

ABAG POWER

Executive Committee Meeting
Summary of Natural Gas Program

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Program Manager
Thursday, May 28, 2020



Monthly Summary of Operations

- March 16: Remote work begins due to COVID-19
 - No adverse operational impacts
 - April & May invoices distributed electronically for all 54 accounts
 - Nine new *Energy Manager* accounts created for members
- April 1: Transitioned to non-PG&E storage provider
- April 14: Released Natural Gas Scheduling RFP
- May 18: Natural Gas Scheduling RFP closed

Monthly Summary of Operations



REDUCED DEMAND AND COMMODITY COST

- COVID-19
- OVERSUPPLIED MARKETS
- STORAGE



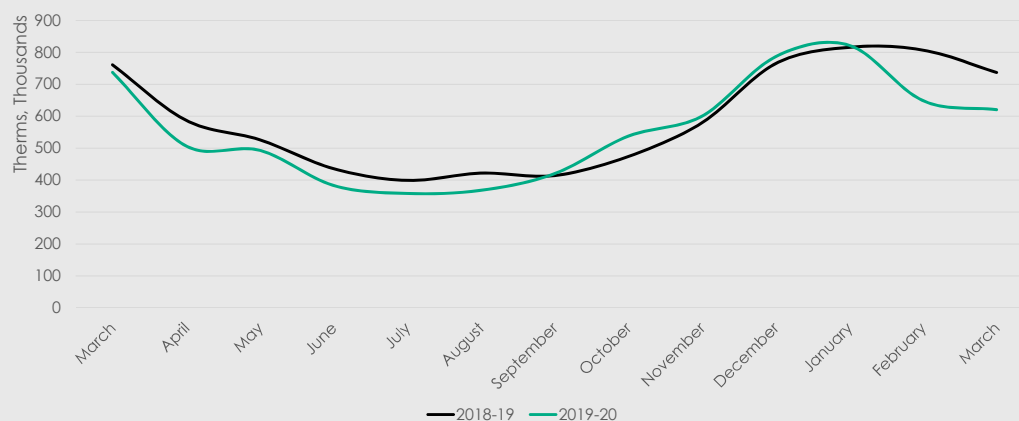
TO BE DETERMINED

- PG&E'S BANKRUPTCY
- MARKET PRICES
- SOCALGAS RNG TARIFF

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Monthly Summary of Operations

Year-on-Year Usage Comparison



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Monthly Summary of Operations

Cumulative Rate Comparison

- As of March 31, 2.4% higher relative to PG&E's small commercial (G-NR1) rate
- Rates are more stable than PG&E's due to levelized billing



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Monthly Summary of Operations

Looking Forward

- Expand *Energy Manager* utility by including (limited) electric accounts
- Potential fresh purchasing perspective resulting from RFP
- Monitor payment cycles from electronic invoicing



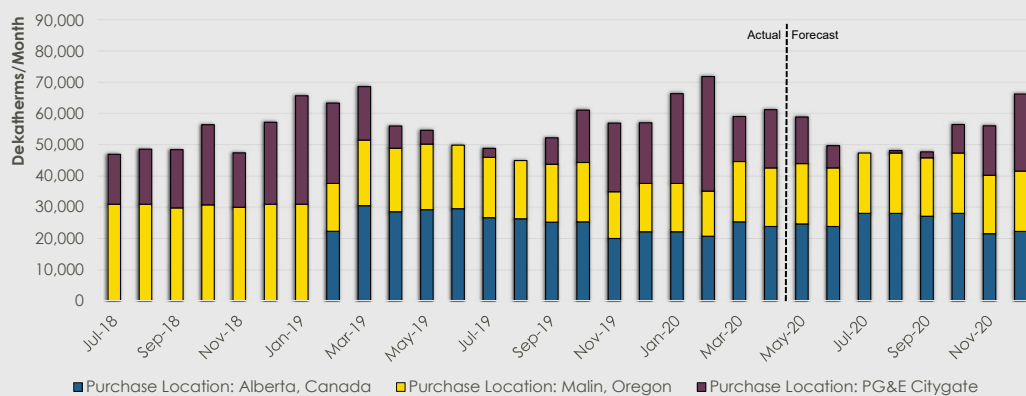
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Gas Purchases by Origin

- Short-term (monthly, daily) purchases at three locations
- Fixed-price purchases only by Committee approval
- Potential to incorporate Permian purchases beginning December 2020
 - Existing PG&E pipeline capacity
 - Contracts currently in place – strategy contingent on prices remaining low

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Gas Purchases by Origin



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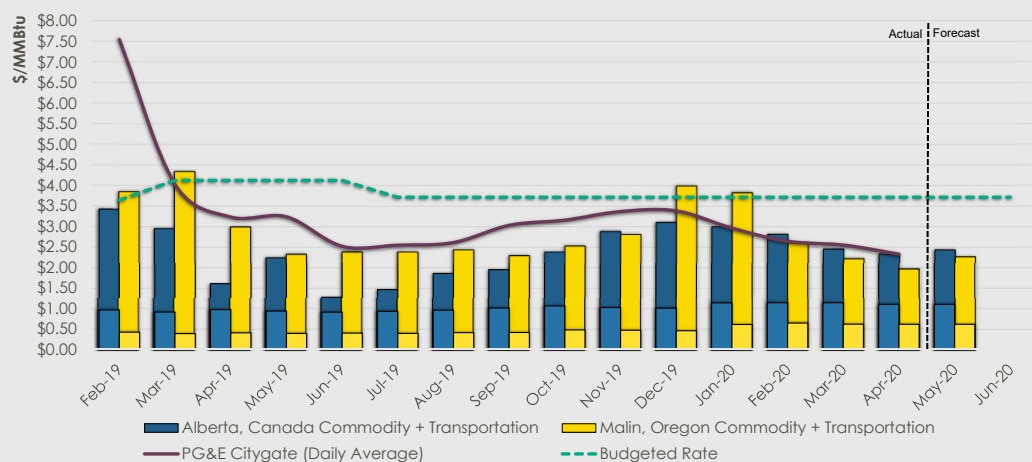
Market Price Comparison

- Short-term (monthly, daily) purchases:

<u>Gas Purchases</u>	<u>YTD Percent of Purchases</u>	<u>YTD WACOG</u>
Alberta, Canada	41%	\$2.37/Dth
Malin, Oregon	30%	\$2.75/Dth
PG&E Citygate	29%	\$2.96/Dth

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Market Price Comparison

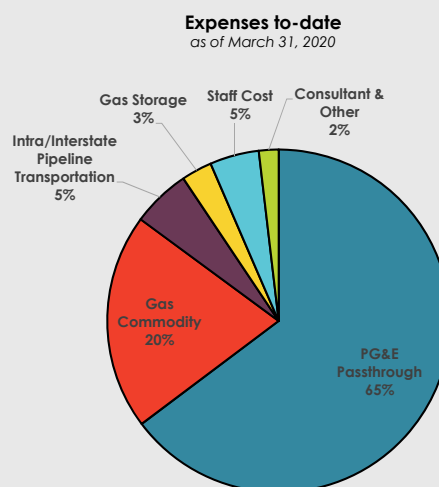


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Budget-to-Actual

	Adopted Budget FY 19/20	Projected FY 19/20*
Revenue	\$7,798,640	\$7,798,341
Expense		
Cost of Energy	\$7,230,552	\$6,662,159
Staff Cost	\$430,667	\$339,812
Consultant Services	\$81,900	\$57,031
Other Expenses	\$82,500	\$57,519
Year-end Balance	(\$26,979)	\$681,820

*Actual expenses as of March 31, 2020, projected through June 30, 2020



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Questions / Comments



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Natural Gas Scheduling Services

- Current provider: DMJ Gas Marketing
 - Since 2013
 - Mostly satisfactory scheduling services
 - Procurement seeks expanded procurement and transportation consulting services
 - Contract extension through September 2020 to permit potential transition
- Review panel to provide recommendation at upcoming June 17 meeting



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Questions / Comments



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