



ABAG POWER Executive Committee Meeting No. 2011-04  
August 17, 2011 (12 Noon - 2:00 p.m.)  
Association of Bay Area Governments  
101 Eighth Street, Conference Room B  
Oakland, CA 94607

**AGENDA\***

1. **Welcome and Introductions**
2. **Public Comments**
3. **Approve Summary Minutes of Executive Committee Meeting**  
**Action:**  
ATTACHMENT 3A – SUMMARY MINUTES OF JUNE 15, 2011
4. **Appointment to Executive Committee**  
**Action:** Chairman's appointment to the Executive Committee: John Stier representing the City of Hercules.
5. **Report on Natural Gas Program**  
Information: Staff will review recent gas operations, including gas purchases; the program's long-term hedge position; gas imbalances; and other miscellaneous program items.  
ATTACHMENT 5A1 – MONTHLY SUMMARY OF OPERATIONS FY 10-11  
ATTACHMENT 5A2 – MONTHLY SUMMARY OF OPERATIONS FY 11-12  
ATTACHMENT 5B – MARKET PRICE CHART  
ATTACHMENT 5C – GAS HEDGE CHART
6. **CTA Consortium**  
Information: Staff will discuss the formation of the CTA (Core Transportation Agent) Consortium, and ABAG POWER's participation in this group.
7. **Agenda for Annual Board Meeting**  
Information: Staff will discuss the timing and agenda for the Annual Board Meeting.  
ATTACHMENT 7A – ANNUAL BOARD MEETING PRELIMINARY AGENDA
8. **ABAG Energy Programs Update**  
Information: Staff will update members on the status of the following programs:
  - ABAG Green Communities (Partnership with PG&E)
  - Energy Upgrade California (Retrofit Bay Area)
  - DOE Better Buildings Program
  - Electric Vehicle (EV) Projects

**Closed Session**

The following item will be discussed in closed session, pursuant to the requirements of the Ralph M. Brown Act. All reportable actions taken will be announced in open session prior to the adjournment of the meeting.

- X1. **Conference With Legal Counsel—Anticipated Litigation, Govt. C. Sec. 54956.9(c)**

\*The Committee may take action on any item on this agenda



# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

Attachment 3A



### REPORT ON NATURAL GAS PROGRAM

#### Monthly Summary of Operations FY 10-11

Lahr provided the members with the Monthly Summary of Operations report for FY 2010-11. He mentioned that the annual gas injection period began in April. The withdrawal period ended with 15,000 decatherms of gas remaining in storage.

He updated the members on the market price and gas hedge charts and the percentage savings comparison with PG&E.

#### CTA Settlement Agreement

Lahr referred members to the Core Transport Agent (CTA) Settlement Agreement with Pacific Gas & Electric Company, dated August 20, 2010, which was handed out at the April meeting. He mentioned that core aggregators were currently having discussions on the subject of the CTA transmission and storage capacity elections which is a part of this agreement and is supposed to go into effect April 1, 2012.

#### FY 2011-12 BUDGET

Lahr provided an operating budget for FY 2011-12 to the committee. Motion was made by Mennucci/S/Popp/C/5:0:0 to approve the FY 2011-12 Operating Budget as presented.

#### Levelized Charge Calculation

Lahr provided a spreadsheet showing the new natural gas monthly levelized charges for each member. These charges will go into effect starting with the July, 2011 invoice. The new levelized charges represent approximately a 7.5% decrease in gas rates over the 2010-11 fiscal year. This is primarily due to a decrease in anticipated natural gas costs.

#### ABAG ENERGY PROGRAMS UPDATE

Lahr provided the Committee with an update on ABAG's current energy-related funding proposals. These proposals/programs are:

- ABAG Green Communities (Partnership with PG&E)
- Energy Upgrade California (Retrofit Bay Area)
- DOE Better Buildings Program
- Electric Vehicle (EV) Projects

#### ADJOURNMENT

Chairman Schroeder adjourned the meeting at 1:22 p.m.

/vm

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\*Example of a motion – [Member No. 1/S/Member No. 2/roll call vote/C/8:0:0] means Member No.1 motions, seconded by Member No.2, after roll call vote, motion carries, 8 = "yes" votes, 0 = "no" votes and 0 = abstention.

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## ABAG POWER Natural Gas Program

FY 2010-11 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Jun 30	Total
<b>Gas Purchases<sup>(1)</sup></b>														
Purchase 1	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,498	13,749	15,500	15,000	15,500	15,000	182,247
	Price	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$4.47	\$4.47	\$4.47	
Purchase 2	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,500	14,000	15,500	15,000	15,500	15,000	182,500
	Price	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	
Purchase 3	Qty	20,057	20,026	24,030	24,800	23,970	15,500	15,500	14,000	24,676	23,910	22,447	24,870	253,786
	Price	\$4.28	\$4.11	\$3.37	\$3.74	\$3.57	\$5.45	\$5.45	\$5.45	\$3.83	\$4.22	\$4.17	\$4.23	
Purchase 4	Qty	5,450	7,800	7,650	17,350	36,200	24,769	26,013	22,344	25,000	30,575	28,775	12,775	244,701
	Price	\$4.32	\$3.99	\$4.05	\$3.89	\$4.44	\$4.35	\$4.08	\$4.19	\$4.23	\$4.40	\$4.46	\$4.84	
Purchase 5	Qty						19,125	21,250	15,800					56,175
	Price						\$4.34	\$4.53	\$4.15					
Total Quantity Purchased		56,507	58,826	61,680	73,150	90,170	90,394	93,761	79,893	80,676	84,485	82,222	67,645	919,409
Total Purchase Cost		\$317,077	\$321,139	\$312,967	\$367,871	\$447,089	\$482,953	\$494,451	\$421,274	\$407,967	\$390,709	\$382,489	\$322,535	\$4,668,521
Backbone Shrinkage (Dths)		(527)	(527)	(570)	(589)	(570)	(589)	(467)	(417)	(465)	(450)	(307)	(330)	
Weighted Avg. Cost of Gas (WACOG) <sup>(2)</sup>		\$5.66	\$5.51	\$5.12	\$5.07	\$4.99	\$5.38	\$5.30	\$5.30	\$5.09	\$4.65	\$4.67	\$4.79	\$5.08
<b>Storage/Inventory</b>														
Total Injections/ (Withdrawals)		7,151	8,635	8,534	14,720	13,811	(19,479)	(15,000)	(15,440)	(15,000)	9,000	9,247	9,000	15,179
Total Inventory Quantity (Dths)		34,219	42,854	51,388	66,108	79,919	60,440	45,440	30,000	15,000	24,000	33,247	42,247	
Total Inventory (\$)		\$210,432	\$259,565	\$306,499	\$377,262	\$447,355	\$338,336	\$254,374	\$167,943	\$83,971	\$125,816	\$168,993	\$212,116	
<b>Gas Program Monthly Expenses (from Financial Reports)</b>														
Cost of Energy Used <sup>(3)</sup>		\$ 270,210	\$ 272,003	\$ 266,628	\$ 297,108	\$ 397,993	\$ 590,473	\$ 578,346	\$ 507,630	\$ 491,861	\$ 355,888	\$ 342,349	\$ 295,483	\$ 4,665,971
Program Operating Expenses <sup>(4)</sup>		25,117	30,816	29,535	32,367	30,770	25,785	18,498	27,813	31,711	21,619	20,125	26,740	320,897
Subtotal		\$ 295,327	\$ 302,819	\$ 296,163	\$ 329,475	\$ 428,763	\$ 616,258	\$ 596,844	\$ 535,443	\$ 523,572	\$ 377,507	\$ 362,473	\$ 322,223	\$ 4,986,868
Rate (\$/Dth)		\$5.30	\$5.37	\$5.21	\$5.10	\$5.19	\$5.99	\$5.62	\$5.83	\$5.68	\$5.12	\$5.00	\$5.40	\$5.45
PG&E Pass-through costs <sup>(5)</sup>		68,342	126,842	223,275	150,229	164,512	335,626	282,561	285,690	382,824	210,238	173,340	222,786	2,626,267
Total ABAG POWER Cost		\$ 363,669	\$ 429,661	\$ 519,439	\$ 479,705	\$ 593,275	\$ 951,884	\$ 879,405	\$ 821,132	\$ 906,397	\$ 587,746	\$ 535,813	\$ 545,009	\$ 7,613,135
<b>Actual (metered) Gas Usage</b>														
Core <sup>(6)</sup>		46,569	47,835	44,346	52,594	71,590	91,495	94,685	82,541	82,325	66,178	61,364	48,185	789,707
Non Core		9,138	8,571	12,552	12,017	11,079	11,404	11,602	9,245	9,834	7,564	11,090	11,525	125,619
Total Program Usage		55,707	56,407	56,898	64,611	82,668	102,898	106,287	91,786	92,159	73,742	72,454	59,710	915,327
ABAG POWER Total Core Rate		\$ 6.77	\$ 8.02	\$ 10.24	\$ 7.96	\$ 7.48	\$ 9.66	\$ 8.60	\$ 9.29	\$ 10.33	\$ 8.30	\$ 7.83	\$ 10.02	
<b>PG&amp;E Rate<sup>(7)</sup></b>														
Procurement Charge <sup>(8)</sup>		5.06	5.34	5.24	5.26	4.82	5.43	5.56	6.36	5.34	5.26	5.19	6.19	
Transportation/Other Charge <sup>(9)</sup>		1.47	2.65	5.03	2.86	2.30	3.67	2.98	3.46	4.65	3.18	2.82	4.62	
Total PG&E Rate		\$ 6.53	\$ 7.99	\$ 10.28	\$ 8.12	\$ 7.12	\$ 9.10	\$ 8.54	\$ 9.82	\$ 9.99	\$ 8.44	\$ 8.01	\$ 10.82	
<b>Rate Comparison</b>														
Monthly Rate Difference (\$/Dth)		0.24	0.03	(0.04)	(0.16)	0.37	0.56	0.06	(0.52)	0.34	(0.14)	(0.18)	(0.80)	
Monthly Savings (\$)		(11,362)	(1,592)	1,753	8,516	(26,134)	(50,853)	(5,273)	43,260	(27,974)	9,543	11,289	38,415	
Cumulative 'Savings' (\$)		(11,362)	(12,954)	(11,201)	(2,684)	(28,818)	(79,671)	(84,943)	(41,683)	(69,657)	(60,114)	(48,824)	(10,409)	
Cumulative 'Savings' (%)		-3.7%	-1.9%	-1.0%	-0.2%	-1.4%	-2.7%	-2.3%	-0.9%	-1.3%	-1.0%	-0.8%	-0.2%	

**ABAG POWER Natural Gas Program**

FY 2010-11 Monthly Summary of Operations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Storage Gas Accounting</u>													
Beginning Quantity	27,068												
Average Price	\$6.04												
Beginning of Month Qty	27,068	34,219	42,854	51,388	66,108	79,919	60,440	45,440	30,000	15,000	24,000	33,247	
Injections Qty	0	0	188	260	2,699	0	0	0	0	9,000	9,247	9,000	
Storage Shrinkage Qty			-4	-5	-53								
Price	\$0.00	\$0.00	\$5.12	\$5.07	\$4.99	\$0.00	\$0.00	\$0.00	\$0.00	\$4.65	\$4.67	\$4.79	
Imbalance Trades Qty	7,151	8,635	8,350	14,465	11,165	-3,514	-1,400	-425					
Price	\$6.55	\$5.69	\$5.51	\$4.80	\$5.10	\$5.59	\$5.59	\$5.59					
Withdrawals Qty						15,965	13,600	15,015	15,000				
Price	\$6.04	\$6.15	\$6.06	\$5.96	\$5.71	\$5.60	\$5.60	\$5.60	\$5.60	\$5.60	\$5.24	\$5.08	
End of Month Qty	34,219	42,854	51,388	66,108	79,919	60,440	45,440	30,000	15,000	24,000	33,247	42,247	
Avg. Pric	\$6.15	\$6.06	\$5.96	\$5.71	\$5.60	\$5.60	\$5.60	\$5.60	\$5.60	\$5.24	\$5.08	\$5.02	
End of Month Inventory	\$210,432	\$259,565	\$306,499	\$377,262	\$447,355	\$338,336	\$254,374	\$167,943	\$83,971	\$125,816	\$168,993	\$212,116	
Monthly Index Postings													
NGI Bidweek for PG&E Citygate	\$4.66	\$4.44	\$3.63	\$4.09	\$3.96	\$4.65	\$4.26	\$4.34	\$4.08	\$4.53	\$4.47	\$4.56	
Gas Daily Avg. for PG&E Citygate	\$4.30	\$3.95	\$4.04	\$3.86	\$4.30	\$4.34	\$4.47	\$4.16	\$4.19	\$4.40	\$4.47	\$4.78	
NGI Bidweek for Malin	\$4.26	\$4.09	\$3.35	\$3.72	\$3.55	\$4.33	\$4.06	\$4.17	\$3.81	\$4.21	\$4.15	\$4.21	

Notes:

- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) WACOG at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

**ABAG POWER Natural Gas Program**

FY 2011-12 Monthly Summary of Operations

	days/mo.	Jul 31	Aug 31	Sep 30	Oct 31	Nov 30	Dec 31	Jan 31	Feb 28	Mar 31	Apr 30	May 31	Jun 30	Total
<u>Gas Purchases<sup>(1)</sup></u>														
Purchase 1	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,500	14,000	15,500				137,000
	Price	\$4.47	\$4.47	\$4.47	\$4.47	\$4.47	\$4.47	\$4.47	\$4.47	\$4.47				
Purchase 2	Qty	15,500	15,500	15,000	15,500	15,000	15,500	15,500	14,000	15,500	15,000	15,500	15,000	182,500
	Price	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	
Purchase 3	Qty	25,699												25,699
	Price	\$4.28												
Purchase 4	Qty	7,675												7,675
	Price	\$4.62												
Purchase 5	Qty													0
	Price													
Total Quantity Purchased		64,374	31,000	30,000	31,000	30,000	31,000	31,000	28,000	31,000	15,000	15,500	15,000	352,874
Total Purchase Cost		\$306,088	\$160,658	\$155,475	\$160,658	\$155,475	\$160,658	\$160,658	\$145,110	\$160,658	\$88,500	\$91,450	\$88,500	\$1,833,885
Backbone Shrinkage (Dths)		(341)												
Weighted Avg. Cost of Gas (WACOG) <sup>(2)</sup>		\$4.78	\$5.18	\$5.18	\$5.18	\$5.18	\$5.18	\$5.18	\$5.18	\$5.18	\$5.90	\$5.90	\$5.90	\$5.20
<u>Storage/Inventory</u>														
Total Injections/ (Withdrawals)		9,300												9,300
Total Inventory Quantity (Dths)		51,547												
Total Inventory (\$)		\$256,475												
<u>Gas Program Monthly Expenses (from Financial Reports)</u>														
Cost of Energy Used <sup>(3)</sup>														\$ -
Program Operating Expenses <sup>(4)</sup>														-
Subtotal	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate (\$/Dth)														#DIV/0!
PG&E Pass-through costs <sup>(5)</sup>														-
Total ABAG POWER Cost														\$ -
<u>Actual (metered) Gas Usage</u>														
Core <sup>(6)</sup>														0
Non Core														0
Total Program Usage		0	0	0	0	0	0	0	0	0	0	0	0	0
<u>ABAG POWER Total Core Rate</u>														
<u>PG&amp;E Rate<sup>(7)</sup></u>														
Procurement Charge <sup>(8)</sup>		6.20	5.66											
Transportation/Other Charge <sup>(9)</sup>														
Total PG&E Rate	\$	6.20	5.66	-	-	-	-	-	-	-	-	-	-	-
<u>Rate Comparison</u>														
Monthly Rate Difference (\$/Dth)														
Monthly Savings (\$)														
Cumulative 'Savings' (\$)														
Cumulative 'Savings' (%)														

**ABAG POWER Natural Gas Program**

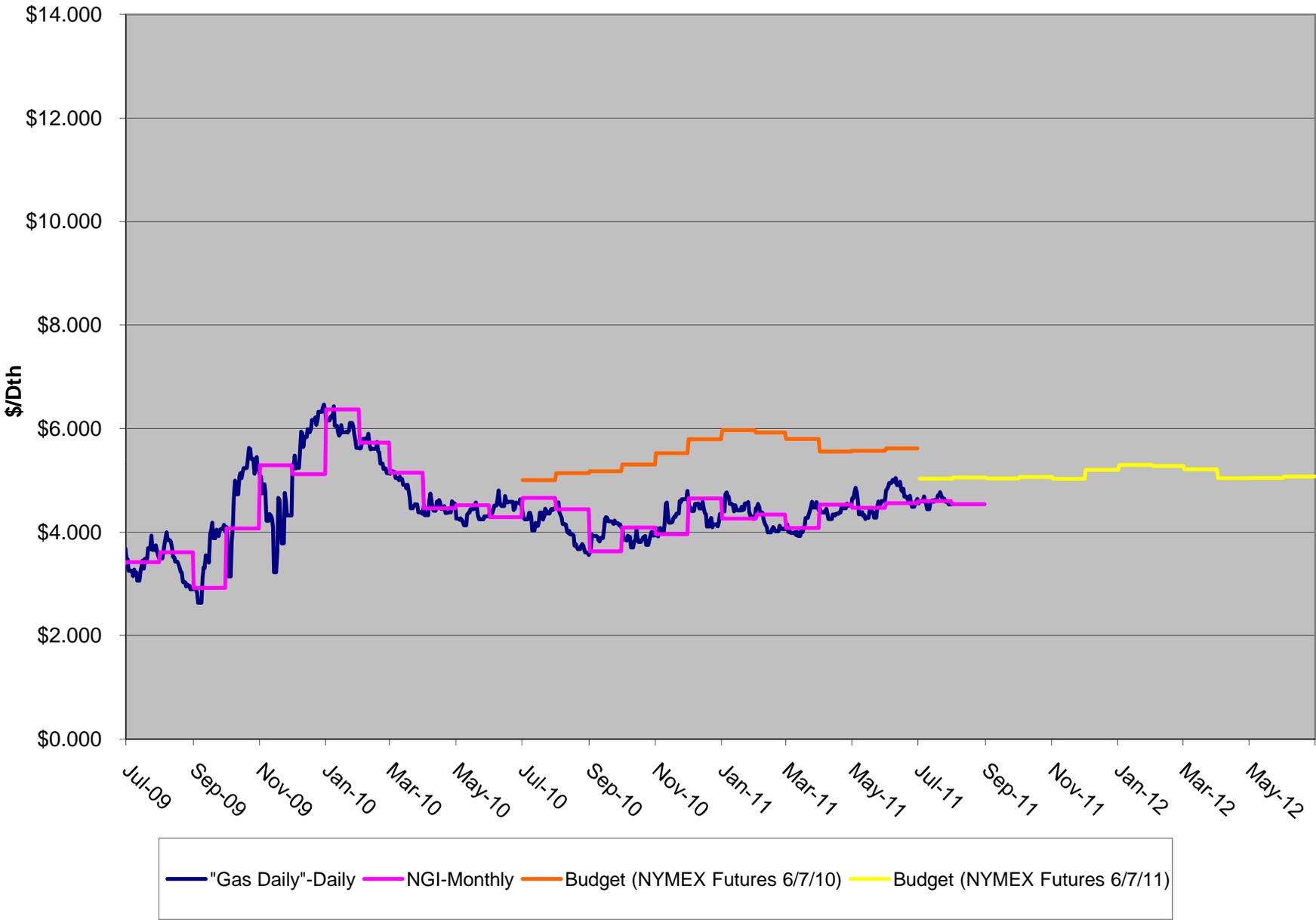
FY 2011-12 Monthly Summary of Operations

		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
<u>Storage Gas Accounting</u>														
Beginning Quantity		42,247												
Average Price		\$5.02												
Beginning of Month	Qty	42,247	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547
Injections	Qty	9,300												
	Storage Shrinkage Qty													
	Price	\$4.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Imbalance Trades	Qty													
	Price													
Withdrawals	Qty													
	Price	\$5.02	\$4.98											
End of Month	Qty	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547	51,547
	Avg. Pric	\$4.98												
End of Month Inventory		\$256,475												
Monthly Index Postings														
	NGI Bidweek for PG&E Citygate	\$4.60	\$4.54											
	Gas Daily Avg. for PG&E Citygate	\$4.60												
	NGI Bidweek for Malin	\$4.26	\$4.14											

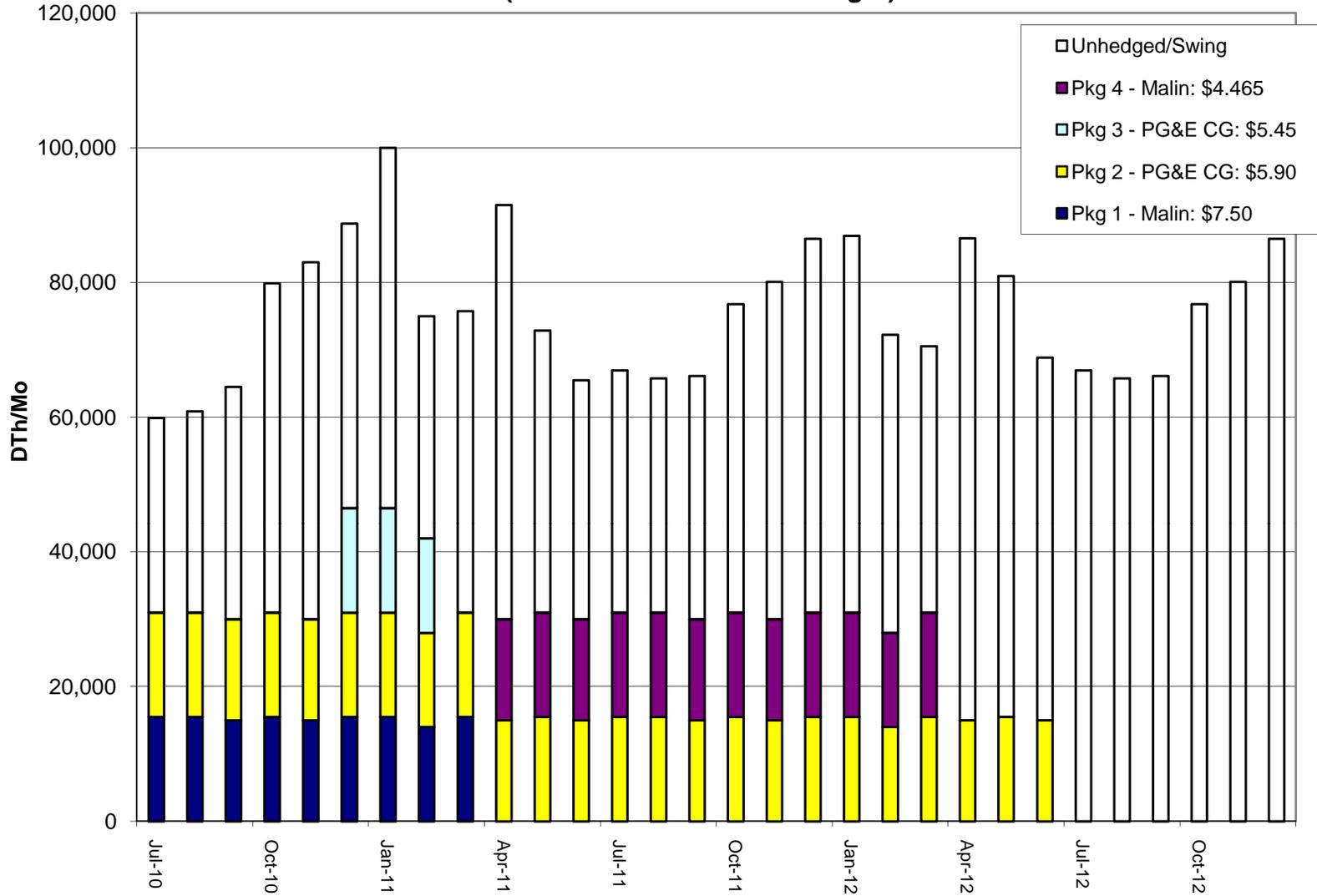
Notes:

- (1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)
- (2) WACOG at PG&E Citygate
- (3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.
- (4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.
- (5) PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.
- (6) From billing data
- (7) Based on PG&E's G-NR1 rate schedule.
- (8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.
- (9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.

Historical/Future Market Price Indices @ PG&E Citygate



**ABAG POWER Long Term Gas Purchases  
(Contracts > 1 month in length)**





**ABAG POWER  
ANNUAL BOARD MEETING**

**October 27, 2011 (10:30 a.m. to 1:00 p.m.)**

**Association of Bay Area Governments  
Joseph P. Bort MetroCenter Auditorium  
101 Eighth Street, Oakland, CA 94607**

**Chairman: Chris Schroeder**

- |  |           |               |
|--|-----------|---------------|
| 1. <b>Welcome</b><br>ATTACHMENT A - ABAG POWER JPA MEMBER LIST   | Schroeder |               |
| 2. <b>Public Comments</b>  | Schroeder |               |
| 3. <b>Approval of Minutes from October 28, 2010 Annual Board Meeting</b><br>ATTACHMENT 3A - MINUTES OF OCTOBER 28, 2010  | Schroeder | <b>Action</b> |
| 4. <b>Election of ABAG POWER Officers (Chair and Vice Chair)</b><br>ATTACHMENT 4A - PROPOSED EXECUTIVE COMMITTEE FOR FY 11-12  | Schroeder | <b>Action</b> |
| 5. <b>Staff Report and Review of Natural Gas Program</b><br>Staff will report the results of the Natural Gas Program for the 2010 – 2011 fiscal year, as well as provide multi-year review of the Program.<br>ATTACHMENT 6A - STAFF REPORT ON NATURAL GAS PROGRAM<br>ATTACHMENT 6B - REVIEW OF NATURAL GAS PROGRAM<br>ATTACHMENT 6C - GAS PRICE COMPARISON SPREADSHEET | Lahr      | Info.         |
| 7. <b>Financial Review</b><br>Staff will review preliminary financial statements for FY 2010-11<br>ATTACHMENT 9A - FINANCIAL REPORTS MEMO<br>ATTACHMENT 9B.1.2.3. – PRELIMINARY FINANCIAL REPORTS  | Pike      | Info.         |
| 8. <b>Energy Upgrade California / Retrofit Bay Area</b><br>Staff will provide a review of the ABAG Energy Watch program as well as a status update on the Green Communities and SEE District development.  | Lahr      | Info.         |
| <b>Break for Lunch</b>   |           |               |
| 9. <b>Guest Speaker – ? _____</b>  |           | Info.         |
| 10. <b><u>Closed Session [If needed]</u></b><br>The following item will be discussed in closed session, pursuant to the requirements of the Ralph M. Brown Act. All reportable actions will be announced in open session prior to the adjournment of the meeting.  | Moy       | Info.         |

Conference with Legal Counsel – Anticipated Litigation [Govt. C. Sec. 54956.9(c)]

**Adjourn approximately 1:00 p.m.**

**THE BOARD MAY TAKE ANY ACTION, INCLUDING NO ACTION, ON ANY ITEM ON THIS AGENDA.**