

# ABAG POWER

## Executive Committee Meeting

Report on NG and RNG Programs

Ryan Jacoby, Principal Program Manager  
April 18, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

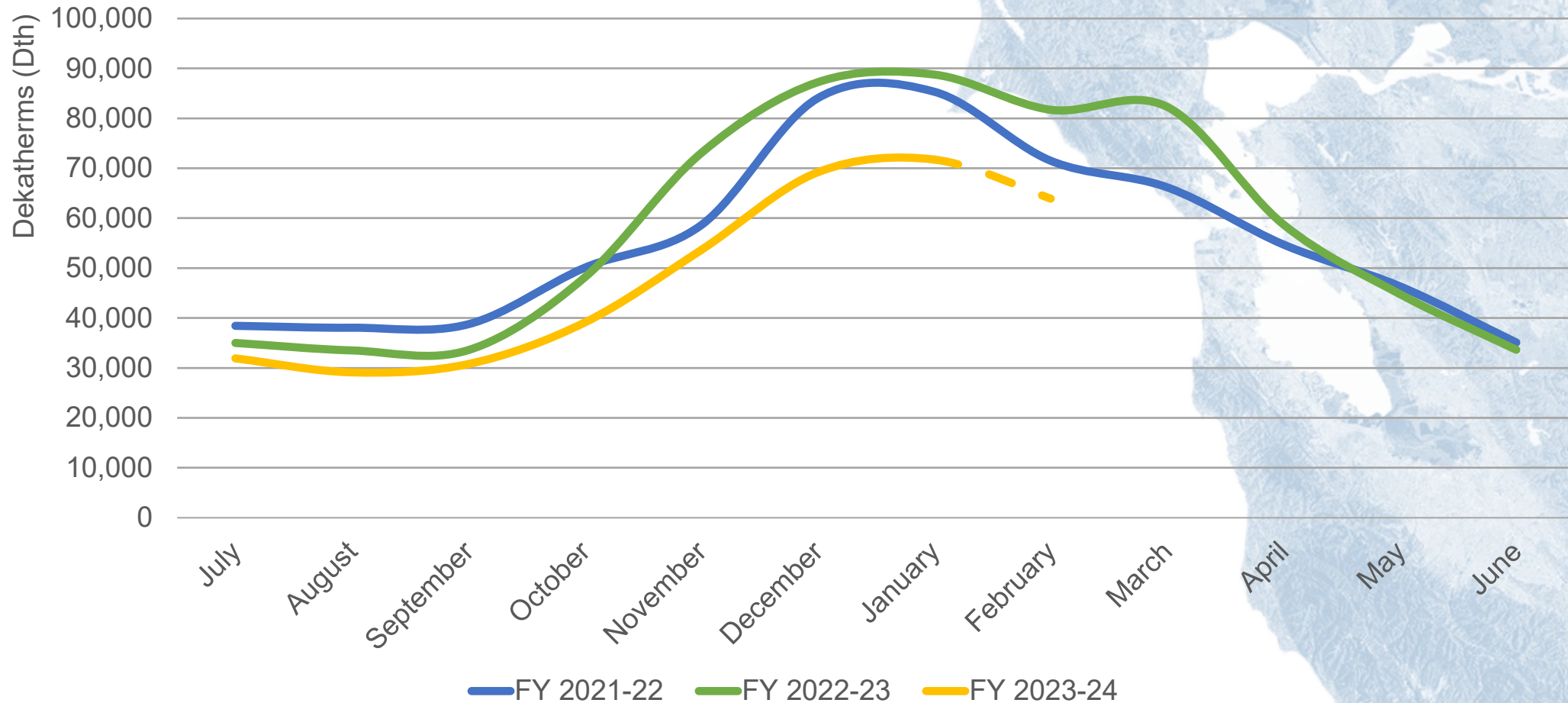
# Monthly Summary of Operations

- Preliminary (unaudited) financial statements through February 2024 indicate the following fiscal year cumulative rates relative to PG&E's rate schedules:

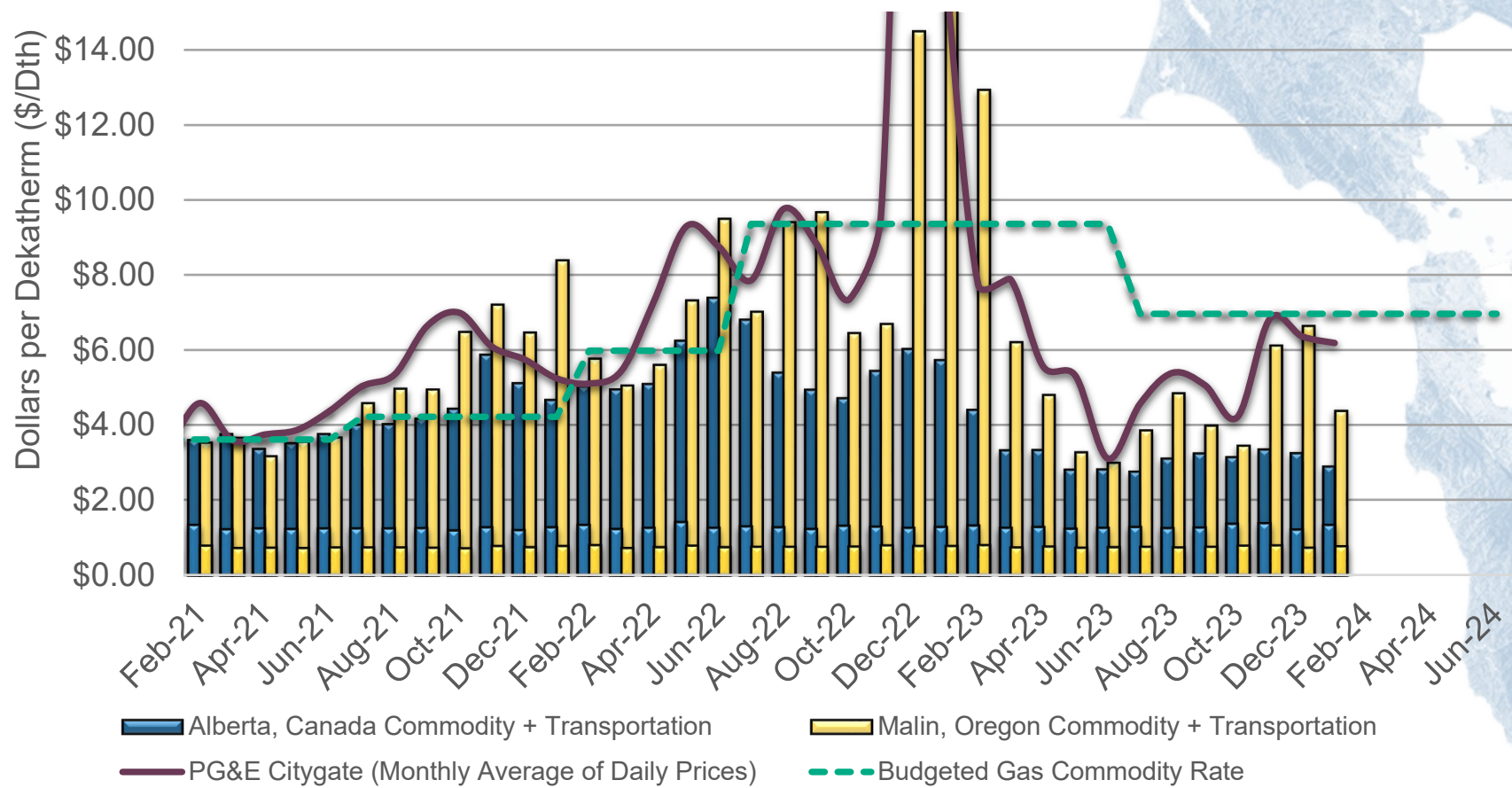
Rate Category	Cumulative 'Savings'*
Small Commercial (G-NR1)	-12.0%
Large Commercial (G-NR2)	-15.1%
Residential (G-1/GM)	-2.8%
Natural Gas Vehicle (G-NGV-1/2)	-3.7%

*\*A negative figure indicates a price premium relative to PG&E.  
A positive figure indicates a price savings relative to PG&E.*

# Gas Usage Comparison by Month & Year



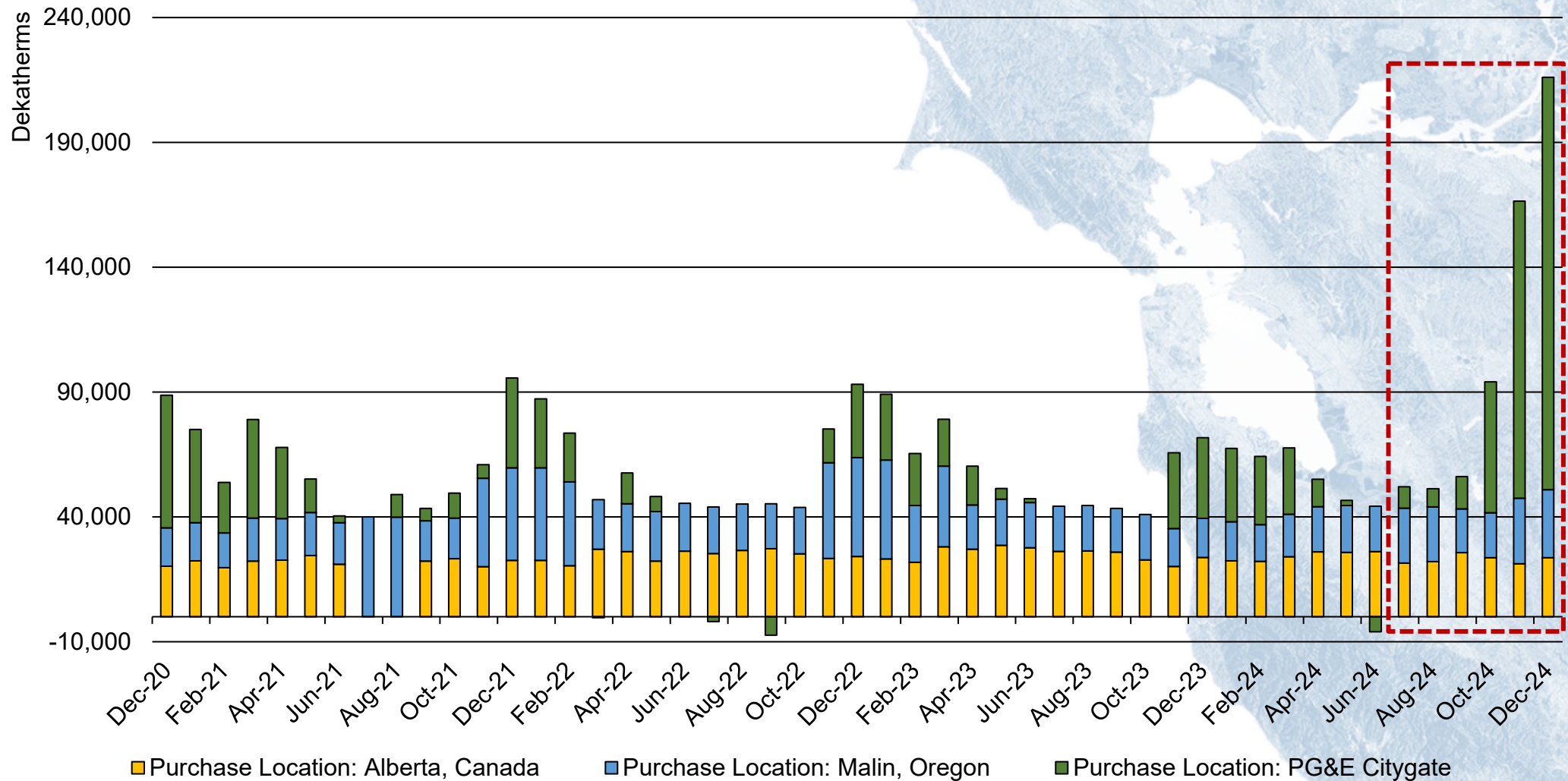
# Gas Market Price Comparison



Purchase Location	Fiscal Year 2023-24 Weighted Average Cost of Gas (WACOG)
Alberta	\$3.099
Oregon	\$4.754
California	\$5.515



# Historical & Anticipated Gas Purchase Requirements



# Fiscal Year 2023-24 Budget-to-Actual

Budget Category	Year-to-Date Actuals As of 02/29/24 (unaudited)	Adopted Budget FY 2023-24	Budget Utilization
Revenue	8,369,985	12,372,840	68%
Expense			
PG&E Pass-through	3,264,184	6,870,410	48%
Cost of Energy Used	4,536,293	2,262,896	50%
Staff, Consultant, and Other Expenses	489,028	963,244	51%
Surplus / (Deficit)	2,353,877	2,893	-



# General Updates

- **Natural Gas Scheduling and Operational Consulting Services Request for Qualifications**
  - Issued March 13, closes April 17
  - Anticipated budget: \$150,000 per fiscal year
  - Seeks services beginning July 1, 2024, and ending June 30, 2027, with ABAG's option to extend for an additional two years
- **Short-term Advisory Services Agreement executed with Vine Advisors LLC**
  - March – June 2024
  - Budget: \$28,000
  - Seeks development of recommendations for strategic storage utilization with respect to cost efficiencies, risk management, and arbitrage opportunities



# School Project for Utility Rate Reduction (SPURR) Member Enrollment Update

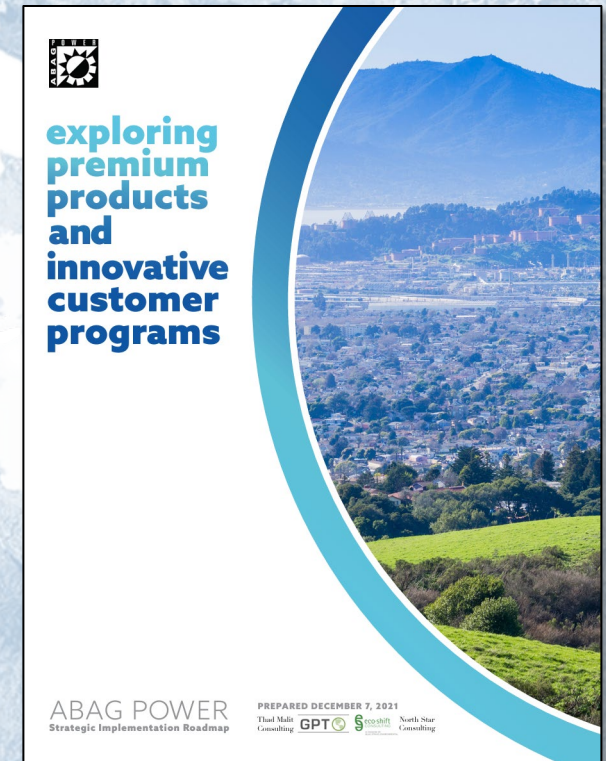
Status	Number of Agencies	Status by Percentage
<b><i>Engaged/Pending Discussions</i></b>	<b>128</b>	<b>62%</b>
Internal Discussion Ongoing	45	22%
Follow Up Needed from ABAG	3	1%
Meeting Scheduled	6	3%
Scheduling Meeting	12	6%
Cold Email	50	24%
Enrollment Unlikely but Unconfirmed	12	6%
<b><i>Confirmed intent to Enroll</i></b>	<b>15</b>	<b>7%</b>
Awaiting Board Authorization	10	5%
Board Authorization Received	5	2%
<b><i>Enrollment Declined</i></b>	<b>41</b>	<b>20%</b>
<b><i>No Contact Yet</i></b>	<b>22</b>	<b>11%</b>
<b>Total</b>	<b>206</b>	<b>100%</b>





# Strategic Implementation Roadmap Overview

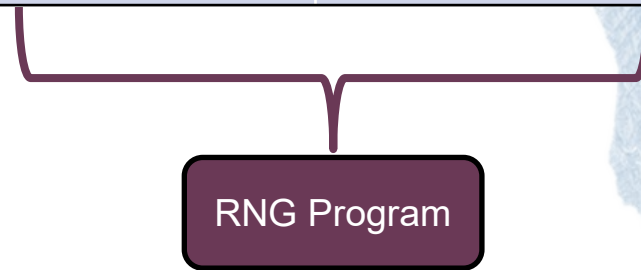
- Adopted in December 2021, following approximately six months of stakeholder engagement and planning initiatives.
- Anticipated timeframe: 2022Q2 – 2024Q2
- Identifies the following actions:
  1. Transition to a competitively priced default product that includes certified carbon offsets
  2. Establish an electrification incentive, vehicle fuel program, and SB 1383 renewable natural gas product
  3. Offer a premium “RPS” product that incorporates increasing quantities of RNG over time



# Strategic Implementation Roadmap

## Current Status

Initiative	Carbon Emissions Quantification and Management	SB 1383-compliant Renewable Natural Gas	Vehicle Fuel Program Participation	Electrification Incentive
Timeline	Temporarily Paused	Established; CY 2023	Established; CY 2023	Upcoming
Objective	Indirectly <i>offset</i> emissions	Directly <i>reduce</i> emissions	Directly <i>reduce</i> emissions	Directly <i>reduce</i> emissions
Value	<ul style="list-style-type: none"> <li>CAP alignment</li> <li>Market development</li> </ul>	<ul style="list-style-type: none"> <li>CAP alignment</li> <li>Market development</li> <li>Local gov't solution</li> </ul>	<ul style="list-style-type: none"> <li>CAP alignment</li> </ul>	<ul style="list-style-type: none"> <li>CAP alignment</li> <li>Local gov't solution</li> </ul>



# Carbon Emissions Quantification and Management

## Project Recap To-Date

### *September 15, 2022, Executive Committee Meeting*

- Approval of selected consultant and project scoping.

### *January – April 2023*

- Discovery meetings, methodology development, and integration of historical data.

### *April 20, 2023, Executive Committee Meeting*

- Presentation of [Proposed Framework for Quantifying Emissions](#).
- Executive Committee feedback directing voluntary – not mandatory – participation.
- Deferral of approval to the Board of Directors, pending guidance on how jurisdictions may claim emissions reductions in climate action plans (CAPs), and evaluation of rate impacts.

### *Next Steps*

- Restart discussions in FY 24-25, following identification of member agencies with CAPs to determine how GHG savings may be claimed.



# Transitional Electrification Incentive

## Project Recap To-Date

### *December 15, 2022, Executive Committee Meeting*

- Concept proposal
  - ✓ Enrollment is voluntary.
  - ✓ A usage-based volumetric surcharge is applied to each monthly invoice.
  - ✓ Participants accumulate a balance that can be withdrawn for any reason, though intended for electrification upgrades.
  - ✓ Participants are connected to public sector decarbonization programs, including the BayREN Public Sector Programs.

### *Next Steps*

- Following agreement on current concept, poll membership to assess interest in participating.
- Identify whether the program can be offered within the existing natural gas program/membership agreement.

