

# ABAG Publicly Owned Energy Resources (ABAG POWER)

## Executive Committee

August 21, 2019

Agenda Item 7.a.

### Natural Gas Aggregation Program

**Subject:** Renewable Natural Gas & Related Program Opportunities

**Background:** At the June 19, 2019 Executive Committee meeting, staff presented various state mandates to reduce greenhouse gas emissions, with a focus on natural gas as a carbon-emitting fuel source. The majority of the 38 cities, towns, counties, and special districts participating in POWER have climate action plans or goals that align with or are more aggressive than the state goals.

It is likely that achieving the long-term state and local goals will reduce natural gas use among all sectors, and within the POWER portfolio. Since its formation in the late 1990's, the natural gas program's primary focus has been to conduct pooled purchasing of fossil-based natural gas for member agencies, with goals of cost savings and price stability when compared against Pacific Gas and Electric Company (PG&E).

One of the primary differences of POWER and PG&E is public ownership. Participants own and operate the pool and have equal voting rights in programmatic decisions. As the state intends to shift away from natural gas use, several opportunities may exist to enable POWER to provide natural gas service while simultaneously aiding member jurisdictions in meeting climate goals.

**Discussion Items:** Following the June 2019 committee meeting, staff received authorization to form a working group to discuss natural gas emissions reductions and related initiatives. Staff solicited interest from member agencies and related entities, but received limited interest.

Since then, conversations with member and non-member jurisdictions have revolved around the following potential program offerings:

- Earmarking a certain amount of annual program savings for members' energy efficiency or fuel switching projects. Projects would be reviewed on an application basis, subject to Committee approval.

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- ABAG to monitor grant funding opportunities for aggregated methane reduction or energy efficiency projects on behalf of member jurisdictions.

Staff intends to continue these conversations and present additional findings at the annual Board meeting in October 2019.

**Issues:**

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

**Attachments:**

None.

**Reviewed:**

  
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Brad Paul