

ABAG POWER

Executive Committee Meeting

Fiscal Year (FY) 2025-26 Preliminary Operating Budget
April 17, 2025



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

ABAG POWER Overview

27th

Year of Operation (1998)

~2.29

Current Full-time
Equivalent Employees



ABAG POWER

- Develops and implements gas purchasing strategy
- Conducts consolidated billing
- Provides helpful and responsive customer service

PG&E

- Owns and maintains transmission and distribution infrastructure
- Provides account data

PROGRAM PARTICIPANT

- Receives gas for use in municipal facilities
- Governs ABAG POWER



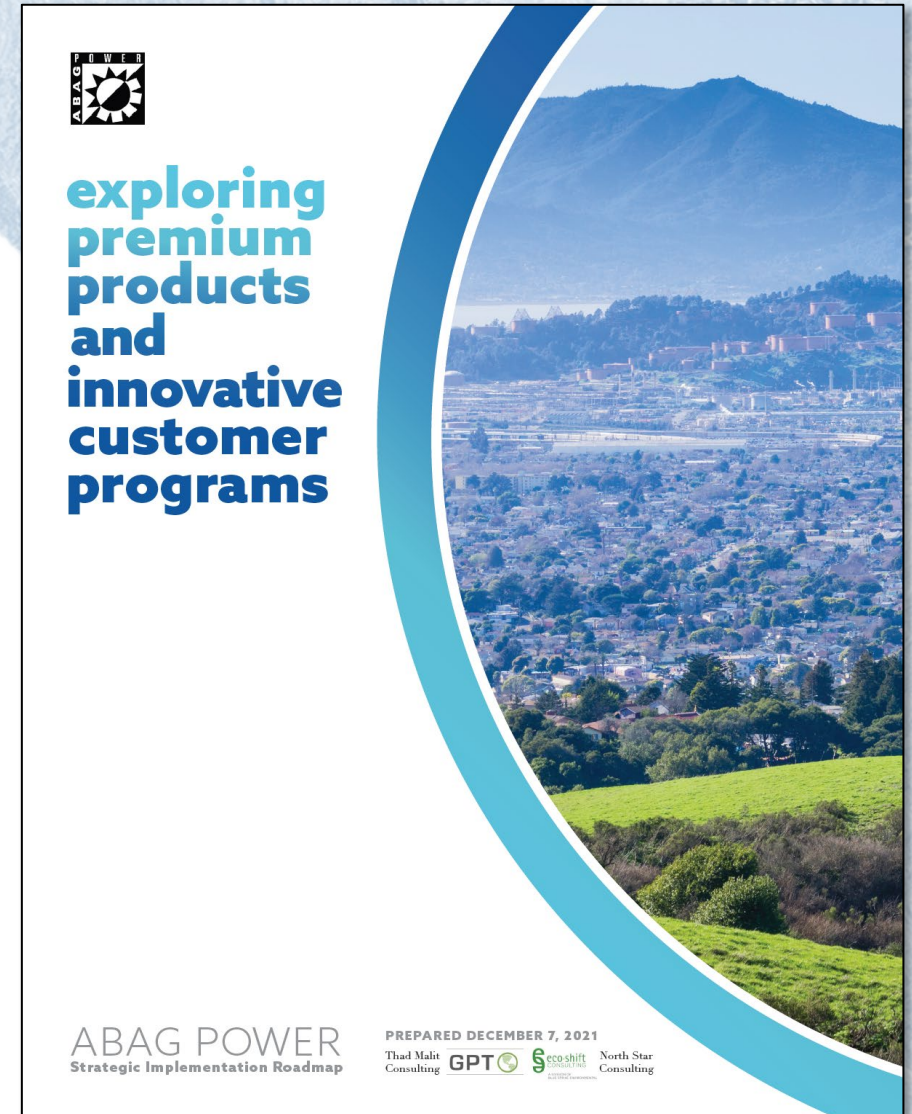
FY 2024-25 Highlights

- **Significant Program Growth:**
 - POWER program added 16 members (mostly school districts), increasing total membership to 52.
 - Manages 970 meters.
 - Potential four new members.
- **Expanded NG and RNG Supplier Network:**
 - More suppliers create competition, leading to better pricing and service for participants.
- **Improved Support Services:**
 - Enhanced resources and tools improved member satisfaction and program utilization.



FY 2025-26 Goals (Proposed)

- Implement a voluntary greenhouse gas emissions reduction program to offset emissions from natural gas combustion at program facilities.
- Advance efforts to offer a voluntary transitional electrification incentive.
- Increase program membership due to ongoing implementation of the Strategic Implementation Roadmap.



FY 2025-26 Budget Considerations

- **Mid-year Invoices will include the following items:**
 - **Levelized Charges**
 - **Gas commodity actual cost per Therm**
- **The proposed budget reflects the need for additional administrative resources to provide data analysis, enhanced billing, account management, and customer service to a growing membership and to support ongoing strategic plan implementation.**



FY 2024/25 vs FY 2025/26

Cost of Energy and Operating Cost

	FY 2024-25	FY 2025-26	% Change
Core Gas Commodity (\$/therm):	\$ 0.686	\$ 0.590	-14%
PG&E Pass-through Costs (\$/therm):	\$ 1.220	\$ 1.700	39%
Program Expenses (\$/therm):	\$ 0.194	\$ 0.183	-5%
Core Total Rate (\$/therm)*:	\$ 2.100	\$ 2.473	18%

* The 18% increase in the total rate resulted from the significant increase in PG&E pass-through costs, which are outside our direct control.



FY 2025-26 Preliminary Budget Overview

	FY 2024-25 Adopted		FY 2025-26 Preliminary		\$ Change		% Change
Revenue							
Total Revenue	18,010,520		23,522,300		5,511,780		31%
Expense							
Cost of Energy	16,245,326		21,415,429		3,748,644		32%
Staff, Consultant, and Other Expenses	1,761,203		2,103,445		342,242		19%
Total Expense	18,006,529		23,518,874		5,512,345		31%
Operating Surplus/(Deficit)	3,991		3,426		(565)		-14%
Core Total Rate (\$/therm)	2.100		2.473		0.37		18%



FY 2025-26 Preliminary Budget Components

Overall

- The preliminary natural gas program budget for Fiscal Year (FY) 2025-26 is \$23.5 million, a 31% increase (\$5.5 million) over the FY 2024-25 budget of \$18.0 million. This increase reflects higher gas and a 52% rise in transportation costs.

Cost of Energy

- The gas commodity cost, encompassing transportation, shrinkage, and storage, will be \$5.90/Dth for core meters and \$4.58/Dth for non-core meters. This represents a 14% and 16% decrease, respectively, from the previous year.

Staff, Consultant, and Other Expenses

- The proposed budget includes a \$342,000 increase in expenses: \$100,000 (9%) for staff, \$220,000 (38%) for administrative support and consultant services, and \$22,000 (30%) for other expenses.
- Despite this overall increase, the cost per dekatherm is projected to decrease by 5%.



FY 2025-26 Preliminary Budget

Questions / Discussion

