

ABAG POWER Executive Committee



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

June 16, 2022

1

1

FY 22-23 Budget Goals

2022-23 Goals

- **Indirectly offset greenhouse gas emissions** caused by the combustion of natural gas at all facilities in the program's portfolio.
- **Begin participating in state and federal low-carbon transportation fuel programs** to achieve revenue-generating and emissions reductions opportunities related to the use of Renewable Natural Gas as a vehicle fuel.
- **Examine opportunities to increase program membership** due to ongoing implementation of the Strategic Implementation Roadmap.
 - Electrification incentives
 - SB 1383 assistance



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

2

2

FY 22-23 Budget Overview

Budget Components

- PG&E pass-through costs
- Commodity, transportation, and storage costs
- Environmental and other initiatives
- Program administration
 - ✓ Staff, consultants, and audit

Primary Cost Drivers

- Gas usage
 - ✓ Weather, sustainability
- Market prices
 - ✓ Supply and demand, hedging



3

FY 22-23 Budget

	Amended FY 21-22	Proposed FY 22-23	Change (\$)	Change (%)
Revenue				
Sale of Energy	10,008,240	12,857,280	2,849,040	28%
Interest & Other Income	14,200	12,359	(1,841)	(37%)
Total Revenue	10,022,440	12,869,639	2,847,199	28%
Expense				
Cost of Energy	9,223,337	11,984,225	2,760,888	30%
Staff Cost	414,876	507,019	92,143	22%
Consultant Services	295,095	295,095	0	0%
Other Expenses	86,110	79,968	(6,142)	(7%)
Total Expense	10,019,418	12,866,307	2,846,889	28%
Surplus / (Deficit)	3,022	3,332	310	

Assumptions:
• Less cash in LAIF

Assumptions:
• Slight increase in usage
• Higher gas prices
• Higher PG&E costs
• \$150k environmental

4

4

FY 22-23 Budget

Revenue

- Increase of \$2.9 million (28%), from \$10.0 million to \$12.9 million, compared to the previous fiscal year, due to associated increase (28%) in expenses – primarily the cost of energy
- Decrease of \$1.8 thousand (-37%) to LAIF income

Cost of Energy

- Increase of \$1.0 million (22%) to PG&E pass-through costs
- Increase of \$1.7 million (39%) to commodity, transportation, and storage costs

Staff, Consultant, and Other Expenses

- Increase of \$92 thousand (22%) in staff salaries, benefits, and overhead.
- Retains \$150 thousand earmarked for implementing Strategic Implementation Roadmap
- Decrease of \$6 thousand (9%) to audit fees

5

5

FY 22-23 Budget

Questions / Discussion

6

6