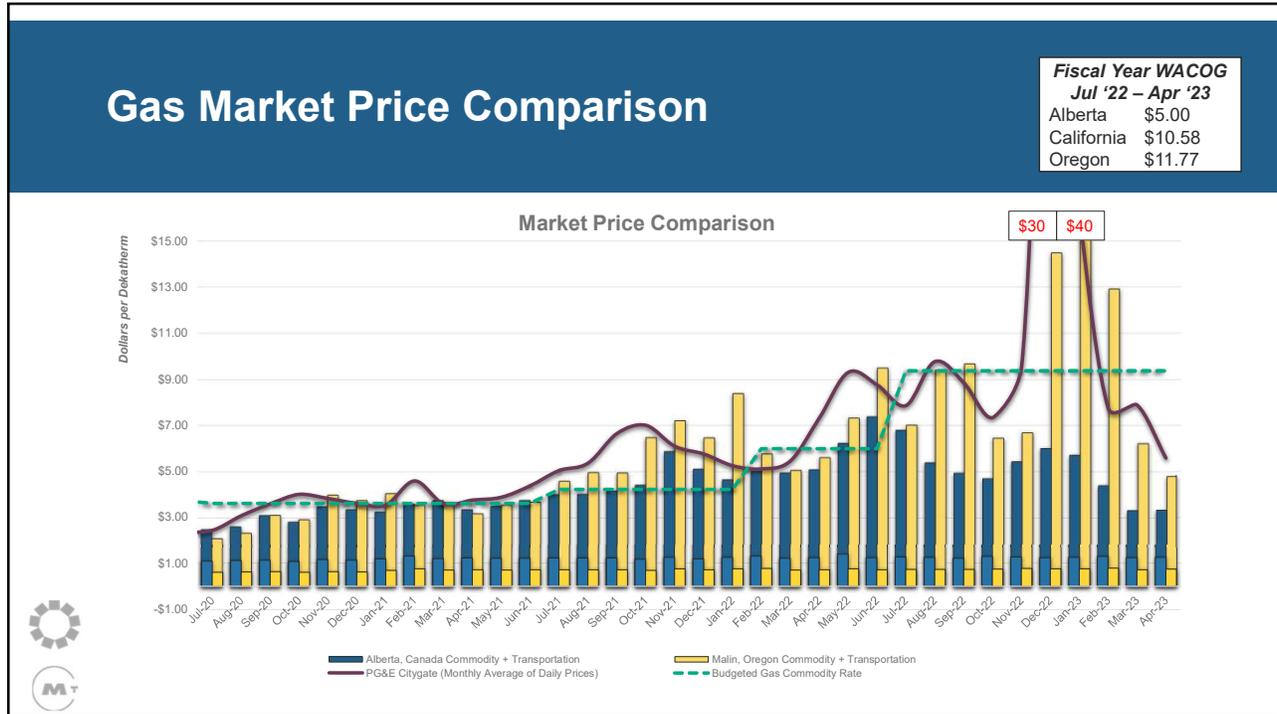
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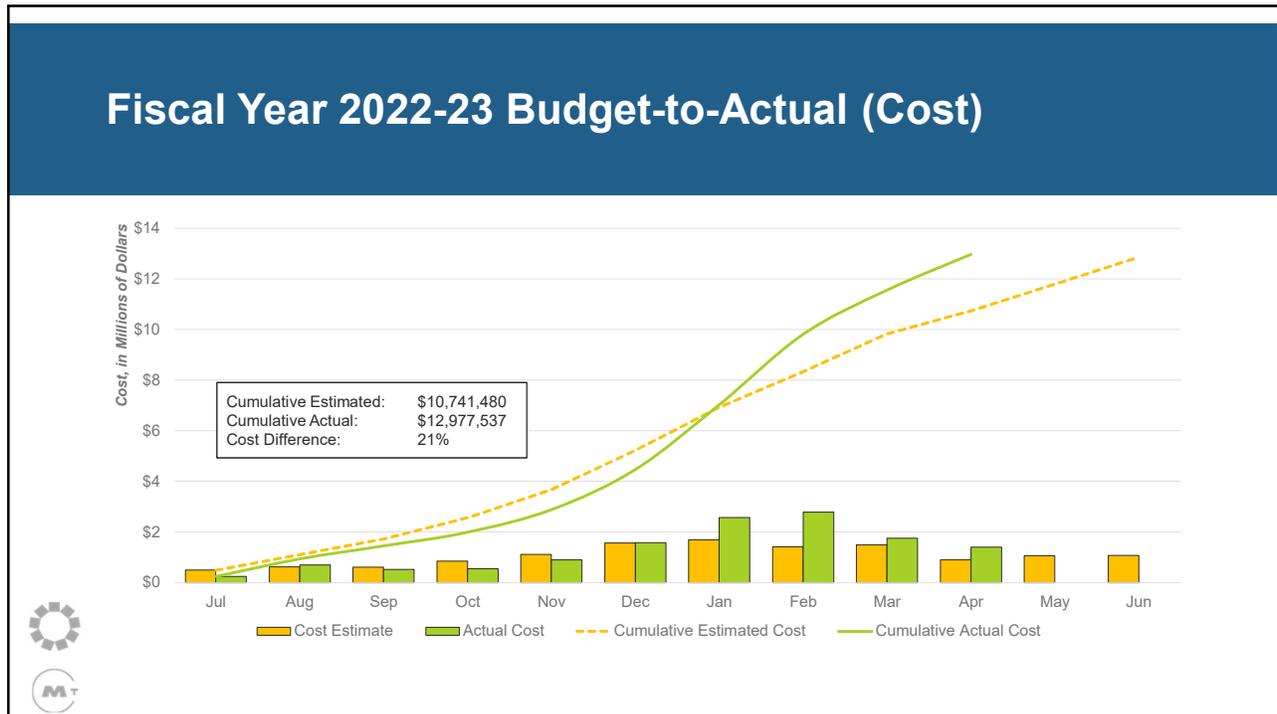
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Fiscal Year 2022-23 Budget-to-Actual (Cost Cont'd)

	YTD Actual As of 04/30/23	Adopted Budget FY 2022-23	Budget Utilization
Revenue	10,731,089	12,869,639	83%
Expense			
Cost of Energy	12,465,188	11,984,226	104%
Staff, Consultant, and Other Expenses	512,350	882,082	58%
Surplus / (Deficit)	(2,246,449)	3,331	-



Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

June 15, 2023

Agenda Item 5.b.

Report on Natural Gas Program

Subject:

Monthly Summary of Operations for Fiscal Year 2022-23

Background:

From July to April, natural gas prices were extremely volatile, with average prices significantly higher than in recent years. Daily prices per dekatherm (\$/Dth) at PG&E's Citygate ranged from \$4.04 to \$57.07, with an unweighted average of \$11.17. PG&E's small commercial (G-NR1) procurement rate – the rate under which most ABAG POWER accounts would be categorized – averaged \$8.62 during this time.

The program continues to purchase gas exclusively on daily and monthly markets within California, Oregon, and Alberta, Canada.

Preliminary (unaudited) financial statements through April 2023 indicate a cumulative rate difference of +16.3% when compared to PG&E's G-NR1 rate.

Market Price Comparison

Several significant event natural gas market events have occurred during fiscal year 2022-23, including:

- In December 2022, major gas trading hubs in the western United States averaged \$48.12/Dth – the highest prices since December 2000. Several events occurred simultaneously, contributing to the extraordinary prices:
 - Widespread, below-normal temperatures.
 - High natural gas consumption.
 - Lower natural gas imports from Canada.
 - Frequent pipeline constraints, including maintenance in West Texas.
 - Low natural gas storage levels regionally.
- In March 2023, production, consumption, and export milestones were recorded:¹
 - Dry natural gas production increased year-over-year for the month for the 24th consecutive month, with March 2023 being recorded as the highest production level for any month since 1973.

¹ The Energy Information Administration (EIA) began tracking monthly dry natural gas production and imports in 1973, exports in 1997, and monthly natural gas consumption in 2001.

Agenda Item 5.b. – Monthly Summary of Operations

June 15, 2023

Page 2 of 2

- Natural gas consumption is estimated to be highest for the month since 2001.
- Natural gas imports were the lowest level for any month since 1973, while exports were the highest for any month since 1997.

The combination of current production levels combined with warm weather has resulted in a steep decline in market prices.

Historical and Anticipated Gas Supply

Since July 1, 2018, the general gas purchasing strategy has been exclusively in the short-term, index-based market.

Gas purchases are currently made on monthly and daily indices at three market locations. Fixed-price purchases are made only by exception and with Committee approval.

Issues:

None.

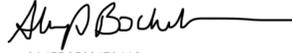
Recommended Action:

None.

Attachments:

- Summary of Natural Gas Program Presentation
- Summary of Natural Gas Program, Fiscal Year 2022-2023

Reviewed:

DocuSigned by:

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Alix Bockelman



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 23-0749 **Version:** 1 **Name:**

Type: Action Item **Status:** Commission Approval

File created: 5/4/2023 **In control:** ABAG POWER Executive Committee

On agenda: 6/15/2023 **Final action:**

Title: Approval of fiscal year (FY) 2023-24 Operating Budget in the amount \$12,372,840 and accompanying levelized charges for the period July 1, 2023 to June 30, 2024.

Sponsors:

Indexes:

Code sections:

- Attachments:** [6.a. - FY 23-24 Operating Budget Presentation](#)
[6.b. - FY 23-24 Operating Budget Summary Sheet](#)
[6.c. - FY 23-24 Operating Budget](#)
[6.d. - FY 23-24 Operating Budget Levelized Charges](#)
[6.e. - FY 23-24 Operating Budget Summary Approval](#)

Date	Ver.	Action By	Action	Result
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Subject:

Approval of fiscal year (FY) 2023-24 Operating Budget in the amount \$12,372,840 and accompanying levelized charges for the period July 1, 2023 to June 30, 2024.

Presenter:

Oscar Quintanilla Lopez, Assistant Director, Budgets and Financial Planning and Analysis, ABAG/MTC
 Ryan Jacoby, Program Manager, ABAG/MTC

Recommended Action:

Approval

Attachments: List any attachments.

ABAG POWER

Proposed FY 2023-24 Budget



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Executive Committee Meeting
June 15, 2023

FY 2023-24 Budget Overview

2023-24 Financial & Programmatic Goals

- **Advance efforts to offer a transitional electrification incentive.**
- **Begin implementing Renewable Natural Gas program.**
- **Examine opportunities to increase program membership** due to ongoing implementation of the Strategic Implementation Roadmap.
- **Continue exploring offsetting greenhouse gas emissions** caused by the combustion of natural gas at all facilities in the program's portfolio.



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Changes from Preliminary Budget

	Preliminary FY 2023-24	Proposed FY 2023-24	Change (\$)	Change (%)
Revenue				
Sale of Energy	\$12,525,360	\$12,353,640	\$(171,720)	(1%)
Interest & Other Income	19,200	19,200	0	-
Total Revenue	12,544,560	12,372,840	(171,720)	(1%)
Expense				
PG&E Pass-through	\$6,422,731	\$6,870,410	\$447,679	7%
Commodity & Shrinkage	3,867,458	3,172,670	(694,788)	(18%)
Pipeline Transportation	655,993	756,423	59,369	15%
Storage	634,257	607,200	(27,057)	(4%)
Staff Cost	566,388	566,388	0	-
Consultant Services	319,866	322,306	0	-
Other Expenses	74,550	74,550	0	-
Total Expense	12,541,243	12,369,945	(171,296)	(1%)

3

3

FY 2023-24 Proposed Budget

	Adopted FY 2022-23	Preliminary FY 2023-24	Change (\$)	Change (%)
Revenue				
Sale of Energy	\$12,857,280	\$12,353,640	\$(503,640)	(4%)
Interest & Other Income	12,359	19,200	6,841	55%
Total Revenue	12,869,639	12,372,840	(496,799)	(4%)
Expense				
Cost of Energy	11,984,225	11,406,702	(577,523)	(5%)
Staff Cost	507,019	566,388	59,369	12%
Consultant Services	295,095	322,306	27,210	9%
Other Expenses	79,968	74,550	(5,418)	(7%)
Total Expense	12,866,306	12,369,945	(496,361)	(4%)
Operating Surplus/(Deficit)	\$3,333	\$2,895	\$(438)	

Assumptions:

- Consistent usage
- Lower gas prices
- Higher PG&E costs
- Continued carbon offset work (cost of carbon offsets not included)

4

4

FY 2023-24 Proposed Budget Summary

Overall

- Decrease of \$0.5 million (4%), from \$12.9 million to \$12.4 million, compared to the previous fiscal year, due to associated decrease (5%) in total cost of energy

Cost of Energy

- Increase of \$1.1 million (18%) to PG&E pass-through costs
- Decrease of \$1.6 million (26%) to commodity, transportation, and storage costs

Staff, Consultant, and Other Expenses

- Increase of \$59 thousand (12%) in staff salaries, benefits, and overhead
- Increase of \$23 thousand (16%) for remainder of carbon offset work
- Increase of \$3 thousand for audit fees

5

5

FY 2023-24 Proposed Budget Q&A

Questions / Discussion

6

6

Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

June 15, 2023

Agenda Item 6.b.

Fiscal Year 2023-24 Association of Bay Area Governments (ABAG) Publicly Owned Energy Resources (POWER) Operating Budget

Subject:

Approval of Fiscal Year 2023-24 Association of Bay Area Governments (ABAG) Publicly Owned Energy Resources (POWER) Operating Budget in the amount of \$12,372,840 and accompanying levelized charges for the period July 1, 2023 through June 30, 2024.

Changes from Preliminary Budget

Five changes are included in the proposed budget that differ from the preliminary budget presented on April 20, 2023:

1. Revenue from the Sale of Energy has decreased by \$171,720 (1%), as a result of an accompanying decrease in expenses.
2. Pacific Gas and Electric Company (PG&E) pass-through costs have increased by \$447,679 (7%) based on current year expense trends and the anticipated approval of PG&E's 2023-2026 rate case.
3. Commodity and shrinkage costs have decreased by \$694,788 (18%) due to changes in market price estimates.
4. Pipeline transportation costs have increased by \$59,369 (15%) based on current year expense trends and the anticipated approval of PG&E's 2023-2026 rate case.
5. Storage costs have decreased by \$27,057 (4%) due to a transition to independent storage providers.

Background

The proposed natural gas program budget for Fiscal Year (FY) 2023-24 reflects a decrease of approximately \$0.5 million (4%), from \$12.9 million to \$12.4 million, compared to the previous fiscal year.

Revenue

The gas program operates as a not-for-profit entity; therefore, revenue equals costs less interest and other income. The increase in revenue is due to a corresponding increase in expenses.

Agenda Item 6.b. – Fiscal Year 2023-24 Operating Budget

June 15, 2023

Page 2 of 3

Cost of Energy

The cost of energy is comprised of pass-through, gas commodity and shrinkage, transportation, and storage. These costs are highly correlated to the program's usage and are each expressed as a dollars per dekatherm (\$/Dth) rate.

Pacific Gas and Electric Company (PG&E) pass-through costs represent 56% of the program budget and primarily consist of customer and transportation charges associated with local distribution. The California Public Utilities Commission (CPUC) determines "just and reasonable" rates requested by PG&E through public proceedings. These costs have increased significantly in recent years, driven by PG&E's requested – and subsequently approved - cost recovery for safety improvements including system hardening, leak detection, and storage asset management. The overall increase of \$1.1 million (18%) is due to a corresponding increase in PG&E's 2023-2026 General Rate Case.¹

Gas commodity costs are impacted by both the program's usage and market factors including supply and demand, purchase location, and contract structure. The year-over-year decrease of \$2.2 million (40%) anticipates a decrease in market prices and no significant change in usage. Shrinkage refers to the loss of a small volume of gas during compression and long-distance transport. Because of shrinkage, the program must purchase more gas than is actually used.

Intra- and inter-state pipeline transportation costs are dependent upon the program's gas purchasing strategy, which details where, and in which amounts, gas is purchased. Pipeline transportation rates are determined by the state and federal agencies that regulate pipeline operators. A year-over-year increase of \$100,430 (15%) anticipates rate increases supporting safety, maintenance, and operational improvements, primarily within California.

ABAG POWER is required to hold gas storage capacity both with PG&E and a third-party provider. Storage costs are expected to increase by \$425,426 (234%) due to rising rates for storage for proposed safety improvements, similar to pass-through costs.

Staff Cost

Staff costs will increase by \$59,369 (12%) due to the anticipated agency approval of a 4.5% Cost of Living Adjustment (COLA) and reallocation of staff time.

Consultant Services

During FY 2022-23, the Executive Committee approved entering a contract with GPT Secure, LLC, in the amount of \$216,645 for a two-year term to provide consultant services related to the quantification and management of carbon offsets. Staff estimate concluding the current fiscal year with a remaining contract balance of approximately \$173,000, resulting in an increase of approximately \$23,000 (16%) compared to the prior year.

¹ https://www.pge.com/en_US/about-pge/company-information/regulation/general-rate-case/grc.page

Agenda Item 6.b. – Fiscal Year 2023-24 Operating Budget

June 15, 2023

Page 3 of 3

Other Expenses

There is a minor increase of \$3,200 (5%) proposed to the audit fees and a significant decrease of \$8,800 (93%) to bank service charges; otherwise, there are no other notable proposed changes to expenses.

Issues:

Total working capital deposits are still at \$1,988,459 – roughly the same amount since FY 2008-09. The total capital deposits represent 1.9 months of working capital, which does not meet the program's stated goal of at least two months of estimated expenses (\$2,058,940, based on the proposed FY 2023-24 budget).

Given fluctuations in gas prices experienced in FY 2022-23 and feedback received at the April 20, 2023 Executive Committee meeting, staff are analyzing strategies to mitigate price uncertainty, such as increasing working capital deposits, leveraging storage inventory, and/or procuring fixed-price supply contracts. Staff anticipate presenting options and seeking approval from the Executive Committee in the fall of 2023 in advance of the winter season.

Recommended Action:

The ABAG POWER Executive Committee is requested to review and approve as proposed the Fiscal Year 2023-24 Operating Budget in the amount of \$12,372,840 and accompanying levelized charges as shown in agenda item 6.d. for the period July 1, 2023, through June 30, 2024..

Attachments:

- ABAG POWER Fiscal Year 2023-24 Operating Budget Presentation
- ABAG POWER Fiscal Year 2023-24 Operating Budget
- ABAG POWER Fiscal Year 2023-24 Operating Budget Levelized Charges
- ABAG POWER Fiscal Year 2023-24 Operating Budget Summary Approval

Reviewed:

DocuSigned by:

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Alix Bockelman

	Actuals as of 04/30/23	Projected FY 2022-23	Adopted FY 2022-23	Proposed FY 2023-24	\$ Change Increase/(Decrease)	% Change Increase/(Decrease)
Revenue						
Sale of Energy	10,719,520	\$ 12,857,280	\$ 12,857,280	\$ 12,353,640	\$ (503,640)	-4%
Interest Income - Banks/LAIF	7,056	8,820	3,159	10,000	6,841	217%
Other Revenue	4,513	9,025	9,200	9,200	-	0%
Total Revenue	10,731,089	12,875,125	12,869,639	12,372,840	(496,799)	-4%
Expense						
Cost of Energy						
PG&E Pass-through Costs	5,386,875	6,464,251	5,816,444	6,870,410	1,053,966	18%
Gas Commodity & Shrinkage Costs	6,456,275	6,712,275	5,330,015	3,172,670	(2,157,345)	-40%
Intra/Interstate Pipeline Transportation	512,198	614,638	655,993	756,423	100,430	15%
Gas Storage	109,839	211,039	181,774	607,200	425,426	234%
Total Cost of Energy	12,465,188	14,002,202	11,984,225	11,406,702	(577,523)	-5%
Staff Cost						
Salary & Benefits	219,808	263,770	338,013	377,592	39,579	12%
Overhead	106,937	128,324	169,006	188,796	19,790	12%
Total Staff Cost	326,745	392,094	507,019	566,388	59,369	12%
Consultant Services						
Program Design	19,883	25,883	150,000	173,316	23,316	16%
Gas Scheduling	80,100	106,800	106,800	106,800	-	0%
Database Hosting	20,400	20,400	18,545	22,440	3,894	21%
Brokerage	8,303	9,964	12,000	12,000	-	0%
External Legal Support	0	-	-	-	-	-
Electronic Data Interchange Services	5,079	6,095	7,750	7,750	-	0%
Total Consultant Services	133,765	169,141	295,095	322,306	27,210	9%
Environmental Services						
Carbon Reduction Projects	0	-	-	-	-	-
Total Environmental Services	0	-	-	-	-	-
Other Expenses						
Audit	47,382	63,800	63,800	67,000	3,200	5%
Interest Expense/Bank Charges	727	872	9,500	700	(8,800)	-93%
Catering	388	1,000	1,500	1,500	-	0%
Market Pricing Subscriptions	1,855	1,855	1,718	1,900	182	11%
Travel	0	-	1,000	1,000	-	0%
Industry Memberships & Conferences	350	700	1,450	1,450	-	0%
Insurance	700	700	700	700	-	0%
Postage	388	388	-	-	-	-
Miscellaneous	50	50	300	300	-	0%
Total Other Expense	51,840	69,365	79,968	74,550	(5,418)	-7%
Total Expense	12,977,537	14,632,803	12,866,306	12,369,945	(496,361)	-4%
Operating Surplus/(Deficit)	-2,246,449	\$ (1,757,678)	\$ 3,333	\$ 2,895	\$ (438)	
Core Annual Usage (Dth):	569,797	683,756	578,764	595,202	16,438	3%
Noncore Annual Usage (Dth):	47,618	57,142	79,829	67,519	(12,310)	-15%
Total Usage (Dth):	617,415	740,898	658,593	662,721	4,128	1%
Core Gas Commodity (\$/therm):	1.23	1.09	0.94	0.70	-0.24	-26%
Noncore Gas Commodity (\$/therm):	1.13	0.99	0.89	0.58	-0.31	-35%
PG&E Pass-through Costs (\$/therm):	0.95	0.95	0.99	1.15	0.17	17%
Program Expenses (\$/therm):	0.08	0.09	0.13	0.14	0.01	8%
Core Total Rate (\$/therm):	2.26	2.12	2.06	1.99	-0.06	-3%
Noncore Total Rate (\$/therm):	1.21	1.07	1.02	0.73	-0.30	-29%

			ABAG POWER Operating Costs (\$/therm)				PG&E Costs (\$/therm)		
			Gas Commodity and Transportation Cost	Program Expenses	Carbon Offsets	Gas Storage Costs	PG&E Pass-through Costs	Distribution Shrinkage	
Core Rates	Small Commercial	G-NR1					\$ 1.165		
	Large Commercial	G-NR2	\$ 0.582	\$ 0.142	\$ -	\$ 0.102	\$ 0.807	\$ 0.021	
	Residential	G-1/GM					\$ 1.047		
Noncore Rate	Electric Generation	G-NT	\$ 0.582	\$ 0.142	\$ -	\$ -	\$ -	\$ 0.002	

Member Agency	Master Account	Predominant Load Schedule	CY 2021 Actual Usage	CY 2022 Actual Usage	FY 23 Estimated Usage	Gas Commodity and Transportation Cost	Program Expenses	Carbon Offsets	Gas Storage Costs	PG&E Pass-through Costs	Distribution Shrinkage	Total Annual Cost Estimate	FY 23-24 Monthly Levelized Charge (Jul '23 - Jun '24)	FY 22-23 Monthly Levelized Charge (Jul '22 - Jun '23)	% Change
Alameda, City															
Alameda, City	ALAACPC001	G-NR1	42,641	47,230	46,329	\$ 26,947	\$ 6,600	\$ -	\$ 4,726	\$ 53,981	\$ 573	\$ 92,827	\$ 7,740	\$ 9,190	-16%
Alameda Municipal Power	ALAACPC002	G-NR1	560	809	668	\$ 388	\$ 95	\$ -	\$ 68	\$ 778	\$ 8	\$ 1,338	\$ 120	\$ 80	50%
Alameda City Housing Authority	ALAACPC003	G-1/G-M	31,084	31,515	30,906	\$ 17,977	\$ 4,403	\$ -	\$ 3,153	\$ 32,369	\$ 382	\$ 58,284	\$ 4,860	\$ 6,330	-23%
Albany, City	ALBACPC001	G-NR1	10,184	11,222	10,733	\$ 6,243	\$ 1,529	\$ -	\$ 1,095	\$ 12,506	\$ 133	\$ 21,506	\$ 1,800	\$ 1,950	-8%
Atherton, Town	ATHACPT001	G-1/G-M	3,538	3,507	3,469	\$ 2,018	\$ 494	\$ -	\$ 354	\$ 3,634	\$ 43	\$ 6,543	\$ 550	\$ 650	-15%
Benicia, City	BENACPC001	G-NR1	73,665	77,599	74,602	\$ 43,393	\$ 10,627	\$ -	\$ 7,611	\$ 86,925	\$ 922	\$ 149,477	\$ 12,460	\$ 12,410	0%
Contra Costa, County	CONACPN001	G-NR1	1,395,695	1,351,597	1,355,144	\$ 788,224	\$ 193,040	\$ -	\$ 138,246	\$ 1,578,988	\$ 16,750	\$ 2,715,248	\$ 226,280	\$ 231,780	-2%
Cupertino, City	CUPACPC001	G-NR1	38,992	43,101	38,653	\$ 22,483	\$ 5,506	\$ -	\$ 3,943	\$ 45,038	\$ 478	\$ 77,447	\$ 6,460	\$ 5,980	8%
Fremont, City	FREACPC001	G-NR1	205,875	228,436	214,112	\$ 124,539	\$ 30,500	\$ -	\$ 21,843	\$ 249,479	\$ 2,646	\$ 429,007	\$ 35,760	\$ 35,820	0%
Golden Gate Bridge, H&TD	GOLACP001	G-NR1	65,329	74,395	69,096	\$ 40,190	\$ 9,843	\$ -	\$ 7,049	\$ 80,509	\$ 854	\$ 138,444	\$ 11,540	\$ 10,820	7%
Gonzales, City	GONACPC001	G-NR1	20,393	10,830	12,607	\$ 7,333	\$ 1,796	\$ -	\$ 1,286	\$ 14,689	\$ 156	\$ 25,259	\$ 2,110	\$ 1,500	41%
Half Moon Bay, City	HALACPC001	G-NR1	2,913	2,957	2,750	\$ 1,599	\$ 392	\$ -	\$ 281	\$ 3,204	\$ 34	\$ 5,509	\$ 460	\$ 330	39%
Hercules, City	HERACPC001	G-NR1	97,635	132,766	103,658	\$ 60,293	\$ 14,766	\$ -	\$ 10,575	\$ 120,781	\$ 1,281	\$ 207,696	\$ 17,310	\$ 9,290	86%
Los Altos, City	LOSACPC001	G-NR1	17,440	16,191	16,634	\$ 9,675	\$ 2,370	\$ -	\$ 1,697	\$ 19,382	\$ 206	\$ 33,329	\$ 2,780	\$ 3,210	-13%
Mill Valley, City	MILACPC001	G-NR1	108,807	118,050	106,270	\$ 61,812	\$ 15,138	\$ -	\$ 10,841	\$ 123,824	\$ 1,314	\$ 212,929	\$ 17,750	\$ 13,220	34%
Millbrae, City															
Millbrae, City	MILACPC003	G-NR1	13,572	11,966	14,168	\$ 8,241	\$ 2,018	\$ -	\$ 1,445	\$ 16,509	\$ 175	\$ 28,389	\$ 2,370	\$ 4,200	-44%
Millbrae WWTP	MILACPC004	G-NR1	893	403	499	\$ 290	\$ 71	\$ -	\$ 51	\$ 480	\$ 6	\$ 899	\$ 80	\$ 40	100%
Milpitas, City	MILACPC002	G-NR1	114,463	109,619	112,942	\$ 65,693	\$ 16,088	\$ -	\$ 11,522	\$ 131,597	\$ 1,396	\$ 226,296	\$ 18,860	\$ 24,690	-24%
Monte Sereno, City	MONACPC001	G-NR1	904	1,156	1,045	\$ 608	\$ 149	\$ -	\$ 107	\$ 1,218	\$ 13	\$ 2,094	\$ 180	\$ 180	0%
Moraga, Town	MORACPT001	G-NR1	5,122	7,424	6,201	\$ 3,607	\$ 883	\$ -	\$ 633	\$ 7,226	\$ 77	\$ 12,425	\$ 1,040	\$ 910	14%
Napa, County	NAPACPN005	G-NR1	122,404	119,875	116,558	\$ 67,796	\$ 16,604	\$ -	\$ 11,891	\$ 135,811	\$ 1,441	\$ 233,542	\$ 19,470	\$ 18,490	5%
Oakland, City															
Oakland, City	OAKACPC001	G-NR1	712,532	837,637	755,205	\$ 439,268	\$ 107,579	\$ -	\$ 77,043	\$ 879,951	\$ 9,334	\$ 1,513,174	\$ 126,100	\$ 111,960	13%
Oakland Zoological	OAKACPC002	G-NR1	13,254	14,880	13,618	\$ 7,921	\$ 1,940	\$ -	\$ 1,389	\$ 15,867	\$ 168	\$ 27,286	\$ 2,280	\$ 2,120	8%
Orinda, City	ORIACPC001	G-NR1	29,344	27,017	27,714	\$ 16,120	\$ 3,948	\$ -	\$ 2,827	\$ 32,292	\$ 343	\$ 55,529	\$ 4,630	\$ 4,970	-7%
Pacifica, City	PACACPC001	G-NR1	27,198	25,770	25,929	\$ 15,081	\$ 3,694	\$ -	\$ 2,645	\$ 30,211	\$ 320	\$ 51,952	\$ 4,330	\$ 4,430	-2%
Petaluma, City	PETACPC001	G-NR1	23,536	21,077	22,333	\$ 12,990	\$ 3,181	\$ -	\$ 2,278	\$ 26,022	\$ 276	\$ 44,748	\$ 3,730	\$ 4,280	-13%
Pleasanton, City	PLEACPC001	G-NR1	147,961	133,427	140,703	\$ 81,840	\$ 20,043	\$ -	\$ 14,354	\$ 163,944	\$ 1,739	\$ 281,920	\$ 23,500	\$ 30,350	-23%
Richmond, City	RICACPC001	G-NR1	355,985	367,580	353,800	\$ 205,789	\$ 50,399	\$ -	\$ 36,093	\$ 412,241	\$ 4,373	\$ 708,895	\$ 59,080	\$ 60,720	-3%
Salinas, City	SALACPC001	G-NR1	137,729	133,353	135,358	\$ 78,732	\$ 19,282	\$ -	\$ 13,809	\$ 157,717	\$ 1,673	\$ 271,212	\$ 22,610	\$ 29,140	-22%
San Carlos, City	SANACPC003	G-NR1	29,581	29,784	28,629	\$ 16,652	\$ 4,078	\$ -	\$ 2,921	\$ 33,357	\$ 354	\$ 57,362	\$ 4,790	\$ 4,340	10%

			ABAG POWER Operating Costs (\$/therm)				PG&E Costs (\$/therm)		
			Gas Commodity and Transportation Cost	Program Expenses	Carbon Offsets	Gas Storage Costs	PG&E Pass-through Costs	Distribution Shrinkage	
Core Rates	Small Commercial	G-NR1					\$ 1.165		
	Large Commercial	G-NR2	\$ 0.582	\$ 0.142	\$ -	\$ 0.102	\$ 0.807	\$ 0.021	
	Residential	G-1/GM					\$ 1.047		
Noncore Rate	Electric Generation	G-NT	\$ 0.582	\$ 0.142	\$ -	\$ -	\$ -	\$ 0.002	

Member Agency	Master Account	Predominant Load Schedule	CY 2021 Actual Usage	CY 2022 Actual Usage	FY 23 Estimated Usage	Gas Commodity and Transportation Cost	Program Expenses	Carbon Offsets	Gas Storage Costs	PG&E Pass-through Costs	Distribution Shrinkage	Total Annual Cost Estimate	FY 23-24 Monthly Levelized Charge (Jul '23 - Jun '24)	FY 22-23 Monthly Levelized Charge (Jul '22 - Jun '23)	% Change
San Mateo County															
San Mateo County006	SANACPC006	G-NR1	355,388	327,242	337,306	\$ 196,195	\$ 48,049	\$ -	\$ 34,411	\$ 393,022	\$ 4,169	\$ 675,846	\$ 56,330	\$ 60,350	-7%
San Mateo County007	SANACPC007	G-NR2	156,272	182,934	169,357	\$ 98,507	\$ 24,125	\$ -	\$ 17,277	\$ 136,712	\$ 2,093	\$ 278,714	\$ 23,230	\$ 27,200	-15%
San Mateo County008	SANACPC008	G-NR1	5,747	8,492	6,814	\$ 3,963	\$ 971	\$ -	\$ 695	\$ 7,939	\$ 84	\$ 13,652	\$ 1,140	\$ 870	31%
San Mateo County009	SANACPC009	G-NR1	2,413	2,309	2,359	\$ 1,372	\$ 336	\$ -	\$ 241	\$ 2,748	\$ 29	\$ 4,726	\$ 400	\$ 420	-5%
San Mateo County011	SANACPC011	G-NR1	10,958	9,238	10,201	\$ 5,934	\$ 1,453	\$ -	\$ 1,041	\$ 11,886	\$ 126	\$ 20,440	\$ 1,710	\$ 1,950	-12%
San Mateo County015	SANACPC015	G-NR1	95,504	111,376	104,030	\$ 60,509	\$ 14,819	\$ -	\$ 10,613	\$ 121,213	\$ 1,286	\$ 208,440	\$ 17,370	\$ 14,750	18%
San Mateo County016	SANACPC016	G-NR1	5,955	6,890	6,376	\$ 3,709	\$ 908	\$ -	\$ 650	\$ 7,429	\$ 79	\$ 12,776	\$ 1,070	\$ 1,140	-6%
San Rafael, City	SANACPC001	G-NR1	76,807	73,490	71,670	\$ 41,687	\$ 10,209	\$ -	\$ 7,311	\$ 83,509	\$ 886	\$ 143,602	\$ 11,970	\$ 10,930	10%
Santa Clara, County	SANACPN001	G-NR1	769,320	804,023	794,823	\$ 462,312	\$ 113,222	\$ -	\$ 81,085	\$ 926,113	\$ 9,824	\$ 1,592,555	\$ 132,720	\$ 145,400	-9%
Santa Rosa, City	SANACPC005	G-NR1	322,983	317,577	309,930	\$ 180,271	\$ 44,149	\$ -	\$ 31,618	\$ 361,124	\$ 3,831	\$ 620,993	\$ 51,750	\$ 46,270	12%
Saratoga, City	SARACPC001	G-NR1	7,876	10,588	9,376	\$ 5,453	\$ 1,336	\$ -	\$ 956	\$ 10,924	\$ 116	\$ 18,785	\$ 1,570	\$ 1,870	-16%
Union City	UNIACPC001	G-NR1	10,180	9,846	10,082	\$ 5,864	\$ 1,436	\$ -	\$ 1,029	\$ 11,748	\$ 125	\$ 20,202	\$ 1,690	\$ 1,880	-10%
Vallejo, City	VALACPC001	G-NR1	50,492	54,763	51,426	\$ 29,912	\$ 7,326	\$ -	\$ 5,246	\$ 59,921	\$ 636	\$ 103,040	\$ 8,590	\$ 12,340	-30%
Vallejo Sani.& Flood Control Dist	VALACPD001	G-NR1	227,640	118,621	152,520	\$ 88,713	\$ 21,726	\$ -	\$ 15,559	\$ 177,713	\$ 1,885	\$ 305,597	\$ 25,470	\$ 16,800	52%
Watsonville, City	WATACPC001	G-NR1	72,288	73,897	72,039	\$ 41,902	\$ 10,262	\$ -	\$ 7,349	\$ 83,939	\$ 890	\$ 144,342	\$ 12,030	\$ 11,790	2%
Winters, City	WINACPC001	G-NR1	3,394	3,491	3,382	\$ 1,967	\$ 482	\$ -	\$ 345	\$ 3,941	\$ 42	\$ 6,777	\$ 570	\$ 540	6%
Total - Core			6,022,446	6,105,950	5,952,021	\$ 3,462,012	\$ 847,863	\$ -	\$ 607,200	\$ 6,870,410	\$ 73,568	\$ 11,861,053	\$ 988,640	\$ 997,880	-1%
Rate (\$/therm)						\$ 0.582	\$ 0.142	\$ -	\$ 0.102	\$ 1.154	\$ 0.012				
Noncore Accounts															
San Mateo, County	SANACPC014	G-NT	302,339	286,626	295,371	\$ 171,803	\$ 42,075	\$ -	\$ -	\$ -	\$ 344	\$ 214,222	\$ 17,860	\$ 34,110	-48%
Santa Rosa, City	SANACPC012	G-NT	335,480	275,509	328,664	\$ 191,169	\$ 46,818	\$ -	\$ -	\$ -	\$ 382	\$ 238,369	\$ 19,870	\$ 44,920	-56%
Watsonville, City	WATACPC002	G-NT	25,696	33,791	51,156	\$ 29,755	\$ 7,287	\$ -	\$ -	\$ -	\$ 60	\$ 37,101	\$ 3,100	\$ 15,410	-80%
Total - Noncore			663,515	595,926	675,191	\$ 392,727	\$ 96,181	\$ -	\$ -	\$ -	\$ 785	\$ 489,693	\$ 40,830	\$ 94,440	-57%
Rate (\$/therm)						\$ 0.582	\$ 0.142	\$ -	\$ -	\$ -	\$ 0.001				
GRAND TOTAL			6,685,961	6,701,876	6,627,212	\$ 3,854,739	\$ 944,044	\$ -	\$ 607,200	\$ 6,870,410	\$ 74,353	\$ 12,350,745	\$ 1,029,470	\$ 1,092,320	-6%

Working Capital Deposits: \$ 1,988,459
 Months of Working Capital: 1.93
 2.0 Months of Working Capital: \$ 2,058,940
 Difference: \$ (70,481)



**S U M M A R Y O F E X E C U T I V E C O M M I T T E E
A P P R O V A L**

Work Item No.:	1707
Consultant:	-
Work Project Title:	ABAG POWER
Purpose of Project:	Purchase/transport of natural gas
Brief Scope of Work:	Enable price stability and cost savings by conducting pooled purchasing of natural gas on behalf of local governments.
Project Cost Not to Exceed:	\$12,372,840
Funding Source:	Program Participant Fees
Fiscal Impact:	Fiscal Year 2023-24
Motion by Committee:	The ABAG POWER Executive Committee authorizes a fiscal year 2023-24 Operating Budget in the amount of \$12,372,840 and approves the accompanying levelized charges as shown in agenda item 6.d. for the period July 1, 2023 through June 30, 2024.
Executive Committee Approval:	Doug Williams Chair, Executive Committee
Approval Date:	June 15, 2023