

# Increase to Contract No. 2021-070

## Natural Gas Supply

Presented to: Organizational, Services &  
Performance Monitoring Committee

March 3, 2026

# Project Overview: Natural Gas Supply

- The Authority utilizes natural gas to fuel CNG coaches and heat facilities/water.
- 32 Accounts
  - 2 CNG Fueling Stations (Hayden & Triskett)
  - 5 Large Facilities (FRTS Pool)
  - 25 Other Facilities (ECPS Pool)

# Project Overview: Natural Gas Supply

- Current contract type is “NYMEX Plus”
  - Contracted Basis (discount or premium)
  - Provides Authority the ability to fix Natural Gas commodity prices
    - May lock in a portion of the volume at a fixed price
    - Price is based on the NYMEX  
(New York Mercantile Exchange)

# Project Overview: Natural Gas Supply

## Original Usage Estimates

- Hayden CNG: 1,311,000
- Triskett CNG: 503,000
- Other Facilities: 125,000
- Large Facilities: 600,000
- **Total: 2,539,000**

## Updated Usage Estimates\*

- Hayden CNG: 1,730,008
- Triskett CNG: 718,973
- Other Facilities: 113,860
- Large Facilities: 640,238
- **Total: 3,203,079**

*\*Updated Estimates include actual consumption for years 1 to 3 of the contract.*

# Project Overview: Natural Gas Supply

- Original Cost Estimate: \$8,578,150
  - Contract NTE: \$9,000,000
- Current Cost Estimate: \$11,573,572
  - Schedule Changes
  - Triskett CNG Rollout
  - Elevated Market Rates

# Project Overview: Natural Gas Supply

Year	Diesel			CNG		
	Cost	Gallons	\$/Gal	Cost	DGE	\$/DGE
<b>2022</b>	\$2,941,351	1,306,563	<b>\$2.26</b>	\$2,200,412	2,238,190	<b>\$0.99</b>
<b>2023</b>	\$1,559,389	790,663	<b>\$1.98</b>	\$2,746,156	2,781,156	<b>\$0.99</b>
<b>2024</b>	\$1,696,112	660,307	<b>\$2.57</b>	\$2,814,638	3,032,116	<b>\$0.93</b>
<b>2025</b>	\$1,522,025	676,011	<b>\$2.26</b>	\$3,107,061	3,178,998	<b>\$0.98</b>

Jan. 2022: 167 CNG Coaches vs. 167 Diesel Coaches

Mar. 2026: 257 CNG Coaches vs. 53 Diesel Coaches

# Project Overview: Natural Gas Supply

- Upcoming Energy Procurements
  - Natural Gas Supply – to be effective 8/1/2027
    - Anticipate June 2026 Board
  - Electricity Supply – to be effective 5/1/2027
    - Anticipate October 2026 Board

# Procurement Overview

- On August 24, 2021, by Resolution 2021-082, the Board of Trustees authorized Contract 2021-070 with Direct Energy Business Marketing, LLC to furnish the Authority's natural gas to its 32 accounts for a period of three years with two, one-year options in annual amounts not to exceed \$1,800,000 per year, totaling \$9,000,000 for the five-year period.
- This change order has been reviewed and approved by the Change Order Committee.

# Procurement Overview

## Recommendation:

Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees approval of an increase to Contract 2021-070 with Direct Energy Business Marketing, LLC in an amount not to exceed \$3,000,000 resulting in a new total contract amount not to exceed \$12,000,000.

# Questions