

Summary of Proposed Award Natural Gas Supply

Presented to: Organizational, Services &
Performance Monitoring Committee

June 2, 2026

Project Overview: Natural Gas Supply

- The Authority utilizes natural gas to fuel CNG coaches and heat facilities/water.
- 30 Accounts
 - 2 CNG Fueling Stations (Hayden & Triskett)
 - 5 Large Facilities (FRTS)
 - 23 Other Facilities (ECPS)
- Requested Contract Term:
 - Three years with two, one-year options

Project Overview: Natural Gas Supply

- 2025 Consumption (MCF)
 - CNG – 447,949 (76.3%)
 - Estimate Over 500,000 Annually for Proposed Contract Term
 - Facilities – 139,459 (23.7%)
 - Yearly variances largely driven by winter weather

Note: 1 MCF is approximately 1.105 MMBtu

Project Overview: Natural Gas Supply

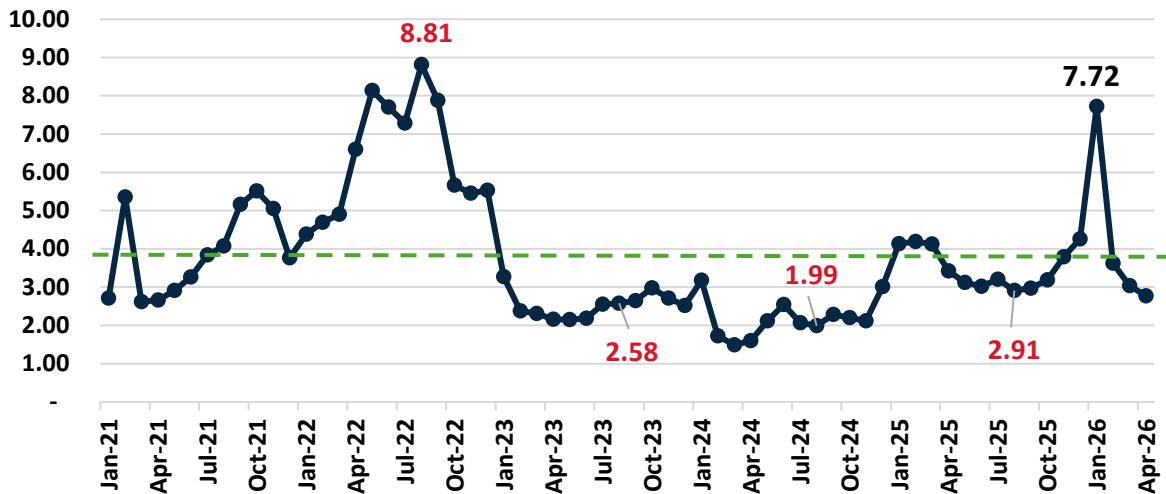
- Two Pricing Models Requested:
 - Fixed Pricing
 - Commodity price is fixed for the term of the contract
 - Fixed Basis Pricing
 - Current supply contract utilizes this pricing structure
- Two Pricing Structures:
 - Burner Tip (MCF) & City Gate (MMBtu)

Project Overview: Natural Gas Supply

- Supplier Billing Components – Fixed Basis Pricing:
 - Contracted Basis (discount or premium) – Supplier Charge
 - Includes Interstate Transportation, Pooling Fee, & Risk Premium
 - Natural Gas Commodity
 - May lock in a portion of the future volume at a fixed price
 - Price is based on the NYMEX
(New York Mercantile Exchange)

Project Overview: Natural Gas Supply

Henry Hub Natural Gas Spot Price: \$ per MMBtu



- 2015 – 2020: \$2.65
- 2021: \$3.91
- 2022: \$6.42
- 2023 – 2025: \$2.75

Project Overview: Natural Gas Supply

- Fixed Basis Pricing Example

	Lock Date	Jan-28	Feb-28	Mar-28
Price Percent	12/5/2025	\$ 4.772 25%	\$ 4.389 25%	\$ 3.774 25%
Price Percent	1/9/2026	\$ 4.531 25%	\$ 4.096 25%	\$ 3.484 25%
Price Percent	2/25/2026	\$ 4.197 50%	\$ 3.464 50%	\$ 3.119 50%
Weighted Price		\$ 4.424	\$ 3.853	\$ 3.374
Basis Price		\$ (0.350)	\$ (0.350)	\$ (0.350)
Effective Price		\$ 4.074	\$ 3.503	\$ 3.024

- Alternative:

- Lock less than 100% of future costs and utilize market rate
- Provides the flexibility to potentially capitalize on lower rates

Project Overview: Natural Gas Supply

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

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

May 2026: 277 CNG Coaches vs. 50 Diesel Coaches

Procurement Overview: Natural Gas Supply

- RFP issued March 23, 2026
- Accessed on the GCRTA website by eleven (11) interested parties
- Proposals were due April 22, 2026

Procurement Overview: Natural Gas Supply

Evaluation Panel:

- Facilities
- Accounting
- Risk Management
- Internal Audit
- Fleet Management
- Office of Management and Budget
- Procurement
- Energy Consultant (Brakey Energy, Inc.)

Procurement Overview: Natural Gas Supply

Evaluation Criteria:

- Terms of Contract
- Cost Effectiveness
- Financial Viability
- Experience and Reputation

Procurement Overview: Natural Gas Supply

- Procurement is still in the evaluation process
- Negotiating executable contracts with all shortlisted proposers
- Due to the volatility of the energy market, firms can only hold pricing for a very short time
- Best and final offers for updated pricing will be received June 15, 2026

Procurement Overview: Natural Gas Supply

Recommendation:

Staff plans to bring a recommendation to the Board of Trustees at their June 16, 2026 meeting.

Questions?