



ABAG POWER Executive Committee Meeting No. 2019-02
April 17, 2019 (11:00 a.m. - 1:00 p.m.)
Association of Bay Area Governments
375 Beale Street, Conference Room 7102 – Tamalpais (7th Floor)
San Francisco, CA 94105

AGENDA*

1. **Welcome and Introductions**
2. **Public Comments**
3. **Approve Summary Minutes of Executive Committee Meeting**
Action: Committee to approve Summary Minutes of ABAG POWER's Executive Committee meeting held on February 20, 2019.
ATTACHMENT 3A – SUMMARY MINUTES OF FEBRUARY 20, 2019
4. **Energy Programs Manager's Report**
Information: The Energy Programs Manager will provide a report on items related to ABAG/MTC energy programs.
5. **Appointment of ABAG POWER President**
Action: Committee to name Therese McMillan, Metropolitan Transportation Commission Executive Director, as President of ABAG POWER.
ATTACHMENT 5A – APPOINTMENT OF ABAG POWER PRESIDENT
6. **Report on Natural Gas Program**
Information: 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.
ATTACHMENT 6A – MONTHLY SUMMARY OF OPERATIONS FY 2018-19
ATTACHMENT 6B – GAS HEDGE CHART
ATTACHMENT 6C – MARKET PRICE CHART
7. **Canadian Gas Purchase and Transportation Agreements**
Information: Staff will provide a status update on the purchase and transport of gas from locations within Canada.
ATTACHMENT 7A – CANADIAN NATURAL GAS SUPPLY
8. **Utility Billing Application**
Information: Staff will review a proposal from Utility Management Services and discuss related options for updating ABAG POWER's billing database.
ATTACHMENT 8A – ENERGY MANAGER PROPOSAL
9. **Natural Gas Scheduling Services Contract Amendment**
Action: Committee to authorize an extension of the Contract for Natural Gas Scheduling Services with DMJ Marketing Consultants LLC.
ATTACHMENT 9A – DMJ SCHEDULING SERVICES MEMO



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375 Beale Street, Conference Room 7102 – Tamalpais (7th Floor)
San Francisco, CA 94105

AGENDA*

- 10. Preliminary ABAG POWER FY 2019-20 Operating Budget**
Information: Staff will present a preliminary Fiscal Year 2019-20 Operating Budget.
ATTACHMENT 10A – PRELIMINARY FY 19-20 OPERATING BUDGET
- 11. Other Business**
- 12. Adjournment**

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



SUMMARY MINUTES

ABAG POWER Executive Committee

Regular Meeting 2019-01

February 20, 2019

Conference Room 7102 – Tamalpais
375 Beale Street, San Francisco, CA 94105

WELCOME AND INTRODUCTIONS

Chair Dave Brees opened the meeting with introductions at 11:00 A.M.

<u>Present Committee Representatives</u>	<u>Jurisdiction/Agency</u>
Angela Walton (Vice Chair)	City of Richmond
Chris Schroeder	City of Milpitas
Dave Brees (Chair)	City of Los Altos
Diana Oyler	County of Contra Costa
Doug Williams	City of Santa Rosa
Mike Sung	City of Fremont
Misty Mersich	City of Cupertino

Staff Present

Arleicka Conley	Metropolitan Transportation Commission (MTC)
Cindy Chen	MTC
Jenny Berg	MTC
Ryan Jacoby	MTC

PUBLIC COMMENTS & ANNOUNCEMENTS

There were no public comments.

APPROVAL OF SUMMARY MINUTES OF DECEMBER 12, 2018 EXECUTIVE COMMITTEE MEETING

Motion was made by Schroeder/S/Walton/C/6:0:0 to approve as proposed the Summary Minutes of the December 12, 2018 Executive Committee meeting.

The aye votes were: Brees, Mersich, Schroeder, Sung, Walton, Williams

The nay votes were: None.

Abstentions were: None.

Absentees were: None.

Attachment 3A – Summary Minutes of 02/20/19 Executive Committee Meeting

April 11, 2019

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ENERGY PROGRAM MANAGER'S REPORT

Berg announced the selection of Therese McMillan as MTC's Executive Director, beginning in March 2019. She acknowledged a successful transition of key staff for ABAG POWER following the retirement of Jerry Lahr, MTC's prior energy programs manager.

She provided updates regarding the Bay Area Regional Energy Network (BayREN) program and PG&E's Chapter 11 Bankruptcy filing status as of January 29, 2019. Members were assured, per an interim Bankruptcy Court Order that ABAG POWER, as a Core Transport Agent (CTA), will operate in a "business as usual" fashion. Any further updates will be followed closely.

Lastly, she noted recent state-wide building decarbonization efforts, and a desire to align ABAG POWER towards similar goals related to renewable natural gas.

Jacoby provided updates regarding recent natural gas price volatility driven by a combination of continued cold weather patterns and predictions, low storage inventories, and pipeline maintenance projects.

APPOINTMENT OF EXECUTIVE COMMITTEE MEMBER

Brees welcomed and appointed Oyler to the ABAG POWER Executive Committee in accordance with Section 7.1.4 (Vacancies) of the ABAG POWER Bylaws.

APPOINTMENT OF ABAG POWER SECRETARY

Motion was made by Schroeder/S/Mersich/C/7:0:0 to appoint Jennifer Berg, Assistant Director, Energy Programs Manager, as the ABAG POWER Secretary.

The aye votes were: Brees, Mersich, Oyler, Schroeder, Sung, Walton, Williams

The nay votes were: None.

Abstentions were: None.

Absentees were: None.

Following the appointment, staff provided an updated contact list of key personnel and committee members.

REPORT ON NATURAL GAS PROGRAM

Monthly Summary of Operations FY 2018-19

Jacoby provided members with the Monthly Summary of Operations reports for FY 2018-19. Members were updated on the percentage savings comparisons with PG&E, noting that financial statements through December, 2018 indicated a cumulative savings figure of – 14.2%.

In addition, he noted that gas purchasing data from Alberta will be displayed beginning in February, 2019. He also provided further analysis regarding monthly expenses, gas usage, rate fluctuations and comparisons.

Attachment 3A – Summary Minutes of 02/20/19 Executive Committee Meeting

April 11, 2019

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Gas Hedge Chart

Jacoby provided information on the program's short- and long-term gas purchases, and provided a summary of the committee recommendations establishing the current gas purchasing strategy.

Market Price Chart

Jacoby provided information on current and historical gas prices, noting a significant rise in prices from November 2018 to January 2019 due to this winter's persistent inclement weather.

ABAG POWER FY 2018-19 OPERATING BUDGET

Jacoby reviewed the current year budget and provided an analysis regarding the increase in Cost of Energy. He provided a staff recommendation to amend the current year budget and revise members' levelized charges, effective March 1, 2019, to minimize the impact of a relatively large year-end true-up.

Motion was made by Schroeder/S/Walton/C/7:0:0 to amend the Fiscal Year 2018-19 Operating Budget by \$335,219, and authorize a corresponding increase in members' levelized charges throughout the remainder of FY 18-19, effective March 1, 2019.

The aye votes were: Brees, Mersich, Oyler, Schroeder, Sung, Walton, Williams

The nay votes were: None.

Abstentions were: None.

Absentees were: None.

CANADIAN GAS PURCHASE AND TRANSPORTATION AGREEMENTS

Jacoby provided updates on the purchase and transport of gas from locations within Canada. He provided actions taken to-date, and current and future market prices.

OTHER BUSINESS

Jacoby reported an intent to prioritize efforts related to renewable natural gas and similar resources, and presented several variations of new ABAG POWER logos.

ADJOURNMENT

Chair Dave Brees adjourned the meeting at 12:50 PM.

*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.

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019

TO: ABAG POWER Executive Committee

FROM: Therese W. McMillan
Executive Director, Metropolitan Transportation Commission

RE: Attachment 5A - Appointment of ABAG POWER President

Background

The POWER Bylaws were adopted on October 22, 1997, and were amended in 1997, 2002, 2004, and 2016. The Bylaws currently provide that the Board of Directors or Executive Committee of ABAG POWER shall appoint the President, Chief Financial Officer/Treasurer, and Secretary for ABAG POWER (Article VIII, Section 1).

Steve Heminger, the program's prior President and the Executive Director of ABAG/MTC, retired effective February 28, 2019.

Therese W. McMillan was appointed by the MTC Commission and the ABAG Executive Board as the Executive Director of the agencies effective March 1, 2019.

The responsibilities of the President, as detailed in the Bylaws, include generally supervising, directing, and controlling the business and the employees of ABAG POWER. He or she has such other powers and duties as may be prescribed by the Board or the Bylaws.

Recommended Action

The POWER Executive Committee is requested to name Therese W. McMillan, Executive Director of the Metropolitan Transportation Commission and Association of Bay Area Governments, as the ABAG POWER President, effective immediately following this action.


Therese W. McMillan

Attachment 6A - Natural Gas Program Summary FY 2018-19

April 11, 2019

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	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2	ABAG POWER Natural Gas Program															
3	FY 2018-19 Monthly Summary of Operations															
4																
5		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total		
7	Gas Purchases⁽¹⁾															
8	Purchase 1	Qty	30,974	31,000	29,828	30,791	30,000	31,000	31,000	15,400	21,080					251,073
9		Price	\$2.31	\$2.50	\$2.38	\$2.33	\$3.36	\$6.05	\$4.27	\$3.44	\$3.96					
10	Purchase 2	Qty	15,400	18,600	20,350	13,800	18,200	27,400	44,100	32,000	22,900					212,750
11		Price	\$3.02	\$3.34	\$3.15	\$3.76	\$5.28	\$4.77	\$3.71	\$7.35	\$4.08					
12	Purchase 3	Qty								22,288	30,535					52,823
13		Price								\$2.50	\$2.08					
14	Purchase 4	Qty														0
15		Price														
16	Purchase 5	Qty														0
17		Price														
18	Total Quantity Purchased		46,374	49,600	50,178	44,591	48,200	58,400	75,100	69,688	74,515	0	0	0		516,646
19	Total Purchase Cost		\$117,931	\$139,633	\$135,097	\$123,641	\$196,909	\$318,179	\$295,964	\$343,834	\$240,263	\$0	\$0	\$0		\$1,911,451
20	Backbone Shrinkage (Dths)		(373)	(372)	(366)	(380)	(330)	(341)	(341)	(425)						
21	WACOG ⁽²⁾		\$2.56	\$2.84	\$2.71	\$2.80	\$4.11	\$5.48	\$3.96	\$4.96	\$3.22					\$3.70
22																
23	Storage/Inventory															
24	Total Injections/ (Withdrawals)		6,961	6,854	7,327	8,229	(11,100)	(19,100)	(14,850)	(16,400)						(32,079)
25	Total Inventory Quantity (Dths)		43,034	49,888	57,215	65,444	54,344	35,244	20,394	3,994						
26	Total Inventory (\$)		\$127,019	\$144,593	\$165,372	\$187,689	\$155,854	\$101,076	\$58,486	\$11,451						
27	Avg. Inventory Rate (\$/Dth)		\$2.95	\$2.90	\$2.89	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87						
28																
29	Gas Program Monthly Expenses (from Financial Reports)															
30	Cost of Energy Used ⁽³⁾		\$ 113,612	\$ 135,589	\$ 128,268	\$ 115,593	\$ 237,496	\$ 395,814	\$ 364,216	\$ 434,202						\$ 1,924,791
31	Program Operating Expenses ⁽⁴⁾		9,366	30,455	69,647	14,818	47,273	38,223	15,347	26,521						251,648
32	Subtotal		\$ 122,978	\$ 166,044	\$ 197,915	\$ 130,411	\$ 284,769	\$ 434,037	\$ 379,562	\$ 460,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,176,439
33	Rate (\$/Dth)		\$3.07	\$3.98	\$4.82	\$2.70	\$4.85	\$5.76	\$4.78	\$5.91						\$4.70
34																
35	PG&E Pass-through Costs ⁽⁵⁾		218,780	267,111	263,339	211,936	323,387	453,597	514,059	508,699						2,760,908
36	Total ABAG POWER Cost		\$ 341,758	\$ 433,155	\$ 461,254	\$ 342,347	\$ 608,156	\$ 887,634	\$ 893,621	\$ 969,422						\$ 4,937,346
37																
38	Actual (metered) Gas Usage															
39	Core ⁽⁶⁾		33,136	35,285	34,876	42,453	53,786	69,560	72,822	71,097						413,014
40	Non Core		6,939	6,415	6,226	5,845	4,906	5,743	6,583	6,917						49,575
41	Total Program Usage		40,076	41,700	41,102	48,297	58,692	75,303	79,405	78,014	0	0	0	0		462,589
42																
43	ABAG POWER Total Core Rate		\$ 9.67	\$ 11.55	\$ 12.37	\$ 7.69	\$ 10.86	\$ 12.28	\$ 11.84	\$ 13.06						
44																
45																
46	PG&E Rate⁽⁷⁾															
47	Procurement Charge ⁽⁸⁾		2.09	2.72	2.40	2.57	3.37	4.13	4.17	4.42	3.71	2.96				
48	Transportation/Other Charge ⁽⁹⁾		6.60	7.57	7.55	4.99	6.01	6.52	7.06	7.16						
49	Total PG&E Rate		\$ 8.69	\$ 10.29	\$ 9.95	\$ 7.57	\$ 9.38	\$ 10.65	\$ 11.23	\$ 11.58	\$ 3.71	\$ 2.96	\$ -	\$ -		
50																
51	Monthly Index Postings															
52	NGI Bidweek for PG&E Citygate		\$2.98	\$3.08	\$3.19	\$3.29	\$4.05	\$6.42	\$4.55	\$3.64	\$4.29					
53	Gas Daily Avg. for PG&E Citygate		\$3.00	\$3.32	\$3.13	\$3.73	\$5.01	\$5.02	\$3.69	\$7.55						
54	NGI Bidweek for Malin		\$2.30	\$2.49	\$2.37	\$2.33	\$3.35	\$6.04	\$4.26	\$3.43	\$3.95					
55																

Attachment 6A - Natural Gas Program Summary FY 2018-19

April 11, 2019

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4																
5			Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total	
56	G-NR1 Rate Comparison															
57	Monthly Rate Difference (\$/Dth)		0.98	1.26	2.42	0.13	1.48	1.64	0.61	1.48						
58	Monthly Savings (\$)		(32,578)	(44,592)	(84,369)	(5,322)	(79,775)	(113,980)	(44,311)	(105,547)						
59	Cumulative 'Savings' (\$)		(32,578)	(77,170)	(161,539)	(166,861)	(246,635)	(360,616)	(404,926)	(510,473)						
62	Cumulative 'Savings' (%)		-11.3%	-11.9%	-16.2%	-12.7%	-13.5%	-14.1%	-12.0%	-12.1%						
63																
64	Additional Rate Comparisons															
65	G-NR2 Cumulative Savings		-15.1%	-15.3%	-19.7%	-16.3%	-17.2%	-17.7%	-15.4%	-15.5%						
70	G1 & GM Cumulative Savings		-9.6%	-5.9%	-7.8%	0.1%	-3.8%	-3.9%	-0.9%	-2.2%						
75	G-NGV1 & G-NGV2 Cumulative Savings		-15.4%	-8.8%	-9.9%	-1.4%	-5.5%	-5.5%	-2.1%	-3.1%						
80																
81																
82	Notes:															
83	(1) All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)															
84	(2) Weighted Average Cost of Gas (WACOG) at PG&E Citygate															
85	(3) Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.															
86	(4) Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.															
87	(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.															
88	(6) From billing data															
89	(7) Based on PG&E's G-NR1 rate schedule.															
90	(8) Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.															
91	(9) PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.															
92																
93																
94																
95																

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby, ABAG POWER Program Manager

RE: Attachment 6B - Gas Hedge Chart

Background

In February 2018, the ABAG POWER Executive Committee requested that staff analyze the program's prior long-term, fixed-price gas purchase contracts to determine whether the purchases resulted in cost savings when compared against purchasing an equivalent quantity on a market index.

In April 2018, staff presented the requested analysis, concluding that the majority of the purchases did not result in savings. A recommendation was provided and subsequently approved by the ABAG POWER Executive Committee to modify the gas purchasing strategy and move predominantly into the short-term, index-based market, beginning July 1, 2018. By default, gas purchases would be made based on monthly and daily indices and fixed-price purchases would be made only by exception and with Committee approval.

Attachment

Gas Hedge Chart

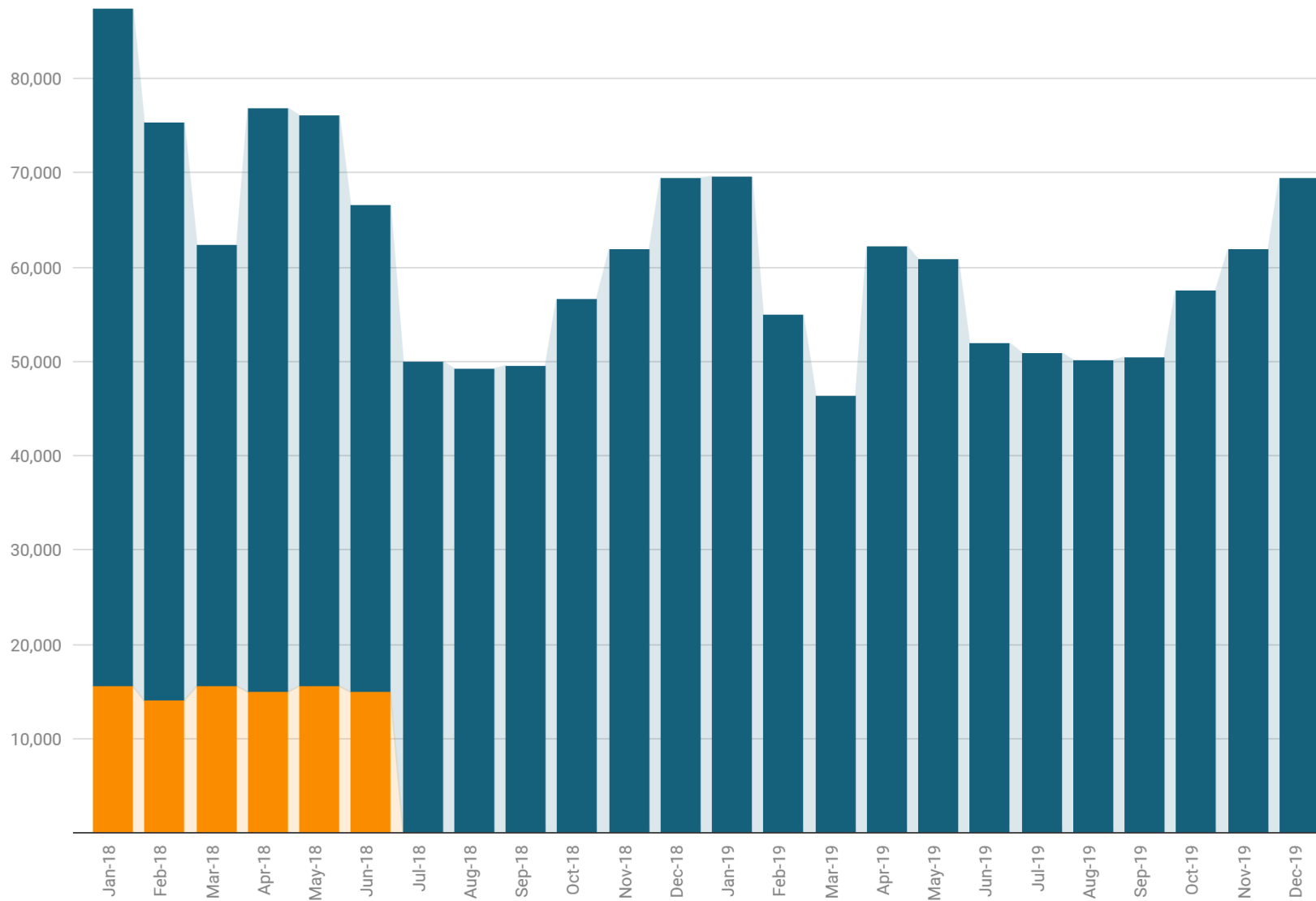
Attachment 6B – Gas Hedge Chart

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Gas Hedge Chart

Fixed-Price Purchase Contract Purchase Requirement Forecast



MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019
TO: ABAG POWER Executive Committee
FROM: Ryan Jacoby, ABAG POWER Program Manager
RE: Attachment 6C - Market Price Chart

Background

Western and northwestern regions have experienced significant price volatility this winter, primarily driven by weather-related demand, low storage inventories in Northern California, and maintenance limiting pipeline operability. Exceptionally cold weather in Alberta, Canada has led to increased local demand, freeze-offs limiting production, and decreased pipeline capacity for exports to other regions. All of these factors have contributed to elevated index pricing. The Gas Daily's 'Daily' Index for PG&E's Citygate rose from an average of \$3.75/MMBtu in October to \$5.00/MMBtu in both November and December, 2018. There were further price increases in February 2019, with a high of \$17.78/MMBtu and five consecutive days above \$10.00/MMBtu.

Futures pricing indicates a return to the \$4-range in the coming months as there is warmer weather throughout much of the country and seasonal demand retreats.

Attachment

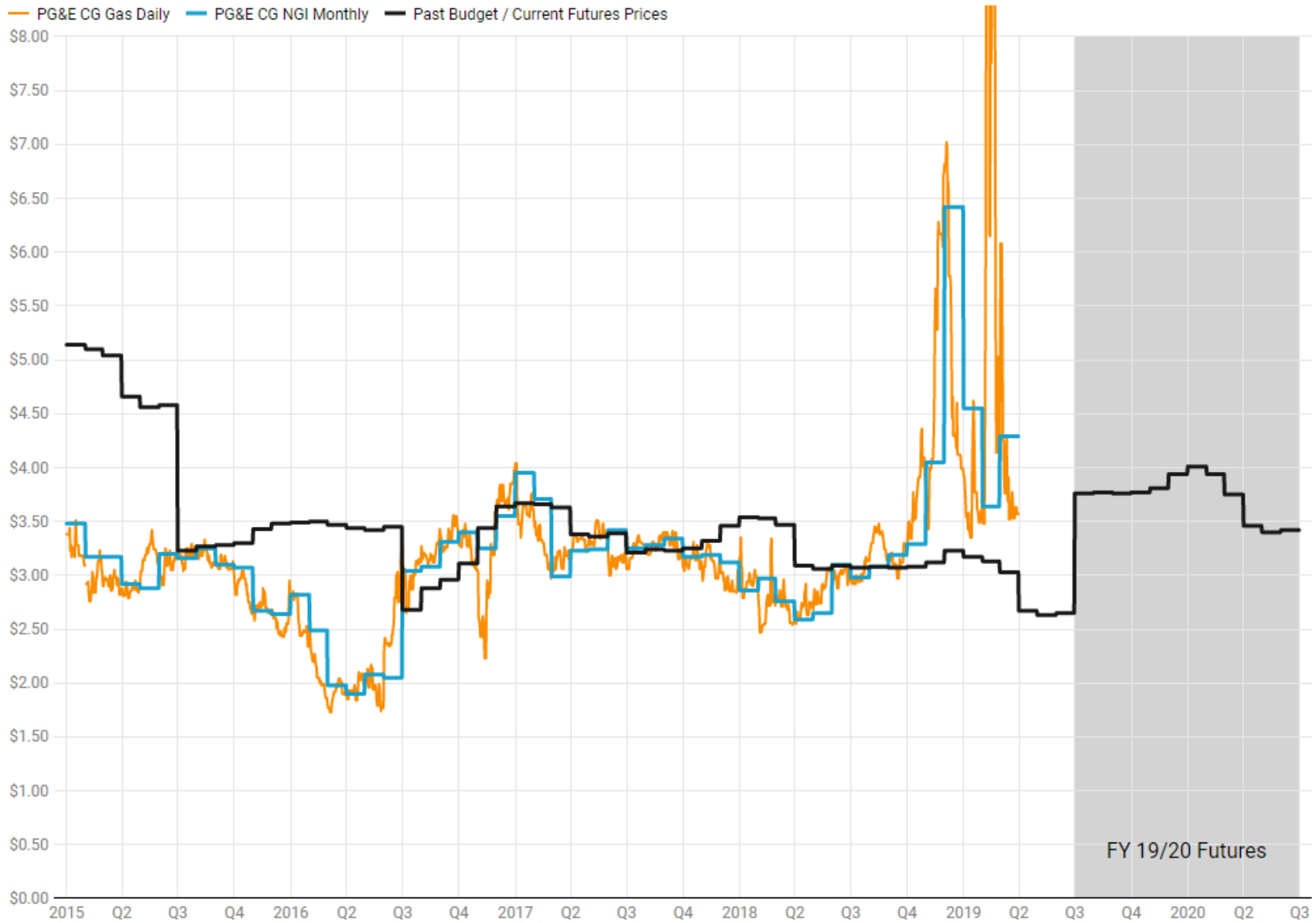
Market Price Chart

Attachment 6C – Market Price Chart

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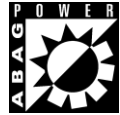
Five Year Historical/Future Market Price Indices at PG&E's Citygate



MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019
TO: ABAG POWER Executive Committee
FROM: Ryan Jacoby, ABAG POWER Program Manager
RE: Attachment 7A - Canadian Natural Gas Supply

Background

For significant cost savings, the ABAG POWER Executive Committee at its June 20, 2018 meeting, authorized the Metropolitan Transportation Commission Executive Director to negotiate and enter into necessary agreements to allow for the potential future purchase and transport of natural gas from locations within Alberta, Canada.

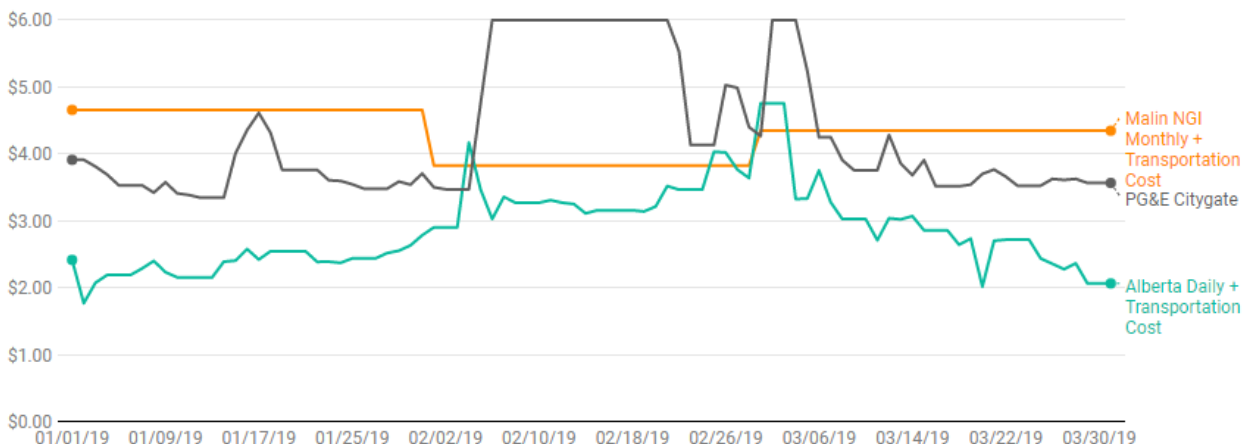
In February 2019, approximately 30% of the program's monthly gas requirement was purchased in Alberta. This percentage will increase to an estimated 40% monthly for the March through June time period. POWER is limited in the amount it can purchase in Alberta by the pro-rata share of pipeline capacity offered by Pacific Gas & Electric Company.

Savings-to-Date

In February, POWER saved roughly \$5,500 by purchasing gas in Alberta compared against purchasing an equivalent amount of gas on existing U.S.-based purchase contracts. Daily prices in Alberta were historically high during this time period, primarily due to inclement weather (the Polar Vortex in early February) that simultaneously caused increased regional demand for heating and local production freeze-offs. Savings are expected to increase as prices normalize.

Market Prices

Cost of Natural Gas Delivered to PG&E Citygate (\$/MMBtu)



Attachment 7A – Canadian Natural Gas Supply

April 11, 2019

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Additional Opportunities and Next Steps

At the February Executive Committee meeting, staff provided recommendations to:

- 1) Increase the number of Canadian and domestic gas suppliers, and
- 2) Explore entering into “Asset Management Agreements” to reassign domestic pipeline capacity to third parties.

Since then, POWER has contracted with one additional domestic natural gas supplier, EDF Trading (“EDFT”), to allow for the purchase of gas within the U.S. EDFT is able to provide gas at Canadian receipt points, though an additional contract is required. Neither contract obligates POWER to purchase gas from EDFT.

Utility Management Services

- Utility cost accounting software & services
- Electronic Data Interchange
- Management & evaluation

March 21, 2019

Ryan Jacoby
Program Manager
Association of Bay Area Governments
375 Beale Street Suite 700
San Francisco, CA 94105

Dear Ryan,

Thank you for your interest in the Energy Manager 4.1 software and our related services! As you requested, we have prepared this proposal for upgrading ABAG's current Utility Manager database to the web-based Energy Manager software. The proposed project will provide ABAG with a high quality and easy to use means of monitoring and reporting utility costs and usage. There will be significant benefits to ABAG in implementing this Project, including:

- ♦ accurately track and report utility billing data for ABAG sites and accounts;
- ♦ provide online access to reports and graphs to ABAG member jurisdictions;
- ♦ benchmark and compare facility usage and trends that can help target efficiency efforts;
- ♦ monitor savings from energy efficiency projects through an advanced avoided cost module; and
- ♦ allow for future integration of 15 minute interval data from smart meters.

The Project includes supplying the software and services detailed below:

- ♦ **1. Energy Manager 4.1 Software:** Utility Management Services (UMS) will provide ABAG with access to the Energy Manager version 4.1 (EM4.1). EM4.1 is a **full featured web based utility accounting program**, accessible with any major browser. The Energy Manager includes an unlimited concurrent user license and includes free telephone and online technical support. EM4.1 is an online software service with a recurring annual license fee. Utility Management Services is an authorized distributor of the Energy Manager as provided by New Energy Technology of Grand Junction, CO and Dude Solutions, Inc. of Cary, NC.

The Energy Manager annual license includes monthly NOAA weather data and all features and functions of the Energy Manager, except for integration of 15 minute demand data and the initial integration/mapping of the Energy Star module.

- ♦ **2. UM to Energy Manager 4.1 Database Conversion:** We will **convert your existing Utility Manager Pro database** for use with EM4.1. All site, vendor, gas account, meter, and gas utility billing data included in the UM database will be extracted and used to build an EM4.1 database. All electric data will be excluded in the conversion. We will also develop and test a custom import format for PG&E EDI.

ABAG can continue to use Utility Manager for processing utility bills during the conversion period. When all data has been transferred to Energy Manager, a "go-live" date will be scheduled with ABAG to be simultaneous with the first 2 hour training session. Within 3 business days prior to "go live", ABAG will provide UMS with another backup copy of the UM database. During this 3 day period, ABAG will stop all further entry of new utility bills into Utility Manager. UMS will extract all new billing data entered by ABAG during the conversion period and import this "gap data" into Energy Manager prior to "go live" so Energy Manager is fully in sync with Utility Manager.

The database conversion task preserves ABAG's considerable investment of time and effort in the current Utility Manager platform, ensures EM4.1 will be set up correctly, and provides ABAG with immediate capabilities to both enter new utility billings as well as use EM4.1's powerful reporting and analysis capabilities.

- ◆ **3. Custom EDI Payment Export File:** UMS will **develop and test custom programming** to allow Energy Manager to export an EDI payment file identical to what is currently being exported by Utility Manager. This export file includes the EDI payment information which is currently being sent to Xebec Data for PG&E bill payment.
- ◆ **4. Modify Access Billing Detail Program:** ABAG currently uses a custom Access program developed in 2006 by UMS that extracts billing data from the Utility Manager database and creates gas usage detail reports for members of ABAG's gas program. This Access program will be modified to extract bills directly from the Energy Manager database. This task will involve programming and testing custom SQL stored procedures and web service calls that can retrieve newly entered bills from the Energy Manager database and import them into the current Access program.
- ◆ **5. Software Training:** UMS will **provide up to 4 hours of online software training** for ABAG staff (2 sessions of up to 2 hours each). The first session will focus on key aspects of data entry and maintenance of the database structure and billing information ("Getting Data into Energy Manager"). The second session will focus on key aspects of EM4.1's reports, graphs, and analysis capabilities ("Getting Data out of Energy Manager").

To Proceed with the Project:

Please note: Implementation of this Project will require ABAG to issue 2 separate purchase orders as follows:

- ◆ The first purchase order would be in the amount of \$18,900 to purchase the Energy Manager 4.1 software license and be issued to **Dude Solutions, Inc., 11000 Regency Pkwy #110, Cary, NC 27518.**
- ◆ The second purchase order would be in the amount of \$13,450 to purchase all other one time database migration services, programming, and training and be issued to **Utility Management Services, PO Box 421, Fairfax, CA 94978.**

Thank you for the opportunity to provide this price quote and your interest in our products and services. If you need any additional information, please give me a call at 415-488-4652.

Sincerely,

A handwritten signature in black ink, appearing to read "John Cook", is written above a horizontal line.

John Cook
Partner

Utility Management Services

- Utility cost accounting software & services
- Electronic Data Interchange
- Management & evaluation

March 21, 2019

Price Quote for Energy Manager 4.1 Software & Services for Association of Bay Area Governments

Item	Description	Cost
1	Energy Manager 4.1. Web-Based Utility Accounting Software. The annual software license includes email and telephone technical support (and is renewable in Years 2 and 3 at the rate of \$18,900 per year). Energy Manager provides online access to an unlimited number of users. <i>(As noted previously, a purchase order to Dude Solutions, Inc. will be needed to proceed with this item. All other items in this proposal would need to be included in a separate purchase order to Utility Management Services.)</i>	\$18,900.00
2	Utility Manager to Energy Manager Database Conversion. UMS will convert ABAG's Utility Manager Pro database for use with EM4.1. The site, vendor, gas account, meter, gas utility billing, and other data included in the UM database will be extracted and used to build an EM4.1 database. We will also develop and test a custom EDI import format for PG&E. This task includes a "gap data import" just prior to going live so ABAG can continue to use Utility Manager during the database conversion process.	\$5,600.00
3	Custom EDI Payment File. UMS will develop and test custom programming to allow Energy Manager to export an EDI payment file identical to what is currently being exported by Utility Manager. This export file includes the EDI payment information which is currently being sent to Xebec Data for PG&E bill payment.	\$1,800.00
4	Modify Access Billing Detail Program. The custom Access billing program will be modified to extract bills directly from the Energy Manager database. This task will involve programming and testing custom SQL stored procedures and web service calls that can retrieve newly entered bills from the Energy Manager database and import them into the current Access program.	\$4,700.00
5	Energy Manager Software Training. Provide up to 4 hours of online training for ABAG staff two sessions. Training to include key aspects of data entry and maintenance of the database structure and billing information ("Getting Data into Energy Manager") as well as key aspects of Energy Manager's reports and graphs capabilities ("Getting Data out of Energy Manager").	\$1,350.00
6	Total Cost:	\$32,350.00

*Thank you for providing us the opportunity to assist you in your utility management efforts!
 This quote will be honored at the stated prices for 45 days.*

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019

TO: ABAG POWER Executive Committee

FROM: Therese W. McMillan
Executive Director, Metropolitan Transportation Commission

RE: Attachment 9A - Natural Gas Scheduling Services Contract Extension

Background

In the spring of 2013, DMJ Gas Marketing Consultants, LLC (“DMJ”) was selected through a competitive process to provide ABAG POWER a variety of services related to natural gas scheduling and balancing. The original contract period was for two years, but was extended for an additional two years, ending in June, 2017.

Historical practice has been to competitively bid the scheduling services contract at least every five years.

In 2017, ABAG POWER issued a Request for Qualifications and Proposals for Natural Gas Scheduling Services (“RFP”). The sole proposal received was DMJ. A proposal review committee made up of the ABAG POWER Program Manager and three members of the Executive Committee reviewed the DMJ proposal, which anticipated the same basic level of service provided previously: daily nomination of gas supplies; monitoring gas usage and imbalances; and weekly and monthly reporting to ABAG POWER staff. The review committee found that the proposal met or exceeded the minimum operational and strategic consulting services desired, and recommended contracting for scheduling services with DMJ from July 1, 2017 to June 30, 2019, with three options to extend for one year each.

In December, 2018, the Executive Committee approved a staff recommendation to negotiate and enter into a contract amendment with DMJ to modify the scope of work and compensation structure in accordance with the Board’s direction to move into purchasing natural gas from Canadian markets.

DMJ has provided satisfactory scheduling and consulting services during this time.

Attachment 9A – Natural Gas Scheduling Services Contract Extension

April 11, 2019

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Recommended Action

The ABAG POWER Executive Committee is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or her designee, to exercise an option to extend the gas scheduling contract between ABAG POWER and DMJ Gas Marketing Consultants LLC until June 30, 2020, with a fiscal impact not to exceed \$19,800.

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Therese W. McMillan

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: April 11, 2019

TO: ABAG POWER Executive Committee

FROM: Brian Mayhew
Chief Financial Officer, Metropolitan Transportation Commission

RE: Attachment 10A - Preliminary Fiscal Year 2019-20 Operating Budget

Summary

The preliminary natural gas program budget for Fiscal Year 2019-20 reflects an increase of 1.8% compared to the previous fiscal year, from \$7.6 million to \$7.8 million. This is primarily the result of increased PG&E pass-through costs offsetting reduced commodity cost.

Cost of Energy

The cost of energy used is comprised of commodity, storage, and intra/interstate transportation costs. Commodity cost is impacted by local and regional market indices, fixed-price contracts, infrastructure maintenance, and member usage. The year-over-year decrease anticipates nearly identical program usage and a lower commodity cost enabled both by Canadian purchasing and lower domestic prices. Natural gas prices were volatile during most of Fiscal Year 2018-19, but are expected to return to historic averages (\$3.50-4.00/MMBtu) throughout FY 2019-20.

Pacific Gas and Electric (PG&E) pass-through costs represent 60% of the program budget and primarily consist of customer and transportation costs associated with local distribution. The California Public Utilities Commission (CPUC) determines “just and reasonable” rates requested by PG&E through rate case proceedings.

Program Expenses

Program expenses include software and data management licenses, professional fees for natural gas scheduling and brokerage filings, external legal expenses, bank charges, and staff costs. Staff costs will increase by approximately \$45,000 as a result of a negotiated salary increase and increase in the overhead rate. Other expenses have very little change as a result of a drop in audit fees for FY 2019-20.

Attachment 10A – Preliminary Fiscal Year 2019-20 Operating Budget

April 11, 2019

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Recommended Action

The ABAG POWER Executive Committee is requested to review and comment on the preliminary Fiscal Year 2019-20 ABAG POWER budget. The final budget will be presented to the Executive Committee in June for approval.

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Therese W. McMillan

Attachment

ABAG POWER FY 19-20 Preliminary Operating Budget

Attachment 10A - Preliminary FY 19-20 Operating Budget

April 11, 2019

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	<u>YTD Actual As of 12/31/18</u>	<u>Projected¹ FY 2018-19</u>	<u>Amended Budget² FY 2018-19</u>	<u>Preliminary FY 2019-20</u>	<u>% Change Inc./Dec</u>
Revenue					
Sale of Energy	\$ 3,638,100	\$ 7,609,979	\$ 7,609,979	\$ 7,750,320	1.8%
Interest Income - Banks/LAIF	11,788	25,000	25,000	25,000	0.0%
Other Revenue	8,628	9,121	9,000	9,000	0.0%
Total Revenues	<u>3,658,516</u>	<u>7,644,100</u>	<u>7,643,979</u>	<u>7,784,320</u>	1.8%
Expense					
Cost of Energy					
Cost of Energy Used	1,126,372	2,884,791	2,789,521	2,591,357	-7.1%
PG&E Pass-Through Costs	<u>1,738,149</u>	<u>4,141,362</u>	<u>4,334,371</u>	<u>4,625,174</u>	6.7%
Total Cost of Energy	2,864,522	7,026,152	7,123,892	7,216,531	1.3%
Staff Cost					
Salary & Benefits	109,102	211,481	259,913	280,455	7.9%
Overhead	<u>57,573</u>	<u>111,599</u>	<u>125,749</u>	<u>150,212</u>	19.5%
Total Staff Cost	166,675	323,080	385,662	430,667	11.7%
Other Expense					
Billing Costs, external	3,492	8,558	10,500	10,500	0.0%
Brokerage and Import Bond fees	-	5,477	5,700	12,700	122.8%
Scheduling Agent fees	8,400	18,050	18,050	19,800	9.7%
Interest Expense/Bank Charges	4,275	8,550	9,500	9,500	0.0%
Legal Expenses (outside)	50	-	10,000	10,000	0.0%
Audit	46,905	76,164	77,875	69,000	-11.4%
Travel	87	87	1,000	1,000	0.0%
Catering	236	1,823	1,500	2,000	33.3%
Miscellaneous	<u>77</u>	<u>127</u>	<u>300</u>	<u>300</u>	0.0%
Total Other Expense	63,522	118,836	134,425	134,800	-
Total Expense	<u>3,094,719</u>	<u>7,468,068</u>	<u>7,643,979</u>	<u>7,781,998</u>	1.8%
Year End Balance	<u>563,797</u>	<u>176,031</u>	<u>-</u>	<u>2,322</u>	
Core Annual Usage (Dths):			601,477	608,514	1.2%
Noncore Annual Usage (Dths):			81,286	75,949	-6.6%
Core Gas Commodity ³ (\$/Dth):			\$4.12	\$3.82	-7.3%
Noncore Gas Commodity ³ (\$/Dth):			\$3.80	\$3.49	-7.9%
PG&E Pass-through (\$/Dth):			\$7.21	\$7.60	5.5%
Program Expenses ⁴ (\$/Dth):			\$0.71	\$0.78	9.1%
Core Total Rate (\$/Dth):			\$12.04	\$12.20	1.3%
Noncore Total Rate (\$/Dth):			\$4.51	\$4.27	-5.3%

Notes:

¹ Actual February 2019 financials (unaudited) projected through June 2019

² Approved budget June 20, 2018, revised December 12, 2018, and February 20, 2019

³ Storage costs allocated to core accounts only

⁴ Program expenses minus interest income and PG&E Billing Credit