



ABAG POWER
Proposed Renewable Natural Gas Program

May 25, 2023
Board of Directors Special Meeting



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Organizational History



ASSOCIATION OF BAY AREA GOVERNMENTS

ABAG supports regional planning and cooperation among the cities and counties of the San Francisco Bay Area.

abag.ca.gov →



METROPOLITAN TRANSPORTATION COMMISSION

MTC is responsible for planning, financing and coordinating transportation for the nine-county San Francisco Bay Area.

mtc.ca.gov →

- 1 ABAG POWER was formed in **1998** by the Association of Bay Area Governments (ABAG) and local governments to provide **aggregated electricity and natural gas procurement for municipal facilities**
- 2 Staff of ABAG were consolidated under MTC in 2017. **Now, a combined 400 employees serve both agencies,** resulting in:
 - Better collaboration
 - Integration on common goals
 - Operating efficiencies

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Membership & Governance

37 Participating Entities

Each city, county, or special district assigns a voting delegate to the Board of Directors which meets annually

4-member Executive Committee

Meets bi-monthly to oversee

- Budget and operations
- Gas purchasing strategy
- Sustainability initiatives
- Regulatory proceedings



ABAG POWER Principal Staff



Andrea Visveshwara
Senior Counsel



Jennifer Berg
Director
Energy Section



Ryan Jacoby
Principal
Program Manager



Cindy Chen
Energy Programs
Coordinator

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Operating Environment



ABAG POWER

- Develops and implements aggregated purchasing strategy for core & non-core
- Conducts consolidated billing
- Provides responsive and helpful customer service

PG&E

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

PROGRAM PARTICIPANT

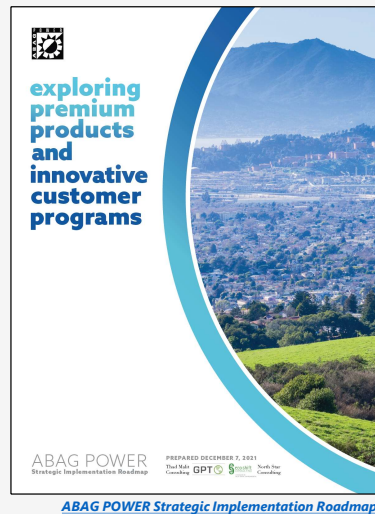
- Receives gas for use in municipal facilities or fueling stations
- Governs ABAG POWER

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Strategic Implementation Roadmap

- ABAG POWER is committed to supporting the goals of the customers and communities we serve. Increasingly, those goals are climate-related.
- Following significant stakeholder engagement, the program in 2021 adopted a Strategic Implementation Roadmap that encourages (among other things) near-term development of:
 - a default product bundled with carbon offsets
 - voluntary transitional electrification incentives
 - **renewable natural gas (SB 1383 / 1440)**
 - transparent and socially responsible supply



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Renewable Natural Gas (RNG)

- **What is it?**
 - Upgraded, pipeline-quality biogas produced by the breakdown of raw materials such as agricultural waste, manure, municipal waste, sewage, food waste, etc.
- **Does it align with the JPA's purpose and members' goals?**
 - *Strong alignment with the JPA's purpose. Many members consider RNG a necessary "drop in" solution for near-to-mid-term timeframes and hard-to-electrify scenarios.*
- **Why now?**
 - *Recent legislation (SB 1383/1440) is driving market transformation.*



Bottom left: BioCycle, Annapolis, Maryland | Bottom right: New York City Department of Environmental Protection

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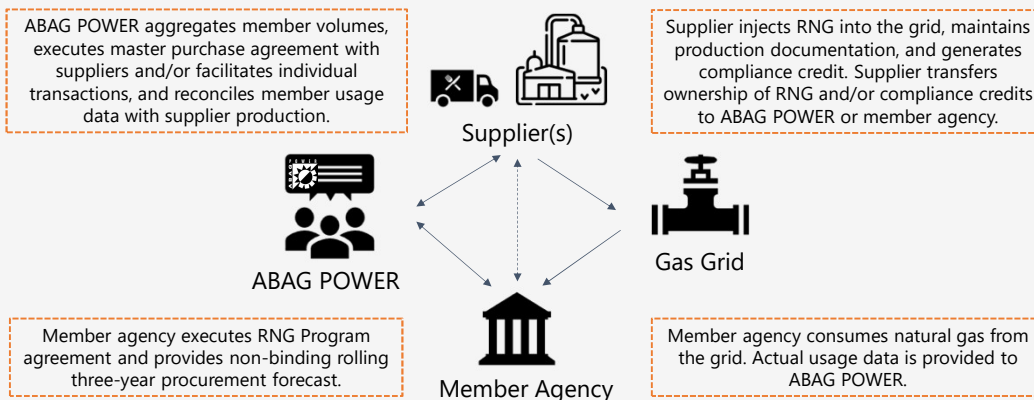
Proposed RNG Program – Anticipated Scope of Products

1. RNG and/or Compliance Credits that qualify for SB 1383 procurement requirements		2. RNG and/or Compliance Credits for purposes other than SB 1383 compliance <i>(e.g., Climate Action Plans, LCFS, etc.)</i>
<ul style="list-style-type: none"> ✓ California ✗ Out of State 	<i>Production Location</i>	<ul style="list-style-type: none"> ✓ California ✓ Out of State
<ul style="list-style-type: none"> ✓ Organic waste diverted from landfill ✗ Other sources 	<i>Production Source</i>	<ul style="list-style-type: none"> ✓ Organic waste diverted from landfill ✓ Other sources (dairies, landfills, wastewater treatment, etc.)

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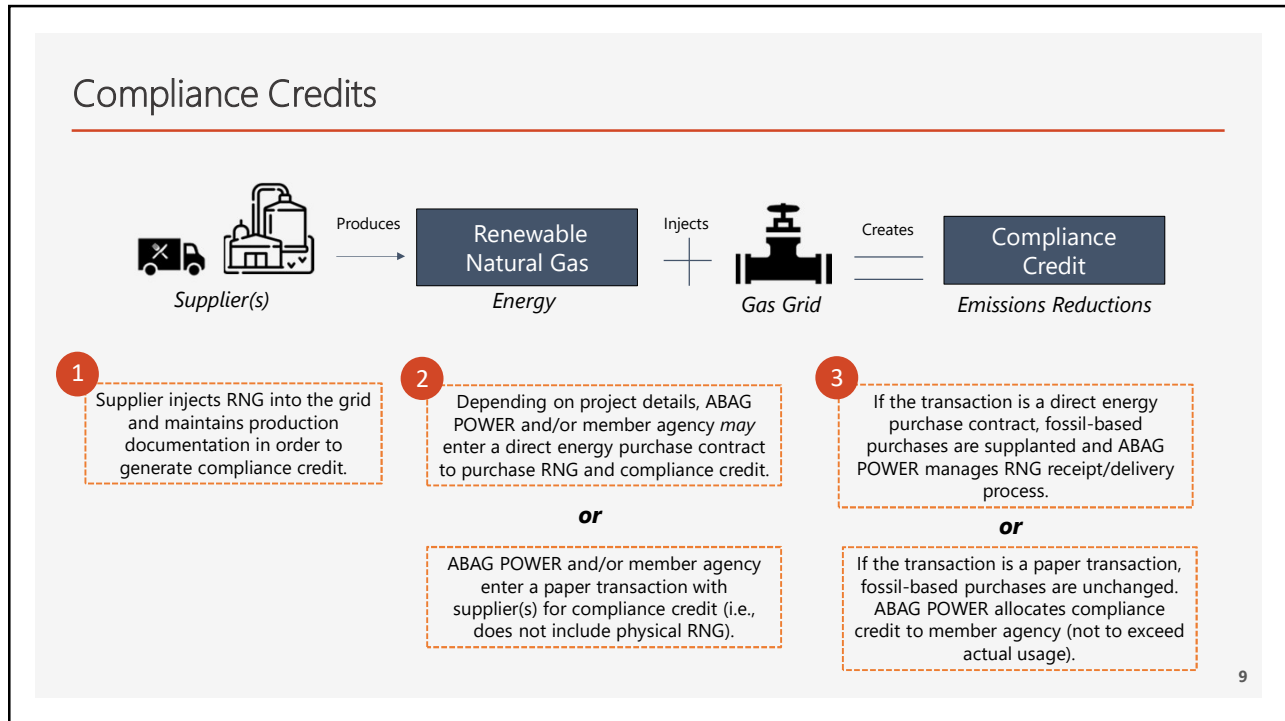
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Anticipated Agreement Structure



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Why ABAG POWER?

- Member-driven request that provides one of only a few current options for compliance credit
- Not-for-profit business model that aligns with JPA's mission and staff expertise
- Program is voluntary and there is no obligation to participate

ABAG POWER Stakeholder Engagement Round 2
(Jul-Sep. 2021, 11 responses)

Would your jurisdiction/organization consider enrolling in an ABAG POWER program that provides easy access to SB 1383-compliant RNG supplies?

10 (91%) Yes | 1 (9%) No

Legend: ■ Yes ■ Maybe, Depends on Price ■ No

ABAG POWER SB 1383 Member Survey #1
(Feb-Jun 2022, 21 responses)

Q3: Would your jurisdiction be interested in purchasing [SB 1383 renewable gas or electricity] products from ABAG POWER?

18 (90%) Yes | 2 (10%) No

Legend: ■ Yes ■ No

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Recommended Actions

1. Establish a voluntary Renewable Natural Gas (RNG) Program through:

- Adoption of Resolution 23-04 (agenda item 5.e.)
- Amendment to the Bylaws (specific language included in Resolution 23-04)

2. Delegate authority to the Executive Committee to:

- Approve as-to-form the RNG Program membership agreement
- Authorize new RNG Program members, provided they are a current member of ABAG POWER
- Authorize execution of RNG and/or compliance credit purchase/sale agreements with potential suppliers

3. Find the actions taken are exempt from environmental review pursuant to CEQA

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Proposed Next Steps

- **June 16 Executive Committee Meeting**
 - ✓ Consider approval as-to-form the RNG Program member agreement
- **Interim/Ongoing**
 - ✓ Inform prospective members of program establishment
 - ✓ Review and execute purchase/sale agreements with interested members
 - ✓ Identify and evaluate suppliers based on procurement forecasts
- **October 30 Board of Directors Meeting**
 - ✓ Staff report and status update

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Questions & Comments

Thank you.

ABAG/MTC
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