ASSOCIATION OF BAY AREA GOVERNMENTS

Meeting Transcript

ABAG POWER EXECUTIVE COMMITTEE

THURSDAY, APRIL 18TH, 2024, 11:00 AM

CHAIR, DOUG WILLIAMS: WELL, GOOD MORNING, EVERYBODY. GOOD MORNING, EVERYBODY, THAT WAS ABLE TO MAKE IT HERE TODAY. THANK YOU TO EVERYBODY THAT'S ONLINE. THIS MEETING OF THE ABAG POWER EXECUTIVE COMMITTEE IS CALLED TO ORDER. SO ROLL CALL. WILL THE CLERK CONFIRM WHETHER A QUORUM OF THE COMMITTEE IS PRESENT?

CINDY CHEN, CLERK: YES. WE HAVE TWO TELECONFERENCE LOCATION. I'LL DO A ROLL CALL TO CONFIRM QUORUM. WILLIAMS.

CHAIR, DOUG WILLIAMS: HERE.

CINDY CHEN, CLERK: BOARD MEMBER HAVENAR-DOUGHTON IS ABSENT. BOARD MEMBER MARSHALL.

ELAINE MARSHALL: HERE.

CINDY CHEN, CLERK: BOARD MEMBER PAGE.

ZEELAURA PAGE: HERE.

CINDY CHEN, CLERK: THE QUORUM IS PRESENT. THANK YOU.

CHAIR, DOUG WILLIAMS: LET'S START WITH PUBLIC COMMENT. IS THERE ANY PUBLIC OF THE -- MEMBER OF THE PUBLIC WHO WISH TO COMMENT ON ITEMS NOT ON THE AGENDA?

CINDY CHEN, CLERK: NO MEMBER OF THE PUBLIC IN THE ROOM OR ONLINE. ON THIS ITEM. FOR THE TWO TELECONFERENCE LOCATIONS, DO YOU HAVE ANY MEMBER OF THE PUBLIC IN YOUR LOCATION?

ZEELAURA PAGE: NO, NOT FOR CITY OF PLEASANTON, NO.

ELAINE MARSHALL: WE DON'T HAVE ANY HERE IN MILPITAS EITHER.

CINDY CHEN, CLERK: THANK YOU. AND ALSO NO WRITTEN PUBLIC COMMENT ON THIS ITEM.

CHAIR, DOUG WILLIAMS: THANK YOU. ALL RIGHT. WE'LL MOVE ON TO THE CONSENT CALENDAR. THE APPROVAL OF MINUTES FROM FEBRUARY 15, 2024. EXECUTIVE COMMITTEE MEETING. AND THE APPOINTMENT OF AARON ZAVALA, AM I SAYING THAT CORRECTLY?

AARON ZAVALA: YES. AARON ZAVALA, THANK YOU.

CHAIR, DOUG WILLIAMS: AARON ZAVALA, OKAY, TO THE EXECUTIVE COMMITTEE. IS THERE A MOTION FROM THE COMMITTEE TO APPROVE THE

CONSENT CALENDAR CONSISTING OF THE MINUTES FROM OUR FEBRUARY, 2024 EXECUTIVE COMMITTEE MEETING AND THE APPOINTMENT OF AARON ZAVALA TO THE EXECUTIVE COMMITTEE? CAN I HAVE A MOTION? I MOTION.

ZEELAURA PAGE: SECOND.

CINDY CHEN, CLERK: IS THAT BOARD MEMBER MARSHALL? I DIDN'T SEE IT?

CHAIR, DOUG WILLIAMS: PAGE.

CINDY CHEN, CLERK: THAT'S PAGE. THANK YOU.

CHAIR, DOUG WILLIAMS: IS THERE ANY DISCUSSION BY MEMBERS OF THE COMMITTEE ON THIS MOTION? IS THERE ANY MEMBER OF THE PUBLIC THAT WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM?

CINDY CHEN, CLERK: IN THIS LOCATION, NO MEMBER OF THE PUBLIC NOR ONLINE FOR THIS ITEM. ARE THERE ANY MEMBERS OF THE PUBLIC FROM THE REMOTE LOCATIONS?

ZEELAURA PAGE: NO.

ELAINE MARSHALL: NO, THERE IS NOT.

CINDY CHEN, CLERK: ALSO, NOT FOR CITY OF MILPITAS. THANK YOU.

CHAIR, DOUG WILLIAMS: OKAY. WILL THE CLERK CALL A VOTE?

CINDY CHEN, CLERK: YES. THE MOTION WAS MOVED BY BOARD MEMBER WILLIAMS. SECOND BY BOARD MEMBER PAGE. THE VOTE, BOARD MEMBER WILLIAMS?

CHAIR, DOUG WILLIAMS: AYE.

CINDY CHEN, CLERK: BOARD MEMBER HAVENAR-DOUGHTON IS ABSENT. BOARD MEMBER MARSHALL.

ELAINE MARSHALL: AYE.

CINDY CHEN, CLERK: BOARD MEMBER PAGE.

ZEELAURA PAGE: AYE.

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

CHAIR, DOUG WILLIAMS: OKAY. INFORMATION ITEMS. INFORMATION ITEM A. I UNDERSTAND WE ARE NOT DOING THAT TODAY.

RYAN JACOBY: WE ARE STILL DOING IT. THE PRESENTERS -- BUT, YEAH, THEY'RE STILL --

CHAIR, DOUG WILLIAMS: OKAY. OVERVIEW OF ASSEMBLY BILL A.B. 1999, ELECTRICITY FIXED CHARGES AND A.B. 2050, ENERGY. IN FEBRUARY, THE COMMITTEE RECEIVED PUBLIC COMMENT REQUESTING THIS BODY TAKES CORE POSITION FOR ASSEMBLY BILL 205 AND PROVIDE A LETTER OF CONCERN REGARDING THE FIXED CHARGES FOR ELECTRICITY BEING CONSIDERED BY THE CALIFORNIA PUBLIC UTILITY COMMISSION AS A RESULT OF THE PASSAGE OF ASSEMBLY BILL 1999. IN RESPONSE, THE COMMITTEE INDICATED THEY WOULD LIKE TO RECEIVE A PRESENTATION REGARDING THESE TOPICS. CHRIS SCHROEDER AND DAVE ROSENFELD WERE SCHEDULED TO PROVIDE A PRESENTATION TODAY FOR WHICH THE MATERIALS ARE INCLUDED IN THE PACKET BUT WE WERE NOTIFIED YESTERDAY THEY ARE UNABLE TO ATTEND TODAY'S MEETING. PROVIDING THEIR ABSENT, RYAN JACOBY WILL PROVIDE A BRIEF UPDATE.

RYAN JACOBY: THANK YOU, DOUG, AND GOOD MORNING, COMMITTEE MEMBERS. SINCE THIS REQUEST WAS IDENTIFIED IN FEBRUARY, STAFF HAVE COORDINATED INTERNALLY WITH THE AGENCY'S LEGISLATION AND PUBLIC AFFAIRS TEAM IN THE OFFICE OF GENERAL COUNSEL TO EVALUATE AND ESTABLISH PROCESSES FOR LEGISLATIVE REQUESTS. OUR DISCUSSIONS FOUND THAT THIS SUBJECT OF THE LEGISLATION, NAMELY

RESIDENTIAL ELECTRICITY RATES, IS NOT WITHIN THE PURVIEW OF ABAG POWER SINCE WE NO LONGER ADMINISTER AN ELECTRICITY PROGRAM AND ALSO DO NOT OFFER RESIDENTIAL OR COMMERCIAL SERVICES. AS PART OF THESE DISCUSSIONS, WE ALSO IDENTIFIED THAT ABAG POWER'S PREVIOUSLY TAKEN POSITIONS ON LEGISLATIVE BILLS, INCLUDING SOME THAT HAVE INVOLVED RESIDENTIAL OR COMMERCIAL SERVICES. HOWEVER, SINCE THE STAFF CONSOLIDATION OF ABAG AND MTC, THERE ARE CONTINUING EFFORTS TO CONSOLIDATE AND STREAMLINE FUNCTIONS TO ENSURE CONSISTENCY ACROSS THE DIFFERENT PROGRAMS AND BOARDS. ACCORDINGLY, A JOINT ADVOCACY PROGRAM BETWEEN ABAG AND MTC WAS ESTABLISHED AND IS UPDATED ANNUALLY OR AS NEEDED BY THE LPA, LEGISLATIVE AND PUBLIC AFFAIRS SECTION, IN COORDINATION WITH A SEPARATE COMMITTEE, NAMELY, THE JOINT MTC/ABAG COMMITTEE THAT GENERALLY MEETS ON A MONTHLY SCHEDULE. FOR THOSE REASONS, TODAY'S ITEM WAS AGENDIZED AS AN INFORMATIONAL ITEM RATHER THAN ACTION. AS DOUG NOTED, THE PRESENTERS WERE SCHEDULED TO ATTEND TODAY BUT WERE ULTIMATELY UNABLE TO ATTEND. THEY HAVE BEEN INFORMED THAT REQUESTS FOR A POSITION SHOULD BE DIRECTED TO THE MTC/ABAG LEGISLATION COMMITTEE TO DETERMINE WHETHER THE REQUESTS ALIGNS WITH THE JOINT ADVOCACY PROGRAM. BECAUSE THE PRESENTERS WERE UNABLE TO ATTEND TODAY, STAFF'S QUESTION FOR THE COMMITTEE GIVEN TODAY'S REPORT IS WHETHER THE INFORMATIONAL PRESENTATION SHOULD BE AGENDIZED FOR THE JUNE EXECUTIVE COMMITTEE MEETING. OTHER THAN THAT, THAT CONCLUDES MY REPORT. THANK YOU.

CHAIR, DOUG WILLIAMS: OKAY. IS THERE ANY DISCUSSION BY MEMBERS OF THE COMMITTEE ON THIS ITEM? IT SOUNDS LIKE WE NEED TO DISCUSS WHETHER OR NOT WE WANT TO AGENDIZE IT FOR JUNE. I AGREE, WE'VE HAD DISCUSSIONS INTERNALLY, AND I AGREE THAT THIS IS NOT AN ABAG POWER ITEM, THAT IT SHOULD GO TO THE LEGISLATION COMMITTEE. SO THAT'S JUST MY THOUGHT ON THAT. IF THERE ARE ANY THOUGHTS ON ANY OF THE OTHER MEMBERS.

ELAINE MARSHALL: I WOULD AGREE WITH THAT. IT SEEMS LIKE IT'S NOT PART OF OUR DIRECT PURVIEW.

CHAIR, DOUG WILLIAMS: THANK YOU.

CHAIR, DOUG WILLIAMS: OKAY. IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM?

CINDY CHEN, CLERK: NO MEMBER OF THE PUBLIC AT THIS LOCATION, AND I SEE NONE AT CITY OF PLEASANTON. CAN YOU CONFIRM ANY MEMBER OF THE PUBLIC AT THEIR LOCATION?

ELAINE MARSHALL: NO, IT'S JUST ME IN MY ROOM BY MYSELF.

CINDY CHEN, CLERK: THANK YOU. ALSO, NO WRITTEN PUBLIC COMMENTS ON THIS ITEM.

CHAIR, DOUG WILLIAMS: OKAY. SO LET'S MOVE ON TO REPORT ON NATURAL GAS AND RENEWABLE NATURAL GAS PROGRAMS. RYAN JACOBY WILL PROVIDE THE PRESENTATION.

RYAN JACOBY: THANK YOU. IF I COULD ASK FOR THE ASSISTANCE OF THE AV STAFF. THANK YOU. NEXT SLIDE, PLEASE. STARTING OFF WITH OUR STANDARD RATE COMPARISON, YOU CAN SEE THE FIGURES HERE, THE SMALL COMMERCIAL RATE COMPARISON, OR G-NR 1 IS THE ACRONYM FOR THAT, STOOD AT 19% AT OUR LAST MEETING SO THERE HAS BEEN A SLIGHT IMPROVEMENT SINCE OUR FEBRUARY MEETING BUT WE ARE STILL 12% MORE EXPENSIVE THAN PG&E AT THIS POINT. WE ARE WORKING ON THAT, AND THE MAIN REASONS FOR THAT, IMPROVEMENT AND ULTIMATELY THE DIFFERENCE ARE LOW PRICES DOMESTICALLY AND INTERNATIONALLY. ULTIMATELY, OUR GAS PURCHASING STRATEGY INVOLVES THE SHORT-TERM MARKETS ALMOST EXCLUSIVELY, SO THOSE LOW PRICES ARE GOOD FOR US FOR THE TIME BEING AND IMPROVE THIS COST COMPETITIVENESS PERSPECTIVE. ALONG THAT NOTE, WE DID HAVE ONE ABOVE-MARKET FIXED PURCHASE PRICE CONTRACT THROUGHOUT THE WINTER SEASON THAT EXPIRED AS OF FEBRUARY, SO NOW WE ARE BACK AGAIN EXCLUSIVELY IN THE SHORT-TERM MARKETS, WHICH GIVEN RECENT PRICES, IS BENEFICIAL FOR OUR POSITION. NEXT, I DO EXPECT THIS GAP TO CLOSE OVER THE COMING FEW MONTHS AS WE APPROACH THE END OF THE FISCAL YEAR. THE PRIMARY REASON FOR THAT, AGAIN, WE ARE SEEING LOW PRICES CURRENTLY, AND THAT'S

EXPECTED TO CONTINUE OVER THE NEXT COUPLE OF MONTHS. NEXT SLIDE, PLEASE. IN GENERAL, OUR PORTFOLIO USAGE IS COMING IN SIGNIFICANTLY LOWER THAN THE LAST TWO FISCAL YEARS. THE PRIMARY REASON FOR THAT, REALLY, IS A COMBINATION OF TWO FACTORS. ONE, BEING THAT WEATHER HAS BEEN PRETTY MODERATE COMPARED TO PRIOR YEARS. WE HAVE NOT EXPERIENCED SO FAR ANY SIGNIFICANT WINTER EVENTS REGIONALLY. WE HAVE HAD SOME RAIN OVER THE PAST FEW MONTHS. NOTHING LIKE THE WINTER BEFORE THAT HAS REALLY DRIVEN THAT INCREASE IN USAGE. SO WEATHER BEING ONE OF THOSE FACTORS. THE OTHER BEING NATURAL GAS STORAGE INVENTORIES DOMESTICALLY ARE AT -- AT OR EXCEEDING FIVE-YEAR AVERAGE HIGHS. MEANING, ON AN AVERAGE, LOOKING BACK AT THE FIVE YEARS, MOST RECENTLY, STORAGE INVENTORIES ARE HIGH RIGHT NOW AT RECORD LEVELS COMPARED TO THAT KIND OF PERIOD IN HISTORY. SO WHAT THAT DOES IS CREATE A SITUATION WHERE SUPPLY IS CURRENTLY MUCH HIGHER THAN DEMAND. THAT'S LEADING TO THIS DECREASE PRICE PRESSURE THAT WE'RE SEEING ON THE PREVIOUS SLIDE. THE USAGE COMPARISON IN GENERAL HERE IS RELATIVELY UNREMARKABLE. IT'S THE EXACT KIND OF TREND THAT WE WOULD EXPECT TO SEE AT THIS POINT IN THE SEASON. THE FEBRUARY NUMBERS ARE PRELIMINARY AT THIS POINT. THAT'S WHY THAT LINE IS HASH TOWARDS THE END OF THAT TREND LINE. BUT IN GENERAL, QUITE A BIT LOWER THAN THE TWO PRECEDING FISCAL YEARS. I WOULD EXPECT THAT FIGURE TO CHANGE A LITTLE BIT. I KNOW WE HAVE A COUPLE NEW COMMITTEE MEMBERS HERE, SO I'LL GO INTO SOME OF THE

CONTEXT FOR THAT, BUT WE ARE EXPECTING THE ENROLLMENT OF A NUMBER OF SCHOOL DISTRICTS OVER THE NEXT COMING MONTHS AND THEN TO START WITH NEXT FISCAL YEAR MORE SUBSTANTIALLY. SO I DO EXPECT THIS CHART TO GET A LITTLE MORE REMARKABLE AS WE ENTER FISCAL YEAR '24-'25. NEXT SLIDE, PLEASE. AS I MENTIONED, ONE OF THE MORE WELCOME CHANGES THIS YEAR COMPARED TO RECENT HISTORY IS THAT NATURAL GAS PRICES HAVE BEEN SUBSTANTIALLY LOWER AND VOLATILITY IN GENERAL HAS BEEN ABSENT THIS SEASON SO YOU ARE NOT SEEING THE SAME SORT OF DRASTICS FROM THE HIGHS AND LOWS THAT YOU'VE SEEN OVER THE PAST TWO WINTER SEASONS. ALTHOUGH THIS CHART DOESN'T YET REFLECT MARCH AND APRIL, THE MARKET PRICES AT THE THREE LOCATIONS IDENTIFIED, ALBERTA, CANADA, OREGON, CALIFORNIA, THOSE PRICES DECREASED SIGNIFICANTLY DURING BOTH SO FAR IN MARCH AND APRIL. THE MAROON BAR INDICATED HERE, DROPS SUBSTANTIALLY, EVEN AFTER THE FEBRUARY, WHICH, AGAIN, IS LOW BY HISTORIC STANDARDS. SO... FOR THE BENEFIT OF THE NEWER COMMITTEE MEMBERS, IN GENERAL, OUR GAS PURCHASING STRATEGY RELIES ON PURCHASING AT THREE -- CURRENTLY THREE LOCATIONS, ALBERTA, CANADA, OREGON, AND WHAT'S REFERRED TO AS THE PG&E CITY GATE IN CALIFORNIA WHICH IS THE BAY AREA REGIONALLY. PURCHASING IN ALBERTA IS SIGNIFICANTLY CHEAPER. YOU CAN SEE THAT IDENTIFIED ON THE RIGHT-HAND SIDE OF THE SLIDE HERE. THE AVERAGE PRICE BEING ABOUT $3.10 FOLLOWED BY OREGON AND MORE SIGNIFICANTLY CALIFORNIA AFTER THAT COMING IN AT THE MOST EXPENSIVE PRICE. WHAT'S ALSO SHOWN HERE IS THAT

THE CURRENT PRICES FOR GAS ARE SIGNIFICANTLY LOWER THAN THE PRICE WE BUDGETED FOR GAS COMMODITY. SO THE DIFFERENCE BETWEEN THAT HASH TEAL LINE REPRESENTING OUR FISCAL YEAR BUDGET VERSUS THE ACTUAL GAS PRICES, THAT'S A RELATIVELY SIGNIFICANTLY GAP -- SIGNIFICANT GAP COMPARED TO PRIOR YEARS. SO THROUGH OUR TRUE-UP PROCESS, WHICH WE WOULD CONDUCT EACH FISCAL YEAR, WE WOULD ESSENTIALLY RETURN MEMBERS THAT DIFFERENCE. SO IT DOES LOOK RELATIVELY BIG RIGHT NOW, BUT THE IDEA BEING IS THAT WOULD GO BACK TO MEMBERS AFTER THE FISCAL YEAR. ANY QUESTIONS ON THESE FIRST FEW SLIDES? NEXT SLIDE, PLEASE. FOR OUR HISTORICAL AND ANTICIPATED GAS PURCHASE REQUIREMENTS, SIMILAR CHART TO OUR ACTUAL USAGE BY FISCAL YEAR. THE MAIN DIFFERENCE BEING THAT THIS CHART ALSO INCLUDES A FORWARD-LOOKING ELEMENT. SO YOU CAN SEE FOR THIS WINTER, WE ARE EXPECTING THAT SIGNIFICANT JUMP IN USAGE DUE TO THE ENROLLMENT OF THE SPECIAL DISTRICTS AND THE SCHOOL DISTRICTS. I'LL GO INTO THAT, MORE SPECIFICS ABOUT THAT ENROLLMENT IN THE NEXT COUPLE OF SLIDES, BUT FOR RIGHT NOW, WE ARE EXPECTING, AGAIN, A SIGNIFICANT IMPACT IN THE ABILITY -- REALLY, THE REQUIREMENT TO PURCHASE MORE GAS FOR THIS UPCOMING SEASON. ALTHOUGH THE MAJORITY OF THESE ACCOUNTS WILL ENROLL BEGINNING JULY 1, WITH THIS UPCOMING FISCAL YEAR, THE MAJORITY OF THE SCHOOL DISTRICTS ARE CLOSED DURING THOSE SUMMER MONTHS, SO WE'RE REALLY NOT GOING TO SEE THE MORE SIGNIFICANT IMPACT UNTIL THE WINTER MONTHS A LITTLE BIT LATER. NEXT SLIDE, PLEASE. FOR OUR CURRENT FISCAL

YEAR BUDGET TO ACTUAL, WE ARE TRENDING RIGHT ON TRACK AND ABOUT 3/4 OF THE WAY FOR REVENUE VERSUS OUR ADOPTED BUDGET. THAT IS, AGAIN, TO BE EXPECTED BECAUSE WE BILL ON A LEVELIZED BILLING SYSTEM. SO THAT'S A CONFIDENT FIGURE IN TERMS OF THE BUDGET TO ACTUAL. WHERE WE START TO SEE A LITTLE BIT MORE DEVIATION FROM THOSE BUDGETED FIGURES ARE THE EXPENSE CATEGORIES. SO A COUPLE REASONS FOR THAT, YOU CAN SEE THEY GENERALLY RANGE ABOUT 50% WHICH IS LOW GIVEN THIS POINT IN THE YEAR. THE REASONS FOR THAT, I WOULD SAY, ARE SOMEWHAT USAGE-RELATED. THESE ARE PRIMARILY ON A VARIABLE KIND OF STRUCTURE WHERE USAGE DRIVES BOTH OUR PGA PASS-THROUGH COSTS ON A RENT PER BASIS AS WELL AS OUR COST OF ENERGY USE. SO BECAUSE USAGE IS LOWER THIS YEAR THAN WE HAD EXPECTED -- THAN WE HAD BUDGETED, IT'S NOT SURPRISING THOSE COSTS WOULD ALSO BE LOWER THAN BUDGETED. WHAT'S ALSO CONTRIBUTING TO THAT ARE THE LOW MARKET PRICES FOR THE COST OF ENERGY USE. WE HAVE SHOWN IN A COUPLE SLIDES BACK WAS OUR ACTUAL COST FOR ENERGY IS QUITE A BIT LOWER THAN WE HAD BUDGETED BASED ON FUTURES PRICES LAST YEAR, TOO, SO THAT EXPLAINS SOME OF THE DIFFERENCE IN THE COST OF ENERGY USED. AND THEN THE MOST SIGNIFICANT CATEGORY HERE ARE PG&E PASS-THROUGH COSTS THAT DO REPRESENT ABOUT 60% OF OUR BUDGET. SO THOSE ARE COMING IN LOWER THAN BUDGETED. HALF BECAUSE OF USAGE BEING LOWER AND HALF BECAUSE OF SOMEWHAT DELAYED OR LATER THAN ANTICIPATED, I SHOULD SAY, APPROVALS OF PG&E'S RATE CASES. SO THE IMPACT THERE WAS THE FIRST RATE

INCREASE WENT INTO EFFECT EARLIER THIS YEAR, BUT AS SOME OF YOU MAY HAVE RECALLED, THE OVERALL INCREASE THAT PG&E REQUESTED WAS BROKEN UP INTO MULTIPLE COMPONENTS, SO WE'VE REALLY SEEN THE FIRST COMPONENT OF THAT BE APPROVED AND, THEREFORE, HIT OUR FINANCIALS. I DO EXPECT THAT TO RISE, BUT NOT TO GET THAT TO NECESSARILY 100% BY FISCAL YEAR END. IN TERMS OF QUANTIFYING THAT SURPLUS THAT YOU SAW A COUPLE SLIDES BACK, MORE INCLUSIVELY ON THESE OTHER COSTS, WHAT YOU'RE SEEING IS ABOUT THE $2.4 MILLION SURPLUS. THERE IS A MORE DETAILED KIND OF PROJECTIONS IN THE PACKET AS WE GET TO THE BUDGET ITEM, TOO, SO THAT DIFFERENCE IS WHAT WOULD BE RETURNED TO MEMBERS FOR THE FISCAL YEAR CLOSE. NEXT SLIDE, PLEASE. FOR OTHER MORE EXCITING UPDATES, IN MY MIND, OTHER THAN JUST RETURNING MONEY TO MEMBERS IN GENERAL, WE HAVE BEEN BUSY THE PAST COUPLE OF MONTHS AS WE NOTED BACK IN OUR FEBRUARY MEETING. WE DID RECENTLY RELEASE AND ALSO CONCLUDE YESTERDAY A REQUEST FOR QUALIFICATIONS FOR NATURAL GAS SCHEDULING. THAT SEEKS SERVICES STARTING JULY 1. IT JUST CLOSED YESTERDAY, AS I MENTIONED, SO WE LOOK FORWARD TO BRINGING YOU A RECOMMENDATION BASED ON THOSE PROPOSALS AT OUR JUNE 20TH MEETING IN JUST A COUPLE OF MONTHS. IN GENERAL, OUR SCHEDULING SERVICES ARE SIMILAR TO PRIOR YEARS. WHAT WE'RE LOOKING AT INCORPORATING THIS YEAR ARE OPERATIONAL CONSULTING SERVICES, SO THE ABILITY, REALLY, TO DO MANY OF THE THINGS OUTLINED IN THE SECOND BULLET POINT ON THIS PAGE. SO LOOKING MORE STRATEGICALLY AT UTILIZING

OUR STORAGE ASSET WHICH IS EXPENSIVE, SO WE LOOK FORWARD TO RECOUP SOME OF THOSE COSTS, IMPROVE ABILITY FOR RISK MANAGEMENT AND MORE STRATEGICALLY THROUGH ARBITRAGE AS WELL. TO SUPPORT ARBITRAGE ON A RISK BASIS. A LITTLE BIT MORE SOPHISTICATED, I WOULD SAY, THAN WE HAVE BEEN IN THE PAST. BUT I WOULD SAY VERY IMPORTANT WITH AN INCREASE COMING ON TO OUR MEMBERSHIP AS WELL AS THE COST COMPARISON THAT WE'RE SITTING ON TODAY. SO ANY QUESTIONS ON THESE TWO OR THE PRIOR SLIDES?

SPEAKER: THANK YOU, RYAN. CAN YOU REMIND OF THE DIFFERENCES BETWEEN THE CANADIAN AND LOCAL BUCKETS? IS THE CANADIAN LONGER TERM AGREEMENTS? I MEAN, HOW WE MAKE DECISIONS BETWEEN ALLOCATING PURCHASES ACROSS THOSE THREE?

RYAN JACOBY: YEAH. THEY ALL -- FOR THE FOLKS ONLINE, ARE YOU ABLE TO HEAR THAT AUDIO OR SHOULD I REPEAT THE QUESTION?

ELAINE MARSHALL: NO, I CAN HEAR IT.

RYAN JACOBY: OKAY, PERFECT, THANK YOU. WE GENERALLY USE THE SAME STRATEGY TO ENTER PURCHASES AT ALL THREE LOCATIONS. THE MAIN KIND OF DIFFERENCE IS THAT YOU START TO SEE ARE, LIKE, THE REGIONAL DIFFERENCES FOR WEATHER, CONSTRAINTS AT EITHER LOCATION, AS WELL AS THE ABILITY TO ACTUALLY ENTER PIPELINE TRANSPORTATION CONTRACTS AT EACH LOCATION. SO GENERALLY, WE'RE

LOOKING AT KIND OF FOUR-MONTH INCREMENTS FOR SHORT-TERM PURCHASES. AND WE WOULD ALIGN THOSE FOUR-MONTH PURCHASE CONTRACTS AT ALL LOCATIONS BECAUSE WE'RE ISSUED BY CAPACITY ON THOSE INCREMENTS. SO WE WOULD PROJECT OUT OUR LOAD DURING THAT PERIOD AND THEN ENTER THOSE AGREEMENTS, GENERALLY MAXIMIZING THE CAPACITY THAT WE'RE OFFERED ON THE CANADIAN PIPELINES BECAUSE IT'S MOST COST EFFICIENT. AND THEN FILLING IN WITH KIND OF OUR LAST PRIORITY BEING THE PG&E.

SPEAKER: ARE WE CAPPED WITH THE CANADIAN?

RYAN JACOBY: YEAH. SO THE CAPACITY IS COMPLETELY BOOKED FOR -- IT'S USUALLY A COUPLE YEARS OUT. SO SOME OF THE OPTIONS THERE, WE ARE ASSIGNED -- IT'S ACTUALLY TAKE OR PAY CAPACITY. SO THAT CAPACITY ASSIGNMENT WAS A DECISION WE MADE BACK IN 2017 OR 2018 TO KIND OF EXPAND INTO THOSE MARKETS ON A COST BASIS. KNOWING THAT AT THE TIME WE WERE GOING TO HAVE TO PAY FOR IT ANY WAY IF WE DIDN'T USE IT SO...

SPEAKER: JUST ONE MORE. WHEN IS THE NEXT OPPORTUNITY TO REVISE THAT CAPACITY?

RYAN JACOBY: YEAH. THAT WOULD BE LIKELY MID-MAY, I THINK, IS WHEN WE WOULD GET ISSUED OUR NEXT SET OF ALLOCATIONS AND THEY

WOULD ELECT THOSE ALLOCATIONS FROM THE JULY THROUGH OCTOBER PERIOD.

SPEAKER: THANKS.

RYAN JACOBY: SURE. ANY OTHER QUESTIONS? NEXT SLIDE, PLEASE. I MENTIONED EARLIER ON THE PRESENTATION IN A COUPLE OF THE SLIDES THAT WE WERE EXPECTING ENROLLMENT INCREASE THAT'S CONTRIBUTING TO THE BOTH AT PURCHASE REQUIREMENT AS WELL AS THE ANTICIPATED USAGE JOINING THE PROGRAM. THE REASON WHY WE'RE EXPECTING THAT IS A PROPOSAL WE SUBMITTED LAST YEAR TO -- AN ORGANIZATION VERY SIMILAR TO ABAG POWER THAT'S REFERRED TO AS SPURR, THE SCHOOL PROJECT FOR UTILITY RATE REDUCTION. THEY HAVE OFFERED CORE AGGREGATION SERVICES TO PRIMARILY TO SCHOOL DISTRICTS WITHIN PG&E SERVICE TERRITORY FOR ABOUT 30 YEARS NOW. SO BELIEVE IT OR NOT, WE'RE NOT THE ONLY PUBLIC SECTOR AGENCY DOING THIS. HOWEVER, THEY DID ANNOUNCE LAST YEAR TO TRANSITION THEIR BUSINESS MODEL TO STOP PROVIDING RETAIL SERVICE TO THE SCHOOL DISTRICTS. SO AS PART OF THAT DECISION, THEY ISSUED A REQUEST FOR QUALIFICATIONS AND PROPOSALS THAT WE RESPONDED TO AND WERE REWARDED A RECOMMENDATION FOR THOSE SCHOOL DISTRICTS TO CONSIDER JOINING ABAG POWER WHEN THEIR PROGRAM TRANSITIONS. SO AS A RESULT OF THAT, WE HAVE ENGAGED, I WOULD SAY, ABOUT 180 OR SO OF THE 200 SCHOOL DISTRICTS. YOU CAN SEE THE NUMBERS HERE. OF THOSE 180, WE HAVE RECEIVED A

CONFIRMATION OF THEIR INTENT TO ENROLL BEGINNING JULY 1 OF THIS YEAR FROM ABOUT 15. THESE NUMBERS ARE TENTATIVE, SO THIS WILL' PROBABLY MOVE -- SO THEY'LL PROBABLY MOVE BETWEEN NOW AND THE NEXT TIME WE SEE YOU GUYS IN JUNE. CURRENTLY, WE'RE EXPECTING PROBABLY BETWEEN 15 AND 30 SCHOOL DISTRICTS TO JOIN THE PROGRAM NEXT FISCAL YEAR. THE NUMBER THAT'S SHOWN HERE IN RED, ULTIMATELY, ENROLLMENT DECLINED. NOT ALL OF THE SCHOOL DISTRICTS THAT WE MEET WITH CHOOSE TO PROVIDE US RATIONALE FOR THEIR DECISION, BUT FOR THE ONES THAT DO, THE LEADING FACTORS IN THAT TEND TO BE EITHER THE RATE COMPARISON, BE WHERE, YOU -- WHERE, YOU KNOW, NOT SHOWING A SIGNIFICANT SAVINGS RELATIVE TO PG&E, OBVIOUSLY, KIND OF HURTS OUR SALES PITCH. THE OTHER FACTORS BEYOND THAT, EVEN IF WE WERE RATE PARITY, FOR INSTANCE, OR SOME PERCENTAGE OF SAVING, THERE ARE DIFFERENCES BETWEEN OUR PROGRAM AND SPURR'S. WE DO REQUIRE A DEPOSIT WHEN A MEMBER JOINS THE PROGRAM. SPURR DOES NOT REQUIRE A WORKING CAPITAL DEPOSIT SO IT'S AN ISSUE FOR MANY OF THEM. THE WAY THAT SPURR HAS -- THE ALTERNATIVE TO WORKING CAPITAL DEPOSIT IS THAT SPURR HAS ISSUED BONDS ON AN ANNUAL BASIS, SO THEY RECOMMENDED THAT WE CONSIDER THAT IF WE CONTINUE TO SEE THIS AS KIND OF A BARRIER TO ENTRY IN OUR PROGRAM. IT'S NOT SOMETHING THAT WE'VE HAD, YOU KNOW, THE ABILITY TO DO, REALLY, A THOROUGH ANALYSIS ON INTERNALLY YET. IT WOULD LIKELY REQUIRE, YOU KNOW, RECOMMENDATIONS, FOR INSTANCE. BUT

SOMETHING WE CAN LOOK AT AMONGST OTHER THINGS OVER THE NEXT FEW MONTHS. SURE. QUESTION IN THE ROOM.

SPEAKER: KEEP GOING IF YOU'RE NOT READY TO ANSWER. SO WAS SPURR ABLE TO SHARE THEIR CUSTOMER DEMAND OR IS THAT ALL --

RYAN JACOBY: THEY WERE NOT SPECIFICALLY FOR BY MEMBERS, BUT WHAT THEY WERE ABLE TO SHARE WAS BASICALLY A RANKING OF THE MEMBERS. SO FOR THE ONES -- FOR THE 15 THAT HAVE INDICATED AND ENROLLED, I WOULD SAY MOST OF THE 40 WE HAVE RECEIVED AUTHORIZATION FROM THEM FOR SPURR TO SHARE THEIR ACTUAL USAGE HISTORY. BUT FOR THE VAST MAJORITY OF, YOU KNOW, BASICALLY THE 128 ON THE TOP HALF OF THE SLIDE, WE HAVE NOT RECEIVED THAT. SO WE CAN MAKE EDUCATED GUESSES BASED ON THE RANKING SYSTEM. BUT SOME SPECIFICITY WAS LACKING.

SPEAKER: THEY WERE ABLE TO PROVIDE A WHOLE NUMBER?

RYAN JACOBY: YEP.

SPEAKER: OKAY.

RYAN JACOBY: YEAH. IN THE PROCUREMENT THAT THEY INCLUDED, THEY DID INCLUDE THEIR CALENDAR YEAR 2022 FIGURE, WHICH SEEMED LIKE A LONG TIME AGO NOW, BUT AT THE TIME THEY WERE THE MOST

COMPLETE FISCAL CALENDAR YEAR THAT THEY HAD DATA FOR. IN OUR ADJUSTMENT AND REALLY ANALYSIS OF THOSE FIGURES, WHAT WE SAW WAS THAT 2022 WAS A HIGHER USAGE PERIOD COMING BACK TO THE FIRST COUPLE SLIDES HERE THAN A NORMAL YEAR BECAUSE OF THAT EXTREME WINTER THAT WE EXPERIENCED. SO WHAT WE'RE DOING IN OUR ANALYSIS IS BASICALLY ADJUSTING BY ABOUT 10% TO TRY TO FACTOR IN A MORE NORMALIZED YEAR. OKAY. NOT HEARING ANY OTHER QUESTIONS, THAT'S AN EXCITING OPPORTUNITY FOR THE PROGRAM. NEXT SLIDE, PLEASE. AT THE LAST MEETING IN FEBRUARY, WE DID GO OVER JUST A REALLY BRIEF STATUS UPDATE OF THE STRATEGIC IMPLEMENTATION ROAD MAP. THIS WAS AN INITIATIVE THAT WE UNDERTOOK BACK IN 2021, SO IT'S BEEN A COUPLE OF YEARS NOW BUT HAS GENERALLY GUIDED OUR PROGRAM ACTIVITIES OVER THE LAST FEW YEARS. SO WE DID RECEIVE A REQUEST TO PROVIDE AN OVERVIEW OF THAT REPORT IN THE CURRENT KIND OF STRATEGY AND TIMELINE. SO IN ADDITION TO THE SPURR WORK, ONE OF THE GUIDING ELEMENTS OF OUR WORK OVER THE NEXT FEW YEARS AND HAS BEEN AN ELEMENT OVER THE PAST FEW YEARS HAS REALLY BEEN THIS STAKEHOLDER ENGAGEMENT ACTIVITY THAT RESULTED IN THE STRATEGIC IMPLEMENTATION ROAD MAP BACK IN 2021. THE ROADMAP ITSELF IDENTIFIES A COUPLE OF LIKELY ACTIVITIES INTENDED TO CREATE VALUE FOR PURCHASEMENTS IN THE PROGRAM OF. THE FIRST OF -- PROGRAM. THE FIRST OF THOSE WAS TO GO TO A COMPETITIVE PRICE DEFAULT PRODUCT WHICH INCLUDES CERTIFIED CARBON OFFSETS. THAT WAS THE INTENT WITH THE ROADMAP. I'LL SHOW ON THE NEXT SLIDE. THAT WAS THE

ACTIVITY IDENTIFIED IN THE ROADMAP. THE SECOND WAS TO ESTABLISH AN ELECTRIFICATION INCENTIVE THAT RECOGNIZED MANY OF THE LOCAL GOVERNMENTS AND LIKELY MANY OF THE SCHOOL DISTRICTS THAT DO INTEND TO PARTICIPATE DO SEE ELECTRIFICATION IS A COST EFFICIENT, TIME EFFICIENT KIND OF INITIATIVE THAT WILL HELP ACHIEVE CLIMATE ACTION-RELATED GOALS. SO THAT WAS IN PRESENCE IN THE ROADMAP AS WELL AS A VEHICLE FUEL PROGRAM AND S.B. 1383 COMPLIANT. LASTLY, THE BRAIN WORK FOR THESE ACTIVITIES WAS KIND OF ENCOMPASSED IN A PREMIUM RENEWABLES PORTFOLIO. WHAT THAT MEANS IS BASICALLY HAVE AN INCREASE PERCENTAGE OF RENEWABLE NATURAL GAS OVER TIME SO THAT YOU'RE HITTING AN INCREASING THRESHOLD OF RENEWABLE NATURAL GAS AND PHASING OUT FOSSIL-BASED GAS. NEXT SLIDE, PLEASE. THE CURRENT STATUS OF THESE INITIATIVES, WE DID ESTABLISH IN MAY, 2023, A S.B. 1383-COMPLIANT RENEWABLE AND NATURAL GAS PROGRAM AND WE DID HAVE PARTICIPATION AS WELL. THE TWO REMAINING INITIATIVES. ONE IS TEMPORARILY PAUSED. THE CARBON EMISSIONS AND QUANTIFICATION AND MANAGEMENT AS WELL AS THE ELECTRIFICATION MANAGEMENT SYSTEMS THAT WE PROVIDED A KIND OF CONCEPTUAL THINKING BUT HAVEN'T GONE IN THE WEEDS IN TERMS OF A SPECIFIC PROGRAM OFFERING. BUT THOSE ARE THE TWO MAIN INITIATIVES THAT WE WILL BE WORKING ON OR ANTICIPATE WORKING ON OVER THE NEXT YEAR OR SO. NEXT SLIDE, PLEASE. ARE THE CARBON EMISSIONS QUANTIFICATION AND MANAGEMENT, JUST A BRIEF HISTORY OF THE PROJECT. WE DID HAVE A SOLICITATION BACK IN LATE 2022 AND THEN

THROUGH EARLY 2023 WE DID A GOOD AMOUNT OF DISCOVERY MEETINGS, DEVELOPED A METHODOLOGY. AND THEN REVEREND HISTORICAL DATA TO GET SOME ACTUAL COST DATA ON A FORWARD-LOOKING BASIS. BUT THAT CULMINATED IN A PRESENTATION TO THE EXECUTIVE COMMITTEE FOR A PROPOSED FRAMEWORK. AT THE TIME THAT WAS BASED ON THE STRATEGIC IMPLEMENTATION ROADMAP IN TRANSITIONING TO THE DEFAULT PRODUCT. SO THAT WOULD HAVE MEANT THAT ALL OF THE FOSSIL-BASED NATURAL GAS FOR THE PROGRAM WOULD HAVE TRANSITIONED TO INCLUDE CERTIFIED CARBON OFFSETS. THE FEEDBACK THAT WE RECEIVED FROM THE COMMITTEE WAS THAT IT WAS IMPORTANT FOR TWO THINGS TO HAPPEN. ONE IS THAT WE REDIRECT OR REDESIGN THE PROGRAM TO BE VOLUNTARILY RATHER THAN MANDATORY. AND TWO, THAT THAT PROGRAM ELEMENT SHOULD BE PRESENTED TO, NOT JUST THE COMMITTEE, BUT THE BOARD OF DIRECTORS IF IT WAS SOMETHING THAT WOULD POTENTIALLY IMPACT THE WHOLE MEMBERSHIP. SO THAT WAS RIGHT BEFORE THE SPURR REQUEST FOR QUALIFICATIONS CAME OUT, SO WE'VE KIND OF BACK-BURNERED THAT WORK A LITTLE BIT AS WE FOCUSED ON THE ENROLLMENT AND ADDITIONAL USAGE OPPORTUNITY THAT IS A LITTLE BIT MORE DIRECT. BUT ULTIMATELY, IT IS SOMETHING THAT WE'RE LOOKING FORWARD TO KIND OF RESUMING THAT WITH THE COMMITTEE'S IMPACT -- COMMITTEE'S INPUT. ANY QUESTIONS ON THOSE? I THINK I HAVE TWO MORE SLIDES, BUT WE CAN PAUSE THERE IF THERE ARE QUESTIONS ON THAT CONTENT.

SPEAKER: I GUESS MY QUESTION IS, ARE SOME OF THESE INITIATIVES BEING BROUGHT BACK TO THE FRONT-BURNER?

RYAN JACOBY: PROBABLY FALL ONCE WE'RE OVER THIS KIND OF ENROLLMENT CAMPAIGN AND HAVE FIGURED OUT HOW TO REALLY ADJUST FOR THE -- HOW TO INCORPORATE THE ADDITIONAL GAS PURCHASES IN AN EFFICIENT MANNER. BUT THEY ARE INCLUDED AS PART OF THE BUDGET DISCUSSION AS THE NEXT ITEM. NEXT SLIDE, PLEASE. FOR THE TRANSITIONAL ELECTRIFICATION INCENTIVE, I DID MENTION EARLIER THAT WE HAD ARRIVED AT KIND OF A CONCEPTUAL MODEL FOR THIS BUT UNFORTUNATELY HAVEN'T DIVED IN FOR A DETAILED ANALYSIS OR CONDUCTED, YOU KNOW, STAKEHOLDER ENGAGEMENT, FOR INSTANCE, ON WHAT A PROGRAM DESIGN COULD BE. WE WERE CLEAR THAT ENROLLMENT, LIKE THE OTHER INITIATIVES, SHOULD BE VOLUNTARILY. EARLY THINKING IS THAT IT COULD BE A USAGE-BASED VOLUME METRIC SURCHARGE TO ALLOW THEM TO INCUR A BALANCE IF THEY CHOOSE TO PARTICIPATE. THAT BALANCE COULD BE DRAWN OR USED BY THE MEMBER ANY TIME FOR THEIR NEEDS, REALLY, BUT THE INTENT BEING THAT IT WOULD BE -- HOW IT OPERATES. LAST BUT NOT LEAST, WE'RE SEEING A DESIRE TO CONNECT THIS AT A PRETTY INTEGRAL LEVEL AT THE BAYREN PUBLIC SECTOR PROGRAMS THAT ARE INTENDED TO BE LAUNCHED THIS YEAR. SO IT'S REALLY A BRIDGE BETWEEN [INDISCERNIBLE] OKAY. NEXT SLIDE. THANK YOU. THAT CONCLUDES MY REPORT. HAPPY TO TAKE ANY QUESTIONS IF THERE ARE ANY.

CHAIR, DOUG WILLIAMS: IS THERE ANY DISCUSSION BY THE MEMBERS OF THE COMMITTEE ON THIS ITEM? SEEING NONE, IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM?

CINDY CHEN, CLERK: NO MEMBER OF THE PUBLIC AT THE CONFERENCE ROOM NOR ONLINE. FOR THE REMOTE LOCATION, I SEE NONE AT CITY OF PLEASANTON. CITY OF MILPITAS, CAN YOU CONFIRM FOR THIS ITEM, ANY MEMBER OF THE PUBLIC?

ELAINE MARSHALL: NO MEMBERS OF THE PUBLIC PRESENT.

CINDY CHEN, CLERK: THANK YOU.

CHAIR, DOUG WILLIAMS: OKAY. SO WE'LL MOVE ON TO THE PRELIMINARY FISCAL YEAR 2024-2025 OPERATING BUDGET. RYAN JACOBY AND OSCAR QUINTANILLA-LOPEZ WILL GIVE THEIR REPORT.

RYAN JACOBY: THANK YOU. IF WE CAN PULL UP THE SECOND PRESENTATION. THANK YOU. NEXT SLIDE, PLEASE. I'LL BE PRESENTING THE FIRST COUPLE SLIDES ON THIS PRESENTATION AND THEN HANDING IT OFF TO OSCAR. BUT TO START, IN GENERAL, AGAIN, FOR PRIMARILY THE BENEFIT OF THE NEWER COMMITTEE MEMBERS, THERE ARE CURRENTLY ABOUT 1.5 FULL-TIME EQUIVALENT EMPLOYEES

FOR POWER. WE ARE ENTERING NOW OUR 26TH YEAR OF OPERATIONS. STARTING BACK IN 1998 WAS THE FORMATION OF THIS. AS OUR BASIC KIND OF BASIC MODEL HERE, SIMILAR TO COMMUNITY CHOICE AGGREGATION, IF YOU'RE FAMILIAR WITH THAT, BUT AS A BOARD, REALLY, A LOT OF THAT WORK REVOLVES AROUND THIS GAS PURCHASING STRATEGY. PROVIDING IN-HOUSE CONSOLIDATED BILLING. AND THEN BEING ABLE TO OFFER RESPONSIVE AND HELPFUL CUSTOMER SERVICE TO THE MEMBERS THAT PARTICIPATE. IN THAT ROLE, WE DO WORK CLOSELY WITH PG&E WHO CONTINUES TO OWN AND OPERATE, REALLY, MAINTAIN THE TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE. THEY THEN PROVIDE THAT ELECTRONIC BILLING DATA TO US FOR US TO BILL THE MEMBERS AND THEN TO PROVIDE RESPONSES TO INQUIRIES. WE, THEN, REALLY, THE MEMBERS IN THE PROGRAM RECEIVE A GAS AND MUNICIPAL FACILITIES AND THEN SOON TO BE SCHOOLS THAT PARTICIPATE IN THE PROGRAM AND THEN THROUGH THE DELEGATE TO THE BOARD THEY WILL GOVERN THE PROGRAM. NEXT SLIDE, PLEASE. AS PART OF OUR BUDGET-SETTING PROCESS, WE TYPICALLY DO A LOOK BACK ON HIGHLIGHTS FROM OUR CURRENT FISCAL YEAR AND THEN GOALS FOR THE NEXT FISCAL YEAR. SO EXCITEDLY FOR LAST FISCAL YEAR, WE DID ENROLL ONE MEMBER, THE CITY OF PLEASANTON, IN THE NEWLY ESTABLISHED RENEWABLE NATURAL GAS PROGRAM. POTENTIALLY GROWING. WE HAVE RECEIVED INTEREST AND DO HAVE ONGOING DISCUSSIONS WITH THE CITY OF OAKLAND, THE PORT OF OAKLAND, WHICH INCLUDES OAKLAND INTERNATIONAL AIRPORT, AS WELL, SONOMA COUNTY WATER AGENCY, AND THE COUNTY OF SAN MATEO. SO I MENTIONED, SEPARATELY, WE

ARE LIKELY TO ENROLL SOMEWHERE BETWEEN 20 AND 30 SPECIAL DISTRICTS AS A RESULT OF THE SUCCESSFUL PROPOSAL LAST YEAR FOR SPURR. PRIOR TO THIS, THE LAST NEW MEMBER TO JOIN THE PROGRAM WAS SEPTEMBER, 2012. SO IT HAS BEEN A WHILE. LEADING TO THAT GAP, I WOULD SAY SIMILAR TO THE CHALLENGES I DESCRIBED EARLIER, THERE IS A WORKING CAPITAL DEPOSIT. IT HAS GOTTEN A BIT HARDER OVER TIME TO SHOW SIGNIFICANT SAVINGS. SO THOSE ARE TYPICAL CHALLENGES IN TERMS OF ATTRACTING NEW MEMBERS AND SOMETHING WE'RE LOOKING FORWARD TO KIND OF, YOU KNOW, MAKING SIGNIFICANT PROGRESS ON AS A RESULT OF THIS PROCUREMENT. ON A RELATED NOTE, BECAUSE THOSE NEW MEMBERS ARE REQUIRED TO PROVIDE WORKING CAPITAL DEPOSITS AND A RESOLUTION WAS ADOPTED BY THE BOARD LAST YEAR TO INCREASE THAT REQUIREMENT FROM TWO MONTHS TO THREE MONTHS, IT DOES CREATE A LARGER FINANCIAL RESERVE FOR ABAG POWER. SO POSITIVE GOING INTO THIS UPCOMING FISCAL YEAR. NEXT SLIDE, PLEASE. FOR THE UPCOMING FISCAL YEAR GOALS, THESE ARE PROPOSED. WE ARE LOOKING FOR INPUT ON THESE AS WELL AS OTHER COMPONENTS. THE PRESENTATION, BRENDAN, TO YOUR POINT, CONTINUING THESE EFFORTS THAT WERE IDENTIFIED IN THE IMPLEMENTATION ROADMAP, RECEIVING FEEDBACK ON THOSE AND ADJUSTING THEM AS NEEDED TO ENSURE THE PROGRAM REMAINS VALUABLE FOR PARTICIPANTS BEYOND KIND OF THE BASIC SERVICE OF PROVIDING FOSSIL-BASED NATURAL GAS. SO AS A FORWARD-LOOKING PERSPECTIVE. IN ADDITION TO THE GREENHOUSE GAS EMISSIONS REDUCTIONS KIND OF PROGRAM ELEMENTS HERE, ADVANCE EFFORTS ON

THE IMPORTANT VOLUNTARILY TRANSITIONAL ELECTRIFICATION INCENTIVE THAT WAS IDENTIFIED BUT REALLY IS AT THAT CONCEPTUAL PHASE. AND THEN, INCREASING THE PROGRAM MEMBERSHIP FURTHER. SO THERE'S A NUMBER OF SPECIAL DISTRICTS, AS YOU GUYS SAW IN THE PREVIOUS PRESENTATION, THAT ARE STILL CONTEMPLATING ENROLLMENT OR THAT WE HAVE NOT REACHED OUT TO. SO I THINK HOPEFULLY WE'LL HAVE A BIT OF A SNOWBALL EFFECT HERE AS MORE MEMBERS JOIN THE PROGRAM THAT WILL ALSO BE EASIER TO THEN ATTRACT NEW MEMBERS OUTSIDE OF THE ORIGINAL SCOPE. SO... ANY FEEDBACK ON THOSE OR QUESTIONS?

SPEAKER: RYAN, REALLY INTERESTED IN DIGGING IN. IT SOUNDS LIKE THE -- THE ELECTRIFICATION INCENTIVE IS VERY MUCH CONCEPTUAL. I'M CURIOUS WHAT THAT STRUCTURE WOULD LOOK LIKE. IT KIND OF JUST REMINDS ME OF A PROVOCATIVE QUESTION FOR THE POWER COMMITTEE, WHAT DOES IT LOOK LIKE TO PUT THIS COMMITTEE OUT OF BUSINESS, RIGHT, IN 10 YEARS? AND THAT'S A REALLY FUN QUESTION TO ANSWER. SO, JUST A REFLECTION.

RYAN JACOBY: I DON'T KNOW IF THERE ARE ANY MORE COMMENTS. I SHARE THE ENTHUSIASM, I THINK, AND THE CHALLENGE. TO ME, ONE OF THE BIG BENEFITS OF THE PROGRAM IS HAVING THAT SEAT AT THE TABLE TO BE ABLE TO KIND OF DESIGN THE SOLUTION THAT WOULD BE VALUABLE FOR THE PURCHASE EVENTS. SO I THINK IT'S NOT AN EASY ONE, YOU KNOW. IT'S A CHALLENGE, DEFINITELY, BUT HAVING THE

OPPORTUNITY TO DESIGN THAT AND TO ACTUALLY SEE THE IMPACTS IS EXCITING.

SPEAKER: AND ON THAT -- KIND OF IN THAT VAIN, THE THIRD POINT HERE IS, WHAT ARE THOSE VALUE STREAMS THAT ARE NOT SUPER COSTLY THAT A SEAT AT THE TABLE DOESN'T COST MUCH, YOU KNOW, THAT, YOU KNOW -- KIND OF A LAUNDRY LIST OF THOSE VALUE STREAMS COULD BE INTERESTING. AND IN PULLING POOLING -- AND THEN POOLING POTENTIAL PARTICIPANTS TO SEE HOW THEY RANK. IT COULD BE IN A FORM OF TECHNICAL ASSISTANCE. IT'S REALLY HARD FOR THEM TO, YOU KNOW, TO PROCURE OR SOMETHING THAT, YOU KNOW, COULD -- A PUZZLE PIECE THAT THEY'RE LOOKING FOR THAT DOESN'T COST A LOT BE PROVIDED BY THIS PROGRAM.

CHAIR, DOUG WILLIAMS: THAT IS DEFINITELY SOMETHING WE'VE TALKED ABOUT. BECAUSE THE WRITING IS ON THE WALL. CALIFORNIA WANTS TO GET RID OF NATURAL GAS SO HOW DO WE PIVOT TO REMAIN RELEVANT? ONE OF THE AMAZING THINGS ABOUT THIS IS THAT WE HAVE A PARTNERSHIP WITH BAYREN, AND I DISCUSSED WITH JANE ABOUT THE POSSIBILITY OF HAVING BAYREN HELP THE MUNICIPALITIES GET GRANTS FOR ENERGY UPGRADES. THINGS OF THAT NATURE. SO IT'S NOT GOING TO -- THE BOTTOM LINE, YOUR GAS ISN'T GOING TO COME DOWN AS A RESULT OF THAT, BUT THAT BENEFIT, IT'S A BENEFIT. AND IT'S WORTH SOMETHING. SO THOSE ARE THE KINDS OF THINGS THAT WE'VE BEEN DISCUSSING INTERNALLY.

SPEAKER: VERY COOL.

SPEAKER: ON THE HOUSING SIGNED, YOU PROBABLY KNOW MARINA AND HOW PEOPLE AREN'T HAPPY WITH THE NUMBERS THAT ARE THREE TIMES HIGHER THAN THE LAST CYCLE. SMALL AND MEDIUM-SIZED CITIES ARE TAKING ADVANTAGE OF THE TECHNICAL ASSISTANCE. WE HAVE A REGIONAL HOUSING TECHNICAL ASSISTANCE THAT PEOPLE TALK ABOUT PAYING THEIR DUES, THAT'S SOMETHING THEY EMPHASIZED WHY IT IS SO VALUABLE. IT IS A KEY, PARTICULARLY FOR THE SMALLER CITIES AND TOWNS AND SOME OF THE SMALLER OR MEDIUM-SIZED CITIES AND COUNTIES.

RYAN JACOBY: SORRY. TAKING NOTES. I LIKE THE POOL IDEA. I THINK IT'S BEEN A COUPLE YEARS, FRANKLY, THAT WE'VE ISSUED KIND OF A MEMBERSHIP POLL. BUT A COST-EFFECTIVENESS CRITERIA TO THAT. NEXT SLIDE, PLEASE. AS WE LOOK AT THE FISCAL YEAR 2024-2025 BUDGET CONSIDERATIONS, I MENTIONED EARLIER, INVOICES IN ACCORDANCE WITH THE RESOLUTION THAT WAS ADOPTED LAST YEAR BY THE BOARD WILL INCLUDE A MONTHLY INSTALLMENT FOR THE WORKING CAPITAL DEPOSITS FROM THAT WAS INCREASED FROM TWO TO THREE MONTHS LAST YEAR. WE DISCUSSED EARLIER THAT THE AMOUNT IS EXPECTED TO BE SIGNIFICANT THIS YEAR. SO WE DON'T YET HAVE A CONCRETE IDEA OF WHERE THAT WILL END UP SINCE OUR FINANCIALS ARE DUE THROUGH FEBRUARY. THERE'S STILL A QUARTER OF THE

FISCAL YEAR LEFT. OUR HOPE OR THINKING IS THOSE WILL POTENTIALLY OR SIGNIFICANTLY OFFSET, MAYBE COMPLETELY, THE WORKING CAPITAL DEPOSITS THAT WILL GO INTO EFFECT STARTING IN JULY. SO THAT'S ONE COMPONENT OF THE BUDGET CONSIDERATION. THE SECOND IS SOMEWHAT OF AN UNCERTAINTY, I WOULD SAY, IN TERMS OF THE CURRENT COMMITMENTS FROM SPURR MEMBERS. WE DO EXPECT THAT TO INCREASE OVER TIME. WE'VE PREPARED THE BUDGET TO REALLY ACCOUNT FOR THE LOWER END OF THIS SCENARIO WHICH EVEN ON THE LOWER END YOU CAN SEE THE USAGE INCREASE FOR POWER IS STILL SIGNIFICANT. SO WE'RE LOOKING AT INCREASING THE PORTFOLIO USAGE ON THE LOW END BY ABOUT 25% TO 60%. SO SIGNIFICANT YEAR-ON-YEAR CHANGE. WE DO ANTICIPATE THAT SOME OF THOSE ENROLLMENTS WILL COME AFTER THE JULY 1 PERIOD. SO HAVING SOME FLEXIBILITY TO ENROLL THOSE MEMBERS AFTER LEVELIZED CHARGES ARE ESTABLISHED THROUGH THE PROGRAM. AND THEN TO BE ABLE TO CO-CREATE THOSE ON A ONE-OFF BASIS FOR THOSE MEMBERS THAT CHOOSE TO JOIN AFTER THAT POINT. AND THEN THE LAST BULLET POINT ON HERE -- THE ADDITIONAL ADMINISTRATIVE RESOURCES TO REALLY NOT ONLY SERVE INCREASED MEMBERSHIP WITH A HIGH LEVEL OF SERVICE, BUT REALLY ADDITIONALLY TO LOOK AT GRANT FUNDING OPPORTUNITIES AND PROGRAM DEVELOPMENT. I WOULD SAY AT AN EXTENDED LEVEL THAN WE HAVE BEEN DOING HISTORICALLY. SO WITH THAT, I'LL PASS IT TO OSCAR.

OSCAR QUINTANILLA-LOPEZ: THANK YOU, RYAN. OSCAR QUINTANILLA. NEXT SLIDE, PLEASE. WE JUST WANTED TO SHOW YOU THIS -- AGAIN, THIS IS THE DRAFT PRELIMINARY BUDGET FOR YOUR REVIEW. WE'LL RETURN IN JUNE WITH A FORMAL DRAFT BUDGET WITH OPTIONS. WE WERE TAKING A CONSERVATIVE APPROACH, AS RYAN MENTIONED, TAKING A MORE ESTABLISHED COMMITMENTS FROM THE SPURR MEMBERS JOINING US. SO WE'RE ONLY ASSUMING 15 NEW SCHOOL DISTRICTS, 5% OF THE MEMBERSHIP. THAT STILL RESULTS IN A SIGNIFICANT CHANGE IN OUR ENERGY CONSUMPTION SO THAT 39% INCREASE YOU SEE THERE IS A COMBINATION OF EXISTING MEMBERS, INCREASING CONSUMPTION, AND ALSO ADDING THE NEW 15 SCHOOL DISTRICTS. ON THE EXPENSE SIDE, THE COST OF ENERGY IS DIRECTLY RELATED TO THAT INCREASE IN MEMBERSHIP AND CONSUMPTION. THE STAFF, CONSULTANT AND OTHER EXPENSES, I'LL SPEND A COUPLE OF MINUTES HERE. WE DO SEE A SMALL DECREASE IN CONSULTANT COSTS COMPARED TO PRIOR YEARS,ING AND THE DETAILS ARE IN YOUR PACKET. WE SEE THE OTHER EXPENSES PRETTY MUCH FLAT EXCEPT FOR THAT -- THERE'S A SPURR MEMBERSHIP COST THAT WE NEED TO RECOVER. AND THAT ONLY APPLIES FOR THE NEW MEMBERS. AND THEN, ON THE STAFF SIDE, THAT'S THE BULK OF THAT INCREASE THAT YOU SEE THERE, AND IT'S A COMBINATION, AS RYAN MENTIONED, OF ADDITIONAL RESOURCES NEEDED TO PROCESS BILLINGS AND PROVIDE CUSTOMER SERVICE AND, ALSO, MORE RESOURCES TO LOOK FOR THOSE GRANT FUNDING OPPORTUNITIES AND CONTINUE SUPPORTING THE IMPLEMENTATION OF THE ROADMAP. ONE THING I DO WANT TO HIGHLIGHT, THIS IS A CONSERVATIVE APPROACH.

SO AS NEW MEMBERS JOIN, WE'RE NOT ANTICIPATING INCREASING THE ADMINISTRATIVE COST OR THE STAFF COST THAT THEY'RE PROPOSING SO WE EXPECT THIS TO BE FURTHER SPREAD OUT BETWEEN THE ADDITIONAL MEMBERS JOINING THROUGHOUT THE YEAR. THE ONE CHALLENGE THAT RYAN MENTIONED IS WE DON'T KNOW RIGHT NOW HOW MANY WILL JOIN, AND SO WE ANTICIPATE COMING BACK TO YOU MID-YEAR AND HAVE AN ADJUSTMENT TO KIND OF COUNT FOR WHAT WE CAN CAPTURE NOW TO JUNE. WE DO NEED TO STABILIZE THOSE CHARGES SO ALL THE MEMBERS CAN PLAN FOR THE YEAR. BUT WE WILL PLAN FOR A MID-YEAR ADJUSTMENT TO COME BACK TO YOU, UPDATE, YOU KNOW, WHAT OUR TOTAL BASIS OR TOTAL CONSUMPTION IS AND KIND OF RESET THOSE LEVELIZED CHARGES THEN. THE NEXT SLIDE KIND OF GOES OVER THOSE POINTS THAT I MENTIONED. I WON'T SPEND TOO MUCH TIME HERE. I THINK WE CAN JUST TAKE QUESTIONS AT THIS POINT.

CHAIR, DOUG WILLIAMS: JUST HAVE A REALLY QUICK QUESTION. SOMETHING I DON'T KNOW IF IT WILL ANSWERED HERE TODAY. BUT I'M JUST CURIOUS. ONE OF THE THINGS WE'RE LOOKING AT FOR BRINGING ALL THESE NEW MEMBERS ABOARD IS THE ECONOMY AT SCALE AS FAR AS PRICING ON NATURAL GAS. WHEN IS THAT GOING TO MAKE A REALLY BIG DIFFERENCE TO THE MEMBERS? DO WE KIND OF HAVE A NUMBER? DO WE KNOW, ALL RIGHT, WE BUY X AMOUNT OF GAS, THEN WE'RE REALLY GOING TO BE SAVING MONEY? IS THAT SOMETHING THAT WE REALLY KIND OF TAKEN A DEEP DIVE ON YET? OR IS MY QUESTION EVEN ANSWERABLE OR EVEN UNDERSTOOD?

RYAN JACOBY: YEAH. IT'S WELL TAKEN AND I THINK THE QUESTION IS THE CHALLENGE, I WOULD SAY, IT'S TYPICALLY A MOVING TARGET BETWEEN WHAT PG&E'S PROCUREMENT PRICE IS ANY GIVEN MONTH. THAT'S TYPICALLY OUR BASIS FOR, YOU KNOW, HOW WE'RE GAUGING THE PRICE PERFORMANCE OF THE PROGRAM IS USING THAT BASELINE WHICH DOES CHANGE EACH MONTH. BUT, YEAH, FROM THE ASPECT OF I WOULD SAY ECONOMIES OF SCALE, WE ARE CURRENTLY SEEING -- I WOULD SAY MORE ATTRACTIVE RATES GOING OUT FOR GAS PURCHASES AS A RESULT OF THIS AND I THINK THE PROCUREMENT THAT CLOSED YESTERDAY WILL ALLOW US REALLY AN INCREASE POTENTIAL TO CAPITALIZE ON SOME OF THAT WITH THE LARGER MEMBERSHIP IN GENERAL.

CHAIR, DOUG WILLIAMS: EXCELLENT. EXCELLENT.

RYAN JACOBY: YEAH. SO I -- LONG STORY SHORT. I WOULD EXPECT TO SEE, YOU KNOW, THOSE POSITIVE IMPROVEMENTS HIT IN THIS UPCOMING FISCAL YEAR RATHER THAN KIND OF MORE OF A DELAYED TRICKLE EFFECT. YOU KNOW, THE FORM THAT COMES IN IS EITHER KIND OF DECREASED PRICES THAT WE PAY FOR NATURAL GAS, SPECIFICALLY. WHAT WE'RE ALSO LOOKING AT, AGAIN, FOR ARBITRAGE OPPORTUNITIES IS THAT THERE'S A BALANCE THERE WHEN NEEDING TO PROCURE A LARGER STORAGE INVENTORY TO ACCOUNT FOR SPURR MEMBERS JOINING THE MEMBERSHIP. THAT INCREASES OUR

REQUIREMENTS, A WHOLE OF STORAGE INVENTORY. SO WE'RE LOOKING TO RECOUP FOR THE FIRST TIME BETWEEN 80% AND 100% OF THOSE STORAGE COSTS, WHICH FOR THIS FISCAL YEAR ARE CLOSE TO 900,000. SO I WOULD SAY WE'RE -- I EXPECT TO SEE SOME OF THOSE COME TO FRUITION IN THIS UPCOMING FISCAL YEAR RATHER THAN TAKING A BIT LONGER TO DEVELOP. I DON'T KNOW IF THAT ANSWERS YOUR QUESTION.

CHAIR, DOUG WILLIAMS: IT DOES, YES. THANK YOU.

SPEAKER: DOUG, I WANT TO MAKE SURE I HAVE GOT ETIQUETTE GOING THROUGH THE CHAIR. I LOVE THE QUESTION. I HAD THE SAME QUESTIONING. I'M THINKING AT SOME POINT THERE NEEDS TO BE A MARGINAL VALUE SUBSCRIBED -- FOR EACH ADDITIONAL, YOU KNOW, PARTICIPANT THAT COMES ONLINE, RIGHT, I FEEL LIKE THAT WOULD BE GOOD JUST TO UNDERSTAND AND JUSTIFY THE IN -- TO THE UNDERSTANDING THAT MORE CUSTOMERS IS A GOOD THING, RIGHT? IT'S A SOMETHING QUESTION. IT'S INTUITIVE THAT, YEAH, WHY NOT? BUT GROWING TO GROW IS NOT BENEFICIAL IN AND OF ITSELF. WE GOT TO FIGURE OUT WHAT THAT METRIC IS TO UNDERSTAND THAT, I THINK UNDERSTANDING THE MARGINAL COSTS OF ADMINISTRATIVE COST OF EACH INDIVIDUAL PARTICIPANT IS GOOD, TOO. SO BREAKING DOWN THAT UNDERSTANDING WOULD BE -- WOULD BE REALLY BENEFICIAL, I THINK, FOR EVERYBODY TO UNDERSTAND.

CHAIR, DOUG WILLIAMS: SOME SORT OF MEASURABLE GAP.

SPEAKER: TO SPEAK A LITTLE BIT.

OSCAR QUINTANILLA-LOPEZ: ONE OF THE CHALLENGES WE'RE GRAPPLING AT AMONGST OURSELVES, WE'RE ADDING AN INDETERMINANT NUMBER OF MEMBERS. WE DON'T KNOW HOW MUCH ADDITIONAL RESOURCES THAT WILL TAKE. WE'RE TAKING A CONSERVATIVE APPROACH IN THE BUDGET. THAT DOESN'T MEAN WE'LL GO OUT AND HIRE MORE PEOPLE RIGHT AWAY. WE'RE STILL DISCUSSING WHAT THE RIGHT APPROACH IS TO ADDRESS THE GROWING NEEDS OF ADMINISTRATIVE SUPPORT WITH THE MEMBERS WE DO HAVE NOW. SO WE DON'T ANTICIPATE WE'LL START SPENDING ALL THE ADMINISTRATIVE COSTS WE'RE PROPOSING IN THE BUDGET. IT WILL BE MORE OF A PROGRESSIVE, YOU KNOW, APPROACH ON OUR END OF MAKING SURE WE'RE ADDRESSING ALL THE NEEDS OF OUR MEMBERS, MAKING SURE WE'RE PROVIDING GOOD CUSTOMER SERVICE AND BILLING BUT ALSO READY FOR WHEN THERE'S A SIGNIFICANT VOLUME COMING IN THAT WE CAN'T HANDLE ANYMORE SO THAT'S PART OF IT.

SPEAKER: I WILL FOLLOW UP THE STORAGE PIECE IS REALLY INTERESTING, TOO. WHAT I THINK I MIGHT HAVE HEARD YOU SAY IS TRYING TO COVER THAT COST UPFRONT OR SOONER, WHICH LEADS ME TO BELIEVE THAT THE MARGINAL SAVINGS IN FOLLOWING YEARS WILL BE MORE AND SO JUST SORT OF SEEING HOW THOSE NUMBERS PLAY OUT WILL BE INTERESTING.

RYAN JACOBY: YEAH, ABSOLUTELY. AND THAT'S -- I WOULD SAY THERE'S A COUPLE EXCITING COMPONENTS IN HERE TO ME. ONE IS THE STORAGE AND REALLY THE ARBITRAGE OPPORTUNITY THAT WE HAVEN'T LOOKED AT HISTORICALLY. OVER THE PAST TWO OR THREE YEARS, JUST AS A CONTEXT SETTING, WE AS A CORE TRANSPORT AGENT OR PROGRAM ADMINISTRATOR OF NATURAL GAS SERVICES, ARE REQUIRED TO HOLD STORAGE FROM ONE OF FOUR INDEPENDENT STORAGE PROVIDERS THAT ARE CERTIFIED BY THE STATE. SO YOU REALLY ONLY HAVE THOSE FOUR OPTIONS. SIMILAR TO PIPELINE CAPACITY, WE ARE GIVEN A CERTAIN NUMBER EACH YEAR THAT WE MUST MEET FOR COMPLIANCE. SO WE HAVE HISTORICALLY KIND OF TAKEN THAT NUMBER, MET IT, AND THEN USED IT, YOU KNOW, TO BALANCE BASICALLY OUR WINDSOR LOAD WHICH IS THE PRIMARY MEANS FOR A STORAGE ACCOUNT. BUT WE HAVEN'T TYPICALLY ENGAGED IN A REALLY SOPHISTICATED MANNER OF RISK MANAGEMENT OR ARBITRAGE. WE'RE DOING THAT FOR THE FIRST TIME THROUGH THE SHORT-TERM AGREEMENT AND THEN IDEALLY THROUGH THE RFQ AS WELL THAT WERE PRESENTED BACK IN THE REPORT ON THE NATURAL GAS PROGRAM. SO WE DID ANSWER OUR FIRST TRANSACTION LAST WEEK FOR THAT THAT SEEMS TO HAVE MET THE PROGRAM ABOUT $100,000 STORAGE COST ALREADY. SO I'M OPTIMISTIC THAT, YOU KNOW, THAT TREND WILL CONTINUE, ESPECIALLY OVER THE NEXT COUPLE MONTHS. BUT THAT'S ONE OF THE THINKINGS, I THINK, WE CAN SCALE THAT BASED ON THIS NEW MEMBERSHIP AND THEN DECREASE

THE COST FOR THE EXISTING MEMBERS -- OR I SHOULD SAY ALL MEMBERS, NOT JUST EXISTING.

CHAIR, DOUG WILLIAMS: THANK YOU, RYAN. THANK YOU, OSCAR. IS THERE ANY DISCUSSION BY MEMBERS OF THE COMMITTEE ON THIS ITEM?

ELAINE MARSHALL: HI, EVERYBODY. I JUST HAD A QUESTION. IF YOU CAN PROVIDE A LITTLE BIT MORE SPECIFICATION ON WHAT THE STAFFING INCREASES ARE, DOES THAT -- LIKE, HOW MANY FTE DOES THAT EQUATE TO AND WHAT THEY WILL BE WORKING ON? I SEE THE GENERAL DESCRIPTION. I'M JUST KIND OF CURIOUS HOW THAT KIND OF BREAKS DOWN. AND THEN THE QUESTION OF WHAT THE OVERHEAD PERCENTAGE IS.

RYAN JACOBY: YEAH, MAYBE I CAN SPEAK TO THE FIRST COMPONENT. YEAH, SO THE CURRENT PROPOSAL IS THE EQUIVALENT OF TWO FTE'S. THE BREAKDOWN FOR THAT WOULD BE AN ASSOCIATE-LEVEL POSITION THAT WOULD PRIMARILY BE INVOLVED IN IDENTIFYING AND APPLYING FOR GRANT FUNDING OPPORTUNITIES FOR BASICALLY COST REDUCTION OR MATCHING OPPORTUNITIES FOR THE MEMBERSHIP. SO IDEALLY, YOU KNOW, DOWN THE ROAD YOU HAVE SOME POTENTIAL TO REALLY RECOUP THOSE THROUGH GRANT FUNDING OPPORTUNITIES THAT ARE IDENTIFIED. BUT ALSO, TO ASSIST IN SOME OF THE PROGRAM -- THE STRATEGIC IMPLEMENTATION ROADMAP INITIATIVE. SO JUST KIND OF INTERNAL SUPPORT FOR THOSE AS WELL AS ONGOING ENROLLMENT, ATTENDING

CONFERENCES, PRESENTING TO THIS COMMITTEE, THOSE SORTS OF DUTIES. THE SECOND POSITION WAS A PROGRAM COORDINATOR WHERE WE SEE THAT AS BEING MORE PROVIDING DIRECT SERVICES TO THE MEMBERS THAT ARE INVOLVED. SO HELPING WITH THE BILLING, THE CUSTOMER SERVICE, THE ACCOUNT MANAGEMENT. REALLY, BEING ONE AVAILABLE PERSON AS WE GROW THE MEMBERSHIP, BEING ABLE TO PROVIDE A HIGH LEVEL OF SERVICE, YOU KNOW, CONTINUING THAT, REALLY, AS WE TAKE ON MORE MEMBERS. AND THEN, ANY QUESTIONS ON THAT PART? IF NOT, I'LL PASS IT TO OSCAR ON THE OVERHEAD.

ELAINE MARSHALL: NO, THANK YOU FOR THE DETAIL.

OSCAR QUINTANILLA-LOPEZ: OUR CURRENT RATE IS -- OVERHEAD RATE IS 55% OF SALARIES AND BENEFITS. AND IT'S TO COVER, YOU KNOW, ALL COSTS, NOT DIRECTLY CHARGED TO A DIRECT POWER, INCLUDING, YOU KNOW, ACCOUNTING, BUDGETING, CONTRACT PROCUREMENT, THE RENT FOR THE SPACE. IT'S THE SAME RATE THAT IS USED FOR ALL OF THEIR ENTITIES THAT MTC, ABAG HAVE ASSISTED.

ELAINE MARSHALL: OKAY, THANK YOU. I DON'T HAVE ANY OTHER QUESTIONS.

SPEAKER: THROUGH THE CHAIR. BRAD PAUL.

BRAD PAUL: IT SPEAKS TO YOUR QUESTION, WHEN DO WE NEED TO BRING THOSE TWO FTE'S ON SO WE DON'T HAVE TO DO IT AT THE BEGINNING OF THE FISCAL YEAR, THOSE SALARY SAVINGS WILL BE REFLECTED IN THE MID-YEAR TRUE-UP OF THE BUDGET WHEN WE COME BACK TO YOU. SO THAT'S SOMETHING WE'RE DISCUSSING INTERNALLY BECAUSE WE KNOW THAT THIS RAMP-UP IS GOING TO TAKE PLACE OVER TIME AND MAYBE SOME THINGS WE CAN DO IN THE EARLY PART OF THE YEAR THAT WOULDN'T REQUIRE BRINGING SOMEBODY ON FULL TIME.

SPEAKER: AS A FOLLOW-UP, ARE THOSE RESOURCES IN HOUSE IDENTIFIED OR ARE THEY COMING FROM THE OUTSIDE?

BRAD PAUL: THAT'S WHAT WE'RE DISCUSSING.

SPEAKER: YEAH.

CHAIR, DOUG WILLIAMS: OKAY. SEEING THAT THERE IS NO OTHER DISCUSSION FROM THE COMMITTEE, IS THERE ANY MEMBER OF THE PUBLIC WHO WISHES TO GIVE PUBLIC COMMENT ON THIS ITEM?

CINDY CHEN, CLERK: NO MEMBER OF THE PUBLIC AT CLAREMONT CONFERENCE ROOM AND NO ONE ONLINE. I SEE CITY OF PLEASANTON, ALSO NONE. CITY OF MILPITAS, CAN YOU CONFIRM ANY MEMBER OF THE PUBLIC FOR THIS ITEM?

ELAINE MARSHALL: NO MEMBERS OF THE PUBLIC ARE PRESENT.

CINDY CHEN, CLERK: THANK YOU. AND ALSO, NO WRITTEN PUBLIC COMMENT RECEIVED FOR THIS ITEM.

CHAIR, DOUG WILLIAMS: EXCELLENT. THANK YOU. OTHER BUSINESS. IS THERE ANY MEMBER OF THE COMMITTEE WHO WISHES TO PROVIDE UPDATE ON ITEMS WITHIN MEMBER AGENCIES RELEVANT AT ABAG POWER OR MTC-RELATED ENERGY PROGRAMS? OKAY. SEEING -- OKAY, GO AHEAD.

BRAD PAUL: IF I CAN ADD SOMETHING ELSE IF I COULD. TONIGHT WILL BE AN HISTORIC MOMENT IN THIS BUILDING. ABAG WILL BE PLACING A FIRST REGIONAL MEASURE ON ALL NINE COUNTIES THIS COMING NOVEMBER THAT WOULD RAISE $20 BILLION FOR AFFORDABLE HOUSING, HOMELESS PREVENTION. THE FIRST STEP HAS TO BE TAKEN BY THE ABAG EXECUTIVE BOARD AND THAT'S WHAT THEY WILL BE DISCUSSING TONIGHT, ADOPTING A SPENDING PLAN, EXPENDITURE PLAN. AND THEN THE PROCESS WHICH WOULD BE ABOARD BY THE BAHA BOARD WHICH IS THE SAME AS THE MTC COMMISSION. IF YOU GO ONLINE YOU CAN SEE SOME OF THE PRESENTATIONS WE'VE DONE ABOUT HOW MUCH OF THIS MONEY. 80% GOES BACK TO THE COUNTIES OF ORIGIN BASED ON ASSESSED VALUE OF THE PROPERTY THERE. SO IT'S BEEN HUNDREDS OF MILLIONS AND BILLIONS OF DOLLARS FOR THE NEXT 10 YEARS FOR EACH OF THE NINE COUNTIES. SO IT WILL TRULY BE AN HISTORIC MOMENT IN THE BUILDING.

CHAIR, DOUG WILLIAMS: WOW. THANK YOU FOR SHARING THAT. OKAY. ADJOURNMENT. THE NEXT REGULAR GOVERNMENTS MEETING OF THE ABAG POWER EXECUTIVE MEETING SCHEDULED TO BE HELD ON JUNE 20, 2024. AGAIN, EVERYBODY FROM ABAG AND MTC HERE, THANK YOU VERY MUCH FOR THIS WORK AND ALL THE WORK YOU PUT IN TO ALL OF THIS. THIS MEETING OF ABAG POWER EXECUTIVE COMMITTEE IS ADJOURNED.

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