

ABAG POWER

Executive Committee Meeting

Fiscal Year (FY) 2025-26 Proposed Operating Budget
June 17, 2025



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

ABAG POWER Overview

27th

Year of Operation (1998)

~2.43

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 2024-25 Highlights

- **Significant Program Growth:**
 - POWER program added 16 members (mostly school districts), increasing total membership to 52.
 - Manages 970 meters.
 - Potential new members.
- **Expanded the Natural Gas (NG) and the Renewable Natural Gas (RNG) Supplier Network:**
 - More suppliers and producers create competition, leading to better pricing and service for participants.
- **Improved Support Services:**
 - Enhanced resources and tools improved member satisfaction and program utilization.



FY 2025-26 Proposed Budget Considerations

- Mid-year Invoices will include the following items:
 - Levelized Charges
 - Gas commodity actual cost per therm
- The budget reflects the need for additional administrative resources to provide data analysis, enhanced billing, account management, and customer service to a growing membership and to support ongoing strategic plan implementation.



FY 2024-25 vs FY 2025-26

Cost of Energy and Operating Cost

	FY 2024-25	FY 2025-26	% Change
Core Gas Commodity (\$/therm):	\$ 0.686	\$ 0.590	-14%
PG&E Pass-through Costs (\$/therm):	\$ 1.220	\$ 1.700	39%
Program Expenses (\$/therm):	\$ 0.194	\$ 0.195	1%
Core Total Rate (\$/therm)*:	\$ 2.100	\$ 2.485	18%

* The 18% increase in the total rate resulted from the significant increase in PG&E pass-through costs, which are outside our direct control.



FY 2025-26 Proposed Budget Overview

	FY 2024-25 Adopted		FY 2025-26 Preliminary		\$ Change		% Change
Revenue							
Total Revenue	18,010,520		23,637,980		5,627,460		31%
Expense							
Cost of Energy	16,245,326		21,415,429		5,170,103		32%
Staff, Consultant, and Other Expenses	1,761,203		2,218,465		457,262		26%
Total Expense	18,006,529		23,633,894		5,627,365		31%
Operating Surplus/(Deficit)	3,991		4,086		95		2%
Core Total Rate (\$/therm)	2.100		2.485		0.39		18%



FY 2025-26 Proposed Budget Components

Overall

- The Fiscal Year (FY) 2025-26 proposed budget reflects only one minor change from the preliminary budget that was presented and discussed on April 17, 2025, which is in the staff cost, as the staff allocation increased

Revenue

- The proposed operating budget for FY 2025-26 is \$23.6 million, a 31% increase (\$5.6 million) over the FY 2024-25 budget of \$18.0 million. This increase reflects higher gas usage and a rise in transportation costs

Cost of Energy

- The gas commodity cost, encompassing transportation, shrinkage, and storage, will be \$5.90/Dth for core meters and \$4.58/Dth for non-core meters. This represents a 14% and 16% decrease, respectively, from the previous year

Staff, Consultant, and Other Expenses

- The proposed budget includes a \$457,000 increase in expenses from FY 2024-25: approximately \$215,000 (19%) for staff, \$220,000 (38%) for administrative support and consultant services, and \$22,000 (30%) for other expenses



FY 2025-26 Proposed Budget

Questions / Discussion

