

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

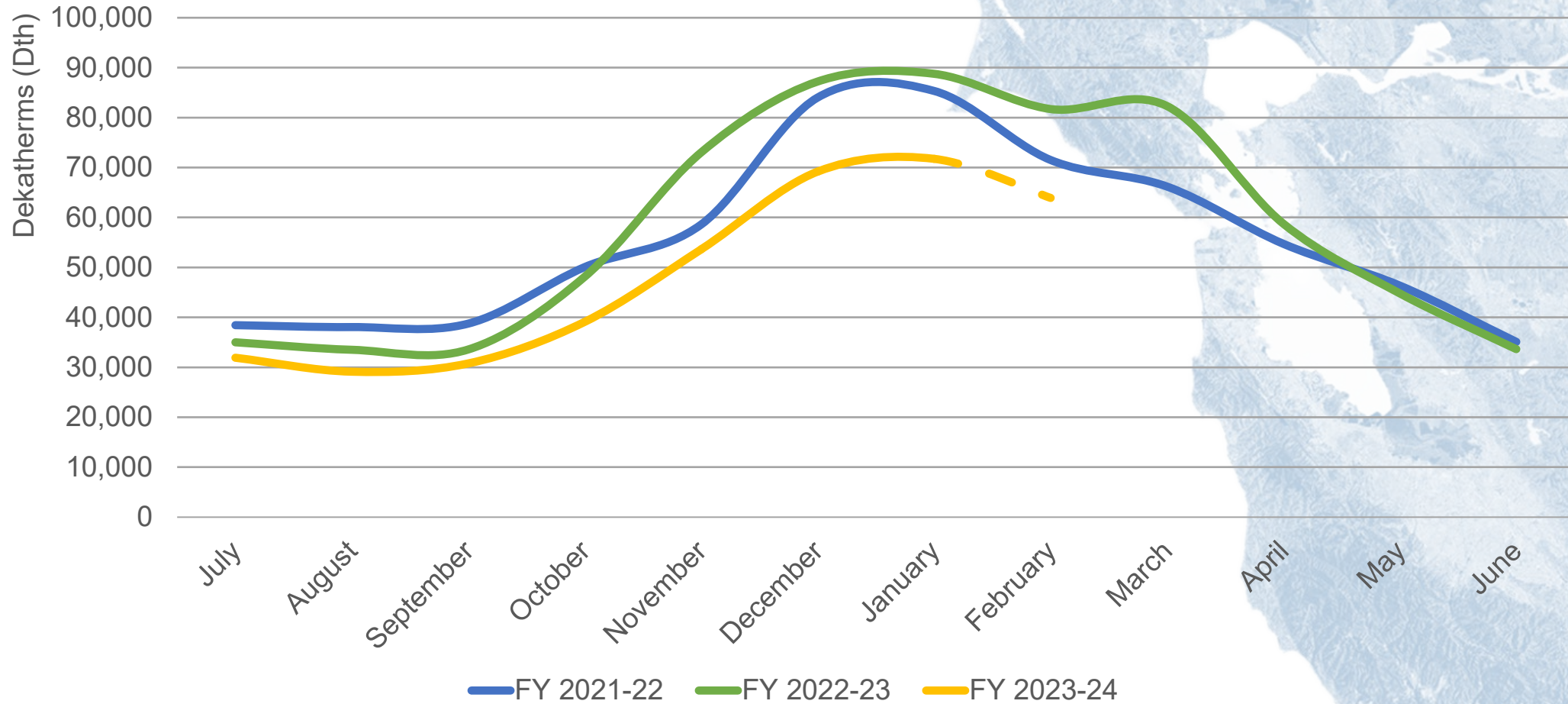
Monthly Summary of Operations

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

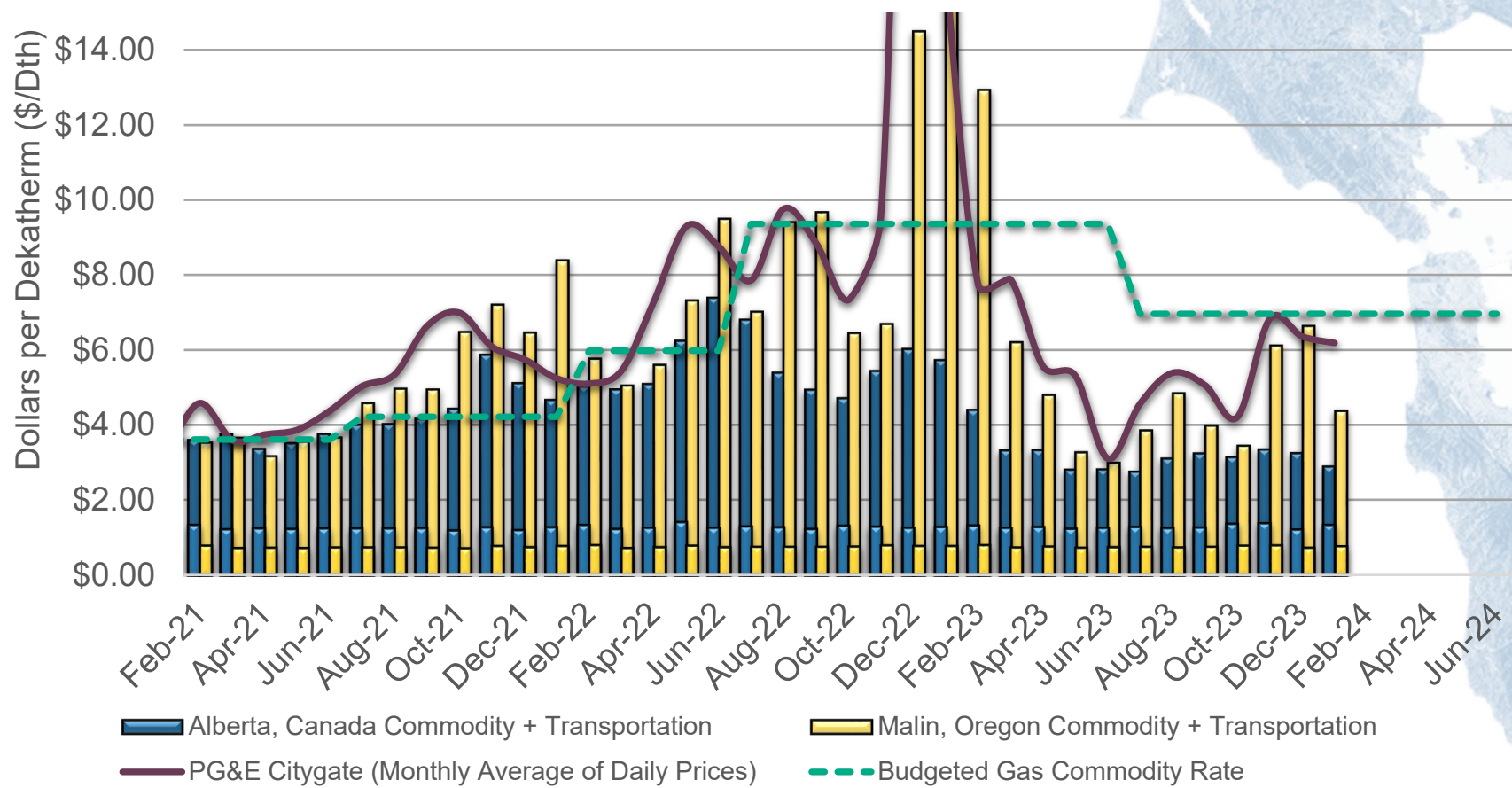
Rate Category	Cumulative 'Savings'*
Small Commercial (G-NR1)	-12.0%
Large Commercial (G-NR2)	-15.1%
Residential (G-1/GM)	-2.8%
Natural Gas Vehicle (G-NGV-1/2)	-3.7%

**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



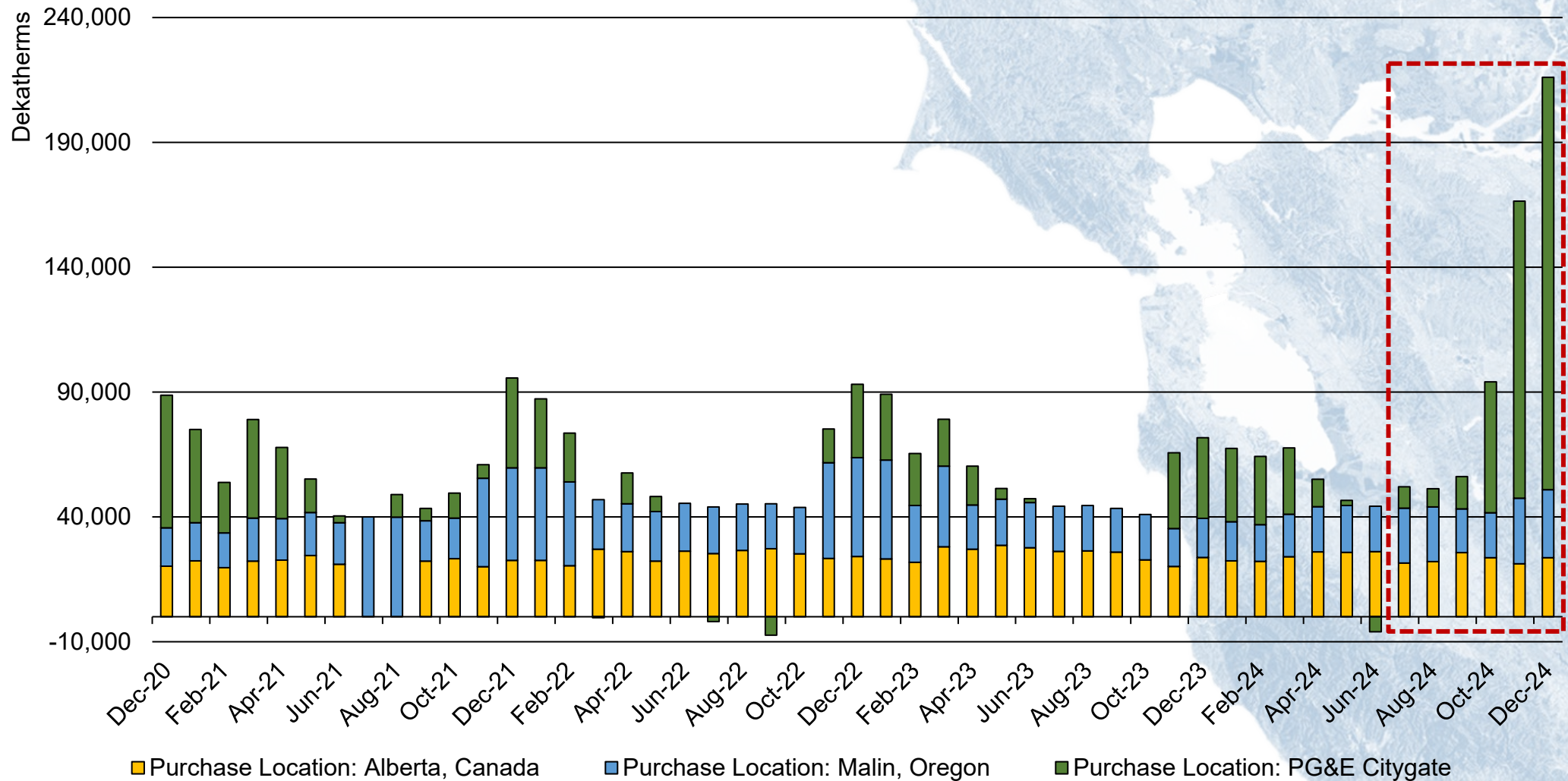
Gas Market Price Comparison



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



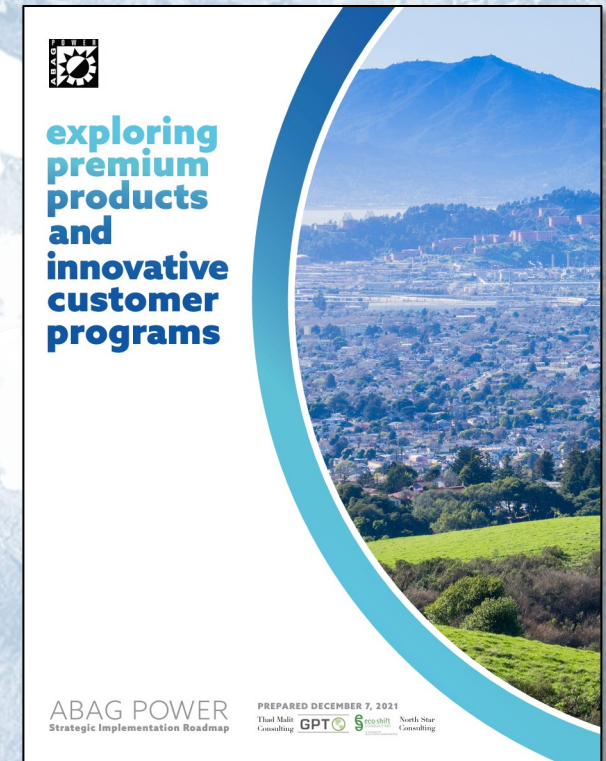
School Project for Utility Rate Reduction (SPURR) Member Enrollment Update

Status	Number of Agencies	Status by Percentage
<i>Engaged/Pending Discussions</i>	128	62%
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%
<i>Confirmed intent to Enroll</i>	15	7%
Awaiting Board Authorization	10	5%
Board Authorization Received	5	2%
<i>Enrollment Declined</i>	41	20%
<i>No Contact Yet</i>	22	11%
Total	206	100%



Strategic Implementation Roadmap Overview

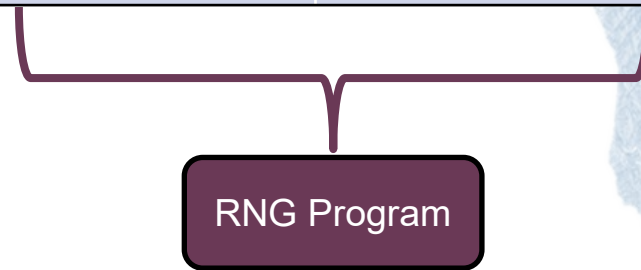
- Adopted in December 2021, following approximately six months of stakeholder engagement and planning initiatives.
- Anticipated timeframe: 2022Q2 – 2024Q2
- Identifies the following actions:
 1. Transition to a competitively priced default product that includes certified carbon offsets
 2. Establish 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"> CAP alignment Market development 	<ul style="list-style-type: none"> CAP alignment Market development Local gov't solution 	<ul style="list-style-type: none"> CAP alignment 	<ul style="list-style-type: none"> CAP alignment Local gov't solution



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.

