

ABAG POWER

Proposed FY 2023-24 Budget



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Executive Committee Meeting
June 15, 2023

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FY 2023-24 Budget Overview

2023-24 Financial & Programmatic Goals

- **Advance efforts to offer a transitional electrification incentive.**
- **Begin implementing Renewable Natural Gas program.**
- **Examine opportunities to increase program membership** due to ongoing implementation of the Strategic Implementation Roadmap.
- **Continue exploring offsetting greenhouse gas emissions** caused by the combustion of natural gas at all facilities in the program's portfolio.



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Changes from Preliminary Budget

	Preliminary FY 2023-24	Proposed FY 2023-24	Change (\$)	Change (%)
Revenue				
Sale of Energy	\$12,525,360	\$12,353,640	\$(171,720)	(1%)
Interest & Other Income	19,200	19,200	0	-
Total Revenue	12,544,560	12,372,840	(171,720)	(1%)
Expense				
PG&E Pass-through	\$6,422,731	\$6,870,410	\$447,679	7%
Commodity & Shrinkage	3,867,458	3,172,670	(694,788)	(18%)
Pipeline Transportation	655,993	756,423	59,369	15%
Storage	634,257	607,200	(27,057)	(4%)
Staff Cost	566,388	566,388	0	-
Consultant Services	319,866	322,306	0	-
Other Expenses	74,550	74,550	0	-
Total Expense	12,541,243	12,369,945	(171,296)	(1%)

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FY 2023-24 Proposed Budget

	Adopted FY 2022-23	Preliminary FY 2023-24	Change (\$)	Change (%)
Revenue				
Sale of Energy	\$12,857,280	\$12,353,640	\$(503,640)	(4%)
Interest & Other Income	12,359	19,200	6,841	55%
Total Revenue	12,869,639	12,372,840	(496,799)	(4%)
Expense				
Cost of Energy	11,984,225	11,406,702	(577,523)	(5%)
Staff Cost	507,019	566,388	59,369	12%
Consultant Services	295,095	322,306	27,210	9%
Other Expenses	79,968	74,550	(5,418)	(7%)
Total Expense	12,866,306	12,369,945	(496,361)	(4%)
Operating Surplus/(Deficit)	\$3,333	\$2,895	\$(438)	

Assumptions:

- Consistent usage
- Lower gas prices
- Higher PG&E costs
- Continued carbon offset work (cost of carbon offsets not included)

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FY 2023-24 Proposed Budget Summary

Overall

- Decrease of \$0.5 million (4%), from \$12.9 million to \$12.4 million, compared to the previous fiscal year, due to associated decrease (5%) in total cost of energy

Cost of Energy

- Increase of \$1.1 million (18%) to PG&E pass-through costs
- Decrease of \$1.6 million (26%) to commodity, transportation, and storage costs

Staff, Consultant, and Other Expenses

- Increase of \$59 thousand (12%) in staff salaries, benefits, and overhead
- Increase of \$23 thousand (16%) for remainder of carbon offset work
- Increase of \$3 thousand for audit fees

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FY 2023-24 Proposed Budget Q&A

Questions / Discussion

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