

ABAG POWER

Executive Committee Meeting

Fiscal Year (FY) 2026-27 Preliminary Operating Budget
February 26, 2026



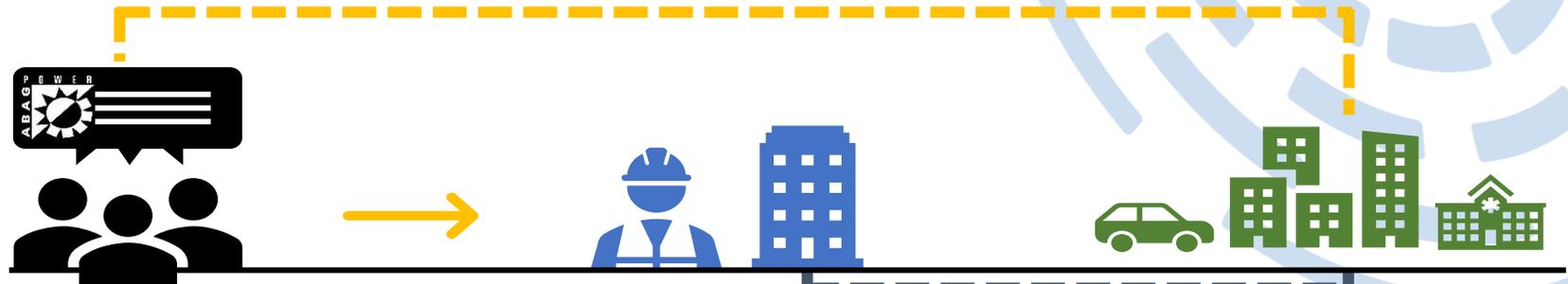
ABAG POWER Overview

28th

Year of Operation (1998)

~4.18

Current Full-time
Equivalent Employees



ABAG POWER

- Develops and implements gas purchasing strategy
- Conducts consolidated billing
- Provides helpful and responsive customer service

PG&E

- Owns and maintains transmission and distribution infrastructure
- Provides account data

PROGRAM PARTICIPANT

- Receives gas for use in municipal facilities
- Governs ABAG POWER



FY 2025-26 Highlights and Priorities



Continuation of the POWER Strategic Implementation Roadmap:

- Advance carbon offset initiatives.
- Renewable Natural Gas (RNG) for transportation.

Managing Market Volatility:

- Strengthen data analytics and forecasting capabilities.
- Broaden the supplier base to enhance competitiveness.
- Maximize utilization of pipeline and storage capacity.

Program Growth:

- Expand membership participation.
- Increase overall portfolio capacity.

FY 2025-26 vs FY 2026-27

Cost of Energy and Operating Cost

	FY 2025-26	FY 2026-27	% Change
Core Gas Commodity (\$/therm):	\$ 0.590	\$ 0.454	-23%
PG&E Pass-through Costs (\$/therm):	\$ 1.700	\$ 1.702	0%
Program Expenses (\$/therm):	\$ 0.195	\$ 0.196	1%
Core Total Rate (\$/therm):	\$ 2.485	\$ 2.352	-5%

FY 2026-27 Preliminary Budget Overview

	FY 2025-26 Adopted		FY 2026-27 Preliminary		\$ Change		% Change
Revenue							
Total Revenue	23,637,980		22,915,760		(722,220)		-3%
Expense							
Cost of Energy	21,415,429		20,614,043		(801,386)		-4%
Staff, Consultant, and Other Expenses	2,218,465		2,298,002		79,537		1%
Total Expense	23,633,894		22,912,045		(721,849)		-3%
Operating Surplus/(Deficit)	4,086		3,715		(371)		-9%
Core Total Rate (\$/therm)	2.485		2.352		(0.13)		-5%

FY 2026-27 Preliminary Budget Components

Overall

- The preliminary budget reflects a significant decrease in the gas commodity costs and relatively stable operating expenses compared to the previous year.

Revenue

- The revenue for FY 2026-27 is \$22.9 million, a 3% decrease (\$722,220) compared to the FY 2025-26. This budget decrease is a direct result of the lower cost of energy.

Cost of Energy

- PG&E pass-through costs have increased by 3% due to projected gas usage, while gas commodity costs are expected to decrease by 23% for core meters and 29% for non-core meters.

Staff, Consultant, and Other Expenses

- Staff costs increased by \$580,000 due to the hiring of two new full-time positions. This was partially offset by a \$500,000 reallocation from Consultant Services. Other expenses are projected to remain consistent with FY 2025-26 levels.

Questions & Answers

