



375 Beale Street  
Suite 700  
San Francisco, California

## Meeting Agenda - Final

### ABAG POWER Executive Committee

*Chair, Dave Brees, City of Los Altos*  
*Vice Chair, Angela Walton, City of Richmond*

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Wednesday, June 19, 2019

11:00 AM

Tamalpais CR 7102 - 7th Floor

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**ABAG Publicly Owned Energy Resources  
Executive Committee  
Meeting No. 2019-02**

The ABAG POWER Executive Committee may act on any item on the agenda.

The meeting is scheduled to begin at 11:00 a.m.

Agenda and roster available at <https://abag.ca.gov>

For information, contact Clerk of the Committee at (415) 820-7956.

**Roster**

Dave Brees, City of Los Altos  
Gilee Corral, City of Cupertino  
Diana Oyler, County of Contra Costa  
Dan Schoenholz, City of Fremont  
Chris Schroeder, City of Milpitas  
Angela Walton, City of Richmond  
Doug Williams, City of Santa Rosa

**1. Welcome and Introductions**

**2. Public Comments**

*Information*

**3. Approval of Summary Minutes of Executive Committee Meeting on February 20, 2019**

[19-0687](#)

Approval of Summary Minutes of Executive Committee Meeting on February 20, 2019

**Action:**

Approval

**Attachments:**

[Attachment 3A - Summary Minutes of 02202019-rj.pdf](#)

**4. Energy Program Manager's Report**

[19-0688](#)

Energy Program Manager's Report

**Action:**

Information

**Presenter:**

Jenny Berg

## 5. Appointment of ABAG POWER President

[19-0689](#)

Appointment of ABAG POWER President

Committee to appoint Brad Paul, Deputy Executive Director, Local Government Services, Metropolitan Transportation Commission, as ABAG POWER President.

**Action:**

Approval

**Attachments:**

[Attachment 5A - Appointment of ABAG POWER President.pdf](#)

## 6. Report on Natural Gas Program

[19-0691](#)

Report on Natural Gas Program

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.

**Action:**

Information

**Presenter:**

Ryan Jacoby

**Attachments:**

[Attachment 6A - Monthly Summary of Operations.pdf](#)

[Attachment 6B - Gas Hedge Chart.pdf](#)

[Attachment 6C - Market Price Chart.pdf](#)

## 7. Report on ABAG POWER Fiscal Year 2019-20 Operating Budget

[19-0692](#)

Report on ABAG POWER Fiscal Year 2019-20 Operating Budget

Staff will present for Committee approval the Fiscal Year 2019-20 Operating Budget and associated levelized charges, totaling \$7.8 million.

**Action:**

Approval

**Presenter:**

Brian Mayhew

**Attachments:**

[Attachment 7A - FY19-20 Operating Budget.pdf](#)

## 8. Report on Renewable Natural Gas and Related Opportunities

[19-0693](#)

Report on Renewable Natural Gas and Related Opportunities

Staff will present for Committee discussion recent regulatory updates related to building decarbonization and biomethane and a recommendation to form a working group related to such issues.

**Action:**

Approve

**Presenter:**

Ryan Jacoby

**Attachments:**

[Attachment 8A - Renewable Natural Gas & Related Opps.pdf](#)

## 9. Other Business

*Information*

## 10. Adjournment

*The next meeting of the ABAG POWER Executive Committee is on August 21, 2019.*

**Public Comment:** The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Titulo VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 19-0687      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Committee Approval  
**File created:** 5/31/2019      **In control:** ABAG POWER Executive Committee  
**On agenda:** 6/19/2019      **Final action:**  
**Title:** Approval of Summary Minutes of Executive Committee Meeting on February 20, 2019  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Attachment 3A - Summary Minutes of 02202019-rj.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Approval of Summary Minutes of Executive Committee Meeting on February 20, 2019

**Recommended Action:**  
Approval



# 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.

### Present Committee Representatives

Angela Walton (Vice Chair)

Chris Schroeder

Dave Brees (Chair)

Diana Oyler

Doug Williams

Mike Sung

Misty Mersich

### Jurisdiction/Agency

City of Richmond

City of Milpitas

City of Los Altos

County of Contra Costa

City of Santa Rosa

City of Fremont

City of Cupertino

### Staff Present

Arleicka Conley

Cindy Chen

Jenny Berg

Ryan Jacoby

Metropolitan Transportation Commission (MTC)

MTC

MTC

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**

June 13, 2019

Page 2 of 3

### **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 Diana 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**

June 13, 2019

Page 3 of 3

### **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.

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





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 19-0688      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 5/31/2019      **In control:** ABAG POWER Executive Committee  
**On agenda:** 6/19/2019      **Final action:**  
**Title:** Energy Program Manager's Report  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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**Subject:**  
Energy Program Manager's Report

**Presenter:**  
Jenny Berg

**Recommended Action:**  
Information



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 19-0689      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Committee Approval  
**File created:** 5/31/2019      **In control:** ABAG POWER Executive Committee  
**On agenda:** 6/19/2019      **Final action:**  
**Title:** Appointment of ABAG POWER President

Committee to appoint Brad Paul, Deputy Executive Director, Local Government Services, Metropolitan Transportation Commission, as ABAG POWER President.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Attachment 5A - Appointment of ABAG POWER President.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Appointment of ABAG POWER President

Committee to appoint Brad Paul, Deputy Executive Director, Local Government Services,  
Metropolitan Transportation Commission, as ABAG POWER President.

**Recommended Action:**

Approval

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

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

RE: Attachment 5A - Appointment of ABAG POWER President

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### 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 8.1).

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

Brad Paul started as the Deputy Director of the Association of Bay Area Governments (ABAG) in 2013 before serving as Acting Executive Director of ABAG from November 2016 to June 2017. Mr. Paul is now the Deputy Executive Director for Local Government Services at MTC, providing oversight of the San Francisco Estuary Partnership, ABAG POWER, the Bay Area Regional Energy Network (BayREN), and the Advancing California Finance Authority.

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 appoint Brad Paul, Deputy Executive Director of the Metropolitan Transportation Commission, as the ABAG POWER President, effective immediately.

A handwritten signature in black ink, appearing to read "Therese W. McMillan", written over a horizontal line.

Therese W. McMillan



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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<b>File #:</b>	19-0691	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Report	<b>Status:</b>		Informational	
<b>File created:</b>	5/31/2019	<b>In control:</b>		ABAG POWER Executive Committee	
<b>On agenda:</b>	6/19/2019	<b>Final action:</b>			
<b>Title:</b>	Report on Natural Gas Program				

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.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Attachment 6A - Monthly Summary of Operations.pdf](#)  
[Attachment 6B - Gas Hedge Chart.pdf](#)  
[Attachment 6C - Market Price Chart.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Report on Natural Gas Program

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.

**Presenter:**

Ryan Jacoby

**Recommended Action:**

Information

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby  
ABAG POWER Program Manager, Metropolitan Transportation Commission

RE: Attachment 6A – Monthly Summary of Operations, FY 2018-19

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### Summary

During the current fiscal year, natural gas prices have seen significant volatility. Daily prices per dekatherm at PG&E's Citygate<sup>1</sup> have ranged from \$2.75 to \$17.78, averaging \$4.14, about 20% higher than the five-year average. PG&E's small commercial procurement rate during this same time averaged \$3.25.

The program continues to purchase gas exclusively in short-term (daily and monthly) markets within California, Oregon, and Alberta, Canada.

Usage and cost trends currently project a year-end balance of approximately \$15,000 to be returned to members through the annual true-up.

Preliminary financial statements through April, 2019, indicate a cumulative savings figure of -9.7% when compared against PG&E's small commercial rate.

### Canadian Natural Gas Supply

Beginning in February, 2019, the program has purchased roughly 40% of its gas from Alberta, Canada, resulting in cumulative savings of about \$4,000. In May, staff accepted Canadian pipeline capacity through October, 2019, and will shift from daily to monthly pricing.

### Attachment

Monthly Summary of Operations, FY 2018-19

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<sup>1</sup> Gas Daily "Daily" Market Index at Pacific Gas & Electric Company (PG&E) Citygate, July 2018-April 2019

## Page 1 of 2

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
2				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
4	Gas Purchases <sup>(1)</sup>															
5	Purchase 1	Qty		30,974	31,000	29,828	30,791	30,000	31,000	31,000	15,400	21,080	20,400	21,031		292,504
6		Price		\$2.31	\$2.50	\$2.38	\$2.33	\$3.36	\$6.05	\$4.27	\$3.44	\$3.96	\$2.60	\$1.95		
7	Purchase 2	Qty		15,400	18,600	20,350	13,800	18,200	27,400	44,100	32,000	22,900	15,950	15,563		244,263
8		Price		\$3.02	\$3.34	\$3.15	\$3.76	\$5.28	\$4.77	\$3.71	\$7.35	\$4.08	\$3.35	\$3.26		
9	Purchase 3	Qty									22,288	30,535	28,565	29,253		110,641
10		Price									\$2.50	\$2.08	\$0.69	\$1.35		
11	Purchase 4	Qty														0
12		Price														
13	Purchase 5	Qty														0
14		Price														
15	Total Quantity Purchased			46,374	49,600	50,178	44,591	48,200	58,400	75,100	69,688	74,515	64,915	65,847	0	647,408
16	Total Purchase Cost			\$117,931	\$139,633	\$135,097	\$123,641	\$196,909	\$318,179	\$295,964	\$343,834	\$240,263	\$126,185	\$131,142	\$0	\$2,168,778
17	Backbone Shrinkage (Dths)			(373)	(372)	(366)	(380)	(330)	(341)	(341)	(1,226)	(1,643)	(1,421)			
18	WACOG <sup>(2)</sup>			\$2.56	\$2.84	\$2.71	\$2.80	\$4.11	\$5.48	\$3.96	\$5.02	\$3.30	\$1.99	\$1.99		\$3.35
19																
20	Storage/Inventory															
21	Total Injections/ (Withdrawals)			6,961	6,854	7,327	8,229	(11,100)	(19,100)	(14,850)	(16,400)	(3,994)	6,592			(29,481)
22	Total Inventory Quantity (Dths)			43,034	49,888	57,215	65,444	54,344	35,244	20,394	3,994	0	6,592			
23	Total Inventory (\$)			\$127,019	\$144,593	\$165,372	\$187,689	\$155,854	\$101,076	\$58,486	\$11,451	\$0	\$13,101			
24	Avg. Inventory Rate (\$/Dth)			\$2.95	\$2.90	\$2.89	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$0.00	\$1.99			
25																
26	Gas Program Monthly Expenses (from Financial Reports)															
27	Cost of Energy Used <sup>(3)</sup>			\$ 113,612	\$ 135,589	\$ 128,268	\$ 115,593	\$ 237,496	\$ 395,814	\$ 364,216	\$ 434,202	\$ 281,199	\$ 162,033			\$ 2,368,022
28	Program Operating Expenses <sup>(4)</sup>			9,366	30,455	69,647	14,818	47,273	38,223	15,347	26,241	26,117	13,792			291,278
29	Subtotal			\$ 122,978	\$ 166,044	\$ 197,915	\$ 130,411	\$ 284,769	\$ 434,037	\$ 379,562	\$ 460,444	\$ 307,316	\$ 175,825	\$ -	\$ -	\$ 2,659,300
30	Rate (\$/Dth)			\$3.07	\$3.97	\$4.81	\$2.70	\$4.86	\$5.68	\$4.71	\$5.77	\$4.23	\$3.55			\$4.51
31																
32	PG&E Pass-through Costs <sup>(5)</sup>			218,780	267,111	263,339	211,936	323,387	453,597	514,059	508,699	589,315	537,412			3,887,635
33	Total ABAG POWER Cost			\$ 341,758	\$ 433,155	\$ 461,254	\$ 342,347	\$ 608,156	\$ 887,634	\$ 893,621	\$ 969,143	\$ 896,631	\$ 713,237			\$ 6,546,935
34																
35	Actual (metered) Gas Usage															
36	Core <sup>(6)</sup>			33,135	35,379	34,950	42,462	53,695	70,613	74,054	72,905	66,653	44,419			528,267
37	Non Core			6,939	6,415	6,226	5,845	4,906	5,743	6,583	6,917	6,051	5,134			60,760
38	Total Program Usage			40,074	41,794	41,176	48,307	58,602	76,356	80,637	79,822	72,705	49,553	0	0	589,026
39																
40	ABAG POWER Total Core Rate			\$ 9.67	\$ 11.52	\$ 12.34	\$ 7.69	\$ 10.88	\$ 12.11	\$ 11.65	\$ 12.75	\$ 13.07	\$ 15.65			
41																
42																
43	PG&E Rate <sup>(7)</sup>															
44	Procurement Charge <sup>(8)</sup>			2.09	2.72	2.40	2.57	3.37	4.13	4.17	4.42	3.71	2.96	\$2.02	1.90	
45	Transportation/Other Charge <sup>(9)</sup>			6.60	7.55	7.53	4.99	6.02	6.42	6.94	6.98	8.84	12.10			
46	Total PG&E Rate			\$ 8.69	\$ 10.27	\$ 9.93	\$ 7.57	\$ 9.39	\$ 10.55	\$ 11.11	\$ 11.40	\$ 12.55	\$ 15.06	\$ 2.02	\$ 1.90	
47																
48	Monthly Index Postings															
49	NGI Bidweek for PG&E Citygate			\$2.98	\$3.08	\$3.19	\$3.29	\$4.05	\$6.42	\$4.55	\$3.64	\$4.29	\$3.67	\$3.08	\$3.26	
50	Gas Daily Avg. for PG&E Citygate			\$3.00	\$3.32	\$3.13	\$3.73	\$5.01	\$5.02	\$3.69	\$7.55	\$4.02	\$3.23	\$3.24		
51	NGI Bidweek for Malin			\$2.30	\$2.49	\$2.37	\$2.33	\$3.35	\$6.04	\$4.26	\$3.43	\$3.95	\$2.59	\$1.94	\$2.00	
52																

## Page 2 of 2

[illegible]

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby  
ABAG POWER Program Manager, Metropolitan Transportation Commission

RE: Attachment 6B - Gas Hedge Chart

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### Background

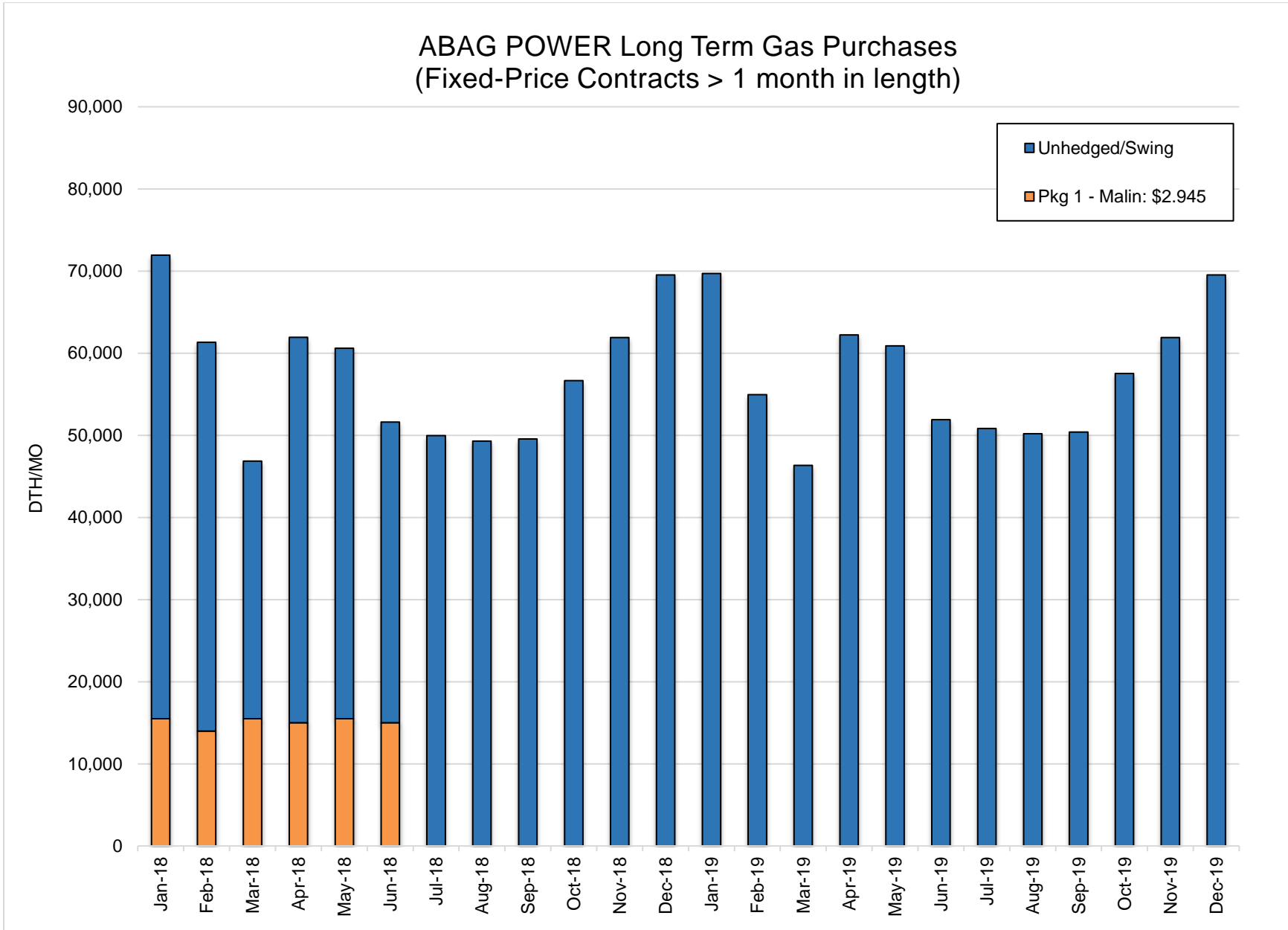
In February 2018, the ABAG POWER Executive Committee requested that staff analyze the program's prior long-term, fixed-price gas purchase contracts to determine whether the purchases resulted in cost savings when compared against purchasing an equivalent quantity on a market index.

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





# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby  
ABAG POWER Program Manager, Metropolitan Transportation Commission

RE: Attachment 6C - Market Price Chart

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### 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. December, 2018 and February, 2019 were particularly volatile, seeing several sustained price spikes and prompting a revision to ABAG POWER's operating budget.

March and April have seen a prompt return to the sub-\$4.00 range, and futures prices indicate sustained \$3-4.00 pricing for the coming fiscal year. By its nature, market volatility is hard to predict, and the current purchasing strategy subjects the program to this volatility in an effort to capture savings associated with the short-term market. Ultimately, the levelized payment structure insulates members from this monthly volatility by providing a rate that is stable.

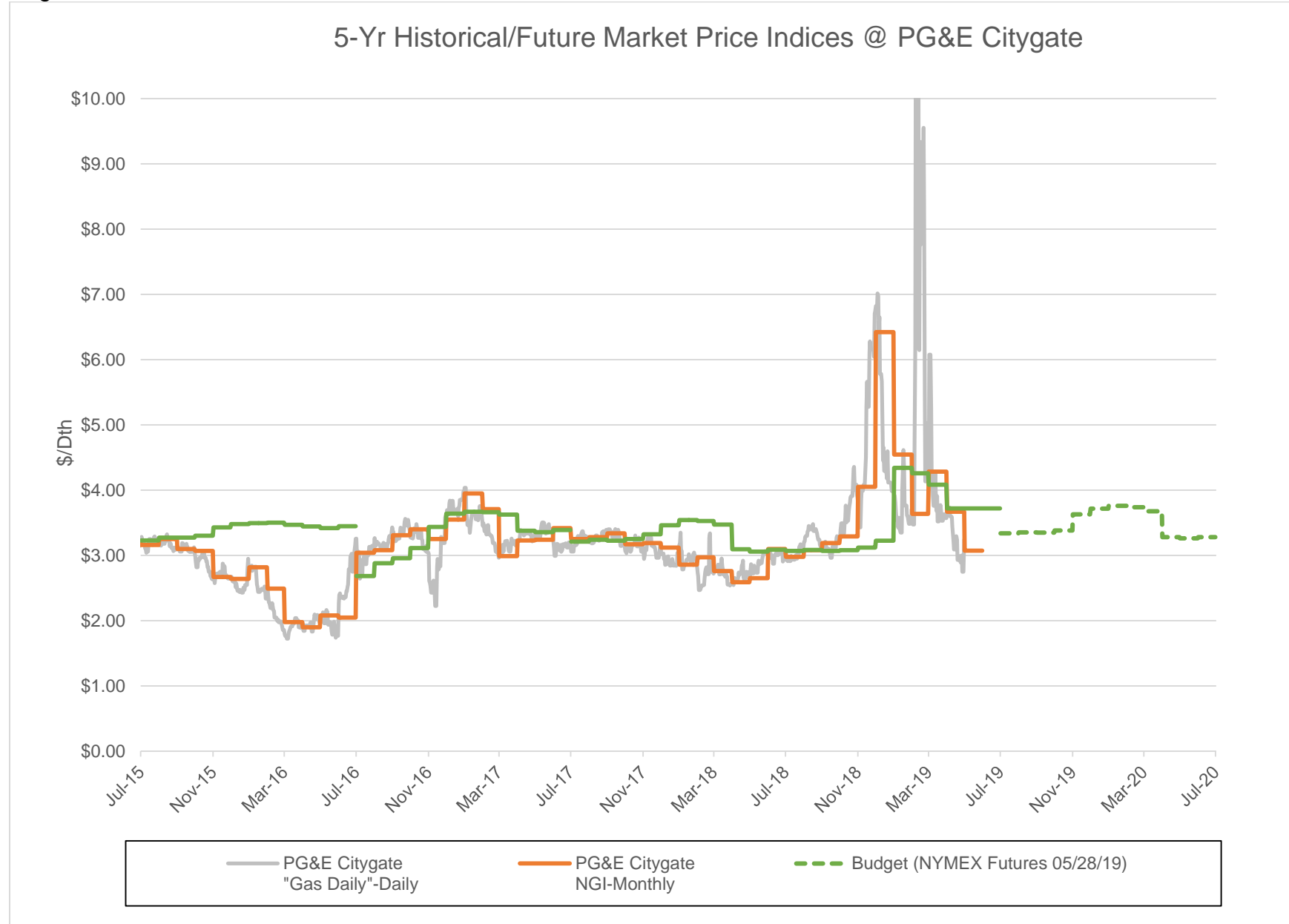
### Attachment

Market Price Chart

## Attachment 6C – Market Price Chart

June 13, 2019

Page 2 of 2





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 19-0692      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Committee Approval  
**File created:** 5/31/2019      **In control:** ABAG POWER Executive Committee  
**On agenda:** 6/19/2019      **Final action:**  
**Title:** Report on ABAG POWER Fiscal Year 2019-20 Operating Budget

Staff will present for Committee approval the Fiscal Year 2019-20 Operating Budget and associated levelized charges, totaling \$7.8 million.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Attachment 7A - FY19-20 Operating Budget.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Report on ABAG POWER Fiscal Year 2019-20 Operating Budget

Staff will present for Committee approval the Fiscal Year 2019-20 Operating Budget and associated levelized charges, totaling \$7.8 million.

**Presenter:**

Brian Mayhew

**Recommended Action:**

Approval

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Brian Mayhew  
Chief Financial Officer, Metropolitan Transportation Commission

RE: Attachment 7A - Fiscal Year 2019-20 Operating Budget

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### Summary

The natural gas program budget for Fiscal Year 2019-20 reflects an increase of 2.0% 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.

### Revenue

The gas program operates as a not-for-profit entity, therefore revenue equals costs less interest and other income. The 2.0% revenue increase is due to an overall increase of 2.0% in expenses.

### 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 regional historic averages (\$3-4.00/MMBtu) throughout FY 2019-20. Canadian prices are predicted to be within the range of \$0.80-2.25/MMBtu.

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 or 11.7% 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 7A – Fiscal Year 2019-20 Operating Budget**

June 13, 2019

Page 2 of 2

### **Recommended Action**

The ABAG POWER Executive Committee is requested to review and approve as presented the Fiscal Year 2019-20 ABAG POWER operating budget of \$7,798,640.

A handwritten signature in dark ink, appearing to read "Therese W. McMillan", written over a horizontal line.

Therese W. McMillan

### **Attachments**

ABAG POWER FY 19-20 Operating Budget

ABAG POWER FY 19-20 Operating Budget – Levelized Charges

**Attachment 7A - FY 19-20 Operating Budget**

June 13, 2019

Page 3 of 3

	<b>YTD Actual As of 03/31/19</b>	<b>Projected<sup>1</sup> FY 2018-19</b>	<b>Amended Budget<sup>2</sup> FY 2018-19</b>	<b>Proposed FY 2019-20</b>	<b>% Change Inc./Dec</b>
<b>Revenue</b>					
Sale of Energy	\$ 5,534,910	\$ 7,609,979	\$ 7,609,979	\$ 7,754,640	1.9%
Interest Income - Banks/LAIF	24,969	51,222	25,000	35,000	40.0%
Other Revenue	13,165	13,165	9,000	9,000	0.0%
Total Revenues	<u>5,573,044</u>	<u>7,674,366</u>	<u>7,643,979</u>	<u>7,798,640</u>	2.0%
<b>Expense</b>					
<b>Cost of Energy</b>					
Cost of Energy Used	2,205,989	2,841,626	2,789,521	2,517,915	-9.7%
PG&E Pass-Through Costs	<u>3,350,223</u>	<u>4,401,456</u>	<u>4,334,371</u>	<u>4,712,638</u>	8.7%
Total Cost of Energy	5,556,212	7,243,082	7,123,892	7,230,552	1.5%
<b>Staff Cost</b>					
Salary & Benefits	154,358	204,374	259,913	280,455	7.9%
Overhead	<u>81,455</u>	<u>107,849</u>	<u>125,749</u>	<u>150,212</u>	19.5%
Total Staff Cost	235,812	312,223	385,662	430,667	11.7%
<b>Other Expense</b>					
Billing Costs, external	6,847	8,457	10,500	10,500	0.0%
Brokerage and Import Bond fees	1,052	3,852	5,700	12,700	122.8%
Scheduling Agent fees	13,100	18,050	18,050	19,800	9.7%
Interest Expense/Bank Charges	6,403	8,544	9,500	9,500	0.0%
Legal Expenses (outside)	-	-	10,000	10,000	0.0%
Audit	50,776	63,470	77,875	69,000	-11.4%
Travel	87	87	1,000	1,000	0.0%
Catering	1,415	1,615	1,500	2,000	33.3%
Miscellaneous	<u>127</u>	<u>127</u>	<u>300</u>	<u>300</u>	0.0%
Total Other Expense	79,808	104,202	134,425	134,800	-
Total Expense	<u>5,871,832</u>	<u>7,659,507</u>	<u>7,643,979</u>	<u>7,796,019</u>	2.0%
Year End Balance	<u>(298,788)</u>	<u>14,859</u>	<u>-</u>	<u>2,621</u>	
Core Annual Usage (Dths):			601,477	608,514	1.2%
Noncore Annual Usage (Dths):			81,286	75,949	-6.6%
Core Gas Commodity <sup>3</sup> (\$/Dth):			\$4.12	\$3.71	-9.9%
Noncore Gas Commodity <sup>3</sup> (\$/Dth):			\$3.80	\$3.39	-10.7%
PG&E Pass-through (\$/Dth):			\$7.21	\$7.74	7.5%
Program Expenses <sup>4</sup> (\$/Dth):			\$0.71	\$0.76	7.0%
Core Total Rate (\$/Dth):			\$12.04	\$12.22	1.5%
Noncore Total Rate (\$/Dth):			\$4.51	\$4.15	-7.9%

**Notes:**
<sup>1</sup> Actual March 2019 financials (unaudited) projected through June 2019

<sup>2</sup> Approved budget June 20, 2018, revised December 12, 2018, and February 20, 2019

<sup>3</sup> Storage costs allocated to core accounts only

<sup>4</sup> Program expenses minus interest income and PG&E Billing Credit

**Attachment 7B - FY 19-20 Operating Budget - Levelized Charges**

June 13, 2019

Page 1 of 3

Customer	Master Account	Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs <sup>1</sup>	Program Expenses <sup>2</sup>	Total Cost	FY 2019-20 Monthly Levelized Charge	FY 2018-19 Monthly Levelized Charge <sup>3</sup>
rate (\$/th):			\$0.339	2.5%	\$0.024	\$0.792	\$521,467 \$0.076			
<b>Core</b>										
<b>Alameda, City</b>										
Alameda, City	ALAACPC001	54,728	\$18,527	\$465	\$1,337	\$43,320	\$4,169	\$67,818	\$ 5,660	\$ 5,302
Alameda Municipal Power	ALAACPC002	733	\$248	\$6	\$18	\$580	\$56	\$909	\$ 80	\$ 83
Alameda Total		55,461	\$18,775	\$471	\$1,355	\$43,900	\$4,225	\$68,726	\$ 5,730	\$ 5,385
Alameda City Housing Authority	ALAACPC003	48,398	\$16,384	\$411	\$1,182	\$51,976	\$3,687	\$73,640	\$ 6,140	\$ 6,115
Albany, City	ALBACPC001	12,172	\$4,121	\$103	\$297	\$9,635	\$927	\$15,084	\$ 1,260	\$ 1,125
Atherton, Town	ATHACPT001	5,179	\$1,753	\$44	\$127	\$4,100	\$395	\$6,418	\$ 540	\$ 490
Benicia, City	BENACPC001	68,520	\$23,196	\$582	\$1,674	\$54,237	\$5,220	\$84,909	\$ 7,080	\$ 6,188
Contra Costa County GSD	CONACPN001	1,247,199	\$422,207	\$10,590	\$30,469	\$987,226	\$95,020	\$1,545,511	\$ 128,800	\$ 125,833
Cupertino, City	CUPACPC001	42,302	\$14,320	\$359	\$1,033	\$33,485	\$3,223	\$52,421	\$ 4,370	\$ 3,885
Fremont, City	FREACPC001	189,973	\$64,310	\$1,613	\$4,641	\$150,374	\$14,473	\$235,412	\$ 19,620	\$ 16,439
Golden Gate Bridge	GOLACP0001	61,159	\$20,704	\$519	\$1,494	\$48,411	\$4,659	\$75,787	\$ 6,320	\$ 5,886
Gonzales, City	GONACPC001	16,369	\$5,541	\$139	\$400	\$12,957	\$1,247	\$20,284	\$ 1,700	\$ 1,240
Half Moon Bay, City	HALACPC001	2,381	\$806	\$20	\$58	\$2,557	\$181	\$3,623	\$ 310	\$ 485
Hercules, City	HERACPC001	26,615	\$9,010	\$226	\$650	\$21,067	\$2,028	\$32,981	\$ 2,750	\$ 4,490
Los Altos, City	LOSACPC001	25,099	\$8,497	\$213	\$613	\$19,867	\$1,912	\$31,103	\$ 2,600	\$ 2,458
Mill Valley, City	MILACPC001	74,031	\$25,061	\$629	\$1,809	\$58,599	\$5,640	\$91,738	\$ 7,650	\$ 6,844
<b>Millbrae, City</b>										
Millbrae, City	MILACPC003	20,694	\$7,006	\$176	\$506	\$16,381	\$1,577	\$25,644	\$ 2,140	\$ 2,646
Millbrae WWTP	MILACPC004	0	\$0	\$0	\$0	\$405	\$0	\$405	\$ 40	\$ 40
Millbrae Total		20,694	\$7,006	\$176	\$506	\$16,785	\$1,577	\$26,049	\$ 2,180	\$ 2,686
Milpitas, City	MILACPC002	157,191	\$53,213	\$1,335	\$3,840	\$124,425	\$11,976	\$194,788	\$ 16,240	\$ 15,136
Monte-Sereno, City	MONACPC001	946	\$320	\$8	\$23	\$749	\$72	\$1,172	\$ 100	\$ 94
Moraga, Town	MORACPT001	4,886	\$1,654	\$41	\$119	\$3,868	\$372	\$6,055	\$ 510	\$ 490
<b>Napa County</b>										
Napa County001	NAPACPN001	1,446	\$489	\$12	\$35	\$1,144	\$110	\$1,791	\$ 150	\$ 146
Napa County002	NAPACPN002	4,432	\$1,500	\$38	\$108	\$3,508	\$338	\$5,492	\$ 460	\$ 1,365
Napa County004	NAPACPN004	4,539	\$1,537	\$39	\$111	\$3,593	\$346	\$5,625	\$ 470	\$ 1,094
Napa County005	NAPACPN005	83,839	\$28,381	\$712	\$2,048	\$66,363	\$6,387	\$103,892	\$ 8,660	\$ 8,271
Napa County Total		94,255	\$31,908	\$800	\$2,303	\$74,608	\$7,181	\$116,800	\$ 9,740	\$ 10,875
<b>Oakland, City</b>										
Oakland, City	OAKACPC001	690,803	\$233,854	\$5,866	\$16,876	\$546,808	\$52,630	\$856,033	\$ 71,340	\$ 69,151
Oakland Zoological	OAKACPC002	14,609	\$4,945	\$124	\$357	\$11,564	\$1,113	\$18,103	\$ 1,510	\$ 1,469
Oakland Total		705,412	\$238,799	\$5,990	\$17,233	\$558,371	\$53,743	\$874,136	\$ 72,850	\$ 70,620

<sup>1</sup> Customer, Transportation, PPP, and Franchise Fee Charges

<sup>2</sup> Program expenses less interest income.

<sup>3</sup> Weighted average of eight months originally approved charge and four months of the revised charge.



**Attachment 7B - FY 19-20 Operating Budget - Levelized Charges**

June 13, 2019

Page 2 of 3

Customer	Master Account	Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs <sup>1</sup>	Program Expenses <sup>2</sup>	Total Cost	FY 2019-20 Monthly Levelized Charge	FY 2018-19 Monthly Levelized Charge <sup>3</sup>
						\$521,467				
rate (\$/th):			\$0.339	2.5%	\$0.024	\$0.792	\$0.076			
Orinda, City	ORACPC001	24,525	\$8,302	\$208	\$599	\$19,413	\$1,868	\$30,391	\$ 2,540	\$ 1,021
Pacifica, City	PACACPC001	25,020	\$8,470	\$212	\$611	\$19,805	\$1,906	\$31,005	\$ 2,590	\$ 2,677
Petaluma, City	PETACPC001	23,297	\$7,886	\$198	\$569	\$18,440	\$1,775	\$28,869	\$ 2,410	\$ 2,208
Pleasanton, City	PLEACPC001	193,620	\$65,545	\$1,644	\$4,730	\$153,261	\$14,751	\$239,931	\$ 20,000	\$ 17,553
Regional Admin. Facility	RAFACPC001	48,595	\$16,451	\$413	\$1,187	\$38,466	\$3,702	\$60,219	\$ 5,020	\$ 4,490
Richmond, City	RICACPC001	410,935	\$139,112	\$3,489	\$10,039	\$325,277	\$31,308	\$509,225	\$ 42,440	\$ 43,951
Salinas, City	SALACPC001	214,113	\$72,482	\$1,818	\$5,231	\$169,482	\$16,312	\$265,326	\$ 22,120	\$ 12,459
San Carlos, City	SANACPC003	26,547	\$8,987	\$225	\$649	\$21,013	\$2,023	\$32,897	\$ 2,750	\$ 3,500
<u>San Mateo County</u>										
San Mateo County006	SANACPC006	337,452	\$114,236	\$2,865	\$8,244	\$267,112	\$25,709	\$418,166	\$ 34,850	\$ 34,794
San Mateo County007	SANACPC007	241,822	\$81,863	\$2,053	\$5,908	\$71,544	\$18,424	\$179,791	\$ 14,990	\$ 26,891
San Mateo County008	SANACPC008	7,444	\$2,520	\$63	\$182	\$6,943	\$567	\$10,275	\$ 860	\$ 767
San Mateo County009	SANACPC009	3,120	\$1,056	\$26	\$76	\$2,470	\$238	\$3,866	\$ 330	\$ 438
San Mateo County011	SANACPC011	8,826	\$2,988	\$75	\$216	\$6,986	\$672	\$10,937	\$ 920	\$ 833
San Mateo County013	SANACPC013	53,990	\$18,277	\$458	\$1,319	\$42,736	\$4,113	\$66,904	\$ 5,580	\$ 5,563
San Mateo County015	SANACPC015	69,113	\$23,397	\$587	\$1,688	\$54,707	\$5,266	\$85,644	\$ 7,140	\$ 6,959
San Mateo County016	SANACPC016	7,151	\$2,421	\$61	\$175	\$5,660	\$545	\$8,861	\$ 740	\$ 740
San Mateo County Total		728,918	\$246,757	\$6,189	\$17,807	\$458,158	\$55,534	\$784,445	\$ 65,380	\$ 76,985
San Rafael, City	SANACPC001	65,828	\$22,284	\$559	\$1,608	\$52,106	\$5,015	\$81,573	\$ 6,800	\$ 7,261
Santa Clara County	SANACPN001	811,204	\$274,612	\$6,888	\$19,817	\$642,112	\$61,803	\$1,005,233	\$ 83,770	\$ 82,256
Santa Rosa, City	SANACPC005	283,320	\$95,911	\$2,406	\$6,921	\$224,263	\$21,585	\$351,086	\$ 29,260	\$ 29,659
Saratoga, City	SARACPC001	13,409	\$4,539	\$114	\$328	\$10,614	\$1,022	\$16,616	\$ 1,390	\$ 1,302
Union City	UNIACPC001	9,614	\$3,255	\$82	\$235	\$7,610	\$732	\$11,914	\$ 1,000	\$ 937
Vallejo, City	VALACPC001	188,913	\$63,952	\$1,604	\$4,615	\$149,535	\$14,393	\$234,099	\$ 19,510	\$ 14,063
Vallejo Sani.& Flood Control Dist	VALACPD001	86,151	\$29,164	\$732	\$2,105	\$68,193	\$6,564	\$106,757	\$ 8,900	\$ 9,053
Watsonville, City	WATACPC001	70,172	\$23,755	\$596	\$1,714	\$55,545	\$5,346	\$86,956	\$ 7,250	\$ 7,417
Winters, City	WINACPC001	2,713	\$918	\$23	\$66	\$2,147	\$207	\$3,362	\$ 290	\$ 281
TOTAL - Core		6,085,137	\$2,059,968	\$51,671	\$148,657	\$4,712,638	\$463,604	\$7,436,538	\$ 619,910	\$ 603,836
Rate (\$/th)			\$0.339	\$0.008	\$0.024	\$0.774	\$0.076	\$1.222		
Total ABAG POWER Commodity Cost - Core:					\$0.371					
Member Rate - Core:					\$0.448					

<sup>1</sup> Customer, Transportation, PPP, and Franchise Fee Charges

<sup>2</sup> Program expenses less interest income.

<sup>3</sup> Weighted average of eight months originally approved charge and four months of the revised charge.

**Attachment 7B - FY 19-20 Operating Budget - Levelized Charges**

June 13, 2019

Page 3 of 3

Customer	Master Account	Estimated Annual Usage	Gas Cost	Distribution Shrinkage	Storage Costs	PG&E Pass-through Costs <sup>1</sup>	Program Expenses <sup>2</sup>	Total Cost	FY 2019-20 Monthly Levelized Charge	FY 2018-19 Monthly Levelized Charge <sup>3</sup>
rate (\$/th):			\$0.339	2.5%	\$0.024	\$0.792	\$521,467 \$0.076			
<b>Non-Core</b>										
San Mateo County		373,106	\$126,306	\$253			\$28,426	\$154,984	\$ 12,920	\$ 15,736
Santa Rosa, City (Co-gen)		222,201	\$75,220	\$150			\$16,929	\$92,299	\$ 7,700	\$ 6,910
Watsonville, City (Co-gen)		164,179	\$55,579	\$111			\$12,508	\$68,198	\$ 5,690	\$ 7,907
TOTAL - Non-core		759,486	\$257,105	\$514	\$0	\$0	\$57,862	\$315,481	\$ 26,310	\$ 30,553
Rate (\$/th)			\$0.339	\$0.001	\$0.000	\$0.000	\$0.076	\$0.415		
Total ABAG POWER					Commodity Cost - Non-core:		\$0.339			
					Member Rate - Non-core:		\$0.415			
GRAND TOTAL (Core + Non-core)		6,844,623	\$2,317,072	\$52,185	\$148,657	\$4,712,638	\$521,467	\$7,752,019	\$ 646,220	\$ 634,389
									% Change:	2%
									Working Capital Deposits:	\$ 2,000,785
									Months:	\$ 3.10

<sup>1</sup> Customer, Transportation, PPP, and Franchise Fee Charges

<sup>2</sup> Program expenses less interest income.

<sup>3</sup> Weighted average of eight months originally approved charge and four months of the revised charge.



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 19-0693      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 5/31/2019      **In control:** ABAG POWER Executive Committee  
**On agenda:** 6/19/2019      **Final action:**  
**Title:** Report on Renewable Natural Gas and Related Opportunities

Staff will present for Committee discussion recent regulatory updates related to building decarbonization and biomethane and a recommendation to form a working group related to such issues.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Attachment 8A - Renewable Natural Gas & Related Opps.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Report on Renewable Natural Gas and Related Opportunities

Staff will present for Committee discussion recent regulatory updates related to building decarbonization and biomethane and a recommendation to form a working group related to such issues.

**Presenter:**

Ryan Jacoby

**Recommended Action:**

Approve

# MEMORANDUM

## ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby  
ABAG POWER Program Manager, Metropolitan Transportation Commission

RE: Attachment 8A – Renewable Natural Gas & Related Opportunities

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### Summary

In efforts to reach its greenhouse gas emissions reductions goals, California has consistently committed to waste reduction, adoption of new and efficient technology, and the expansion of renewable energy resources. Among other things, the proliferation of Community Choice Aggregation and the Renewables Portfolio Standard have accelerated efforts to decarbonize electricity generation, placing increased focus on carbon-emitting fuel sources like natural gas and its consumer-facing appliances.

ABAG POWER's current focus is conducting pooled purchasing of fossil-based natural gas for member agencies, but the Joint Powers Agreement and relatively large membership present a foundation for other opportunities that align with members' climate goals.

### Recommendation

Staff recommends the formation of a working group to evaluate potential opportunities for ABAG POWER to assist member agencies in the areas of renewable natural gas, methane reduction measures, and aggregated procurement of electric vehicles or solar photovoltaics, and to report back to the Executive Committee on its work.