



375 Beale Street
Suite 700
San Francisco, California

Meeting Agenda - Final

ABAG POWER Executive Committee

Chair, Doug Williams, City of Santa Rosa
Vice Chair, Becky Hopkins, City of Pleasanton

Thursday, February 15, 2024

11:00 AM

CR 112 Claremont - 1st Floor

**ABAG Publicly Owned Energy Resources
Executive Committee
Meeting No. 2024-01**

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Claremont Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://abag.ca.gov/meetings-events/live-webcasts> Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link:

<https://bayareametro.zoom.us/j/87870329824>

Or One tap mobile :

+14086380968,,87870329824# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

833 548 0276 US Toll Free

833 548 0282 US Toll Free

877 853 5247 US Toll Free

888 788 0099 US Toll Free

Webinar ID: 878 7032 9824

International numbers available: <https://bayareametro.zoom.us/j/87870329824>

Detailed instructions on participating via Zoom are available at:

<https://abag.ca.gov/meetings-events/meetings/how-provide-public-comment-board-meeting>

Members of the public may participate by phone or Zoom 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.

Roster

Doug Williams, City of Santa Rosa
Becky Hopkins, City of Pleasanton
Brendan Havenar-Doughton, County of Contra Costa
Elaine Marshall, City of Milpitas

1. Welcome / Call to Order

Doug Williams, Chair, City of Santa Rosa

2. Roll Call / Confirm Quorum

Cindy Chen, Clerk, ABAG/MTC

Quorum: a quorum of this meeting body shall be a majority of its regular voting members (4).

3. Public Comment

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

3a. [24-0290](#)

Attachments: [3.a.1. - Utility Tax Presentation for ABAG updated Feb 2024](#)
[3.a.2. - Information for ABAG about the Utility Tax](#)
[3.a.3. - Draft ABAG letter](#)

4. Consent Calendar**4a. [24-0156](#) Approval of Minutes from August 17, 2023, Executive Committee Meeting**

Action: Approval

Presenter: Ryan Jacoby, Principal Program Manager, ABAG/MTC

Attachments: [4.a.1. – ABAG POWER EC Summary Minutes of 8/17/2023](#)

5. Information**5a. [24-0158](#) Energy Programs Manager's Report**

Staff will provide a verbal update of recent energy industry developments and programmatic updates regarding the Bay Area Regional Energy Network

Action: Information

Presenter: Jane Elias, Director, Energy Section, ABAG/MTC

5b. [24-0159](#) Report on Natural Gas and Renewable Natural Gas Programs

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, Principal Program Manager, ABAG/MTC

Attachments: [5.b.1. – Report on Natural Gas and RNG Programs Presentation](#)
[5.b.2. – Summary Sheet - Monthly Summary of Operations](#)

6. Approval**6a.** [24-0174](#) Natural Gas Storage

Authorization to negotiate and enter into a contract with Lodi Gas Storage LLC in an amount not to exceed \$2,332,800 for natural gas storage services through March 31, 2027.

Action: Approval

Presenter: Ryan Jacoby, Principal Program Manager, ABAG/MTC

Attachments: [6.a.1 – Summary Sheet – Natural Gas Storage Contract](#)
[6.a.2 - Summary Approval – Lodi Gas Storage LLC](#)

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 April 18, 2024.

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.

The Utility Tax

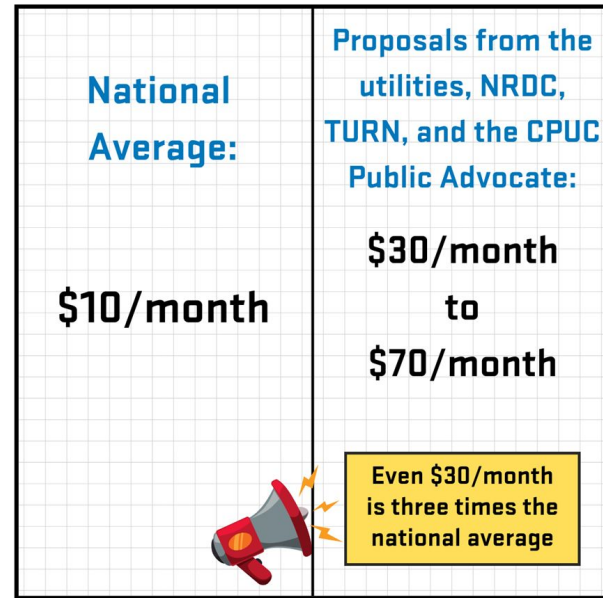
February 2024

Utility Tax: What's on the Table

- Last year, the Legislature passed a "budget trailer bill" (AB 205) that included little-known provision that requires the California Public Utilities Commission (CPUC) to charge all ratepayers a Utility Tax based on household income.
 - Applies to ALL residential customers of PG&E, SCE, SDG&E, including CCA customers.
- AB 205 went from proposal to law in just 3 days with no public hearing or discussion.

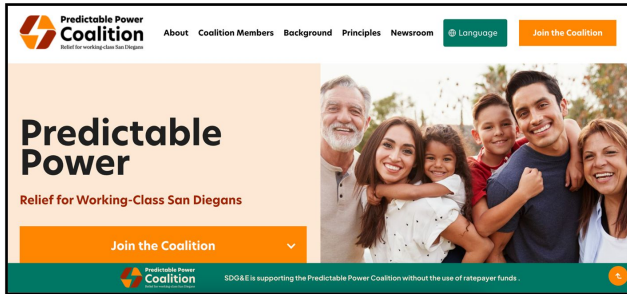
Utility Tax: What's on the table

- Now, the utilities and some other organizations are proposing to charge all ratepayers not on CARE or FERA the highest Utility Tax in the country: \$30 - \$70 / month.
- You would have to pay this Utility Tax even if you buy zero energy from the utility, and the money goes to the utilities.
- The per kilowatt rate would be reduced somewhat.



Utility Tax: What is the utilities' rationale?

- Proponents say this will:
 - Lower bills for working class households.
 - Incentivize people to switch from gas appliances to electric appliances such as heat pumps and induction stoves.



← *Utility website promoting their utility tax proposal*

A high Utility Tax will increase bills for millions of working people living in apartments or smaller homes

- Californians who live in apartments or small homes that use less energy would see their utility bills increase.
- Even the \$30/month Utility Tax proposal will have this negative impact.

Bills will increase



Even a \$30/month Utility Tax will increase bills on these kinds of households:

- A single mother living in an Irvine apartment.
- A retired couple living in a small home on a fixed income in San Diego.
- A teacher living in a small home in Fresno.
- A nurse in San Diego renting an apartment.
- A laborer living in a small home in Gilroy.
- Millions of Californians living in apartments and small homes.



Utility Tax proponents say their proposals will lower bills on low-income people. They are not telling the whole story.

- CARE and FERA customers would see small decreases in their monthly electricity bills.
- These decreases will be temporary, since rates will go up.
- Meanwhile, bills will increase for millions of people not eligible for CARE/FERA.
- Many of these households are just above the eligibility line and also struggling.



- Single mom making \$40K/year
- Living in an apartment
- Just above the CARE cutoff.
- Her bill will increase.



Utility Tax would discourage conservation, and take control away from ratepayers

High Utility Taxes discourage people from reducing their electricity use through conservation or energy efficiency, such as:

- Turning off the lights when you leave the room
- Installing new windows
- Getting rooftop solar and batteries

You pay the Utility Tax, no matter what you do.



Utility Tax does not incentivize electrification

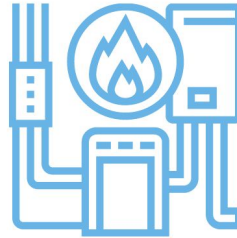
Proponents of the Utility Tax claim it will incentivize people to ditch gas and install heat pumps and other electric appliances.

But it won't.

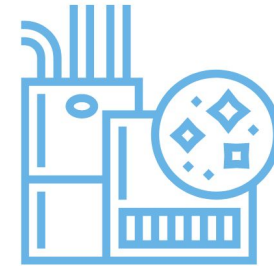


Under the Utility Tax:

It will still be \$40-400/ year cheaper to stick with gas appliances.
The utility tax will not incentivize people to go electric



Gas Appliances



Electric Appliances

The Utility Tax and Rates Will Only Go Up From Here



There are better solutions to high electricity prices than a Utility Tax

- Expand the CARE / FERA programs.
- Help millions more people get solar and batteries.
- Say no to utility rate hikes.

Even a Utility Tax of \$30 / month will increase utility bills for millions of people who live in apartments or small homes that use less electricity

This is why there is a growing Coalition of 220+ organizations opposed to the Utility Tax



East Bay Housing Organizations



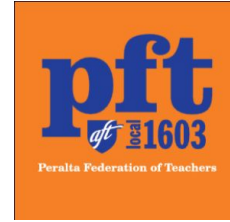
WESTERN CENTER
ON LAW & POLICY



API EQUALITY-LA
Asians and Pacific Islanders for LGBTQ Equality



The growing coalition of 220+ organizations opposed to the Utility Tax



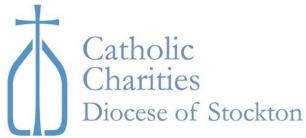
The growing coalition of 220+ organizations opposed to the Utility Tax



**Howard Jarvis
Taxpayers Association**
established 1978



**ACTION FOR A
HEALTHY PLANET**



This is why members of the Assembly and Senate have written letters heavily criticizing the Utility Tax:



October 27, 2023

Alice Busching Reynolds, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Income Graduated Fixed Charge Rate Design

President Reynolds:

We are writing in response to the California Public Utilities Commission's (CPUC) income graduated fixed charge rate designs proposed in regulatory proceeding (R.) 22-07-005 following a provision in Assembly Bill

News

Opinion: The income-based electricity bill provision is a mistake that will raise your rates. Let's not shy away from real solutions.

The proposed change is at risk of being poorly implemented, with long-lasting affordability and climate impacts for the Peninsula

by Josh Becker, California state senator, and Marc Berman, California state Assembly member / Contributor [f](#) [t](#) [e](#) [p](#) [+](#)

And this is why the CADEM platform, a state agency, and 80+ Local Elected Officials all oppose this high Utility Tax



2024 Platform



BERKELEY RENT BOARD

We, the undersigned elected officials, are writing in strong opposition to the "Utility Tax" provision embedded into Budget Trailer Bill [AB 205](#) (2022). We object to the un-democratic and opaque way in which the **Utility Tax was enacted, passed in three days without any public hearings or discussion.** The people of California deserve a voice in any major policy change with such wide-ranging consequences. The state legislature needs to immediately **repeal Public Utilities Code Section 738.9**, through a current Budget Trailer or other bill.

Section 738.9 requires the California Public Utilities Commission (CPUC) to add a fixed charge to electricity bills based on household income. Because of this provision, the utilities and other organizations have proposed the highest fixed charges in the country: between \$30 to \$70 per month for any customer not already on CARE or FERA. That would be three to seven times the national average for such a fixed charge. These proposals would function as a Utility Tax that would apply to all residential customers of PG&E, SCE, SDG&E, and CCAs.

In contrast to the claims made by Utility Tax proponents, the Utility Tax will hurt working families. An [in-depth analysis of these Utility Tax proposals](#) found that they would have the following negative consequences:

- **Millions of Californians who live in apartments, condos, and small homes that use less energy would see their utility bills increase.** Californians already suffer under the highest electricity bills in the country. This would have devastating consequences for working families.
- **High fixed charges discourage all forms of energy conservation,** such as turning off the lights, energy efficiency, or installing new windows, rooftop solar, and batteries. For years, working families have practiced energy conservation as a way to lower their monthly bills. The Utility Tax proposals will take control away from these households, degrading their ability to manage their energy bill.
- **The Utility Tax proposals will not incentivize electrification** as proponents claim. In fact, it will still be cheaper for most consumers to stick with natural gas under any of the proposals.

Utility rates and fees only go up, not down. The fixed charge provision of AB 205 completely lifted the cap on the size of the Utility Tax and says nothing about freezing or lowering electricity rates. Thus, the promise of lower volumetric rates in exchange for the Utility Tax will be temporary. **Both rates and the Utility Tax will continue to increase over time,** wiping out any initial benefit for CARE and FERA customers, and keeping our constituents trapped in unsustainable electricity bills.

The Utility Tax entrenches the problem of high electricity prices, rather than solving it.

Electricity prices are too high mainly due to the increasing costs of unnecessary long distance power lines, liability when those lines create wildfire risks, and generous utility profits that drive this spending. A Utility Tax does not fix that underlying problem because it just rearranges who pays what, harming millions of working class people in the process. The true solution to stabilizing the high cost of electricity is to reduce our overdependence on long distance power lines through greater conservation and local clean energy.

Utility Tax proponents claim that the Utility Tax will lower bills on low income households. This does not tell the whole story. While CARE and FERA customers will see relatively small and temporary bill decreases, households above the cutoff for those programs who live in apartments, condos and smaller homes, will see bill increases. **This includes millions of low income Californians, as well as moderate income households, and is unacceptable.**

We call on the state Legislature to address the problems outlined in this letter by authoring a bill to immediately repeal Public Utilities Code Section 738.9.

Thank you,

Larry Agran, Vice Mayor, City of Irvine

Cameron Saxxi, Vice Mayor, City of Pinole

The Legislature created this mess. Now they must fix it by passing AB 1999, which would repeal the Utility Tax provision in AB 205.



AB 1999

- 1) Restores the \$10/month cap on Utility Tax (\$5/mo for CARE and FERA).
- 2) Allows annual CPI increase.
- 3) Authored by Asm Irwin and co-authored by 19 other legislators.

Questions?



Information for Association of Bay Area Governments about the Utility Tax / Fixed Charge

updated 10/3/23

1) The Legislature passed a Utility Tax last year in just three days with no public discussion

- Last year, the state Legislature passed a large, omnibus 'budget trailer bill' (AB 205) that contained a provision to charge all ratepayers a new, uncapped Utility Tax.
- The bill was passed in three days with no public discussion. Many legislators did not even know the bill contained the Utility Tax provision.

2) Now, the utilities and other aligned organizations are proposing the highest Utility Tax in the country—between \$400 and \$1,500 a year.

- You could not get out of paying the Utility Tax, even if you buy zero electricity from the grid.

3) The proposed Utility Tax would increase utility bills on millions of working people

- The Utility Tax would increase bills on millions of people who live in apartments, condos, and other homes that don't use much electricity.
- The Utility Tax would discourage any form of conservation, including turning down the AC, using efficient appliances or installing solar panels.

4) The only solution is for the Legislature to repeal the Utility Tax

- The only way to fix this mess is for the Legislature to repeal the Utility Tax when they reconvene on January 1st.
- The law to be repealed is Public Utilities Code Section 739.9.

Whose electricity bills will increase under the proposed Utility Tax?

We know from the data in the Clean Coalition CPUC filing that the Utility Tax proposals from the IOUs, NRDC/TURN, and Public Advocate will increase bills on those who live in apartments, condos, and small homes.

So who are these people who will be negatively affected? Here are some examples:

- **A single mother with one child** living in a Bay Area apartment making \$40K/year would have to pay a utility tax of \$381 - \$612 / year and will see her utility bill increase.
- **Two teachers living in a small home in Fresno** would have to pay a utility tax of \$440 - \$1,101 / year and will see their utility bill increase.
- **Two nurses in San Diego renting an apartment** would have to pay a utility tax of \$512 - \$1,505 / year and will see their utility bill increase.
- **Two laborers in a small home in Gilroy** would be forced to pay a utility tax of \$381 - \$612 / year and will see their utility bill increase.
- **A retired couple on a fixed income living in a San Diego condo** would have to pay a utility tax of \$445 - \$860 / year and will see their utility bill increase.

Background information

- [Clean Coalition analysis](#) on the impact of the Utility Tax on ratepayers
- [Summary of Clean Coalition analysis](#)
- [Letter to Legislature from more than 170 organizations calling for repeal of Utility Tax](#)
- [Analysis from energy economists](#)
- [Analysis from Environment California](#)
- [Text of AB 205 and who voted for it](#) (Section 10)

Dear Members of the California Legislature:
cc: Governor Gavin Newsom

I am writing on behalf of ABAG POWER, a group of nearly 40 local governments that pool their natural gas needs to achieve aggregated, competitive purchasing for hundreds of critical facilities.

For the past 25 years, ABAG POWER has supported widespread adoption of renewable energy, energy efficiency and decarbonization, including serving as a renewable electricity provider, advocating for the creation of local government energy efficiency programs and Community Choice Aggregation, and serving as a partner for various collective purchasing efforts for municipal solar.

We are writing to express concern about the proposed fixed charge currently being considered by the California Public Utilities Commission (CPUC) as a result of the passage of AB 205 in 2022. Specifically, we oppose the high fixed charges currently being discussed, which are three to twelve times the national average. Such high charges will increase electricity bills on households that use relatively little energy. This includes people who live in apartments, condos, and small homes, as well as residents who have taken steps to conserve energy or install solar panels. This will increase the already high cost of living on many working families while discouraging energy conservation.

ABAG POWER supports a robust public discussion on a comprehensive approach to reducing the high cost of electricity in California. Unfortunately, a high fixed charge will not address this problem, and will create negative consequences for the public and the state's climate change progress.

Thank you for your consideration.



Metropolitan Transportation Commission Meeting Minutes 3 - Draft

375 Beale Street
Suite 700
San Francisco, California

ABAG POWER Executive Committee

Chair, Doug Williams, City of Santa Rosa
Vice Chair, Vacant

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

Thursday, August 17, 2023

11:00 AM

CR - 5150 Redwood Room

ABAG Publicly Owned Energy Resources Executive Committee Meeting No. 2023-04

Staff Roster:

Brad Paul
Jane Elias
Arleicka Conley
Andrea Visveshwara
Oscar Quintanilla Lopez
Ryan Jacoby
Fera Chandra (Clerk)

1. Welcome / Call to Order

Doug Williams, ABAG POWER Executive Committee Chair

Chair Williams called the meeting to order at 11:05 a.m and welcome Jane to the meeting.
Quorum was present.

2. Roll Call / Confirm Quorum

Fera Chandra, Energy Programs Coordinator, ABAG/MTC

Present: 3 - Committee Member Oyler, Chair Williams, and Committee Member Hopkins

3. Public Comment

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

4. Consent Calendar

Upon the motion by Committee Member Oyler and seconded by Committee Member Hopkins, item 4a was approved. The motion carried by the following vote:

Aye: 3 - Committee Member Oyler, Chair Williams, and Committee Member Hopkins

- 4a. [23-0992](#) Approval of Minutes from June 15, 2023 Executive Committee Special Meeting.

Attachments: [4.a.1 - ABAG POWER EC Summary Minutes of 6/15/2023](#)

5. Information

- 5a. [23-0993](#) Energy Programs Manager's Report

Staff will provide a verbal update of recent energy industry developments and programmatic updates regarding the Bay Area Regional Energy Network (BayREN).

Jane Elias gave updates on BayREN and Energy Programs.

- 5b. [23-0994](#) Report on Renewable Natural Gas Program

Staff will provide a verbal update of actions taken since the program's establishment on May 25, 2023.

Attachments: [5.b. - Summary Sheet Renewable Natural Gas Program](#)

Ryan Jacoby gave updates on the response to the feedback from the Committee from the last June 15 Meeting in regards to the proposed edits to the member agreement on RNG. Ryan also gave updates on the procurement forecast as well as announced the first member of the 1383 RNG program.

- 5c. [23-0995](#) Report on Natural Gas Program

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: [5.c.1 - Summary of Natural Gas Program](#)

[5.c.2 - Summary Sheet Summary of Natural Gas Program](#)

Ryan Jacoby presented updates on the Natural Gas Program.

5d. [23-0997](#) Preliminary Agenda for Annual Board of Directors Meeting

Staff will present for Committee discussion potential agenda items for the annual Board of Directors meeting scheduled to be held October 26, 2023.

Attachments: [5.d. - Preliminary Board Meeting Agenda](#)

Ryan Jacoby presented Preliminary Agenda for Annual Board of Directors Meeting and explained about the structure of the meeting. Board Member Hopkins suggested to invite a consultant to do the analysis of climate benefits from the transition of natural gas to RNG. Board Member Oyler added comments to include directions/updates on SPURR to the agenda.

6. Approval

- 6a. [23-0996](#) Natural Gas Program Working Capital Deposits and General Gas Purchasing Strategy Policy Amendment
- Staff will propose the approval of 1) a recommendation to the ABAG POWER Board of Directors to increase the working capital deposit for the natural gas program from 2.0 to 3.0 months of estimated expenses, and to collect the additional deposits over a 24-month period beginning July 1, 2024; and, 2) authorize the MTC Executive Director or designee to enter into fixed-price natural gas purchase contracts in an amount not to exceed \$1 million and for a term not to exceed eight months, subject to this authority expiring on June 30, 2024, at 11:59 p.m.

Attachments: [6.a.1 - Summary Working Capital Deposits & Gen Gas Purchase Strategy](#)
[6.a.2 - Summary Approval Natural Gas Purchasing Strategy Policy Modification](#)

Upon the motion by Committee Member Hopkins and seconded by Committee Member Oyler, this Resolution was approved. The motion carried by the following vote:

Aye: 3 - Committee Member Oyler, Chair Williams, and Committee Member Hopkins

Oscar Quintanilla explained the reason of the proposal to increase the working capital deposit for the natural gas program from 2.0 to 3.0 months of estimated expenses and to collect the additional deposits over a 24-month period beginning July 1, 2024.

Ryan Jacoby explained the reason of the proposal to enter into fixed-price natural gas purchase contract in an amount not to exceed \$1 million for a term not to exceed eight months.

7. Other Business

Chairman Williams expressed gratitude and enthusiasm for the upcoming RNG program.

8. Adjournment / Next Meeting

The next meeting is the ABAG POWER Board of Directors Meeting scheduled to be held on October 26, 2023.

ABAG POWER

Executive Committee Meeting

Ryan Jacoby, Principal Program Manager
February 15, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

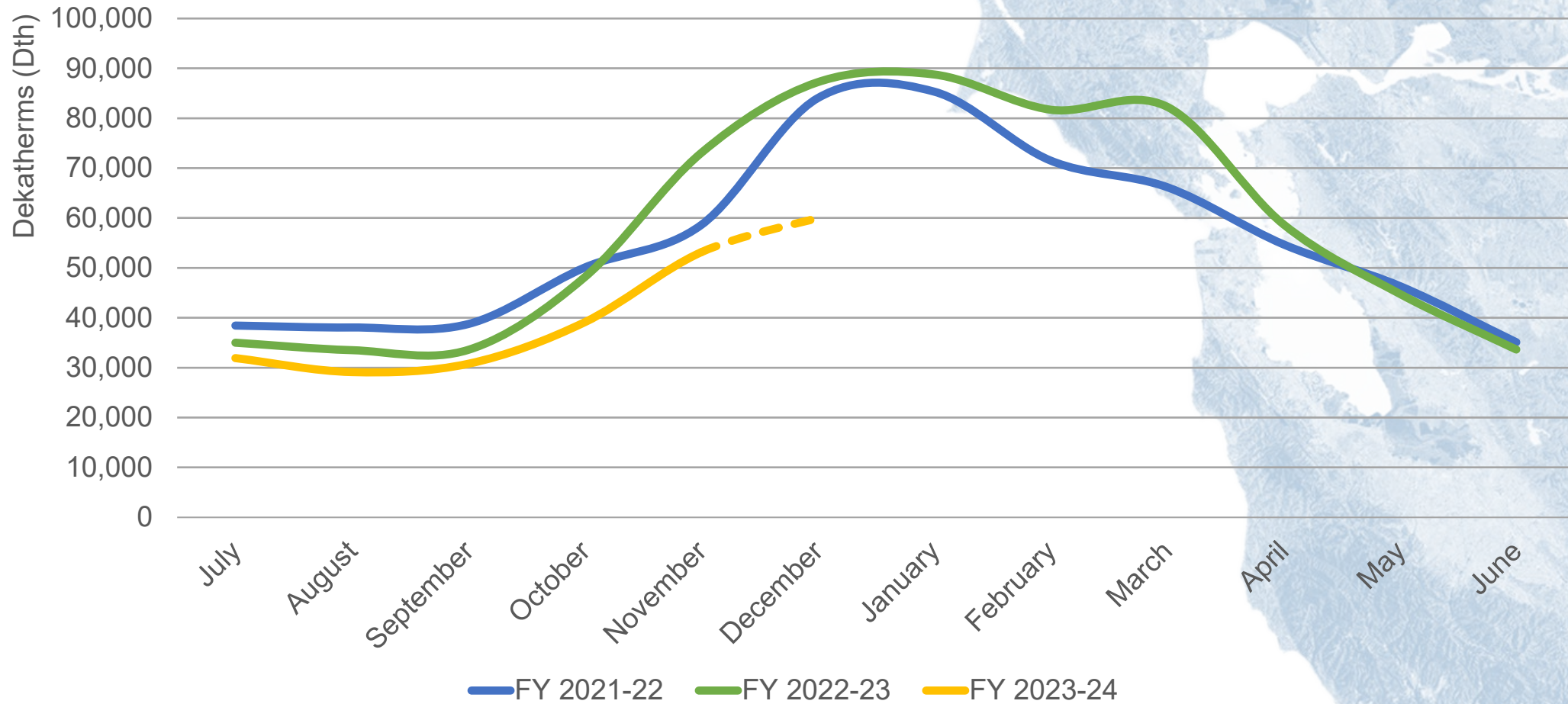
Monthly Summary of Operations

- Preliminary (unaudited) financial statements through December 2023 indicate the following fiscal year cumulative rates relative to PG&E's rate schedules:

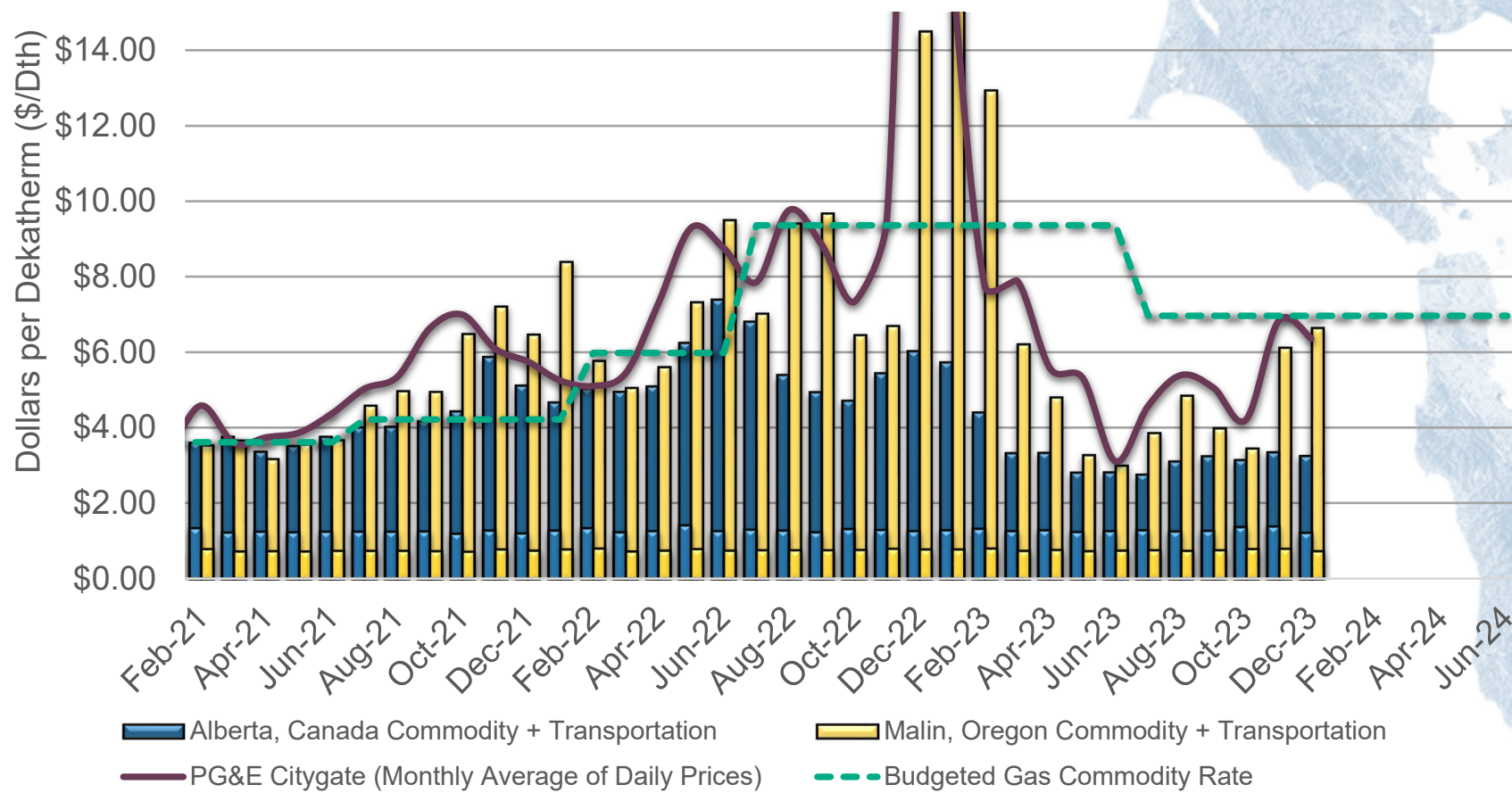
Rate Category	Rate Difference
Small Commercial (G-NR1)	19.9%
Large Commercial (G-NR2)	23.9%
Residential (G-1/GM)	1.7%
Natural Gas Vehicle (G-NGV-1/2)	3.1%



Gas Usage Comparison by Month & Year



Gas Market Price Comparison



Purchase Location	Fiscal Year 2023-24 Weighted Average Cost of Gas (WACOG)
Alberta	\$3.135
Oregon	\$4.817
California	\$5.403

Fiscal Year 2023-24 Budget-to-Actual

Budget Category	Year-to-Date Actuals As of 12/31/23 (unaudited)	Adopted Budget FY 2023-24	Budget Utilization
Revenue	6,329,682	12,372,840	51%
Expense			
Cost of Energy	2,818,607	11,406,703	25%
Staff, Consultant, and Other Expenses	378,911	966,137	39%
Surplus / (Deficit)	3,132,164	2,893	-



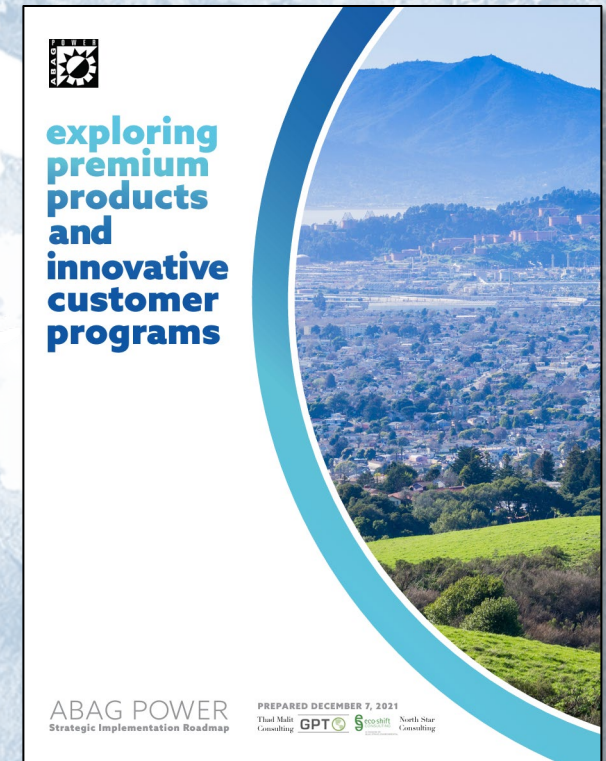
Strategic Implementation Roadmap

Active Initiatives:

- ✓ Renewable Natural Gas (RNG) Program
 - ✓ SB 1383-compliant RNG
 - ✓ Vehicle Fuel

Paused Initiatives:

- Carbon Emissions Quantification and Management
- Electrification Incentive



General Updates

- **Natural Gas Scheduling and Operational Consulting Services Request for Qualifications**
 - Expected to be issued in February for services beginning July 1, 2024, and ending June 30, 2027, with ABAG's option to extend for an additional two years
- **School Project for Utility Rate Reduction Member Agency Enrollment and Communications Status Update**

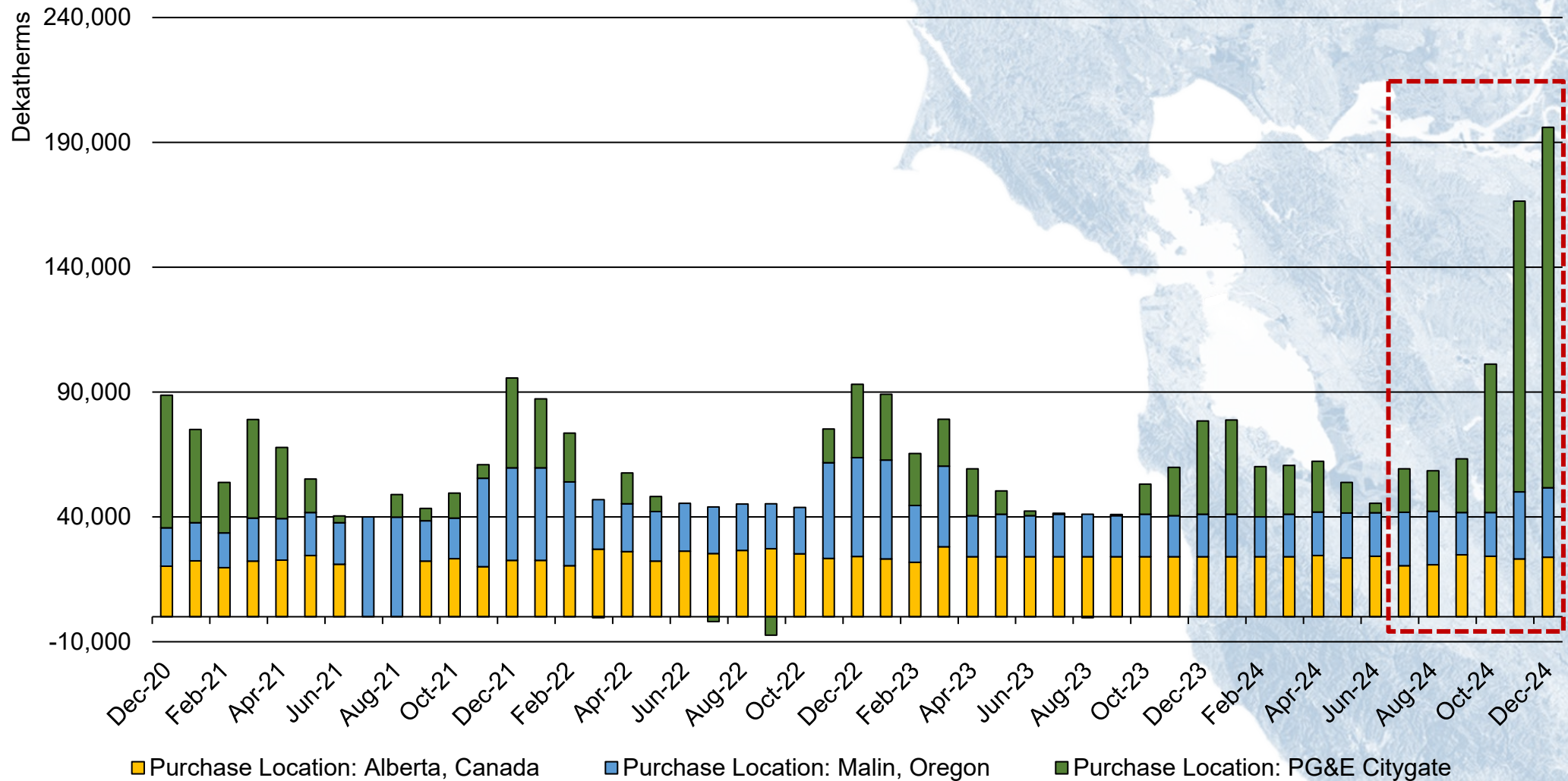
Status	Number of Agencies
Confirmed Intent to Enroll	4
Enrollment Declined	2
Agencies Engaged	94
Agencies Not Yet Engaged	113



Current preliminary budget assumes 20% of SPURR's portfolio usage will transition.



Historical & Anticipated Gas Purchase Requirements



Anticipated Fiscal Year 2024-25 Budget

- **POWER’s operating budget establishes a “levelized” billing structure resulting in a monthly invoice for each member based on projected usage and cost.**
- **Staff are continuing to encourage SPURR members to transition by July 1, 2024. New members are required to:**
 - **Adopt a resolution**
 - **Provide a working capital deposit, and**
 - **Execute the POWER JPA and Core Gas Aggregation Agreement.**
- **Not all new members will be able to join by July 1, 2024; however, it is desirable to enroll new members regardless of timeframe.**
- **Staff are considering options to minimize mid-year budget amendments while still facilitating a potentially significant number of enrollees.**



Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

February 15, 2024

Agenda Item 5.b.2.

Report on Natural Gas Program

Subject:

Monthly Summary of Operations for Fiscal Year 2023-24

Background:

During the first six months of fiscal year 2023-24, natural gas prices were less volatile than the preceding year, with average prices lower than in the beginning of recent winter seasons. Daily prices per dekatherm (\$/Dth) at PG&E's Citygate ranged from \$3.00 to \$7.93, with an unweighted average of \$4.76. PG&E's small commercial (G-NR1) procurement rate – the rate under which most ABAG POWER accounts would be categorized – averaged \$5.34 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 December 2023 indicate a cumulative rate difference of +19.9% when compared to PG&E's G-NR1 rate.

Market Price Analysis

In a ruling issued on August 31, 2023, the California Public Utilities Commission (CPUC) voted unanimously to increase capacity at the Aliso Canyon storage field in Southern California by over 65%, following a controversial methane leak in 2015 that threatened the facility's permanent closure. The decision was made, among other reasons, in an attempt to reduce extreme volatility seen in the preceding winter. Storage inventories both regionally and nationally are currently at or near five-year maximums, causing downward pressure on market prices and futures. Also contributing to comparatively low prices are relatively moderate winter weather, and minimal unplanned maintenance incidents.

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.

Agenda Item 5.b.2. – Monthly Summary of Operations

February 15, 2024

Page 2 of 2

Issues:

None.

Recommended Action:

None.

Attachments:

- Report on Natural Gas and Renewable Natural Gas Programs Presentation
- Summary of Natural Gas Program, Fiscal Year 2023-2024

Reviewed:

DocuSigned by:
Brad Paul
8C3380BA165B4D1...

Brad Paul

Association of Bay Area Governments Publicly Owned Energy Resources

ABAG POWER

Executive Committee

February 15, 2024

Agenda Item 6.a.1

Natural Gas Storage

Subject:

Authorization to negotiate and enter into a contract with Lodi Gas Storage, LLC, in an amount not to exceed \$2,332,800 for natural gas storage services for the period April 1, 2024, to March 31, 2027.

Background:

On September 19, 2019, the California Public Utilities Commission (CPUC) issued Decision (D.) 19-09-025, modifying and adopting Pacific Gas and Electric Company's (PG&E) gas transmission and storage revenue requirement, cost allocation, and rate design for the period 2019-2022. Among other things, the decision approved PG&E's proposal of a "Natural Gas Storage Strategy" (NGSS) effective April 1, 2020, which:

- Significantly increased rates for PG&E-owned intrastate pipeline and storage infrastructure
- Significantly reduces the amount of PG&E-held storage assets (through the attempted sale or decommissioning of two storage facilities)
- Confirms an existing seven-year "phase out" period¹ (2018-2024) during which core transport agents (CTAs), including ABAG POWER, are required to:
 - Take-or-pay for a proportionate share of PG&E's residual gas storage
 - Contract with one or more CPUC-approved Independent Storage Providers (ISPs) to procure storage that previously would have been allocated from PG&E's holdings²

To procure the required storage capacity and consistent with the process conducted over the past four years, staff issued a Request for Offers (RFO) on November 1, 2023, requesting bids from each of the four ISPs. Compared to the offers received in prior years, ISPs have indicated

¹ The "phase out" period and associated volumes/price increases are included as an attachment to this committee memorandum.

² Only four CPUC-approved ISPs operate within PG&E's service territory: Central Valley Gas Storage, LLC; Gill Ranch Storage, LLC; Lodi Gas Storage, LLC; Wild Goose, LLC. ABAG POWER has existing Storage Services Agreements with Lodi Gas Storage, LLC and Wild Goose, LLC that do not commit either party to a transaction but enable the parties to transact.

Agenda Item 6.a.1. – Natural Gas Storage

February 15, 2023

Page 2 of 3

that the cost of storage is higher than in previous years, and a multi-year contract is required, with a minimum term of three years.

ABAG POWER and other CTAs are required to enter into a contract no later than April 1, 2024. The contract's minimum inventory, withdrawal, and injection requirements are determined by PG&E in a calculation that assigns each organization their proportional share of PG&E's total core winter season natural gas usage.

Issues:

None.

Recommended Action:

The ABAG POWER Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, on behalf of ABAG POWER, to negotiate and enter into a natural gas storage agreement with Lodi Gas Storage, LLC for natural gas storage services in an amount not to exceed \$2,332,800 for the period April 1, 2024, to March 31, 2027.

Attachments:

None.

Reviewed:

DocuSigned by:

8C3380BA165B4D1...
Brad Paul

Agenda Item 6.a.1. – Natural Gas Storage

February 15, 2023

Page 3 of 3

Effective Date	ABAG POWER's Proportional Share of PG&E-Allocated Storage	ABAG POWER's Proportional Share of ISP-Allocated Storage	ABAG POWER Annual Storage Requirements	Percentage of PG&E-Allocated Storage Eligible for Self-Managed Storage	Reservation Rate for PG&E-Held Storage (\$/Dth)
	(A)	(B)	(C) = (A) + (B)	(A) * %	-
04/01/2018	65,444	0	65,444	10%	0.1913
04/01/2019	62,698	0	62,698	20%	0.1913
10/01/2019					0.3071
01/01/2020					0.3424
04/01/2020	9,588	20,412	30,000	30%	0.4157
01/01/2021					0.4306
04/01/2021	9,783	23,597	33,380	40%	0.4318
01/01/2022					0.4392
04/01/2022	9,849	24,065	33,914	60%	0.4417
01/01/2023					0.4417
04/01/2023	10,775	25,818	36,593	80%	0.4417
01/01/2024					0.4903
04/01/2024	11,618	28,277	39,895	100%	0.4903*

Volumes in Dekatherms (Dth)

*Estimated



SUMMARY OF EXECUTIVE COMMITTEE APPROVAL

Work Item No.:	1707
Consultant:	Lodi Gas Storage, LLC
Work Project Title:	ABAG POWER
Purpose of Project:	Natural gas storage
Brief Scope of Work:	Enable price stability and cost savings by strategic use of storage assets.
Project Cost Not to Exceed:	\$2,332,800
Funding Source:	Program Participant Fees
Fiscal Impact:	Funds programmed in FY 22/23 Budget
Motion by Committee:	The ABAG POWER Executive Committee authorizes the Executive Director of the Metropolitan Transportation Commission, or his/her designee, on behalf of ABAG POWER, to enter into a natural gas storage services agreement with Lodi Gas Storage, LLC in an amount not to exceed \$2,332,800 for services through March 31, 2027.
Executive Committee Approval:	Doug Williams, Chair, Executive Committee
Approval Date:	February 15, 2024