

An aerial photograph of a city street grid, viewed from a high angle. The image is heavily blurred and has a monochromatic blue color scheme, with varying shades of blue and white lines representing the streets.

ASSOCIATION OF BAY AREA GOVERNMENTS

Meeting Transcript

FEBRUARY 27, 2025

1 **ABAG POWER EXECUTIVE COMMITTEE**
2 **THURSDAY, FEBRUARY 27TH, 2025, 11:00 AM**

3
4
5 **CHAIR, DOUG WILLIAMS:** GOOD MORNING EVERYBODY. THANK YOU FOR
6 COMING. THIS MEETING OF THE ABAG POWER EXECUTIVE COMMITTEE IS
7 CALLED TO ORDER. I'M DOUG WILLIAMS. I WOULD LIKE TO WELCOME
8 EVERYBODY TO THE FIRST ABAG POWER EXECUTIVE COMMITTEE MEETING
9 FOR 2025. WILL THE CLERK PLEASE CONFIRM WHETHER WE HAVE A
10 QUORUM OF THE COMMITTEE PRESENT?

11
12 **CLERK, CINDY CHEN:** WE DO. WE HAVE ONE TELECONFERENCE LOCATION.
13 SO, I'LL DO A ROLL CALL, AND ROLL CALL VOTE LATER FOR ACTION
14 ITEMS. MEMBER WILLIAMS?

15
16 **CHAIR, DOUG WILLIAMS:** HERE.

17
18 **CLERK, CINDY CHEN:** HAVENAR-DAUGHTON

19
20 **V. CHAIR, BRENDAN HAVENAR-DAUGHTON:** HERE.

21
22 **CLERK, CINDY CHEN:** MARSHALL?

23
24 **ELAINE MARSHALL:** HERE.

25

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1 **CLERK, CINDY CHEN:** COMMITTEE MEMBER AARON ZAVALA?

2

3 **AARON ZAVALA:** HERE.

4

5 **CLERK, CINDY CHEN:** A QUORUM IS PRESENT.

6

7 **CHAIR, DOUG WILLIAMS:** THANK YOU. IS THERE ANY MEMBER OF THE
8 PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON ITEMS NOT ON THE
9 AGENDA?

10

11 **CLERK, CINDY CHEN:** NO MEMBER OF THE PUBLIC IN THE ROOM OR I DO
12 NOT SEE ANYBODY ONLINE WITH PUBLIC COMMENT AND I HAVE NOT
13 RECEIVED WRITTEN PUBLIC COMMENT.

14

15 **CHAIR, DOUG WILLIAMS:** OKAY LET'S MOVE ALONG TO CONSENT.
16 APPROVAL OF THE MINUTES OF JUNE 18TH, 2024. IS THERE A MOTION
17 FROM THE COMMITTEE TO APPROVE THE CONSENT CALENDAR CONSISTING
18 OF THE MINUTES FROM JUNE 18TH, 2024, EXECUTIVE COMMITTEE
19 SPECIAL MEETING?

20

21 **SPEAKER:** MOTION TO APPROVE THE MINUTES AS STATED.

22

23 **CHAIR, DOUG WILLIAMS:** IS THERE A SECOND?

24

25 **SPEAKER:** I'LL SECOND.

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1

2 **CHAIR, DOUG WILLIAMS:** IS THERE ANY DISCUSSION FROM COMMITTEE
3 MEMBERS ON THIS TOPIC?

4

5 **SPEAKER:** REAL QUICK POINT OF CLARIFICATION. ARE WE APPROVING
6 THE ENTIRE CONSENT CALENDAR RIGHT NOW OR GOING ITEM BY ITEM?

7

8 **SPEAKER:** [INDISCERNIBLE]

9

10 **SPEAKER:** OKAY.

11

12 **CHAIR, DOUG WILLIAMS:** IS THERE ANY MEMBER OF THE PUBLIC WHO
13 WISHES TO GIVE -- WE'RE NOT GOING TO DO ITEM BY ITEM, ARE WE?

14

15 **SPEAKER:** WE DON'T HAVE TO IT'S COMPLETELY UP TO THE BOARD WE
16 WILL TAKE THE CONSENT CALENDAR AS AN ENTIRE ITEM AND ASK IF
17 YOU WOULD LIKE TO PULL AN ITEM FROM THE CONSENT CALENDAR OR A
18 MEMBER OF THE PUBLIC WOULD LIKE TO PULL AN ITEM FROM THE
19 CONSENT CALENDAR IF NOT THEN THE MOTION CAN BE APPROVED FOR
20 THE ENTIRE CONSENT CALENDAR.

21

22 **CHAIR, DOUG WILLIAMS:** OKAY TYPICALLY THAT'S WHAT WE DO IS JUST
23 APPROVE THE ENTIRE PART. IS THERE ANY?

24

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1 **SPEAKER:** NOT FOR ME JUST THE MOTION WAS APPROVE THE MINUTES
2 FROM THE MOTION TO INCLUDE THE ENTIRE CONSENT CALENDAR.

3

4 **CHAIR, DOUG WILLIAMS:** PERFECT. AWESOME.

5

6 **SPEAKER:** SECOND.

7

8 **CHAIR, DOUG WILLIAMS:** IS THERE ANY MEMBER OF THE PUBLIC THAT
9 WISHES TO GIVE COMMENT ON THIS ITEM?

10

11 **CLERK, CINDY CHEN:** NO MEMBER OF THE PUBLIC IN THE ROOM HAVE
12 COMMENTS ON THIS ITEM AND NO COMMENT FOR THIS ITEM.

13

14 **CHAIR, DOUG WILLIAMS:** SLEPT WILL THE CLERK PLEASE CALL THE
15 VOTE.

16

17 **CLERK, CINDY CHEN:** YES COMMITTEE MEMBER WILLIAMS?

18

19 **CHAIR, DOUG WILLIAMS:** HAVENAR?

20

21 **V. CHAIR, BRENDAN HAVENAR-DAUGHTON:** YES.

22

23 **CLERK, CINDY CHEN:** MARSHALL? I SEE --

24

25 **ELAINE MARSHALL:** SORRY. I FORGOT TO UNMUTE. YES.

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1

2 **CLERK, CINDY CHEN:** THANK YOU. COMMITTEE MEMBER --

3 [INDISCERNIBLE]

4

5 **SPEAKER:** YES.

6

7 **CLERK, CINDY CHEN:** THE MOTION PASSES BY ALL MEMBERS PRESENT.

8

9 **CHAIR, DOUG WILLIAMS:** LET'S MOVE ON TO APPROVAL OF THE MOU

10 AMENDMENT ONE BETWEEN ABAG AND ABAG POWER.

11

12 **SPEAKER:** THAT WAS ACTUALLY PART OF THE CONSENT CALENDAR. NOW

13 WE'RE MOVING ON TO ITEM FIVE.

14

15 **CHAIR, DOUG WILLIAMS:** GOT IT. PERFECT. INFORMATIONAL ITEM,

16 POWER PROGRAM MANAGEMENT MANAGER'S REPORT NATURAL GAS AND

17 RENEWABLE NATURAL GAS PROGRAMS THIS IS AN INFORMATION ITEM.

18 EYAS ABDEEN WILL PROVIDE THE PRESENTATION.

19

20 **EYAS ABDEEN:** CAN YOU BRING UP THE PRESENTATION FOR ME? OKAY.

21 THANK YOU ALL FOR COMING APPRECIATE IT. IT'S A PLEASURE SEEING

22 ALL OF YOU. THE PRESENTATION IS POWER PROGRAM OVERVIEW. NEXT

23 SLIDE PLEASE. OKAY. ON THIS RESENT PRESENTATION WE'RE GOING TO

24 TALK ABOUT SEVERAL ITEMS FIRST IS BRIEF INTRODUCTION OF THE

25 PROGRAM SECOND IS MARKET OVERVIEW THEN POWER PROGRAM OVERVIEW

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1 STRATEGIC PLANNING THEN TALKING ABOUT THE POWER PROGRAM
2 PROGRESS UPDATES. NEXT SLIDE, PLEASE. THIS SLIDE, THE MAJORITY
3 OF YOU SAW IT BUT WE ALWAYS KEEP IT HERE, TO BEGIN BRIEF
4 HISTORY OF THE PROGRAM AND FOR NEW MEMBERS OR ATTENDEES,
5 PUBLIC, AS WELL. OKAY. THE ASSOCIATION OF BAY AREA GOVERNMENTS
6 OR ABAG WAS FORMED IN 1961 TO SUPPORT THE REGIONAL PLANNING
7 AND THE COOPERATION AMONG THE CITIES AND COUNTIES OF SAN
8 FRANCISCO BAY AREA. IN 1998 ABAG AND 60 LOCAL GOVERNMENTS CAME
9 TOGETHER TO CREATE A SEPARATE JP ABAG BAG POWER, POWER STANDS
10 FOR PUBLICLY OPENED ENERGY RESOURCE TO PROVIDE ENERGY AND
11 PROCUREMENT AND MANAGEMENT. INITIALLY ABAG POWER OFFERED BOTH
12 ELECTRICITY AND GAS PURCHASING POOL BUT ELECTRICITY POOL WAS
13 REMOVED IN EARLY 2000 DUE TO MARKET VOLATILITY. THE GAS
14 PROGRAM IS STILL OPERATING AND IS CURRENTLY IN ITS 27th YEAR
15 OF OPERATION. ONE OF THE MAIN GOALS OF ABAG POWER IS TO
16 PROVIDE PRICE STABILITY ON COST SAVINGS. NEXT SLIDE PLEASE.
17 CURRENTLY, THERE ARE 52 PARTICIPANTS. CITIES, COUNTIES, AND
18 SPECIAL DISTRICTS, AND SCHOOLS. WE HAVE ADDED 16 MEMBERS THIS
19 FISCAL YEAR, MAINLY SCHOOL DISTRICTS. I'M SPEAKING WITH THREE
20 POTENTIAL MEMBERS CURRENTLY AND MOST LIKELY THEY WILL BE PART
21 OF OUR PROGRAM AT THE BEGINNING OF THE FISCAL YEAR. EACH
22 AGENCY HAS EQUAL POWER -- EQUAL VOTING POWER, AND THE FULL
23 BOARD COMES TOGETHER ONCE A YEAR. THE REMAINDER OF THE YEAR
24 THE EXECUTIVE COMMITTEE MEETS BIMONTHLY, AND AS NEEDED. NEXT
25 SLIDE, PLEASE WE'RE GOING TO TALK ABOUT THE GAS MARKET

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1 OVERVIEW. WE'LL GO TO THE NEXT SLIDE, PLEASE. THIS SLIDE, YOU
2 ARE GOING TO SEE IN ALMOST EVERY SINGLE PRESENTATION THAT I'M
3 GOING TO V THESE ARE THE DRIVERS THAT DRIVE THE COST OF THE
4 NATURAL GAS, RIGHT? AND THOSE ARE WORKING ALL TOGETHER AT SAME
5 TIME OR SOMETIMES INDIVIDUAL DRIVER WITH THE MARKET MOST
6 IMPORTANT ONE IS LOOK AT SUPPLY AND DEMAND THE FUNDAMENTAL
7 PRINCIPLE OF ECONOMICS AND THAT GOES INTO THE LEVEL OF MICRO
8 ECONOMICS AND MACRO ECONOMICS AS WELL. THE SECOND ONE IS THE
9 WEATHER. WEATHER IS VERY IMPORTANT AND PLAYS A BIG HUGE ROLE
10 INTO THE PRICE. ENERGY, GENERALLY, AND NATURAL GAS AND WE ALL
11 REMEMBER THE DECEMBER 2022, AND JANUARY 2023, WHEN THE GAS
12 PRICES SKYROCKETED BY PROBABLY TEN TIMES WHAT IT WAS, AND IT
13 WAS EXTREMELY EXPENSIVE THAT TIME. AND NOBODY WAS ABLE TO
14 DODGE THAT. MAINLY BECAUSE OF THE WEATHER. THEN WE TALK ABOUT
15 THE LEVEL, THE PRODUCTION LEVEL, WHICH IS PART OF TRACKING HOW
16 MUCH WE HAVE IN THE NATURAL RESOURCES HOW MUCH WE HAVE
17 UNDERGROUND AND THAT'S ALWAYS BEEN CALCULATED ALL THE TIME AND
18 THAT SUPPORT COMES ALL THE TIME BY THE EPA, AS WELL AS THE
19 STORAGE LEVEL. THE STORAGE LEVEL IS EXTREMELY IMPORTANT. WHY
20 IT'S EXTREMELY IMPORTANT, THAT'S DETERMINE THE PRICE AND
21 DETERMINE THE STABILITY OF NATURAL GAS FLOW, ESPECIALLY FOR
22 PHYSICAL DELIVERY. MOST OF YOU REMEMBER WHAT HAPPENED IN ELISE
23 CANYON IN SOUTHERN CALIFORNIA THAT WAS THE LAW ENFORCEMENT
24 LEAK OF STORAGE IN THE WORLD, MAYBE IN THE NATION BUT IN THE
25 WORLD ACCIDENT HONESTLY. BUT WHERE IT HAS TO BE SHUT DOWN IT

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1 HAS TO BE FIXED AND RIGHT NOW IT'S BACK TO NORMAL. DURING THAT
2 TIME 2016, 2017, ALL THE WAY TO MAYBE 2020, THE PRICE IN
3 SOUTHERN CALIFORNIA WERE THE MOST EXPENSIVE GAS PRICING
4 PROBABLY AROUND THE NATION BECAUSE THE STORAGE. THEY RELIED
5 MAINLY ON THE PIPELINE TO STORE THE GAS IN THE PIPELINE NOT
6 THE STORAGE, BECAUSE THERE WAS A LEAK AND IT WAS SHUT DOWN AND
7 THAT'S WHERE WE ALWAYS LOOK AT THE GAS STORAGE AND I'M GOING
8 SHOW A REPORT ABOUT THE GAS STORAGE. THERE IS A TRANSPORTATION
9 INFRASTRUCTURE, WHICH IS THE PIPELINE TRANSPORTATION
10 INFRASTRUCTURE. THIS IS CRUCIAL AT THIS TIME BECAUSE MOST OF
11 THE TRANSPORTATION, MOST OF THE PIPELINE, CURRENTLY, THE
12 INFRASTRUCTURE IS WEAK, OLD, AND NEEDS TO BE REPAIRED AND IF
13 THAT'S GOING TO BE DONE, IT'S GOING TO BE REALLY HUGE, HUGE
14 PRICE BURDEN ON THE NATURAL GAS. THEY WERE DELAYING DOING THE
15 INFRASTRUCTURE UPDATE, BECAUSE THERE WAS A LOT OF DISCUSSION
16 IN THE PAST TEN YEARS, 20 YEARS IF WE WERE GOING TO GO
17 RENEWABLES, HYDROGEN. THAT'S THE PUSH BASICALLY KICKING THE
18 CAN DOWN THE ROAD BUT IT'S GOING TO COME SOONER OR LATER, AND
19 WE HAVE TO MAINTAIN IT. SOUTHERN CALIFORNIA, FOLKS IN SOUTHERN
20 CALIFORNIA HAVE THE WEAKEST -- IN CALIFORNIA, THEY HAVE THE
21 WEAKEST PIPELINES INFRASTRUCTURE, THEY USED TO SHUT DOWN JUST
22 FOR MAINTENANCE, UNANNOUNCED, SHUTTING DOWN THE PIPELINE WHICH
23 INTERRUPTED THE GAS FLOW, AND INCREASED THE PRICES, LIKE
24 CRAZY, IF YOU LOOK AT ESPECIALLY THE SOUTHERN CALIFORNIA,
25 SOCALGAS WAS EXTREMELY EXPENSIVE. AND OTHER AREAS, GLOBAL,

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1 OTHER DRIVERS, GLOBAL MARKETS DYNAMICS AND WE ALL KNOW ABOUT
2 THAT, AND GEOPOLITICAL EVENTS AND REGULATIONS AND POLICIES AND
3 SOMETHING WE'RE LIVING IN RIGHT NOW, ECONOMIC FACTORS, AND
4 MARKET SPECULATION. THERE IS ANOTHER AREA IN ECONOMICS, WE
5 CALL IT THE INVISIBLE HAND THEORY. INVISIBLE HAND THEORY.
6 INVISIBLE HAND THEORY CAME UP IN 18th CENTURY, ADAM SMITH HE
7 WAS ECONOMIST PHILOSOPHER SCOTTISH TALKING ABOUT THE INVISIBLE
8 HAND INTEREST GROUP OF PEOPLE COULD INFLUENCE THE MARTHA ONE
9 WAY OR ANOTHER SO THIS IS SNAG'S INTERESTING TO KEEP THINKING
10 ABOUT, TALKING ABOUT THE INVISIBLE HAPPENED.

11

12 **SPEAKER:** ARE YOU TAKING QUESTIONS OR CLARIFYING QUESTIONS.

13

14 **EYAS ABDEEN:** YES, PLEASE. WE'RE HERE.

15

16 **SPEAKER:** THE TRANSPORTATION, THE PIPELINE TRANSPORTATION
17 INFRASTRUCTURE, IS THERE DISTINCTION MADE BETWEEN KIND OF THE
18 MAJOR PIPELINES AND THE DISTRIBUTION SYSTEM, WITH UTILITIES?
19 ARE WE JUST TALKING ABOUT, THE DISTINCTION THAT WE TALK ABOUT
20 THE WHOLE NETWORK OF PIPELINE?

21

22 **EYAS ABDEEN:** GAS LINE. THERE ARE THREE DIFFERENT PIPELINES
23 THERE IS THE GATHERING PIPELINES THAT COMES FROM THE
24 PRODUCERS, IT COMES TO THE TRANSMISSION PIPELINE THOSE ARE THE
25 MAJOR ONES CROSS STATES COUNTRIES, AND GO THOUSANDS OF MILES

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1 AND THE THIRD ONE IS THE DISTRIBUTION LINE THAT COMES TO
2 CUSTOMERS. THE PIPELINES I'M TALKING ABOUT IS THE TRANSMISSION
3 PIPELINE, THE LARGE ONES, BECAUSE THEY'RE EXTREMELY LARGE, AND
4 THEN WE DEPEND ON IT. THAT'S FROM THE FEDERAL PERSPECTIVE,
5 WHEN WE COME TO CITIES, YES THERE ARE PIPELINES THAT NEED TO
6 BE UPDATED OR CHANGED KEEP IN MIND WHAT FEEDS THOSE SMALL
7 PIPELINES, THE DISTRIBUTION PIPELINES IS THE TRANSMISSION
8 PIPELINE. NOW IF THEY WANT TO SHUT DOWN ONE SPECIFIC PIPELINE,
9 LET'S SAY IN THE BAY AREA, TALK ABOUT THE BAY AREA
10 SPECIFICALLY, RIGHT F THEY WANT TO SHUT DOWN THE CITYGATE THE
11 PIPELINE THAT DOES DISTRIBUTION IN THE MIDDLE OF -- I FORGOT
12 THE NAME OF THE CITY, PITTSBURG, I THINK, BUT IF THEY WANT TO
13 SHUT IT DOWN THEY CAN SHUT IT DOWN THE TRANSPORTATION ONE THAT
14 FEEDS IT AND THAT'S GOING TO HAVE HUGE IMPACT, ALMOST ON
15 EVERYBODY. THEY TRY NOT TO DO IT, OF COURSE. BUT I'M TALKING
16 ABOUT, NOW IT'S WEAK, TRYING TO MITIGATE FIX IT THAT'S WHY ONE
17 OF THE REASONS, CALIFORNIA, PG&E, SOCAL, DID NOT ALLOW THE BIO
18 GAS TO COME TO THE PIPELINE ESPECIALLY FROM INSIDE CALIFORNIA.
19 FOR THE LONGEST TIME, THEY JUST STARTED MAYBE A COUPLE OF
20 YEARS. WHY THEY WERE JUST WORRIED ABOUT THE RESIDUE OF THE BIO
21 GAS IN THESE PIPELINES AND CITIES AND IT'S GOING TO COST A LOT
22 TO FIX IT, OR CLEAN IT. THAT'S ONE THING. OUR PIPELINES HERE
23 ARE OLD. AND I'M JUST, INTENT, BUT I'M TALKING ABOUT NATION-
24 WIDE. THAT'S SOMETHING THE NEW ADMINISTRATION IS TALKING ABOUT
25 UPDATING THE PIPELINE AND IF THIS UPDATING PIPELINE IS GOING

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1 TO BE EXPENSIVE, WAY MORE EXPENSIVE THAN -- [INDISCERNIBLE]
2 BECOMES A PROBLEM.

3

4 **SPEAKER:** ARE THE TRANSMISSION PIPELINES IN WORSE SHAPE THAN
5 THE DISTRIBUTION SYSTEM?

6

7 **EYAS ABDEEN:** THE DISTRIBUTION SYSTEM ARE MAINTAINED CONSTANTLY
8 FROM TRANSPORTATION -- I MEAN, FROM THOSE LARGE PIPELINES OF
9 GLOBAL INTEREST DEPENDS ON THE COLLABORATION BETWEEN STATES
10 BETWEEN FEDERAL THAT'S DIFFERENT BECAUSE AGAIN POLITICS AND
11 HOW MUCH MONEY THEY'RE GOING TO SPEND ON T IN THE END I'M
12 GOING TO SHOW YOU A MATCH PIPELINE WE HAVE IN CALIFORNIA AND
13 THE CAPACITY AND I'LL SHOW YOU PIPELINES WHERE WE HAVE
14 CAPACITY. NEXT SLIDE, PLEASE. ALL RIGHT. THIS IS THE MOST
15 IMPORTANT SLIDE FROM THE WHOLE PRESENTATION, WHERE EVERYBODY
16 IS WAITING FOR, TARIFFS ON ENERGY, RIGHT? TARIFFS. WHAT
17 HAPPENS, DURING THE CAMPAIGN, TRUMP SAID -- OR I SHOULD SAY
18 THE NEW ADMINISTRATION SAID THEY'RE GOING TO PUT THE 25%
19 TARIFF ON ALL IMPORTS FROM MEXICO AND CANADA STARTING FEBRUARY
20 1ST. BUT IN JANUARY, THEY -- IT WAS REDUCED, TALKING ABOUT
21 ENERGY SPECIFICALLY, REDUCED TO 10% FROM CANADA AND FROM
22 FEBRUARY, MEXICO, AND CANADA'S TARIFF DELAYED FOR 30 DAYS I
23 JUST HEARD RECENTLY MIGHT PUT 25% ACROSS THE BOARD SO WE DON'T
24 KNOW EXACTLY WHERE IT'S GOING YET. BUT I WANT TO BRING YOUR
25 ATTENTION TO THE GRAPH THAT WE SEE RIGHT NOW HERE, THAT CHART.

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1 THOSE ARE THE MEASURE PIPELINE, MEASURE RECEIPT POINTS, WE
2 CALL THEM RECEIPT POINTS. THE FIRST ONE, THE BLUE ONE, YOU SEE
3 THE BIG CHANNEL, THE BLUE ONE, THAT TALKS ABOUT THE DAILY
4 PRODUCTION IN THE L48, THAT'S THE LOWER 48 STATES. OF COURSE,
5 ALASKA HAWAII ARE NOT PART OF THAT PRODUCTION DATA. SO, THE
6 SECOND ONE IS SOCAL SYNDICATE, THE MOST IMPORTANT PIPELINES,
7 OR ENTRY POINTS, BASICALLY CONTROLS THE PRICES ALONG THE
8 NATION, AS WELL. [INDISCERNIBLE] AND THE ONE FROM CANADA, THE
9 SYNDICATE FROM CANADA IF YOU AFFORDABLE HOUSING ON THE RIGHT
10 SPECIFICALLY ON THE CHART, THE RIGHT, THE BLUE YELLOW LINE HAS
11 SPIKED UP AT THE END OF JANUARY AND THAT WAS ONLY THE PIPELINE
12 COMING FROM CANADA, OR IT WAS CONTROLLED FROM CANADA, FROM
13 NORTHEAST, AND THAT'S WHAT MAJORITY OF THE IMPORT COMES FROM
14 THERE, FROM CANADA. CANADA PRODUCES, MOST OF THEIR ENERGY, 90%
15 OF THEIR ENERGY, THEY EXPORT 90% OF THEIR ENERGY. THE MAJORITY
16 COMES TO THE UNITED STATES, SOME OF IT GOES TO MEXICO. THE
17 ISSUE ABOUT THE TARIFF WAR IS NOT EXPLAINED OR NOT DETAILED
18 WELL. IF THE TARIFF IS GOING TO BE ON THE PRODUCT OR THE
19 ENERGY THAT'S GOING TO COME TO UNITED STATES, OR IT'S GOING TO
20 COME ACROSS THE UNITED STATES TOO MEXICO BECAUSE THEY EXPORT
21 LNG RIGHT THAT'S SOMETHING NOT DISTINGUISHED YET. I HAVEN'T
22 SEEN DATA YET ABOUT HOW IS THE TARIFF GOING TO BE ON BOTH OR
23 JUST WHAT'S COMING TO THE UNITED STATES. SO WHAT I'M TRYING TO
24 SAY IS, CANADA, DEPENDS SO MUCH ON THE UNITED STATES. AND 40%,
25 OR PROBABLY 60% OF OUR ENERGY COMES FROM CANADA. SO WE DEPEND

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1 ON EACH OTHER, REGARDLESS, RIGHT? SO, IT'S A LOUISIANA
2 SITUATION IF WE COME TO THESE TARIFFS, CANADIAN MIGHT REDUCE
3 THE PRODUCTION BECAUSE WE MIGHT NOT RECEIVE A LOT THAT'S THE
4 ISSUE. BUT YOU SEE THE OTHER LINES BETWEEN SOCAL AND --
5 [INDISCERNIBLE] IT'S NOT STEADY THE ONE MIGHT GET AFFECTED IS
6 THE ONE COMING FROM CANADA. KEEP IN MIND ONE THING, THE PRICE
7 OF GAS IN CANADA IS EXTREMELY CHEAPER THAN THE UNITED STATES,
8 EVEN WITH THE TARIFF IT'S STILL GOING TO BE CHEAPER THAN THE
9 UNITED STATES. YEAH, THE 10% IS NOT GOING TO BRING IT TO WHAT
10 WE PAY HERE IN CALIFORNIA, OR THE UNITED STATES. HOWEVER, THE
11 PRICES WHEREVER IT GOES UP, ANYWHERE, MARKET WILL REACT, IT
12 WILL GO UP ALSO HERE, NOT JUST IN CANADA, IT WILL GO UP HERE.
13 SO EVERYBODY WILL PAY FOR THAT. ANY QUESTIONS ON THAT?

14

15 **SPEAKER:** JUST TO MAKE SURE I UNDERSTOOD THAT LAST POINT IS
16 THAT THE COST TO IMPORT THE CANADIAN GAS IS SO MUCH LOWER THAN
17 THE COST OF PURCHASING AMERICAN PRODUCED GAS, THAT WHAT I
18 UNDERSTOOD TO YOUR POINT WE'RE STILL VERY LIKELY, IT'S STILL
19 GOING TO BE COST ADVANTAGEOUS FOR US TO BE IMPORTING CANADIAN
20 GAS EVEN WITH THE TARIFFS BUT IT'S GOING TO INCREASE OUR COST.

21

22 **EYAS ABDEEN:** OKAY. NOW THE PRICE PER UNIT, RIGHT NOW, FOR THIS
23 MONTH, IS DOLLAR 50 FOR UNITED STATES, OR AT LEAST IN
24 CALIFORNIA NOT IF THEY INCREASE IT BY 10% STILL 20% STILL
25 CHEAPER HOWEVER THERE IS TRANSPORTATION LOSS THAT WE ARE GOING

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1 TO BRING IT FROM CANADA HERE. MINIMAL. THE ISSUE IS IF
2 CANADIAN DECIDED, LAWMAKERS DECIDED YOU KNOW, WHAT WE CAN
3 REDUCE PRODUCTION, THAT'S GOING TO INCREASE THE GAS THERE OR
4 THEY ARE GOING TO SAY OKAY YOU KNOW WHAT WE'RE GOING TO SHUT
5 DOWN WE'RE NOT GOING TO GIVE -- BOYCOTT THE UNITED STATES
6 WE'RE NOT GOING TO GIVE THEM MUCH OF THAT THAT'S DEFINITELY
7 GOING TO CREATE SHORTEN SUPPLY AND GOING TO CREATE A HUGE
8 DEMAND WHERE THE PRICE IS GOING TO GO MUCH HIGHER SO AT THIS
9 POINT RIGHT NOW WE'RE STILL WATCHING.

10

11 **SPEAKER:** JUST TO CLARIFY LOOKING AT THE GRAPH WHICH I THINK IS
12 AROUND JANUARY, THE COMMENT YOU MADE WAS, JUST BY THE
13 ANNOUNCEMENTS THAT THIS WILL HAPPEN OR THAT THEY'RE THINKING
14 ABOUT IT YOU SEE THE INCREASE IN THE CANADIAN ALGONQUIN
15 PIPELINE, BUT THEN SOCAL CITY GATEWAY AND WHAT THAT, YOU ALSO
16 SEE A BUMP THERE IN THEIR PRICES AS WELL AS REFLECTION OF THAT
17 DISCUSSION THAT WAS TAKING PLACE?

18

19 **EYAS ABDEEN:** THERE IS A REACTION. YEAH HOWEVER THE REACTION IS
20 MINIMAL BUT THAT'S EXACTLY THAT INCREASE, ONLY ONE DAY, I
21 THINK JANUARY 30th, 31ST, THAT'S THAT DAY. ONLY ONE DAY. OKAY.
22 NEXT SLIDE, PLEASE. ALL RIGHT. THIS IS THE CLIMATE PREDICTION.
23 THAT'S THE WEATHER. THIS WEATHER IS ALWAYS UPDATED EVERY
24 QUART, EVERY MONTH. BUT THIS IS THE LATEST ONE I GOT BEFORE
25 OUR BOARD MEETING -- OR EXECUTIVE MEETING. AND YOU CAN SEE IT

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1 FROM THE LEFT SIDE IS THE TEMPERATURE, OUTLOOK TEMPERATURE FOR
2 FEBRUARY, MARCH, AND APRIL. AND YOU CAN SEE IT'S VERY MILD,
3 NOTHING IS ABNORMAL, THERE IS NO CHANGES, EVEN WITH THE RAIN
4 IN THE CHART IT'S NOT PREDICTION, IT'S NOT MUCH. SO WE'RE VERY
5 STABLE. SO WHY WE LOOK AT THESE THINGS, BECAUSE IF WE SEE LIKE
6 THERE IS HUGE STORM OR SOMETHING, WE'RE EXPECTING SOMETHING IS
7 GOING TO COME, WHETHER HOT SEASON, OR WINTER, OR SNOW, WE
8 ALWAYS HEDGE AND WE BUY-IN ADVANCE AND TRY TO LOOK AT THE
9 MARKET. THIS IS A STANDARD OPERATION IN THE INDUSTRY. THE
10 WEATHER ALWAYS HAS BEEN LOOKED AT ALL THE TIME FOR PURCHASING.
11 NEXT SLIDE, PLEASE. THIS IS THE STORAGE REPORT. THIS STORAGE
12 REPORT COMES EVERY THURSDAY, 9:00 A.M., OR 9:30 A.M., EASTERN
13 TIME. AND THIS IS OUT OF 2000 -- I MEAN, AS OF FEBRUARY 13TH,
14 '25. I WANT YOU TO LOOK AT THE CHART FIRST, RIGHT, THEN WE'LL
15 GO TO THE NUMBERS. I MEAN, IF YOU SEE THE CHART, THE GRAY
16 CHANNEL, THE CHANNEL IS THE FIVE-YEAR MINIMUM AND MAXIMUM
17 RANGE. THIS IS SINCE JANUARY 2023, AND IF YOU SEE THE BLUE
18 LINE, THE BLUE LINE IS FOR THE LOWER STATES, THE 48 STATES.
19 THAT'S THE STORAGE AND THEN THE GRAY LINE, OR THE DARK GRAY
20 LINE THAT'S THE FIVE-YEAR AVERAGE. AND YOU SEE THE TREND IS
21 PEAKED ON, BY OCTOBER, USUALLY IT'S PEAKED BY OCTOBER AND
22 COMES DOWN ON OTHER MONTHS. IN NATURAL GAS, WE HAVE TWO
23 STRIPS, WE CALL THEM WINTER MONTHS AND SUMMER MONTHS WE CALL
24 THEM WINTER OR SUMMER, WINTER STRIP STARTS NOVEMBER, OCTOBER,
25 NOVEMBER -- SORRY -- NOVEMBER, DECEMBER, JANUARY, FEBRUARY,

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1 AND MARCH MONTHS, SUMMER STRIPS ARE FROM APRIL ALL THE WAY TO
2 OCTOBER SO YOU CAN TELL FROM THE CHART THAT USUALLY IN THE
3 SUMMER MONTHS GAS PRODUCTION IS LOW THAT'S WHY IT KEEPS COMING
4 ALL THE WAY TO OCTOBER THEN WE START USING MORE IN THE WINTER
5 SURGE. SO FAR IF YOU LOOK TO THE RIGHT OF THE CHART, YOU SEE
6 THAT WE ARE WITHIN THE FIVE-YEAR AVERAGE. AND WE'RE STILL
7 WITHIN THE CHANNEL, THE SAME CHANNEL. NOW, IF WE LOOK AT THE
8 NUMBERS HERE, THE WAY WE INTERPRETER THE NUMBERS, THERE IS A
9 DECREASE OF 100 DCF, CUBIC FIELD, FROM THE PREVIOUS WEEK
10 DECREASE BASICALLY OF ABOUT 10% DECREASE FROM THE SAME PERIOD
11 OF LAST YEAR, IT'S 2.8% BELOW THE FIVE-YEAR AVERAGE SO WE ARE
12 WITHIN THE FIVE-YEAR RANGE IF YOU LOOK AT PACIFIC THAT'S
13 SOMETHING WE ALWAYS TRY TO HIGHLIGHT IN THE MIDDLE IF YOU
14 DON'T HAVE IT IN FRONT OF YOU PROBABLY YOU CAN SEE IT IN THE
15 MIDDLE THAT'S SPECIFIC MAINLY CALIFORNIA I MEAN PACIFIC
16 CALIFORNIA WEST OF UNITED STATES, RIGHT IT'S 224BCF FROM THE
17 PREVIOUS WEEK, AND THE INCREASE IS SIX DCS, THAT'S DECREASE.
18 IF YOU KEEP GOING ACROSS, TO THE LAST YEAR, EXACTLY THE SAME,
19 THERE WAS NO INCREASE, NO DECREASE IN THE STORAGE WE ARE
20 EXACTLY WHERE WE WERE LAST YEAR. ANY QUESTIONS?

21

22 **CHAIR, DOUG WILLIAMS:** QUICK QUESTION. I WAS UNDER THE
23 IMPRESSION THAT WE WERE ALLOWED TO STORE MORE AND I KNOW
24 THAT'S NOT REFLECTED ON THIS CHART BUT IS THAT STILL THE CASE
25 WE'RE GOING TO BE ABLE TO STORE MORE NATURAL GAS?

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1

2 **EYAS ABDEEN:** WHEN YOU SAY YOU ARE TALKING ABOUT OUR NATURAL
3 GAS PROGRAM?

4

5 **CHAIR, DOUG WILLIAMS:** YES.

6

7 **SPEAKER:** I'LL SHOW THIS JUST AFTER THIS PROGRAM WHERE WE STAND
8 I'M GETTING AHEAD OF IT.

9

10 **CHAIR, DOUG WILLIAMS:** GOT IT.

11

12 **EYAS ABDEEN:** THIS IS THE MARKET IN GENERAL ONE OF THE POINTS
13 I'M GOING TO GO TO IS THE PROGRAM OVERVIEW THAT'S WHAT WE'RE
14 GOING TO TALK ABOUT SHOWING YOU LOOK AT PURCHASE AND WE WANT
15 TO LOOK AT MARKETS REACTION WHAT WE'RE HITTING BECAUSE OF THIS
16 PREDICTION. OKAY. NEXT SLIDE. OKAY. THIS IS THE MOST BEAUTIFUL
17 CHART. THIS IS FOR THE LAST FIVE YEARS. I LOVE LOOKING AT
18 CHARTS BY THE WAY. SERIOUSLY. GIVEN THE INDICATIONS WE'RE
19 STANDING HERE, THERE IS SUPPORT RESISTANCE BUT THIS IS PRICE
20 OF GAS AT NINE MAX YOU CALL IT HENRY HEALTH NINE MAX THIS IS
21 FINANCIAL PRICE I'M SAYING FINANCIAL PRICE THERE ARE FINANCIAL
22 PEOPLE TRADING FINANCIAL MARKETS THESE ARE THE PRICES THAT
23 THEY ARE GIVING THIS IS SETTLEMENT PER MONTH THE PRICE ALWAYS
24 SET UP EVERY WEEK, EVERY DAY I'M SORRY EVERY DAY PER MONTH
25 THAT'S WHAT WE HAVE HERE IS MONTHLY SETS. IF YOU NOTICE 2000

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1 YOU SEE THE COLOR LINES I'M GOING TO FOCUS ON 2022 THE PURPLE
2 ONE YOU SEE VOLATILITY IN THE END JUST MENTIONED IN THE END OF
3 2022, AND 2023 THE PRICES WERE EXPENSIVE WHERE NOBODY WAS ABLE
4 TO PREDICT AND THAT'S WHERE THE VOLATILITY IS IT'S DIFFICULT
5 LOTS OF MONEY MADE THROUGH THE FINANCIAL MARKET BUT WE DO HERE
6 PHYSICAL CONTRACTS WHAT WE BUY IS DELIVERY WE BUY ACTUAL GAS
7 WE GET WHAT YOU CALL IT, EXERCISE IT AND IT COMES TO US TO
8 EVERYBODY, RIGHT? LOOK AT THE PRICE OF GAS, 3.53 -- 3.5 IN
9 FEBRUARY END OF FEBRUARY WAS THE -- I MEAN IN JANUARY
10 BEGINNING OF FEBRUARY, 3.50 THIS'S PRICE OF GAS CURRENTLY LOOK
11 AT THE BOTTOM ONES BLUE AND DARK BLUE '23, AND '24 VERY STABLE
12 LAST COUPLE OF YEARS CAN STILL COME UP-AND-DOWN BUT IT'S
13 STABLE UNLIKE PREVIOUS YEARS THIS IS FOR THE LAST FIVE YEARS
14 IF WE GO BACK TEN YEARS IT WAS WAY MORE VOLATILE THAN WHAT WE
15 SAW IN 2022 PRICE OF GASOLINE WAS \$7, \$8, RARELY YOU SEE HERE
16 IS THAT PRICES ARE ALL THE WAY IN THE LEFT COLUMN YOU SEE. ANY
17 QUESTIONS? NEXT SLIDE. ALL RIGHT. FORWARD BASIS CURVE NOW THE
18 WORD BASIS IS USED IN THE INDUSTRY THIS IS BASIS ABOVE THE
19 PRICE OF WHAT YOU SAW IN THE OTHER CHART THAT'S FOR DELIVERY
20 NOW WE SAW THE PRICE OF GAS 350 IN JANUARY AND FEBRUARY,
21 RIGHT, THEE 50, NOW HOW MUCH DOES IT COST TO DELIVER IT TO
22 CALIFORNIA? WHERE ARE WE GOING TO LOOK AT ENTRY POINT, PG&E,
23 CITYGATE, RIGHT, THOSE ARE ONE OF THE THREE MAJOR RECEIPT
24 POINTS, DELIVERY POINTS AROUND THE NATION, NORTHWEST ALSO
25 COMING FROM CANADA AS WELL, CANADA, WASHINGTON, AND OREGON,

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1 COMES FROM THERE, PG&E, CHICAGO, CITYGATE AND THE OTHER ONE IS
2 NEW YORK. NOW IF WE LOOK AT PG&E CITYGATE IT'S THE LIGHT BLUE
3 AND YOU SEE THE LIGHT BLUE IS PROBABLY WHAT? \$0.20? MAYBE
4 \$0.10, \$0.20 IF YOU SEE AT THE BEGINNING OF FEBRUARY, FIRST DO
5 THE ON THE LEFT IS ZERO THAT'S HOW MUCH ADDITIONAL WE PAY TO
6 GET THE GAS TO COME HERE TO US TO BE DELIVERED. BUT THIS IS
7 THE FORWARD CURVE. WE LOOK AT IT ALL THE WAY, I HAVE DATA ALL
8 THE WAY UP TO TEN YEARS I RECEIVE IT EVERY DAY, WE LOOK AT IT
9 ANALYZE IT AND SEE IF THERE IS OPPORTUNITY FOR US. BUT THIS IS
10 UP TO FEBRUARY 2027. WE LOOK AT FLUCTUATION SO FAR IN
11 CALIFORNIA IT DOES NOT FLUCTUATE, BUT DOES NOT FLUCTUATE AS
12 MUCH AS OTHER PIPELINES OR OTHER CITIES. YOU SEE THE NORTHWEST
13 IS ONLY FLUCTUATING SO MUCH DURING WINTER. WHY? BECAUSE THERE
14 IS HIGH DEMAND ON IT. BUT SOMETIMES IT GOES TO NEGATIVE. AND
15 THAT'S WHERE TRADERS CALL ARBITRAGE OPPORTUNITY BECAUSE YOU
16 SEE NEGATIVE PRICE OF GAS AND FINANCIAL IS HIGHER THAN
17 DELIVERY AND BECOME NEGATIVE THEY COULD SELL AND THAT'S WHERE
18 THEY GET THE OPPORTUNITY A DOLLAR PER UNIT THEY GET THE THERE,
19 BUY AND SELL FROM HERE. THEY SECURE IT OUT. AND THAT'S
20 SOMETHING WE LOOK INTO SOMETIMES. IT DOES HAPPEN ALL THE TIME
21 BUT IT DOESN'T HAPPEN ALL THE TIME IN CALIFORNIA, BUT FOR US
22 COULD APPLY OFTEN FOR ARBITRAGE OPPORTUNITIES LIKE THIS. NEXT
23 SLIDE. THIS IS ANOTHER BEAUTIFUL CHART ABOUT OUR USAGE. THIS
24 IS -- LET ME SEE WHAT I WROTE IN MY NOTES HERE. CURRENTLY WE
25 HAVE 970, APPROXIMATELY 970 METERS AND WE WILL REACH CLOSE TO

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1 1,000 METERS IF WE SIGN UP THE THREE POTENTIAL CUSTOMERS. SO,
2 THIS IS -- I MEAN, SINCE THE BEGINNING OF THIS FISCAL YEAR,
3 OUR -- [INDISCERNIBLE] INCREASED BY 300 METERS THAN WHAT WE
4 HAD BEFORE. YOU SEE IN THE TREND IN THIS CHART, START FROM
5 JULY 2022 ALL THE WAY TO DECEMBER 2024, JUST RECENTLY. OKAY?
6 AND WE SEE THE TREND IN THIS CHART IN THE SUMMER MONTHS WHICH
7 IS THE SUMMER TRENDS IS MUCH HIGHER, OR LOWER THAN THE WINTER
8 TREND THAT'S HOW WE SEE THIS. THIS IS USAGE EXACTLY ALL
9 CUSTOMERS. NOTICE THREE MONTHS 2024, OCTOBER, NOVEMBER, AND
10 DECEMBER ARE HIGHER THAN THE PREVIOUS YEAR DUE TO THE INCREASE
11 IN NUMBERS OF METERS. RIGHT? USAGE IN DECEMBER 2024 IS
12 APPROXIMATELY 98,000 M BTU, AND THIS IS ALMOST THE HIGHEST I
13 WANT TO SAY EVER, IN OUR PROGRAM, DUE TO INCREASE IN OUR
14 MEMBERSHIP. OKAY. THE RATIO, THE RATIO IN '24 TO '23 IN THESE
15 THREE MONTHS, OCTOBER, NOVEMBER, AND DECEMBER, OCTOBER WAS
16 HIGHER BY 24% FROM THE PREVIOUS YEAR, NOVEMBER, 48% FROM THE
17 PREVIOUS YEAR, DECEMBER IS 35% HIGHER THAN THE PREVIOUS YEAR.
18 AVERAGE IS 36% FROM THE PREVIOUS YEAR AND 10% FROM 2023. --
19 2022. SORRY. BASICALLY, LAST YEAR WE HAD THE LOW VOLUME, RIGHT
20 NOW WE'RE INCREASING IT. THIS -- WHY I LIKE THIS CHART, AS I
21 SAID THIS IS A VERY IMPORTANT CHART IT SHOWS GROWTH OF THE
22 PROGRAM THE MORE WE HAVE USAGE SPECIFICALLY THE PROGRAM IS
23 GROWING THE MORE WE HAVE METERS AND WE SERVE MORE COMMUNITY
24 BASICALLY. RIGHT? THE SECOND THE HIGHER AMOUNT HIGHER VOLUME
25 WE HAVE BARGAINING POWER, WE CAN HAVE WHEN YOU PURCHASE GAS. I

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1 MEAN, I CAME FROM GENERAL SERVICES, I MENTIONED THAT SOME OF
2 YOU -- 100,000 -- I MEAN, THIS IS 100,000 -- 100,000, THIS IS
3 ONE OF THE USAGE PER MONTH. THIS IS VERY EXTREMELY LOW. I
4 MEAN, OUR PROGRAM IS BIG BUT COMPARING TO WHAT WE HAVE, AND I
5 SAW THE PRICES, THE REASON I MENTIONING THAT IS BECAUSE I SAW
6 THE PRICES WHEN WE GET IN LAST YEAR, IN DGS, THEY REALLY
7 PREFER, REALLY LIKE BIG VOLUME ALL TRADERS LIKE TO SEE BIG
8 VOLUME THAT'S MORE MONEY FOR THEM BECAUSE THE PRICE OF NATURAL
9 GAS COSTS SOMETIMES FIVE DECIMAL POINTS SO IF THE DIFFERENCE
10 IS JUST FIFTH DECIMAL POINT JUST EXTRA \$0.01 THEY HAVE TO KNOW
11 OF MONEY RIGHT SO THAT'S WHY THE BIGGER THE VOLUME THE BETTER
12 FOR US THE MORE WE GROW THE PROGRAM THE BETTER FOR US AND THIS
13 IS WHY WE RELY ON OUR MEMBERS TO SPREAD THE WORD ACTUALLY ONE
14 OF THE ESSENTIAL CUSTOMERS CONTACTED US, THEY KNOW ABOUT OUR
15 PROGRAM THROUGH ANOTHER CUSTOMER IN MONTEREY HE SAID WE HEARD
16 THIS CAN YOU GIVE US SOME INFORMATION ABOUT YOUR PROGRAM CAN
17 WE DO SOME ANALYSIS AND THAT'S WHO I'M TALKING TO AND
18 HOPEFULLY THEY WILL JOIN OUR PROGRAM WE COME TO NEW TO SPREAD
19 THE WORD.

20

21 **SPEAKER:** WOULD THERE BE AN ESTIMATE ON ECONOMIC IMPACT ON COST
22 AS OUR PURCHASING POWER GOES UP OR AS FAR AS THE AMOUNT OF GAS
23 THAT WE PURCHASE?

24

25 **EYAS ABDEEN:** THE ECONOMIC.

21

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1

2 **SPEAKER:** YEAH. IF WE DOUBLE WHAT IS THAT, YOU KNOW IN TERMS OF
3 OUR BARGAINING POWER TO DRIVE DOWN COST OF COST IS THERE ANY
4 KIND OF WAY TO ESTIMATE, YOU KNOW, TO UNDERSTAND KIND OF LIKE
5 MILESTONES, YOU KNOW THAT, WE COULD ACHIEVE TO THEN DRIVE COST
6 OVERALL COST DOWN?

7

8 **EYAS ABDEEN:** THERE IS CERTAINLY SOME ADVANTAGE TO HIGHER
9 VOLUME BUT YOU CANNOT BUY SO MUCH FOR SEVERAL REASONS. ONE,
10 THERE IS BORDER PRICING. AND THERE IS SYNDICATE PRICING. OKAY.
11 WE WANT TO BUY THAT BORDER PRICE. WE HAVE TO HAVE CAPACITY TO
12 BE ABLE TO TRY TO TRANSFER IT FROM THE BORDER ALL THE WAY TO
13 THE CITY. AND THAT'S WHERE CAPITALIZE ON RIGHT NOW THAT BRINGS
14 THE PRICES, MAKES THE PRICES VERY, VERY ADVANTAGEOUS WHEN WE
15 HAVE HIGH CAPACITY. THE CAPACITY IS CONTROLLED BY THE UTILITY.
16 IF THEY SEE YOU HAVE HIGH USAGE THEY SAY YOU KNOW YOU COULD
17 ALLOCATE THIS MUCH FOR YOU WANT TO BID ON IT YOU COULD TAKE
18 THE WHOLE CAPACITY OR IS IT PART OF THAT CAPACITY WE ALWAYS
19 BUY, I MEAN WHATEVER WE BUY CURRENTLY WE BUY THE WHOLE
20 CAPACITY BECAUSE THAT'S SOMETHING YOU COULD ALWAYS UTILIZE TO
21 BRING THE PRICE OF GAS RIGHT NOW WE DON'T HAVE THE CAPACITY WE
22 CAN AVOID WHERE.

23

24 **CINDY CHAVEZ:** CAT OR WE COULD BUY IT AT THE BORDER BUT THE
25 PRICE OF DELIVERY FROM THE BORDER TO THE CITYGATE CAN BE VERY

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1 HIGH SO THAT'S A PROBLEM THAT'S LIMITATION THAT'S YET SECOND
2 LIMITATION IS OUR STORAGE CAPACITY WE COULD BUY A LOT WE COULD
3 SEE OPPORTUNITY WE COULD SAY IN TWO OR THREE YEARS FIVE YEARS
4 THERE'S PRICES ARE AMAZING YOU SHOULD BUY MORE AND STORE IT
5 RIGHT BUT WE PAY FOR THE STORAGE NOT FREE RIGHT THAT'S FLAT
6 FEE WE HAVE TO PAY THIS ON THE AMOUNT WHETHER WE HAVE
7 SOMETHING IN IT OR WE DON'T WE'RE STILL GOING TO PAY FOR IT
8 THAT'S WHY WE HAVE TO CALCULATE THE COST OF THE STORAGE SO
9 THIS DRIVES ALWAYS THOSE VARIABLES ALWAYS TAKEN INTO ACCOUNT
10 HOW MUCH IT'S GOING TO DRIVE PRICES UP, RIGHT CURRENTLY WE'RE
11 GOING THROUGH THE SHORT-TERM STRATEGY THAT'S BEEN IMPLEMENTED
12 A WHILE BACK I'M STILL FOLLOWING IT BUT WE CAN GO FOR LONGER
13 TERMS OF PURCHASING SMALLER VOLUME OVER SEVERAL YEARS KEEPING
14 IT THERE UNTIL WE KEEP ALWAYS ADD TO IT THAT'S MORE OF A
15 HEDGING KIND OF STRATEGY.

16

17 **SPEAKER:** I APPRECIATE THE COMPLEXITY AND DETAILED RESPONSE I
18 THINK WHAT I'M INTERESTED IN, IN MAYBE THE FUTURE, THINKING
19 ABOUT HOW CUSTOMER USAGE IN THE PROGRAM BASED ON LET'S SAY THE
20 AVERAGE MEETING CONSUMPTION, HOW THAT CREATES OUR PRESSURE
21 OVERALL ON PRICE, AS OUR PROGRAM GROWS. I MEAN, YOUR POINT ON
22 THIS SLIDE IS IT'S GOOD FOR OUR PROGRAM TO GROW I'M THINKING
23 WHAT'S THE MATH ON THAT.

24

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1 **SPEAKER:** PARTIALLY GETS TO THE INCENTIVE THAT ALL OF Y'ALL
2 HAVE HEARD SPREAD THE WORD EVERYONE CONNECTED TO THE PROGRAM
3 HAS TO TRY TO IMPROVE.

4

5 **SPEAKER:** I THINK THE 1A ANALOGY I WANT TO SHARE, IN THE
6 CURRENT COMPLEXITY IF I GET A RAISE RIGHT NOW I MIGHT GO INTO
7 A HIGHER TAX BRACKET THAT NEGATES THAT RATE. I'M SURE THERE IS
8 SOME PARALLEL HERE.

9

10 **EYAS ABDEEN:** SURE. I WANT TO BE IN THE HIGHER TAX BRACKET
11 [LAUGHTER] ANYWAY. I UNDERSTAND EXACTLY. WHAT YOU'RE TALKING
12 ABOUT, BUT LET ME TELL YOU FROM AS CONSUMERS WE ARE MARKETERS
13 RIGHT NOW THE DATA WE HAVE IS LIMITED. THE DATA IS PUBLISHED,
14 EVERYBODY HAS THE DATA, THE ONE WHO CONTROL THE PRICING IS THE
15 SUPPLIER. THAT'S WHY WE HAVE MANY SUPPLIERS, AND WE SYNDICATE,
16 IS THE SUPPLIER IT DEPENDS HOW THE SUPPLIER WILL SEE US IS IT
17 VALUABLE FOR THEM BASED ON THE CONTRACT OR NOT AND THAT'S THE
18 PROBLEM SOMETIMES I SEE DIFFERENCE TESTING AND SOMETIMES THERE
19 IS \$0.15 PER UNIT DIFFERENCE FROM ONE SUPPLIER, SO SOME OF
20 THEM HAVE DIFFERENT MODELS DEPEND. BUT DO I GO LOOKING AT THE
21 DATA SAYING DATA IS GIVING ME TODAY IS GOOD OPPORTUNITY TO
22 MAYBE BUY FOR CERTAIN THINGS AND I'M EXPECTING IT'S GOING TO
23 BE AROUND THAT AMOUNT AND WE'LL SEE HOW MUCH THE SUPPLIERS ARE
24 GETTING SOMETIMES WE DO NOT ACCEPT EVEN THOUGH WE'RE ASKING
25 FOR CONTRACT IN THE CONTRACT BUT THAT'S THE PRICES ARE NOT OUR

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1 FAVOR, SO WE SENT ANOTHER REQUEST A DAY OR WEEK LATER SO TO
2 YOUR POINT EXACTLY IF THE VOLUME DOUBLED HOW MUCH IT'S GOING
3 TO BRING THE GAS PRICE DOWN THAT'S SOMETHING THAT CANNOT
4 CONTROL BUT CAN TELL YOU ROUGHLY FROM MY EXPERIENCE FROM WHAT
5 I SAW.

6

7 **SPEAKER:** YES.

8

9 **EYAS ABDEEN:** 10% PER THERE RIGHT SO THAT'S GREAT THEN THAT'S A
10 LOT I MEAN ONE OF THE SUPPLIERS THAT'S WHEN I FIRST STARTED
11 HERE WE USED TO SEND THEM THIS, YOU CAN SEND US THEY DID NOT
12 SUPPLY I MEAN CALLED THEM BECAUSE I HAVE CONNECTION WITH THEM
13 WHEN I WAS WORKING WITH, [INDISCERNIBLE] HOW COME YOU ARE NOT
14 SUPPLYING SO YOU GUYS ARE TOO SMALL THAT'S THE BOTTOM LINE
15 THEY SAID WE'RE TOO SMALL BUT WE'RE GROWING AND YOU WORKED
16 WITH US IN THE DDS AND HOPEFULLY WE'LL BECOME COMPETING WITH
17 DGS SINCE THEN THEY START TODAY PRICES SOMETIMES OKAY BUT NOT
18 THE BEST BECAUSE THEY WANT TO ADD MORE ON THE PRICE. ALL
19 RIGHT. NEXT SLIDE. THIS SLIDE YOU SEE IN THE PAST THIS IS
20 BASICALLY COMMODITY RATE THAT WE CHARGE FOR CUSTOMER PASS
21 THROUGH TO THE CUSTOMERS AND MEMBERS THIS IS 2019 ALL THE WAY
22 TO 9699 WAS 371 IN 2019 ALL THE WAY TO 9690 CURRENTLY. THIS IS
23 FLAT RATE ONE IN THE MIDDLE LAST YEAR GO UP ABOUT \$9, BUT
24 RIGHT NOW IT BECAME 7.775 IT'S BECAUSE WE DID THE TWO OFF AND
25 SENT CREDIT TO THE MAJORITY OF OUR CUSTOMERS THAT TELLS YOU WE

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1 HAVE WHAT WE CALL LEVELIZED CHARGE. NEXT SLIDE. RIGHT THIS IS
2 COST, WINTER STRIP AND SUMMER STRIP UP IN WINTER BELOW IN
3 SUMMER. HERE IN THE BEGINNING, YOU SEE IN THE END OF 2022 AND
4 BEGINNING OF 2023 YOU SEE PRICE IS HIGHER HOWEVER OUR VOLUME
5 WAS LOW THAT'S STILL VERY HIGH THAT'S I WAS TALKING ABOUT THE
6 PRICE OF GAS EXTREMELY HIGH THIS IS PRICE PER MONTH WHAT WE
7 COLLECT OF THE PRICE OF GAS COLLECTING EVERY SINGLE MONTH. YOU
8 SEE IN THE -- OKAY, THE AVERAGE COST OF THE GAS FOR 2022,
9 2023, IS ABOUT \$14 MILLION PER MONTH FOR LAST YEAR, 2023,
10 2024, ABOUT 10.5 MILLION PER MONTH. CURRENTLY BECAUSE WE ONLY
11 HAVE SIX MONTHS FOR THIS FISCAL YEAR THE AVERAGE PER MONTH IS
12 6 MILLION. BUT KEEP IN MIND LOOK AT THE LAST TWO BARS. THE
13 LAST TWO BARS ARE ALMOST IDENTICAL, JUST EXTREMELY IDENTICAL.
14 IT'S ABOUT 17, \$1.7 MILLION FOR EACH MONTH. IT'S ALMOST
15 EXACTLY THE SAME. HOWEVER, DECEMBER, IF YOU RECALL DECEMBER IN
16 THE VOLUME, DECEMBER WAS HIGHER, HIGHER BY 18% THEN NOVEMBER
17 IN TERMS OF VOLUME, THAT TELLS YOU WE BOUGHT, WE HAD BETTER
18 BUY-IN DECEMBER, OUR PRICES WERE GOOD IN DECEMBER. SO THIS IS
19 GOOD AND HOPEFULLY WE WILL CONTINUE SEEING GREAT PRICING GOING
20 INTO JANUARY AND FEBRUARY, AS WELL. OKAY. AND I ALWAYS
21 CAPITALIZE, I SAY FACTORS THAT HELP US BUY-IN DECEMBER, OR
22 HAVE PRICES IN DECEMBER, SEVERAL FACTORS. ONE OF THEM IS
23 MONITORING THE MARKET, BUYING WHENEVER WE FEEL LIKE THERE IS
24 AN OPPORTUNITY. RIGHT? SECOND IS UTILIZING CAPACITY, AS I WAS
25 TALKING ABOUT WE HAD IT FULLY WE USED IT FULLY, COMPLETELY, SO

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1 THE PRICES WERE LOWER AND THE THIRD ONE IS UTILIZING THE
2 STORAGE SO WE HAD GOOD AMOUNT OF VOLUME GAS IN THE STORAGE
3 UTILIZED IN DECEMBER AND WE BOUGHT THAT STORAGE, WE BOUGHT
4 THAT IN SUMMER. AND NOW WE UTILIZE IN WINTER THAT'S WHY THE
5 PRICE OF GAS WAS GOOD IN DECEMBER. NEXT SLIDE PLEASE. HERE IS
6 THE STORAGE. THE STORAGE -- THIS IS FOR YEAR, FROM APRIL LAST
7 YEAR, ALL THE WAY TO MARCH, THIS MARCH. OKAY. AND YOU SEE IT
8 IN APRIL, SMALL VOLUME, AND IT'S GROWING AND GROWING, ALL THE
9 WAY TO PEAK IN OCTOBER. IF YOU RECALL THE STORAGE REPORT I
10 SHOW YOU ALWAYS PEAK IN OCTOBER, NOVEMBER, OCTOBER, THEN WE
11 START USING IT AND MAJORITY OF IT AND STORE SOME OF IT AND
12 THAT'S WHY WE CAPTURE SOME OF THE MONEY AND WE USE THE
13 MAJORITY OF IT AND OUR PRICES WERE AMAZING IN DECEMBER JUST
14 BECAUSE OF THE STORAGE, WE PAY A LOT FOR THE STORAGE BUT IF WE
15 UTILIZE IT CORRECTLY, IT'S LIKE A GOLDMINE. AND THAT'S WHY
16 EVERYBODY IS REQUIRED TO HAVE STORAGE, I MEAN MARKETERS LIKE
17 US ARE REQUIRED TO HAVE STORAGE SPECIFIC AMOUNT THEY CONTROL
18 WHAT'S MINIMUM OF STORAGE THAT YOU HAVE TO HAVE AND IT'S
19 SOMETHING WE CAN --

20

21 **SPEAKER:** THEY CONTROL THE MAXIMUM TOO, RIGHT?

22

23 **EYAS ABDEEN:** THEY CONTROL MINIMUM WHY WE WANT TO MAKE SURE YOU
24 HAVE THE GAS WHY IS THAT? BECAUSE IF YOU DEFAULT LET'S SAY WE
25 DEFAULT GOD FORBID WE DEFAULT ON PROVIDING GAS TO OUR

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1 CUSTOMERS RESPONSIBILITY IS JUMP IN AND PROVIDE THE GUYS THEY
2 ARE NOT GOING TO SHUT YOU DOWN THEY ARE GOING TO CUT YOU OFF,
3 RIGHT? YOU HAVE TO HAVE GAS BUT THEY CAN GO TO OUR STORAGE
4 BECAUSE THEY HAVE ACCESS TO OUR STORAGE GIVE TO US THAT'S WHY
5 THEY LOOK AT IT FROM THIS PERSPECTIVE THAT'S WHY THEY SAID
6 THIS IS THE MINIMUM.

7

8 **CHAIR, DOUG WILLIAMS:** WE STILL COULD BY HIGHER AMOUNT AND SELL
9 MORE? SELLING IT BACK DURING PEAK TIMES.

10

11 **EYAS ABDEEN:** THAT'S WHY WE DID THIS IN DECEMBER, JANUARY, YES
12 WE GENERATED EXCELLENT THE WAY YOU SELL IT OKAY IT'S NOT LIKE
13 HEY YOU GO SELL IT BECAUSE WE HAVE ACCESS GO SELL IT THAT WAY
14 IT SHOULD BE YOU BUY AND SELL IN THE SAME TIME THIS IS CONTROL
15 THE RISK ONCE YOU SEE ARBITRAGE OPPORTUNITY IN TERMS OF BUYING
16 LOWER THAN SELLING. RIGHT? YOU DO THE TRANSACTION ON THE SAME
17 TIME IMMEDIATELY YOU SAY THIS IS WHAT I WANT TO BUY THIS IS
18 WHAT I DO WITH THE SUPPLIER AND START GETTING THE MONEY FROM
19 THE GAS FROM YOU. ONE THING WE'RE LOOKING AT NEXT SLIDE THE
20 PIPELINE CAPACITY LOOK AT THE PIPELINE LET'S LOOK AT THE ONE
21 ON THE RIGHT THIS IS CALIFORNIA ONE COMING ALL THE WAY FROM
22 THE NORTH THIS IS RIDGE WOOD WE CALL IT FROM THE NORTH REFER
23 TO IT AS, WE HAVE CAPACITY THE PIPELINE LEFT SIDE YOU SEE
24 SEVERAL STEPS YOU SEE THE FOOTHILLS THIS IS COMING FROM CANADA
25 THAT'S WHERE WE HAVE CAPACITY AND WE IMPORTED FROM CANADA AND

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1 YOU SEE THE RED LINE AND COMES ALL THE WAY TO MILAN AND ON THE
2 BORDER OF OREGON AND CALIFORNIA AND COMES DOWN TO THE REDWOOD
3 ALL THE WAY TO THE SYNDICATE AND THAT'S OURS WE HAVE CAPACITY
4 IN ALL OF OUR, IT'S IMPORTANT PURPOSE REDUCING THE COST,
5 KINDER MORGAN COMES FROM THE NORTHEAST SIDE OF THE UNITED
6 STATES ALL THE WAY TO LOUISIANA BUT WE NEED THAT CAPACITY
7 BECAUSE THAT'S WHY CAPACITY THERE BECAUSE THAT FEEDBACK AND
8 THAT'S GOING TO COME FROM SOUTHERN CALIFORNIA. PG&E IS SOUTH
9 COME FROM BAHAMAS, THE GREEN LINE, IS SOMETIMES HAVE NOT HIGH
10 DEMAND WHERE THE PRICES ARE GREAT, [INDISCERNIBLE] COULD
11 ALWAYS BUY FROM, WE NEED THAT CAPACITY, FEEDS THE PIPELINES,
12 KINDER MORGAN AND WE LOOK AT THE CONTRACT THERE AND CAN GET
13 [INDISCERNIBLE] ON THERE. RIGHT. NEXT SLIDE PLEASE. WE'RE
14 GOING TO TALK ABOUT STRATEGIC PLANNING REALLY QUICKLY. BUT IF
15 YOU HAVE ANY QUESTIONS ON THE PROGRAM OVERVIEW? EVERYBODY'S
16 HUNGRY. [LAUGHTER]

17

18 **SPEAKER:** [INDISCERNIBLE] [OFF-MIC INDISCERNIBLE]

19

20 **EYAS ABDEEN:** OKAY. WE HAVE A FEW SLIDES BUT STOP ME ANY TIME
21 AND WE CAN TALK, DISCUSS ANYTHING YOU WANT TO. NEXT SLIDE
22 PLEASE. ALL RIGHT. THIS IS -- THIS STRATEGIC PLAN, WE HAVE
23 CURRENTLY, WHEN WE HAVE, THE CURRENT STATE WE HAVE IS
24 RENEWABLE NATURAL GAS PROGRAM HAS FORMED AND WE ONLY HAVE ONE
25 CUSTOMER. AND THIS STUDY WAS DONE IN 2021, END OF 2021. THERE

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1 WERE A LOT WORK PUT IN BEHIND THE SCENES CONSULTANTS AND
2 MEMBERS, COLLABORATION WITH TEAM MEMBERS AND STAFF. IT HAS A
3 LOT OF GREAT IDEAS GREAT GUIDELINES THERE. THE ISSUE WAS NOT
4 IMPLEMENTED OR THE LIMITATION WAS DUE TO MAINLY BANDWIDTH AND
5 LIMITED CAPACITY, STAFF CAPACITY. THIS WAS BEFORE WE CHANGE
6 ANYTHING IN THE STRATEGIC PLAN, WE CAN, WHEN MY SUGGESTION, WE
7 MOVE THE TIMELINE, YOU SEE THE TIMELINE IS SUPPOSED TO START
8 FROM Q22, WE CAN START THIS FROM Q25 AND GOING FORWARD. SO
9 BASICALLY WE'RE CHANGING Q22 TO Q25, THEN Q4 TO Q25 AND GO
10 FORWARD WE'RE TRYING TO IMPLEMENTING IT AND TRYING TO MITIGATE
11 THE LIMITATION THE CHALLENGE WE HAD IN THE PROGRAM IN THE PAST
12 COUPLE OF YEARS AND HOPEFULLY WE'LL CHIEF THIS EVERY SINGLE
13 WEEK IN MEETING AND YOU'RE GOING TO HEAR UPDATE ABOUT WHEN
14 WE'RE DOING HERE WITH AND PROGRAMMING AND RENEWABLE ENERGY AND
15 HOW WE'RE PROVIDING OUR MEMBERS WITH GREAT SERVICE. OKAY? NEXT
16 SLIDE PLEASE. PROGRESS UPDATE. THIS IS -- NEXT SLIDE PLEASE.
17 THIS PROGRESS UPDATE, WHEN STARTED, BY THE WAY, I HAVE BEEN
18 HERE FOR FOUR MONTHS, FIVE MONTHS, ALMOST SIX, THIS INTERNAL
19 REVIEW ONE OF THE AREAS WE WANT TO WORK ON AND HOPEFULLY WILL
20 ACHIEVE VERY SOON IS UPDATING OUR STANDARD OPERATING
21 PROCEDURES. IT'S SOMETHING VERY IMPORTANT IT'S GOOD TO HAVE
22 IT, IT'S TEDIOUS BUT SOMETHING THAT'S VERY IMPORTANT TO HAVE.
23 WE ABSOLUTELY HAVE TO LOOK INTO UPDATING IT EVERY YEAR OR
24 EVERY COUPLE OF YEARS SO WE'RE NOT FALLING BEHIND SECOND IS
25 IMPROVING MEMBER USAGE REPORT. ONE OF THE THINGS IF YOU REVIEW

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1 YOUR GPA AGREEMENT, IT TELLS YOU THERE WITHIN TEN DAYS IF THIS
2 IS CHANGES IN USAGE IN TEN DAYS YOU SHOULD NOT APPLY TO US, SO
3 WE CAN'T TAKE THAT INTO ACCOUNT IT'S NOT BEEN PRACTICE WE CAN
4 REACH OUT TO OUR MEMBERS TOO OFTEN TO PRACTICE THIS AND START
5 GIVING US MORE UPDATES ABOUT THE REUTERS WHY BECAUSE WE NEED
6 TO BALANCE THE PIPELINE THERE IS TOLERANCE SPENT AND WE'RE
7 CONSTANTLY EVERY SINGLE DAY WITH PG&E BALANCE THEN WE HAVE 5%
8 IF WE GO ABOVE 5% END OF THE MONTH OR BELOW THERE IS PENALTY
9 LUCKILY THERE IS NO PENALTY BECAUSE WE DON'T BUY SOMETHING WE
10 HAVE TO BALANCE THE LOAD EVERY SINGLE DAY AND WE HAVE
11 CONTRACTOR WHO WORKS ON THIS AND THE MONITOR 24 HOURS, 24/7,
12 ALL RIGHT? IMPROVING, ONE OF THE THINGS WE DID IMPROVING
13 MONTHLY QUARTERLY GOVERNMENT REPORT THIS IS SOMETHING WE DID
14 IMPROVE THE REPORT EVERY MONTH WE REPORT TO FEDERAL AGENCIES
15 AS WELL AS CANADIAN AGENCIES WE BOUGHT AND IMPORTED AND
16 EXPORTED SOMETHING WE ALWAYS REPORT TO CEC, CALIFORNIA ENERGY
17 COMMISSION WE WILL REPORT QUARTERLY HOW MUCH WE PROVIDED HOW
18 MUCH WE BOUGHT HOW MUCH WE PROVIDED CUSTOMERS AND HOW MUCH
19 VOLUME AND HOW MUCH COST WE GO BY COUNTRIES IT'S VERY TEDIOUS
20 REPORT TO DO THEY REQUEST EVERY QUARTER WEAVER HAVE TO DO THIS
21 WE IMPROVE THESE REPORTS AND MUCH EASIER THAN BEFORE WE DID
22 ALSO ASSESSING CONSULTANT WE TERMINATED ONE OF THE CONSULTANT
23 SERVICES, ADVISORS IT WAS \$10,000 PER MONTH WE TERMINATED IT
24 IT'S JUST THE VALUE THEY BRING IS GREAT VALUE BUT CAN'T DO
25 EVERYTHING THEY BRING STUFF -- NO NEED FOR US TO SPEND THE

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1 MONEY WE TERMINATED DECEMBER 1ST. SORRY. JANUARY 31ST. ALL
2 RIGHT, WE REACH OUT TO SPUR AND HAD SO MANY MEMBERS WE GOT
3 ONLY 16 MEMBERS FROM THERE WE REACHED OUT TO THE REST AND
4 THERE ARE TWO POTENTIAL MEMBERS FROM THOSE LISTS AND HOPEFULLY
5 WE ADD IT TO OUR PROGRAM BY THE END OF THIS YEAR. ALL RIGHT.
6 THE AREAS UPDATE HERE MANAGING VOLATILITY MARKET VOLATILITY
7 YOU HEARD ME SEVERAL TIMES TALKING ABOUT THESE ITEMS
8 MAXIMIZING PIPELINE CAPACITY MAXIMIZING BENEFITS OF THE
9 STORAGE AND NUMBER OF SUPPLIERS WE'RE TRYING TO ADD MORE
10 SUPPLIERS MORE SO WE GET COMPETITIVE PRICING AND THAT'S
11 SOMETHING THAT'S GOING TO BE ONGOING. STAFF HAVE FINALIZED THE
12 TWO UP FOR LAST YEAR AND PLUS CENT IT TO ALL MEMBERS JANUARY,
13 IT WAS ABOUT ONE POINT, I CAN'T REMEMBER 1.6 MILLION CREDITS
14 WE CREATED EVERYBODY AND SEND THEM SOME OF THEM DID NOT
15 RECEIVE A CREDIT BECAUSE THEY WERE LOWER RATE BUT THEY DID NOT
16 HAVE THE CORRECT VOLUME THEY SPENT MORE SO THERE WAS SOME
17 CHARGES THERE AND THE THING IS WE'RE WORKING CURRENTLY ON THE
18 BUDGET FOR NEXT YEAR AND YOU WILL SEE IT IN THE EXECUTIVE
19 COMMITTEE MEETING TO APPROVE FOR AND WE'LL ASK FOR MORE
20 ENGAGEMENT WITH OUR MEMBERS AND QUARTERLY FOR THE PROJECTIONS
21 SPECIFICALLY BECAUSE WE NEED GREAT PROJECTIONS. I'M REACHING
22 OUT TO SPUR MEMBERS

23

24 **SPEAKER:** THE NEEDING TO BE KIND OF FRONT AND CENTER IN THE
25 REFLECTED STRATEGIC PLAN I'M CURIOUS ABOUT WHAT IS OUR VALUE

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1 PROPOSITION KIND OF IN ITS FULL SPECTRUM AND MY UNDERSTANDING
2 IS THAT WHEN THE PROGRAM STARTED THE COMMODITY PRICE WAS
3 LARGER PORTION OF THE COST OF NATURAL GAS AND NOW THAT'S
4 FLIPPED WITH DISTRIBUTION TRANSMISSION DISTRIBUTION IN
5 REPRESENTING A LARGER PORTION OF THAT AND THAT'S WHAT WE CAN'T
6 -- WE CAN'T AFFECT AS MUCH INFLUENCE OVER THE TOTAL COST
7 BECAUSE THAT PORTION OF THE SUPPLY IS LESS. SO I'M WONDERING,
8 LIKE, IN CERTAIN TIMES WE'RE PAYING MORE THAN, YOU KNOW, WHAT
9 WE COULD GET OTHER PLACES, RIGHT? FROM THE UTILITY, WHAT'S THE
10 VALUE PROPOSITION KIND OF OVER TIME, RIGHT? THERE IS VALUE IN
11 STICKING WITH THE PROGRAM BECAUSE X, Y, Z, THAT'S WHAT I'M
12 CURIOUS ABOUT, FLUSHING THAT OUT. I'M SURE. AND OF COURSE
13 TYING IT BACK TO KIND OF THE STRATEGIC PLAN AND WHAT WE'RE
14 DOING IN THE CONTEXT OF CLIMATE CHANGE. AND HOW -- WHAT'S THE
15 END GOAL HERE? WHERE ARE WE AT IN 20 YEARS, RIGHT? SO, THAT'S
16 --

17

18 **EYAS ABDEEN:** VERY GOOD. LET ME ADDRESS A COUPLE OF THINGS. THE
19 STRATEGIC PLAN DOES NOT TOUCH ON THE GROWTH OF THE PROGRAM, AS
20 HOW WE CAN BECOME RENEWABLE. GREENER, BUT IN TERMS OF VALUE
21 PROVIDE TO OUR MEMBERS THIS'S THE 50 QUESTION EVERYBODY CAN
22 ASK BUT NOW FOR YOU WHY YOU'RE STILL WITH ABAG POWER I'M GOING
23 TO SAY IT FIRST ANALYSIS WE CAN SEE THIS IS SOMETHING NOT
24 EVERYBODY CAN PROVIDE DOES NOT PROVIDE NOT EVEN TO THE PUBLIC
25 SECTOR, A PRIVATE BENEFITS, COST ANALYSIS SOMETHING WE DO FOR

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1 YOU IN OUR OFFICE. BEFORE I CAME TO THIS, JOINED THIS PROGRAM,
2 I WAS PART OF COUNTY OF SANTA CLARA AND I DID THIS ANALYSIS
3 BECAUSE WE HAVE SO MANY PRIVATE [LAUGHTER] PRIVATE SUPPLIERS
4 WHO WANT TO TAKE OUR BUSINESS. WE'LL SAY, OKAY, SPUR IS GOING
5 OUT OF BUSINESS, ABAG IS VERY EXPENSIVE. YOU CAN DO THIS? ABAG
6 WAS HIGHEST PRICING, SOME OF THEM WERE HIGH, HERE IS THE
7 CAVEAT, BECAUSE MY EXPERIENCE IN NATURAL GAS, I --
8 [INDISCERNIBLE] SUPPLY GAS FOR FIVE YEARS? NO. THIS'S THE
9 QUESTION. CAN WE PROVIDE -- [INDISCERNIBLE] ON THE BORDER THE
10 ANSWER IS NO, THEY'RE ALWAYS GOING WITH THE SYNDICATE BECAUSE
11 THAT'S THE LEAST AMOUNT OF ADMINISTRATION THEY DO ON INCREASE
12 AMOUNT OF WORK SO THEY DON'T WANT TO PUT SO MUCH WORK ON THEIR
13 END SO THAT'S SOMETHING WE CAN ALWAYS BRAG ABOUT WE'RE BUYING,
14 WE HAVE CAPACITY WE HAVE STORAGE WE LOOK AT IT LIKE WE'RE BIG
15 GUYS WE'RE DOING IT VERY WELL AS THE INDUSTRY HOW THE INDUSTRY
16 IS DOING THE PRICING MIGHT FLUCTUATE OF COURSE, AND THAT'S
17 SOMETHING I ANTICIPATE ON WHERE OUR STATE IS I MEAN PUBLIC
18 AGENCY WE'RE LIKE BROTHERS SISTERS WE ARE NOT WE DON'T HAVE
19 MARK UP PRICING WHEN YOU GO TO, OTHER ONES HAVE MARK UP ON
20 THAT I NEED TO SEE ALWAYS TRY TO SELL DIFFERENT INSTRUMENTS
21 BECAUSE THEY MAKE MORE MONEY ON IT THIS IS OKAY WE'LL PUT THE
22 FLOOR YOU'RE NOT GOING TO GO ABOVE YOU'RE GOING TO BE WITHIN
23 THAT CHUNK THAT'S EXACTLY WHAT YOU'RE DOING IN TERMS FOR THE
24 CUSTOMERS THE WHOLE POOL TO CATER FOR ONE CUSTER SO THEY SELL
25 IT TO SELL THAT THIS IS HONESTLY WHAT I WAS TELLING YOU.

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1

2 **SPEAKER:** I APPRECIATE BEING ABLE TO COMMUNICATE CLEARLY TO THE
3 EXISTING MEMBERSHIP AS WELL AS TO POTENTIAL FUTURE MEMBERS
4 AROUND JUST BEING REALLY CRYSTAL CLEAR VALUE PROPOSITION,
5 THREE THINGS THAT'S WHY WE'RE BETTER AND JUST FOR RETENTION AS
6 FAR AS ATTRACTING NEW CUSTOMERS.

7

8 **CHAIR, DOUG WILLIAMS:** IT'S THE SAME DIFFERENCE BETWEEN LOW BID
9 AND BEST VALUE.

10

11 **EYAS ABDEEN:** ONE THING IS, WHEN YOU HAVE A LEVELIZED CHARGE
12 YOU'RE NOT GOING TO SEE FLUCTUATION IN PRICING ALL AT ONCE,
13 RIGHT? AUTO NOT GOING TO AFFECT YOUR BUDGET, SOMETIMES YOU CAN
14 SAY I'M GOING TO PAY THE PRICE LATER ON. BUT IT'S BETTER FOR A
15 GOVERNMENT AGENCY TO -- [INDISCERNIBLE] WHEN THEY WORK WITH
16 THE DEPARTMENT OF GENERAL SERVICES WE WORK BEST MONTH BY MONTH
17 ACTUAL CHARGES THOSE TWO MONTHS WHEN I WAS TALKING ABOUT THE
18 PRICE WERE VERY HIGH, A LOT OF COMPLAINTS, WHY THE PRICE IS
19 TEN TIMES MORE THAN WHAT I PAID LAST MONTH BUT I HEAR WHAT
20 YOU'RE TRYING TO SAY ENGAGEMENT WITH NEW CUSTOMERS AND CURRENT
21 MEMBERS IS VERY IMPORTANT FOR US.

22

23 **SPEAKER:** DO YOU HAVE -- WOULD YOU BE ABLE TO SHARE FEEDBACK,
24 LIKE, AS YOU WORKED THROUGH THAT LIST OF, FOR MEMBERS IN TERMS
25 OF WHAT THEY'RE SAYING? I MEAN, NOT NECESSARILY RIGHT NOW. YOU

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1 SHARED A LITTLE BIT ALREADY. BUT THERE IS A SPECTRUM OF
2 COMFORT IN MOVING FORWARD, AND KIND OF WHAT ARE THE BOUNDS OF
3 THAT AND JUST TO UNDERSTAND.

4

5 **EYAS ABDEEN:** SURE. ONE THING IS THE MAJORITY --

6 [INDISCERNIBLE] SERIOUSLY. THAT'S COMMON. THE ONE --

7 [INDISCERNIBLE] THAT'S WHAT I ALWAYS LOVE -- [INDISCERNIBLE]

8 ENGAGE WITH, RIGHT? PEOPLE -- BACK WITH -- [INDISCERNIBLE]

9 SAFER, MOST HE THEY LOOK AT SAFE AND OTHERS SAY WE DON'T KNOW

10 MUCH ABOUT ABAG. THE THAT'S WHERE WE NEED TO TALK MORE ABOUT

11 HOW CAN WE SPED THE WORD ABOUT ABAG POWER, AND THE BENEFITS OF

12 THE PROGRAM, JOINING THE PROGRAM. YEAH. AND ONE OF THE -- I

13 WANT TO SAY, THE CAPITAL, THE CAPITAL, WHAT DO YOU CALL IT,

14 THE DEPOSIT -- THE CAPITAL FUND THAT WE REQUIRE FROM MEMBERS,

15 OFTEN THAT'S A HUGE HURDLE FOR THESE CUSTOMERS. RIGHT? BECAUSE

16 THAT'S A LOT. NOT EVERYBODY CAN AFFORD THIS. THIS IS USUALLY

17 SMALL DISTRICTS, THEY MIGHT THAT'S THINK A LOT, NOT GOING TO

18 BE ABLE TO INVEST. WE HAVE TO SEE IN THE FUTURE IF WE CAN --

19 FOR LAST TWO MONTHS RIGHT NOW IT'S THREE MONTHS WE'LL SEE HOW

20 WE CAN. NEXT SLIDE PLEASE. BEFORE I CONCLUDE HERE TODAY, I

21 HAVE TO ACKNOWLEDGE -- ACKNOWLEDGE CINDY CHEN. SERIOUSLY.

22 CINDY, I CAN'T DISH CAN'T SAY ENOUGH [LAUGHTER] HOW MUCH CINDY

23 REALLY HELPED ME IN THE TRANSITION. MADE IT VERY SEAMLESS AND

24 THIS IS THE RIGHT PERSON TO GO TO ALL THE TIME, HEY, CINDY HOW

25 CAN WE DO THIS, HOW CAN WE DO THAT. SHE HAS THE KNOWLEDGE AND

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1 WISDOM BEHIND IT AS WELL, AND REALLY APPRECIATE IT. I MEAN IT
2 THOROUGHLY, BEHIND THE SCENES AND IN FRONT OF YOU, I ALWAYS
3 APPRECIATE IT. THANK YOU SO MUCH. [APPLAUSE] LET'S NOT FORGET
4 OUR FEARLESS LEADER [LAUGHTER] I REALLY APPRECIATE HER
5 DIRECTION AND HER SUPPORT ALL THE TIME. SHE IS THE ONE I
6 ALWAYS PICK HER BRAIN, I THINK OUT LOUD, AND WHEN I NEED TO
7 TALK TO SOMEBODY JUST TO SEE WHAT THEY THINK, AND I REALLY
8 APPRECIATE JEN A LOT. THANK YOU [INDISCERNIBLE]. AND REALLY
9 APPRECIATE THE ENERGY TEAM, APPRECIATE ALL OF THE ENERGY TEAM,
10 THEY HAVE THE ENERGY, THE RIGHT ENERGY, THEY HAVE IT. OKAY?
11 [LAUGHTER] THEY ARE THE MOST PROFESSIONAL KNOWLEDGEABLE PEOPLE
12 EVER I WORK WITH, SO I APPRECIATE THAT, REALLY, THAT CULTURE,
13 AND THE ATMOSPHERE, VERY AMAZING. I REALLY ENJOY IT VERY, VERY
14 MUCH. HONESTLY, WHEN I WAS LAST WEEK IN MEXICO COME BACK, OF
15 COURSE, I GO I CAN'T WAIT TO COME TO WORK. NO SERIOUSLY. I
16 REALLY CAN'T WAIT TO COME TO WORK. REALLY, DRIVING FROM
17 SACRAMENTO I NEVER WOKE UP ONE DAY AND SAID I DON'T WANT TO
18 GO. I ENJOY ACKNOWLEDGE HERE I APPRECIATE THE DISCUSSION THANK
19 YOU. THANK YOU FOR ALL OF THAT THAT'S A REFLECTION OF THE
20 LEADERSHIP I DON'T HAVE TO RECOGNIZE EVERYBODY EVEN THOUGH
21 DANIEL IS WITH US, SO BUT EVERYBODY IS AMAZING. BECAUSE IT
22 GOES ALL THE WAY UP. THANK YOU SO MUCH, EVERYBODY. ANY
23 QUESTIONS?
24

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1 **CHAIR, DOUG WILLIAMS:** I WANT TO GO ON WHAT BRANDON WAS SAYING,
2 I THINK IT WOULD BE HELPFUL FOR US TO GO OVER WHAT THE TALKING
3 POINTS ARE WHEN DESCRIBING HOW IT IS A BETTER VALUE OVERALL
4 THAN JUST CHOOSING PG&E SO WE CAN HAVE THAT WHEN WE'RE TALKING
5 WITH OTHER MEMBERS, OR POTENTIAL --

6

7 **EYAS ABDEEN:** SURE. ONE THING WE HAVE TO DISTINGUISH, EACH
8 MEMBER'S POSITION IS DIFFERENT THAN OTHERS. IS SOME PEOPLE ARE
9 VERY SAVVY WHEN IT COMES TO ENERGY, AND SOME ARE JUST
10 ACCOUNTANTS AND LOOK AT THE DATA. RIGHT? SO BEFORE ENGAGEMENT
11 WE'RE GOING TO TALK ABOUT THE ACQUISITION, WHAT THEY DO HOW
12 LONG DO IT IN THAT POSITION SO I CAN UNDERSTAND MY AUDIENCE 50
13 BEFORE I COME TO THERE BUT ABSOLUTELY IF YOU WANT NEXT TIME I
14 WILL COUNT THE SLIDE TALKING ABOUT THE BOTTOM PART.

15

16 **CHAIR, DOUG WILLIAMS:** BECAUSE THERE IS VALUE IN THE MTA SIDE
17 WITH THAT BEING A MEMBER OF ABAG CORRECT?

18

19 **EYAS ABDEEN:** ABSOLUTELY THAT'S WHY WE HAVE KAREN HERE WE'RE
20 LOOKING AT THE WHAT THE POWER IS DOING WE CAN HELP OTHER
21 MEMBERS AND SAY WE PROVIDE THESE VALUES IF YOU RECALL DURING
22 OUR BOARD MEETING LAST BOARD MEETING TWO PEOPLE CAME UP AND
23 PRESENTED IT FROM THEIR END AND SAID OKAY THESE ARE OUR
24 PROGRAMS WE HAVE HOW CAN YOU BENEFIT FROM THIS AND WHEN THEY
25 DID THEIR WORKSHOP THE FIRST I CAN'T REMEMBER THE WORKSHOP IN

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1 AUGUST, WE SENT -- OUR SUPPLIES -- OR I MEAN OUR MEMBERS --

2 [INDISCERNIBLE]

3

4 **SPEAKER:** WE MIGHT WANT TO MAKE SURE -- AGENDAIZED ARE GETTING

5 A LITTLE BIT OFF THE AGENDA ITEM. JUST WANT TO BRING IT BACK.

6

7 **EYAS ABDEEN:** APPRECIATE IT. THANK YOU. I'M DONE FROM MY END.

8

9 **CHAIR, DOUG WILLIAMS:** IS THERE ANY COMMITTEE MEMBER THAT

10 WISHES TO PROVIDE AN UPDATE ON ITEMS WITHIN -- OH EXCUSE ME

11 SORRY. THE GETTING AHEAD OF MYSELF IT FEELS LIKE A MILLION

12 YEARS SINCE WE WERE IN THESE MEETINGS. [LAUGHTER] IS THERE ANY

13 DISCUSSION BY COMMITTEE MEMBERS ON THIS ITEM?

14

15 **SPEAKER:** I HAVE A QUESTION ABOUT THE PROCESS OF ENGAGING IN

16 THE STRATEGIC PLAN WORK, WHICH IS TO ADD THE EXECUTIVE

17 COMMITTEE AND ENGAGING WITH STAFF TO CONTRIBUTE AND PROVIDE,

18 YOU KNOW, FEEDBACK, AND WHAT NOT?

19

20 **EYAS ABDEEN:** FROM MY END, I WANT TO SAY, [INDISCERNIBLE]

21 BECAUSE OF THE BROWN ACT, I FEEL LIKE I HAVE TO UPDATE YOU ALL

22 THE TIME. BUT I WILL UPDATE YOU. BUT UPDATE THE COMMITTEE,

23 HOWEVER HOW WE CAN ENGAGE, GET THE COMMITTEE ENGAGED IN THIS

24 PLAN I'M NOT SURE IF THAT'S SOMETHING YOU CAN ADD TO IN TERMS

25 OF -- MAYBE ONE PERSON CAN GET ENGAGED MAYBE WITH ME, TELLING

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1 YOU WHAT WE'RE TRYING TO DO OR SOMETHING BUT NOT NECESSARILY
2 THE ENTIRE COMMITTEE THAT'S MY UNDERSTANDING.

3

4 **DANIEL SAVER:** FROM MY UNDERSTANDING I'M HEARING AN INTEREST.
5 RIGHT? LET US PUT OUR HEADS TOGETHER AND THINK ABOUT THE RIGHT
6 WAY OF LOOPING YOU ALL IN AS WE MOVE FORWARD THINKING ABOUT
7 THAT AND THINKING ABOUT PROJECT PLANNING AND TOUCH POINTS OR
8 MILESTONES. BUT I THINK IT WOULD BE GREAT TO GET Y'ALL'S INPUT
9 AND AS WE KIND OF START LOOKING AT THIS PROCESS, WE JUST WANT
10 TO THINK A LITTLE BIT ABOUT THAT AND MAYBE THAT'S SOMETHING WE
11 COULD BRING TO A FUTURE MEETING TO KIND OF LAY OUT OUR INITIAL
12 THINKING AND GET FEEDBACK.

13

14 **SPEAKER:** SOUNDS GOOD.

15

16 **CHAIR, DOUG WILLIAMS:** OKAY. IF THERE IS NO MORE DISCUSSION ON
17 THIS ITEM, IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO
18 GIVE PUBLIC COMMENT ON THIS ITEM?

19

20 **CLERK, CINDY CHEN:** NO COMMENTS FROM MEMBERS OF THE PUBLIC, IN
21 THE ROOM, OR ONLINE FOR THIS ITEM AND NO WRITTEN COMMENTS.

22

23 **CHAIR, DOUG WILLIAMS:** OKAY. NOW I CAN MOVE ON TO OTHER
24 BUSINESS. IS THERE ANY COMMITTEE MEMBER WHO WISHES TO PROVIDE
25 UPDATES ON ITEMS WITHIN MEMBER AGENCIES RELEVANT TO ABAG POWER

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1 OR THE ABAG MTC ENERGY PROGRAM? I DO NOT HAVE ANYTHING. SEEING
2 THERE IS NONE. WE'RE MOVING TO ADJOURNMENT. THE NEXT REGULAR
3 GOVERNMENT MEETING OF THE ABAG POWER EXECUTIVE COMMITTEE
4 MEETING SCHEDULED TO BE HELD THURSDAY APRIL 17TH, 2025. THIS
5 MEETING OF THE ABAG POWER EXECUTIVE COMMITTEE IS ADJOURNED.
6 THANK YOU EVERYBODY. [ADJOURNED]
7



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