



375 Beale Street
Suite 700
San Francisco, California

Meeting Agenda - Final

ABAG POWER Executive Committee

Thursday, February 18, 2021

11:00 AM

Yerba Buena-1st Floor (REMOTE)

**ABAG Publicly Owned Energy Resources
Executive Committee
Meeting No. 2021-01**

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

Roster

**Dave Brees, City of Los Altos
Andre Duurvoort, City of Cupertino
Diana Oyler, County of Contra Costa
Chris Schroeder, City of Milpitas
Angela Walton, City of Richmond
Doug Williams, City of Santa Rosa**

The ABAG POWER Executive Committee will be meeting on February 18, 2021 at 11:00 a.m., in the Bay Area Metro Center (remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with the Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via Zoom web conferencing and teleconference for committee members who will participate in the meeting from individual remote locations.

A Zoom panelist link for meeting participants will be sent separately to committee members.

The agenda will be available publicly at: <https://abag.ca.gov/meetings>

**Attendee Link: <https://bayareametro.zoom.us/j/83542562617>
Join by Telephone: 888-788-0099 or 877-853-5247 (both toll free)
Access Number: 835 4256 2617**

Members of the public may participate or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Welcome and Introduction

Call to Order.
Presenter: Dave Brees

Roll Call / Confirm Quorum.
Presenter: Cindy Chen

2. Public Comment

The public is encouraged to comment on agenda items at Committee meetings.

3. Consent Calendar

[21-0054](#) Approval of Minutes from December 8, 2020 Executive Committee Meeting.
Action: Approval
Presenter: Ryan Jacoby
Attachments: [Agenda Item 3.a. - ABAG POWER EC Summary Minutes of 20201208.pdf](#)

4. Executive Committee and Program Membership Recruitment

[21-0222](#) Staff will review the current composition of the Executive Committee and program participants.
Action: Information
Presenter: Ryan Jacoby
Attachments: [Agenda Item 4.a. - Executive Committee Recruitment.pdf](#)
[Agenda Item 4.b. - Program Membership.pdf](#)

5. Report on Natural Gas Program

[21-0223](#) 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: [Agenda Item 5.a.1. - Summary of Natural Gas Program.pdf](#)
[Agenda Item 5.a.2. - Summary of Natural Gas Program.pdf](#)
[Agenda Item 5.b. - Historical and Anticipated Gas Supply.pdf](#)
[Agenda Item 5.c. - Market Price Comparison.pdf](#)
[Agenda Item 5.d. - Budget-to-Actual.pdf](#)
[Agenda Item 5.e. - Regulatory Proceedings.pdf](#)

6. Natural Gas Program Membership Withdrawal

[21-0224](#) Request for approval of framework for evaluating damages caused by membership withdrawals breaching the Natural Gas Sales and Aggregation Agreement's three-year opt-out term, and application of the framework to a potential early withdrawal of the Regional Administrative Facility Corporation.

Action: Approval

Presenter: Ryan Jacoby

Attachments: [Agenda Item 6.a. - Framework for Early Termination Damages.pdf](#)
[Agenda Item 6.b. - Evaluation of Damages for RAFC.pdf](#)

7. Other Business

Committee to provide update on items within various member agencies relevant to ABAG POWER or the ABAG/MTC energy programs.

8. Adjournment / Next Meeting

The next meeting is the ABAG POWER Executive Committee meeting scheduled to be held on April 15, 2021.

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) 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.

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)

File #: 21-0054 **Version:** 1 **Name:**
Type: Action Item **Status:** Committee Approval
File created: 12/4/2020 **In control:** ABAG POWER Executive Committee
On agenda: 2/18/2021 **Final action:**
Title: Approval of Minutes from December 8, 2020 Executive Committee Meeting.
Sponsors:
Indexes:
Code sections:
Attachments: [Agenda Item 3.a. - ABAG POWER EC Summary Minutes of 20201208.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Approval of Minutes from December 8, 2020 Executive Committee Meeting.

Presenter:
Ryan Jacoby

Recommended Action:
Approval

Attachments: List any attachments.



Metropolitan Transportation Commission Meeting Minutes 3 - Draft

375 Beale Street
Suite 700
San Francisco, California

ABAG POWER Executive Committee

Tuesday, December 8, 2020

1:00 PM

Yerba Buena-1st Floor (REMOTE)

**ABAG Publicly Owned Energy Resources
Executive Committee
Meeting No. 2020-05**

Agenda and roster available at <https://abag.ca.gov/our-work/energy-infrastructure/power>.
For information, contact Clerk of the Committee at (415) 820-7956.

Committee Representative Roster

Dave Brees, City of Los Altos (Chair)
Andre Duurvoort, City of Cupertino
Diana Oyler, County of Contra Costa
Chris Schroeder, City of Milpitas
Angela Walton, City of Richmond (Vice Chair)
Doug Williams, City of Santa Rosa

Staff Roster

Brad Paul
Arleicka Conley
Raymond Woo
Helen Woo
Matthew Lavrinets
Jennifer Berg
Ryan Jacoby
Cindy Chen (Clerk)

1. Welcome and Introductions

Chairman Brees called the meeting to order at 1:04 p.m. Quorum was present.

Present: 4 - Brees, Duurvoort, Oyler, and Williams

Absent: 2 - Schroeder, and Walton

2. Public Comment

Chairman Brees invited any member of the public in attendance to provide public comment. None was provided.

3. Consent Calendar

Chairman Brees notified the Committee of a minor error on Page 2 of 2 of Agenda Item 3.b. which refers to each weekday as a Wednesday, rather than a Thursday.

[20-1696](#) Approval of Minutes from August 19, 2020 Executive Committee Meeting, and Approval of Calendar Year 2021 Meeting Schedule.

Attachments: [Agenda Item 3.a. - ABAG POWER EC Summary Minutes of 20200819.pdf](#)
[Agenda Item 3.b. - Calendar Year 2021 Meeting Schedule.pdf](#)

Motion was made by Oyler and seconded by Duurvoort to approve the Consent Calendar, consisting of the Summary Minutes of ABAG POWER's Executive Committee Meeting held on August 19, 2020 and the Calendar Year 2021 Meeting Schedule. The motion passed by the following vote:

Aye: 4 - Brees, Duurvoort, Oyler, and Williams

Absent: 2 - Schroeder, and Walton

4. Energy Program Manager's Report

Jenny Berg presented an update on BayREN programs, highlighting the success of trainings held in 2020 from Green Labeling and Codes & Standard sub-programs. She informed the Committee that BayREN Energy Atlas tool phase one has been launched successfully and is available online which can be utilized for marketing analysis and planning purposes.

[20-1704](#) The Energy Programs Manager will provide a verbal report on items related to the Local Government Services section and the ABAG/MTC energy programs.

5. Report on Natural Gas Program

Ryan Jacoby presented a review of recent program operations, including gas purchasing strategy, the program's long-term hedge position, gas imbalances, regulatory updates, market price indices, and year-end True-up summary.

[20-1699](#) 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.

Attachments: [Agenda Item 5.a.1. - Summary of Natural Gas Program Presentation.pdf](#)
[Agenda Item 5.a.2. - Summary of Natural Gas Program.pdf](#)
[Agenda Item 5.b. - Historical and Anticipated Gas Purchases by Origin.pdf](#)
[Agenda Item 5.c. - Market Price Comparison.pdf](#)
[Agenda Item 5.d. - FY 2020-21 Budget-to-Actual.pdf](#)
[Agenda Item 5.e. - FY 2019-20 True-up Summary.pdf](#)

6. Natural Gas Program Strategy

Ryan Jacoby presented the results of the Request for Qualifications for Strategic Program Design services and a request for approval to enter into a contract for services with GPT, Inc.

[20-1700](#)

Staff will provide the results of the Request for Qualifications for Strategic Program Design Services and present a request for approval to enter into a contract for services with GPT, Inc. in an amount not to exceed \$150,000 for services through December 31, 2022.

Attachments: [Agenda Item 6.a. - Strategic Energy Program Design Request for Qualifications.pdf](#)
[Agenda Item 6.b. - Summary Approval - GPT Inc 120820.pdf](#)

Motion was by Duurvoort and seconded by Williams to approve to enter into a professional services agreement with GPT, Inc. in an amount not to exceed \$150,000 for services through December 31, 2022. The motion passed by the following vote:

Aye: 4 - Brees, Duurvoort, Oyler, and Williams

Absent: 2 - Schroeder, and Walton

7. Natural Gas Program Membership

Ryan Jacoby informed the Committee of a request from the Regional Administration Facility Corporation to withdraw from the natural gas program. He summarized a comparable incident, and provided several financial and administrative impacts of a membership withdrawal. The Committee requested staff construct a methodology for allocating program costs, and determine whether an amendment to the Natural Gas Sales and Aggregation Agreement is desirable.

[20-1702](#)

Staff will inform the Committee of the intended withdrawal of the Regional Administration Facility Corporation (RAFC) from the natural gas program and ongoing discussions.

Attachments: [Agenda Item 7.a. - Intended Withdrawal of RAFC.pdf](#)
[Agenda Item 7.b. - Amendment No.1 to CCR of RAFC.pdf](#)
[Agenda Item 7.c. - RAFC July 3, 2018 Meeting Minutes.pdf](#)

8. Other Business

Meeting participants were invited to provide a verbal report on other related business. There were no reports provided.

9. Adjournment / Next Meeting

Chairman Brees adjourned the meeting at about 2:06 p.m.
The next meeting of the ABAG POWER Executive Committee is on February 18, 2021.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-0222 **Version:** 1 **Name:**

Type: Action Item **Status:** Informational

File created: 1/14/2021 **In control:** ABAG POWER Executive Committee

On agenda: 2/18/2021 **Final action:**

Title: Staff will review the current composition of the Executive Committee and program participants.

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Item 4.a. - Executive Committee Recruitment.pdf](#)
[Agenda Item 4.b. - Program Membership.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Staff will review the current composition of the Executive Committee and program participants.

Presenter:
Ryan Jacoby

Recommended Action:
Information

Attachments: List any attachments.

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 4.a.

Natural Gas Program

Subject: Executive Committee Recruitment

Background: The ABAG POWER Bylaws were most recently amended in 2016, and currently provide that the Executive Committee is comprised of the Chair, Vice Chair, and three to nine voting members.

In the event there is a vacancy on the Executive Committee, the Chair may appoint a new member to serve with all rights and duties until the new member is either ratified or disapproved at the next meeting of the Board of Directors.

The most recent appointment to the Committee was Diana Oyler on February 15, 2019. The current Committee is comprised of six members:

<u>Individual</u>	<u>Designation</u>	<u>Jurisdiction</u>
Andre Duurvoort	Director	City of Cupertino
Angela Walton	Vice Chair	City of Richmond
Chris Schroeder	Director	City of Milpitas
Dave Brees	Chair	City of Los Altos
Diana Oyler	Director	County of Contra Costa
Doug Williams	Director	City of Santa Rosa

Discussion Items: Over the coming year, staff will endeavor to identify, prioritize, and implement programmatic modifications to provide greater value to the membership. Timely direction from the Executive Committee during this process is critical. Historically, a quorum has been present at regularly scheduled meetings.

The Executive Committee should discuss whether, if any member of the Committee were to resign – while still satisfying the minimum number of positions required by the bylaws – efforts should be made to recruit additional directors. If so, it would be advantageous to begin conducting this outreach before it is absolutely necessary, and timely to incorporate the Committee’s feedback into the beginning stages of the anticipated program design decisions.

Given the particular significance of the upcoming program discussions, the benefits of additional perspectives, and the ability to consistently achieve a quorum, staff recommends Committee

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 4.a.

Natural Gas Program

members weigh in on whether to conduct outreach aiming to recruit additional Executive Committee members, and if so, how many.

Recommended Action: The ABAG POWER Executive Committee is requested to review and comment on the discussion items.

Attachment: None.

Reviewed:

DocuSigned by:
Brad Paul
8C3380BA165B4D1 2/9/2021

Brad Paul

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 4.b.

Natural Gas Program

Subject: Program Membership

Discussion Items: Over the coming years, staff will endeavor to identify, prioritize, and implement programmatic modifications to provide greater value to the membership. Further, increases in membership benefit all members with the resultant lower rate for service. As part of this process, target jurisdictions for program recruitment may be identified. Jurisdictions that are members of a Community Choice Aggregation (CCA) program and/or jurisdictions with a municipal utility (muni) should be prioritized for recruitment given that they are already a customer of a non-investor-owned utility (IOU) energy provider.

The attached chart identifies current members of ABAG POWER, participants in a CCA, and jurisdictions with a muni. This information is provided to enable Committee members to easily identify jurisdictions to prioritize for recruitment.

Recommended Action: The ABAG POWER Executive Committee is requested to review the list of participating and non-participating jurisdictions, and as appropriate, comment on potential opportunities to increase the number of participants.

Attachment: None.

Reviewed:

DocuSigned by:
Brad Paul
8C3380BA165B4D1 2/9/2021
Brad Paul

Agenda Item 4.b. – Program Membership

February 18, 2021

Page 2 of 2

Nine-County San Francisco Bay Area								Winters			
		Healdsburg	Cloverdale	Windsor	Saint Helena	Calistoga			Vacaville	Dixon	
	Sonoma County	Sebastopol	Santa Rosa	Rohnert Park	Sonoma	Yountville	Napa County	Fairfield	Suisun City	Rio Vista	Solano County
		Marin County	Cotati	Petaluma		American Canyon	Napa	Benicia			
		San Anselmo	Novato	San Rafael			Vallejo				
	Fairfax	Larkspur	Ross	Tiburon							
		Mill Valley	Corte Madera	Belvedere							
			Sausalito								
							Hercules	Martinez	Pittsburg	Antioch	
						San Pablo	Pinole	Orinda	Concord	Clayton	Oakley
					Richmond	El Cerrito	Albany	Lafayette	Pleasant Hill	Walnut Creek	Brentwood
			San Francisco			Emeryville	Berkeley	Piedmont	Moraga	Danville	Contra Costa County
		San Francisco County	Daly City	Brisbane		Alameda	Oakland	San Leandro	Hayward	Dublin	San Ramon
		Colma	South San Francisco	San Bruno				Union City	Fremont	Pleasanton	Livermore
		Pacifica	Millbrae	Hillsborough	Foster City	Belmont			Newark	Milpitas	Alameda County
		Half Moon Bay	Woodside	San Mateo	Burlingame	San Carlos	East Palo Alto		Santa Clara		
				Portola Valley	Redwood City	Menlo Park	Palo Alto	Mountain View	San Jose	Gilroy	
				San Mateo County	Atherton	Los Altos	Cupertino	Sunnyvale	Morgan Hill	Santa Clara County	
					Los Altos Hills	Saratoga	Monte Sereno	Campbell			
								Los Gatos			
							Watsonville				
							Salinas	Gonzales			

ABAG POWER Member (Includes CCA Participants)
CCA Participant
Muni



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-0223 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 1/14/2021 **In control:** ABAG POWER Executive Committee
On agenda: 2/18/2021 **Final action:**
Title: 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: [Agenda Item 5.a.1. - Summary of Natural Gas Program.pdf](#)
[Agenda Item 5.a.2. - Summary of Natural Gas Program.pdf](#)
[Agenda Item 5.b. - Historical and Anticipated Gas Supply.pdf](#)
[Agenda Item 5.c. - Market Price Comparison.pdf](#)
[Agenda Item 5.d. - Budget-to-Actual.pdf](#)
[Agenda Item 5.e. - Regulatory Proceedings.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

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

Attachments: List any attachments.

ABAG POWER

Executive Committee Meeting

Thursday, February 18, 2021

Ryan Jacoby
Program Manager



1

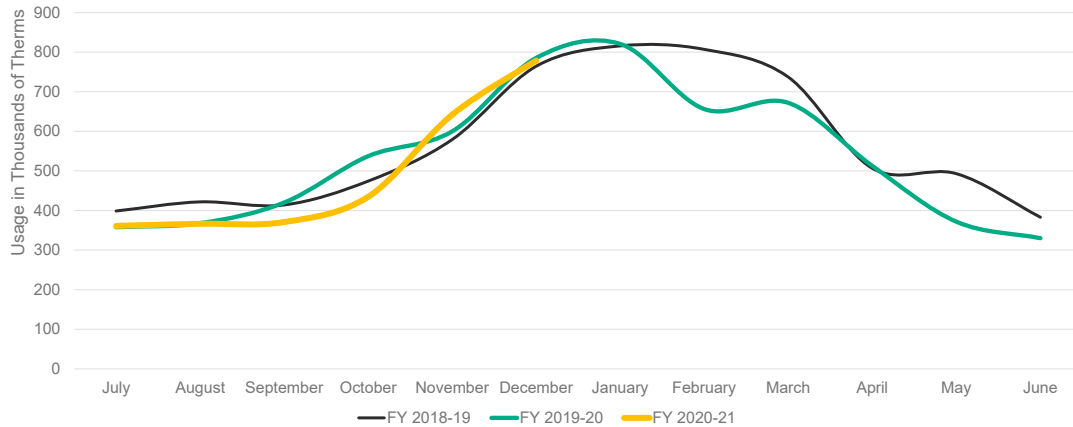
5.a. - Monthly Summary of Operations

- Preliminary (unaudited) financial statements indicate a fiscal year cumulative rate **6.8%** higher relative to PG&E's small commercial rate schedule
 - Reduced from 20% in October; Jan/Feb will continue to close the gap
- Selection of Independent Natural Gas Storage Provider for 2021-2022
- Intro meetings and contract negotiations with GPT, Inc. for program design
- Completed upgrades to electronic invoicing
 - ✓ January & February invoices sent as email attachments
 - ✓ Less backend processing!



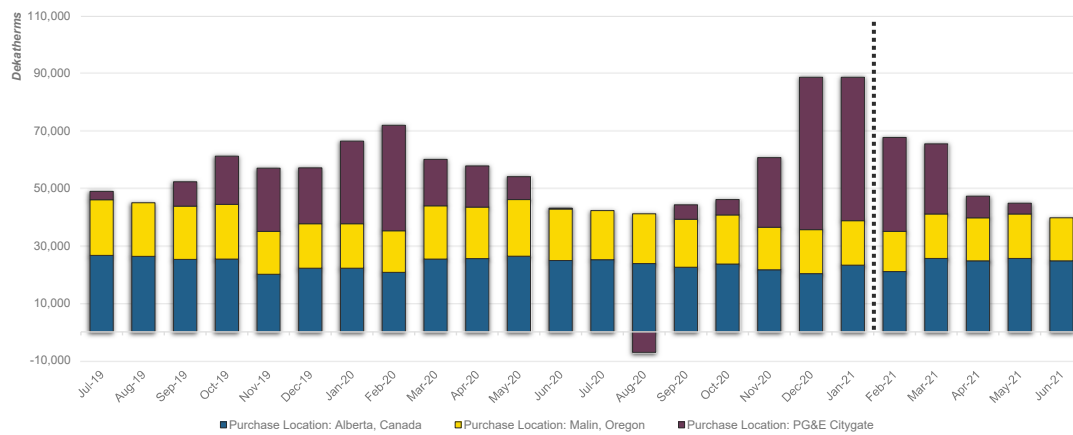
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5.a. - Monthly Summary of Operations



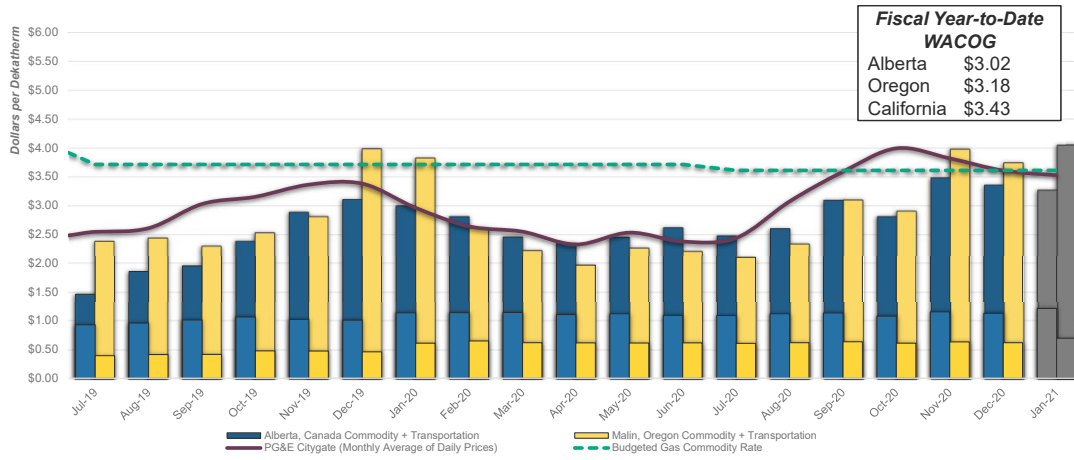
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5.b. – Gas Supply by Origin



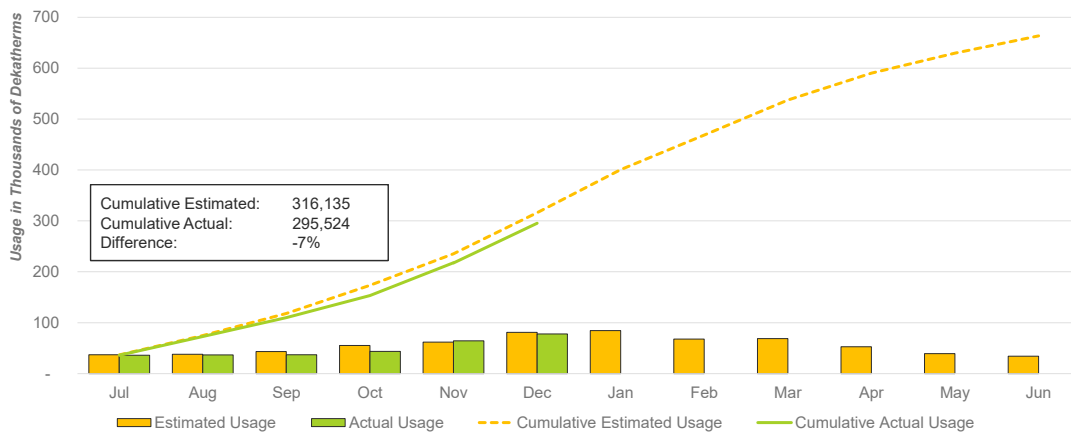
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5.c. – Market Price Comparison



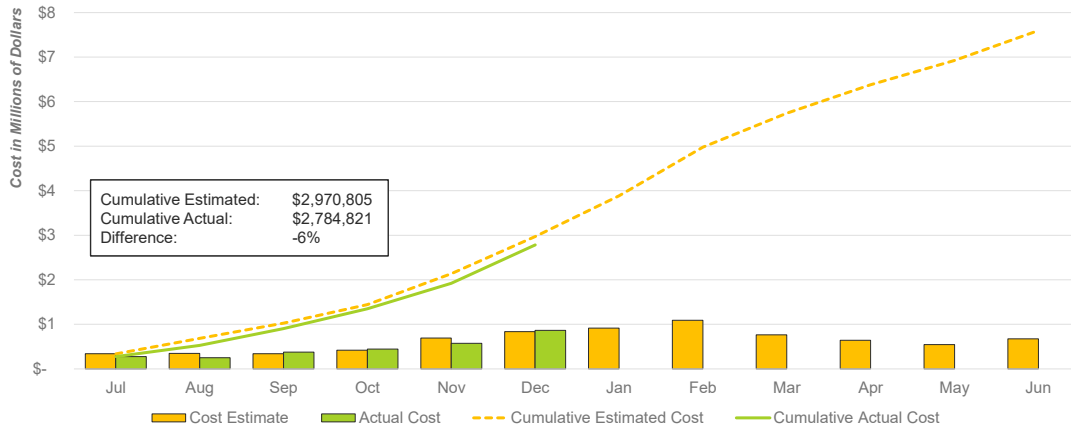
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5.d. – FY 2020-21 Budget-to-Actual



6

5.d. – FY 2020-21 Budget-to-Actual



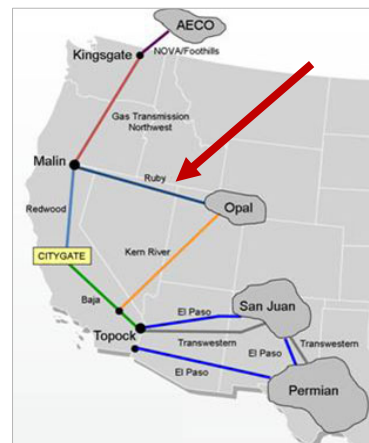
7

5.e. – Regulatory Proceedings

A.20-08-23: PG&E's Long-Term Gas Transportation Agreements w/ Ruby Pipeline

Seeks approval of:

- Amendments executed in May 2020
- Future amendments through an Advice Letter, rather than formal proceeding
- Proposed procedures for annual step-down and “evergreen” contract rights
- Cost recovery mechanism



8

5.e. – Regulatory Proceedings

A.20-01-007: OIR to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and **Perform Long-Term Gas System Planning**

Track	Timeframe	Topic
1A	March 2020 – April 2021	System Reliability Standards (Operational Issues & Constraints)
1B	July 2020 – May 2021	Market Structure and Regulations
2	June 2021 – August 2022	Long-Term Natural Gas Policy and Planning



9

5.e. – Regulatory Proceedings

A.19-02-015: Application of Southern California Gas Company and San Diego Gas & Electric Company for **Renewable Natural Gas (RNG) Tariff**

- [Decision 20-12-022](#) issued on December 22, 2020 adopts a **three-year voluntary pilot** for an RNG program serving core customers, requiring:
 - ✓ A minimum of 50% of the utilities' annual RNG supply must be procured and delivered through a common carrier pipeline, and demonstrably reduce or avoid adverse air, water, or odor effects
 - ✓ A modified version of the Low Carbon Fuel Standard methodology will be used to measure carbon intensity
 - ✓ All non IT-related program costs recoverable from program participants
 - ✓ If program continuation is not approved, wind-down costs will be recovered from shareholders



10

Strategic Program Design Planning

We know what's valuable.

There are opportunities.

Let's determine the details and implement change, together.

The diagram consists of three overlapping yellow circles representing the domains: Environmental (top), Organizational (bottom-left), and Financial (bottom-right). The Environmental circle contains 'Electrification', 'Carbon Offsets', and 'Renewable Natural Gas'. The Organizational circle contains 'Industry Resources', 'Customer Service', and 'Aggregated Procurement'. The Financial circle contains 'Intentional Purchasing Strategy' and 'Utility Savings'. The intersection of Environmental and Organizational contains 'Building Retrofits'. The intersection of Environmental and Financial contains 'Vehicle Fuel' and 'Frack-Free Gas'. The intersection of Organizational and Financial contains 'Regulatory'. The central intersection of all three contains 'Grant Funding Opps' and 'Financial Reinvestment'.




11

Strategic Program Design Planning

Targeted Discussions for Programs & Programmatic Elements:

- Programs that help ABAG POWER, and the Bay Area as a whole, to **cost-effectively manage the transition to cleaner and renewable energy**
- Programs that will **reduce criteria pollutants**, have a positive impact on air quality, and therefore improve public health in the Bay Area
- Programs that leverage member agencies as implementation partners and can **help members address specific local needs**, including disaster preparedness, the resiliency of critical facilities and infrastructure, and achieving local sustainability goals
- Programs that create **mutual value and cost savings**



12

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 5.a.2.

Report on Natural Gas Program

Subject: Monthly Summary of Operations

Background: During fiscal year (FY) 2020-21, natural gas prices have been volatile, averaging significantly higher than the first half of the calendar year. From July to December 2020, daily prices per dekatherm at PG&E's Citygate ranged from \$2.03 to \$4.26, with an unweighted average of \$3.41.

PG&E's small commercial procurement rate (G-NR1) – the rate under which most ABAG POWER accounts would be categorized – averaged \$3.57 over the same time period.

The program continues to purchase gas exclusively on daily and monthly markets within California, Oregon, and Alberta, Canada.

Preliminary (unaudited) financial statements through September 2020 indicate a cumulative savings figure of -6.8% when compared to PG&E's G-NR1 rate.

It is common for the program to conclude the summer season with a double-digit savings deficit due to the seasonal nature of the portfolio's usage. This year, the effect has been compounded by lower-than-average summer usage caused both by warm weather and intermittent facility closures due to COVID-19.

Issues: None.

Recommended Action: None.

Attachment: Monthly Summary of Operations, FY 2020-21

Reviewed:

DocuSigned by:
Brad Paul
8C3380BA165B4D1... 2/9/2021
Brad Paul

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
				Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Total
61	Small Commercial (G-NR1) Rate Comparison															
62	Monthly Rate Difference (\$/Dth)															
				1.96	1.33	0.95	1.34	(0.21)	0.11							
63	Monthly Savings															
			\$	(55,948)	\$ (37,807)	\$ (26,320)	\$ (47,813)	\$ 12,112	\$ (7,663)							
64	Cumulative 'Savings'															
			\$	(55,948)	\$ (93,755)	\$ (120,076)	\$ (167,889)	\$ (155,777)	\$ (163,440)							
67	Cumulative 'Savings'															
				-29.6%	-25.3%	-17.8%	-16.3%	-9.8%	-6.8%							
68																
69	Additional Rate Comparisons															
70	Large Commercial (G-NR2) Cumulative Savings															
				-37.4%	-33.0%	-23.7%	-21.5%	-14.7%	-11.1%							
75	Residential (G1/GM) Cumulative Savings															
				-25.7%	-8.4%	-3.0%	-3.8%	1.5%	0.3%							
80	Natural Gas Vehicle (G-NGV1/2) Cumulative Savings															
				-38.3%	-14.3%	-5.9%	-6.4%	-0.9%	-1.7%							
85																
86																
87	Notes:															
88	¹ All gas quantities in Dth and rates in \$/Dth.															
89	² Weighted Average Cost of Gas (WACOG) at PG&E Citygate															
90	³ Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.															
91	⁴ Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.															
92	⁵ PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.															
93	⁶ From billing data															
94	⁷ Based on PG&E's G-NR1 rate schedule.															
95	⁸ Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.															
96	⁹ PG&E Transportation Charge, Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.															
97																
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99																
100																

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 5.b.

Report on Natural Gas Program

Subject: Historical and Anticipated Gas Supply

Background: Since July 1, 2018, the general gas purchasing strategy has been exclusively in the short-term, index-based market.

Gas purchases are currently made on monthly and daily indices at three market locations. Fixed-price purchases are made only by exception and with Committee approval.

Issues: None.

Recommended Action: None.

Attachment: Historical and Anticipated Gas Supply Chart

Reviewed:

DocuSigned by:
Brad Paul
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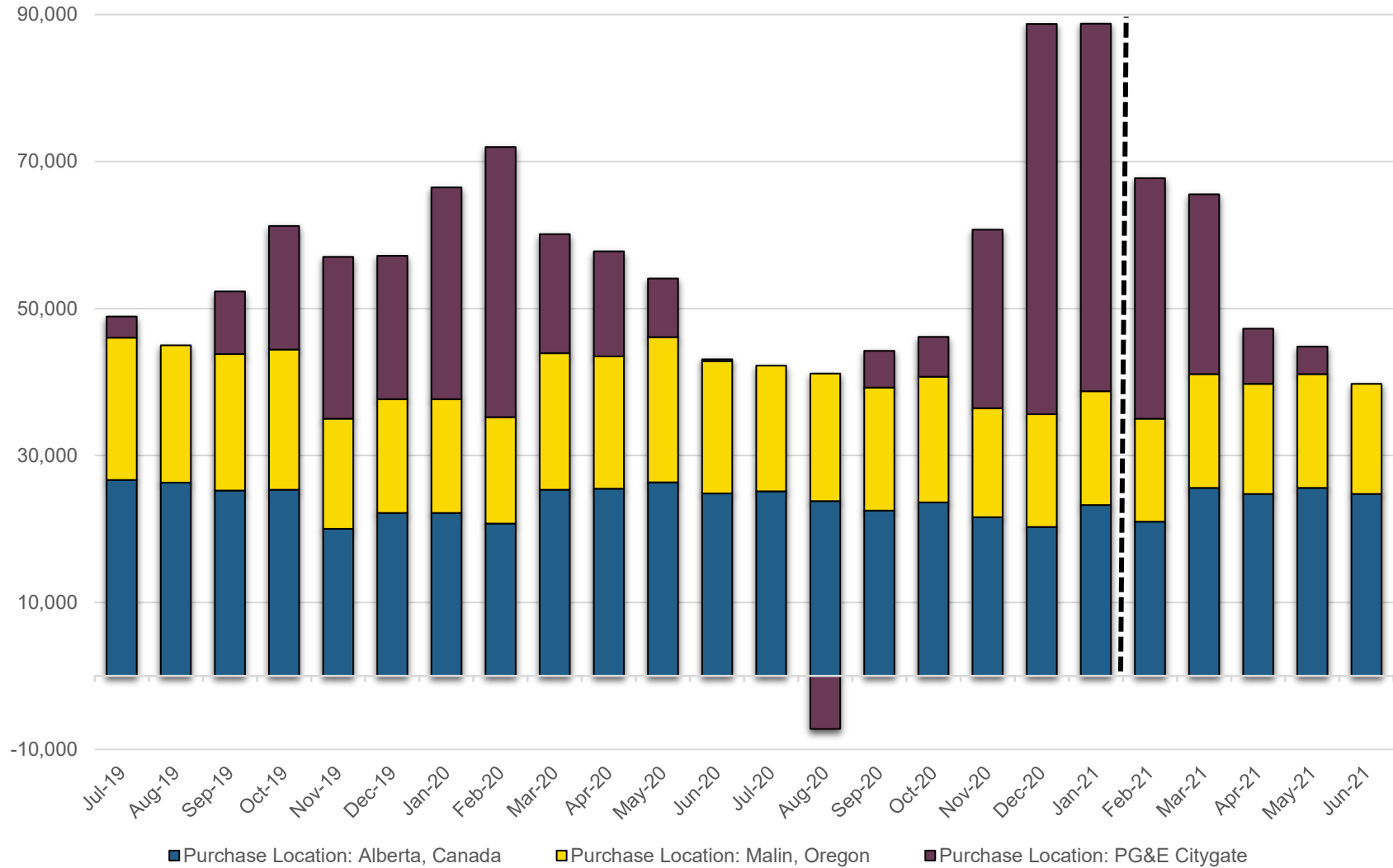
Brad Paul

Agenda Item 5.b. – Historical and Anticipated Gas Purchases by Origin

February 18, 2021

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Historical and Anticipated Gas Supply



ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 5.c.

Report on Natural Gas Program

Subject: Market Price Comparison

Background: During the first few calendar months of fiscal year 2020-21, gas prices at western markets were approximately \$2.50 per dekatherm (Dth). Market expectations generally assumed prices would remain stable and low throughout the remainder of 2020. The COVID-19 pandemic upended those predictions.

The most significant pricing impacts from the pandemic are decreases in both natural gas production and consumption. For of the first half of the calendar year, these decreases still resulted in balanced supply and demand forces, and prices remained within the \$2.00-2.50/Dth range.

In August, demand began to outstrip supply as western regions experienced persistent heat events. The increased demand caused a corresponding increase in pricing, compounded by lagging production. Since November, winter market prices have remained within the \$3.50-4.00/Dth range, often above the program's budgeted rate of \$3.61/Dth.

Issues: None.

Recommended Action: None.

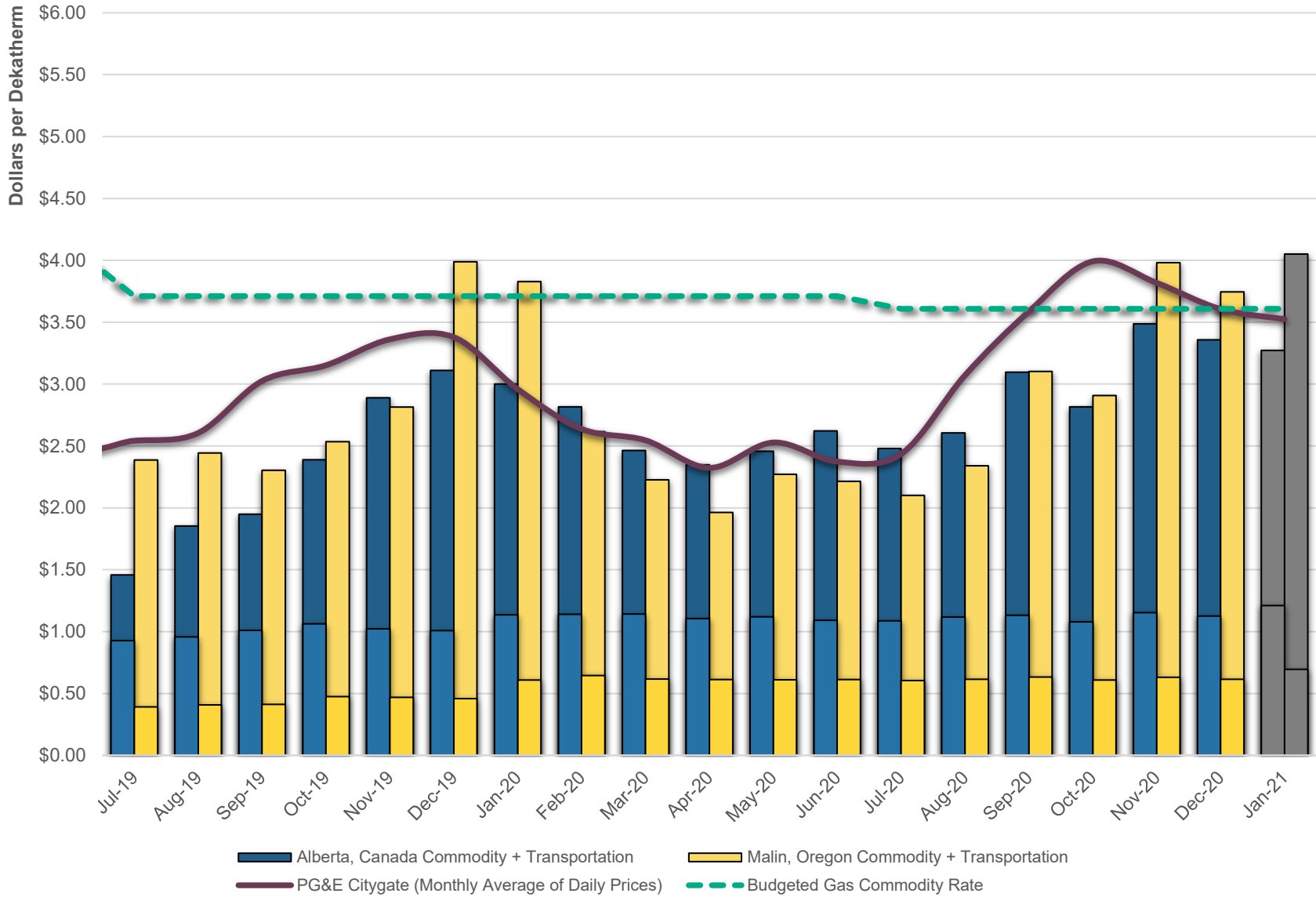
Attachment: Market Price Comparison

Reviewed:

DocuSigned by:
Brad Paul
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2/9/2021

Brad Paul

Market Price Comparison




ABAG Publicly Owned Energy Resources (ABAG POWER)**Executive Committee****February 18, 2021****Agenda Item 5.d.****Report on Natural Gas Program****Subject:** Fiscal Year (FY) 2020-21 Budget-to-Actual

Background: ABAG POWER's adopted operating budget provides a core natural gas rate of \$0.36 per therm. During the first half of FY 2020-21, the program's core gas rate was \$0.37 per therm. The rate reflects a combination of higher than anticipated gas prices, coupled with decreased usage in the summer months due to warm weather and COVID-19-related reductions in facility usage.

<i>Dollars per therm (\$/therm)</i>		
	FY 2020-21 YTD Actual	FY 2020-21 Budget
Core Gas Rate	\$0.37	\$0.36
Noncore Gas Rate	\$0.43	\$0.35
PG&E Pass-through Costs	\$0.58	\$0.78
Program Expenses	\$0.08	\$0.08
Core Total Rate	\$1.03	\$1.22
Noncore Total Rate	\$0.51	\$0.43

As the year progresses, core and noncore total rates are expected to decline as seasonal usage (generally from November to March) returns, resulting in a decreased rate for fixed program expenses. As usage begins to increase, pass-through costs will also rise.

Issues: None.**Recommended Action:** None.**Attachment:** FY 2020-21 Budget-to-Actual**Reviewed:**

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 Brad Paul

Agenda Item 5.d. – FY 2020-21 Budget-to-Actual

February 18, 2021

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	YTD Actual As of 12/31/20	Budget Utilization (%)	Adopted Budget FY 2020-21
Revenue			
Sale of Energy	3,863,460	51%	7,558,440
Interest Income	3,721	11%	35,000
Other Revenue	9,226	103%	9,000
Total Revenue	3,876,408	51%	7,602,440
Expense			
Cost of Energy			
PG&E Pass-through Costs	1,453,139	32%	4,500,755
Gas Commodity & Shrinkage Costs	784,789	43%	1,844,335
Intra/Interstate Pipeline Transportation	264,100	49%	542,670
Gas Storage	55,166	43%	127,618
Total Cost of Energy	2,557,194	36%	7,015,378
Staff Cost			
Salary & Benefits	92,979	35%	266,243
Overhead	53,156	35%	150,854
Total Staff Cost	146,136	35%	417,097
Consultant Services			
Gas Scheduling Services	10,050	33%	30,400
Database Hosting Services	17,662	88%	20,000
Brokerage Services	4,927	41%	12,000
External Legal Support	0	0%	10,000
Electronic Data Interchange Services	3,474	45%	7,750
Total Consultant Services	36,113	45%	80,150
Other Expenses			
Audit	52,044	74%	70,000
Interest Expense/Bank Charges	4,924	52%	9,500
Catering	0	0%	2,000
Market Pricing Subscriptions	0	0%	1,660
Travel	0	0%	1,000
Industry Memberships & Conferences	0	0%	1,450
Insurance	0	0%	700
Miscellaneous	50	17%	300
Total Other Expense	57,018	66%	86,610
Total Expense	2,796,461	37%	7,599,235
Surplus / Deficit	1,079,947	-	3,205
Core Annual Usage (Dth):	248,683	43%	577,537
Noncore Annual Usage (Dth):	46,841	54%	86,143
Core Gas Rate (\$/therm):	0.37	102%	0.36
Noncore Gas Rate (\$/therm):	0.43	123%	0.35
PG&E Pass-through Costs (\$/therm):	0.58	75%	0.78
Program Expenses (\$/therm):	0.08	100%	0.08
Core Total Rate (\$/therm):	1.03	85%	1.22
Noncore Total Rate (\$/therm):	0.51	118%	0.43

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 5.e.

Natural Gas Program

Subject: Regulatory Proceedings

Background: Staff monitor and participate in relevant California Public Utilities Commission (CPUC) regulatory proceedings to keep apprised of funding opportunities, ensure compliance with relevant operational requirements, and to provide comments that reflect the unique perspective of ABAG POWER.

ABAG POWER is a party to two ongoing proceedings:

- Application (A.) 20-08-23: Application of PG&E for Approval of Amendments to Long-Term Natural Gas Transportation Contracts with Ruby Pipeline [...]
- Rulemaking (R.) 20-01-007: Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and perform Long-Term Gas System Planning


Staff will provide a regulate update as to the progress of these proceedings, and opportunities for involvement.

Issues: None.

Recommended Action: None.

Attachment: None.

Reviewed:

DocuSigned by:

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Brad Paul



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-0224 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 1/14/2021 **In control:** ABAG POWER Executive Committee
On agenda: 2/18/2021 **Final action:**

Title: Request for approval of framework for evaluating damages caused by membership withdrawals breaching the Natural Gas Sales and Aggregation Agreement's three-year opt-out term, and application of the framework to a potential early withdrawal of the Regional Administrative Facility Corporation.

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Item 6.a. - Framework for Early Termination Damages.pdf](#)
[Agenda Item 6.b. - Evaluation of Damages for RAFC.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Request for approval of framework for evaluating damages caused by membership withdrawals breaching the Natural Gas Sales and Aggregation Agreement's three-year opt-out term, and application of the framework to a potential early withdrawal of the Regional Administrative Facility Corporation.

Presenter:

Ryan Jacoby

Recommended Action:

Approval

Attachments: List any attachments.

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 6.a.

Natural Gas Program Membership

- Subject:** Request for approval of framework for evaluating damages caused by membership withdrawals breaching the Natural Gas Sales and Aggregation Agreement's three-year opt-out term
- Background:** At ABAG POWER's Executive Committee meeting on December 8, 2020, staff informed the Committee of the intended withdrawal of the Regional Administrative Facility Corporation (RAFC). Staff requested input to determine whether an evaluation of damages should be conducted for breach of the three-year opt-out term required by the Natural Gas Sales and Aggregation Agreement (NGSAA). The Committee directed staff to:
- Prepare a methodology to allocate annual costs to each account in the portfolio as part of a larger framework to establish consistency in responding to requests for withdrawal
 - Determine whether the NGSAA should be amended to incorporate the proposed framework
 - Consider conducting an "exit risk" analysis with GPT, Inc. as part of the program's upcoming program design discussions
- Discussion Items:** Staff proposes the following framework apply to members seeking to withdraw from membership sooner than the three-year term specified in the NGSAA. The proposed framework balances the need to facilitate prompt and equitable program withdrawals while also encouraging adherence to the terms of the NGSAA.
- 1. The evaluation of damages related to the early withdrawal of a member agency should be considered within a three-year time horizon.**
- The three-year opt-out term provides certainty regarding the membership and apportionment of costs. Damages incurred by the program for a three-year period should be considered.
- Given the current gas purchasing strategy, it is unlikely that high-cost variable expense obligations extend beyond the current fiscal year. When possible, the effective date of termination should attempt to minimize stranded variable costs.

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 6.a.

Natural Gas Program Membership

Unlike variable expenses, various fixed expenses – primarily staff cost and multi-year consultant contracts – are impacted by, and benefit from, long-term commitments. Fixed expenses also typically do not have a significant degree of change over a three-year period.

The adopted fiscal year budget will determine the costs for the first year. Years two and three should incorporate known contract changes and a cost of living adjustment.

- 2. The amount of damages related to the early withdrawal of a member agency should not be limited to the agency's working capital deposit held by ABAG POWER.**

Section 9.3 of the NGSAA requires each member agency to pay a working capital deposit (deposit) to ABAG POWER when joining the program. The deposit is an assessment intended to represent two months of expenses and is calculated as two times the member's average monthly load multiplied by the rate per therm (\$/therm). Staff annually review the deposits to ensure that in aggregate, they meet or exceed the stated goal of at least three months of working capital.

It is possible that the damages sustained by ABAG POWER over a three-year horizon may exceed a member's deposit. This recommendation acknowledges the fact that a member's obligation to provide notification of intended withdrawal is three years, and that the program commits resources within that timeframe under the assumption that the membership is constant. If the damages sustained by ABAG POWER exceed a member's deposit, the program should seek reimbursement.

- 3. The NGSAA should not be amended to formally incorporate a framework to evaluate damages.**

The NGSAA requires a three-year opt-out term but does not specify a process for evaluating damages for non-compliance.

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 6.a.

Natural Gas Program Membership

It is reasonable to assume that most requests for withdrawal will be initiated under unique circumstances and, therefore, should be considered on a case-by-case basis. As such, amending the NGSAA to include this framework would have little value.

- 4. The Board of Directors or Executive Committee should not impose an additional financial penalty beyond actual damages to POWER or its members.**

The impact of a member's withdrawal will vary based on the load profile for the account(s) to be withdrawn. Any withdrawal, however, creates a negative impact for the remaining members since fixed costs are spread amongst a smaller usage pool, resulting in a higher rate per therm.

Recognizing that withdrawals will occur for varying reasons, the damages sought by ABAG POWER for an early termination should consist only of actual and reasonably expected stranded costs.

Recommended Action: The ABAG POWER Executive Committee is requested to approve the proposed framework for evaluating damages caused by early membership withdrawals in breach of the Natural Gas Sales and Aggregation Agreement's three-year opt-out term.

Attachment: None.

Reviewed:

DocuSigned by:
Brad Paul
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Brad Paul

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 6.b.

Natural Gas Program Membership

Subject: Request for approval of damages evaluation against the Regional Administrative Facility Corporation for early termination of the Natural Gas Sales and Aggregation Agreement

Background: The Regional Administrative Facility Corporation (RAFC) is a non-profit, public benefit corporation formed by the Association of Bay Area Governments (ABAG), the Metropolitan Transportation Commission (MTC), and the San Francisco Bay Area Rapid Transit District (BART). The entity was created to establish the respective ownership interests in the building located at 101 Eighth Street in the City of Oakland. RAFC has been a member of ABAG POWER since 1998. The sole account is the Eighth Street facility, which until 2017, jointly housed ABAG, MTC, and BART staff.

In June 2017, ABAG and MTC moved to an office in San Francisco and sold their Oakland condominium unit interests to BART. Thereafter, ABAG and MTC exited RAFC, leaving BART as the only member. In July 2018, the RAFC Board of Directors voted to dissolve RAFC; however, the POWER account remains enrolled and is in good standing. In September 2020, BART staff communicated an informal intent to withdraw from the program in advance of the required-three year noticing period.

At ABAG POWER's Executive Committee meeting on December 8, 2020, staff informed the Committee of the intended withdrawal of RAFC. Staff requested input regarding the evaluation of ABAG POWER damages due to the early withdrawal of RAFC in breach of the three-year opt-out term required by the Natural Gas Sales and Aggregation Agreement (NGSAA).

Discussion Items: The attached evaluation of damages incorporates the proposed framework for determining early termination damages. This analysis:

- Assumes an effective termination date of July 1, 2021 to minimize stranded costs for existing contracts ending June 30, 2021
- Concludes that ABAG POWER would incur damages of \$1,931 related to the early withdrawal of RAFC
- Provides that the evaluation will be netted against:

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

February 18, 2021

Agenda Item 6.b.

Natural Gas Program Membership

- RAFC's working capital deposit of \$12,326
- Any difference in the levelized and actual costs paid by BART over the period July 1, 2020 to June 30, 2021

Following approval of the evaluation, staff will present BART with the determination of damages. If BART is agreeable to the recommended termination date and damages, staff will request BART provide formal intent to withdraw; prepare the account for disconnection; and, incorporate its removal in the upcoming fiscal year 2022 operating budget.

If BART disputes the determined damages, staff will attempt to negotiate an alternative agreement that will be presented to the Committee for approval. A status update will be provided at all subsequent Committee meetings until an agreement is reached and finalized.

Recommended Action: The ABAG POWER Executive Committee is requested to approve the steps outlined above regarding damages sustained by ABAG POWER related to the early termination of the Natural Gas Sales and Aggregation Agreement by the Regional Administrative Facility Corporation.

Attachment: Calculation of Sustained Damages

Reviewed:

DocuSigned by:
Brad Paul
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Brad Paul

Agenda Item 6.b – Evaluation of Damages for the Intended Withdrawal of RAFC

February 18, 2021

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1. Fixed Operational Costs in Dollars

Approved Fixed Operational Costs in Dollars, Year 1*			
Budget Category	Description	Core	Noncore
Cost of Energy	Gas Storage	127,618	-
Staff Cost	Salary & Benefits	266,243	266,243
Staff Cost	Overhead	150,854	150,854
Consultant Services	Gas Scheduling Services	30,400	30,400
Consultant Services	Database Hosting Services	20,000	20,000
Consultant Services	Brokerage Services	12,000	12,000
Consultant Services	External Legal Support	10,000	10,000
Consultant Services	Electronic Data Interchange Services	7,750	7,750
Other Expenses	Audit	70,000	70,000
Other Expenses	Bank Services Charges	9,500	9,500
Other Expenses	Catering	2,000	2,000
Other Expenses	Market Price Subscriptions	1,660	1,660
Other Expenses	Travel	1,000	1,000
Other Expenses	Industry Memberships & Conferences	1,450	1,450
Other Expenses	Insurance	700	700
Other Expenses	Miscellaneous	300	300
Total Fixed Expenses:		711,475	583,857
Number of Accounts:		768	768
Fixed Cost Per Account, Year 1**:		926	760

*Derived from ABAG POWER's adopted fiscal year 2020-21 operating budget.

**If the effective date of termination is July 1, 2021, and the member payment status is current, these costs will be paid through the fiscal year 2020-21 monthly levelized charges.

Estimated Fixed Operational Costs in Dollars, Years 2 & 3		
	Core	Noncore
Fixed Cost Per Account, Year 1	926	760
Annual Cost of Living Adjustment (2.8%)	26	21
Fixed Cost Per Account, Year 2	952	781
Annual Cost of Living Adjustment (2.8%)	27	22
Fixed Cost Per Account, Year 3	979	803

Evaluation of Fixed Operational Costs, Years 1-3	
Number of Accounts:	1
Account Classification:	Core
Fixed Cost Per Account, Year 1:	\$0
Fixed Cost Per Account, Year 2:	\$952
Fixed Cost Per Account, Year 3:	\$979
Evaluation of Fixed Costs:	\$1,931

Agenda Item 6.b – Evaluation of Damages for the Intended Withdrawal of RAFC

February 18, 2021

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2. Variable Operational Costs in Dollars per Therm

Approved Variable Operational Costs in Dollars per Therm, Year 1			
Budget Category	Description	Core	Noncore
Cost of Energy	PG&E Pass-through Costs**	\$0.78	\$0.00
Cost of Energy	Gas Commodity & Transportation Costs**	\$0.36	\$0.35

**Derived from ABAG POWER's adopted fiscal year 2020-21 operating budget.*

***If the effective date of termination is July 1, 2021, and the member payment status is current, these costs will be paid through the fiscal year 2020-21 monthly levelized charges.*

Estimated Variable Costs in Dollars per Therm, Years 2 & 3		
	Core	Noncore
Variable Cost in Dollars per Therm, Year 2	\$0.00	\$0.00
Variable Cost in Dollars per Therm, Year 3	\$0.00	\$0.00

The program's current gas purchasing strategy relies exclusively upon short-term gas purchase and transportation contracts. If the effective date of termination is July 1, 2021, variable costs in years two and three can be avoided by incorporating the account's disconnection in the fiscal year 2021-22 budget.

Evaluation of Variable Operational Costs, Years 1-3	
Number of Accounts:	1
Account Classification:	Core
Fixed Cost Per Account, Year 1:	\$0
Fixed Cost Per Account, Year 2:	\$0
Fixed Cost Per Account, Year 3:	\$0
Evaluation of Fixed Costs:	\$0