

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

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

RE: Attachment 6C - Market Price Chart

Background

Western and northwestern regions have experienced significant price volatility this winter, primarily driven by weather-related demand, low storage inventories in Northern California, and maintenance limiting pipeline operability. December, 2018 and February, 2019 were particularly volatile, seeing several sustained price spikes and prompting a revision to ABAG POWER's operating budget.

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

Attachment

Market Price Chart

Attachment 6C – Market Price Chart

June 13, 2019

Page 2 of 2

5-Yr Historical/Future Market Price Indices @ PG&E Citygate

