

## **...Explanation**

**BACKGROUND:** This ordinance is the seventh amendment to the Master Power Purchase and Sale Agreement partial requirements confirmation letter that authorizes a modification of DL012676 with American Electric Power Service Corporation (AEPSC) for the purchase of capacity and energy for the Division of Power and Water (P), collectively known as the "Parties".

The parties have previously entered into a Master Power Purchase and Sale Agreement (the "Master Agreement"), dated October 19, 2006 and a Partial Requirements Confirmation Letter ("Confirmation") dated July 30, 2007, a First Amendment dated August 20, 2007, that among other things, extended the Delivery Period through May 31, 2012; and a Second Amendment dated June 22, 2009, that among other things, extended the Delivery Period through May 31, 2014; and a Third Amendment dated July 13, 2009, that among other things, adjusted the Energy Charge per MWh for Energy delivered under the Confirmation; and a Fourth Amendment dated July 20, 2009, that among other things, adjusted the Energy Charge per MWh for Energy delivered under the Confirmation; and a Fifth Amendment dated February 16, 2011, that addressed some behind the meter generation; and a Sixth Amendment dated January 27, 2012 that among other things, relates to the purchase of the remaining 50% of Partial Requirements from AEPSC from June 1, 2013 through May 31, 2014.

The Division of Power and Water (P) now requested that AEPSC (Company) terminate the power purchase agreement for the sale of generation from an anaerobic digester project capable of generating up to one (1) MW of electric energy ("Quasar Facility") between Company and an affiliate of the Quasar Energy Group, LLC, known as Central Ohio BioEnergy, LLC ("Quasar"), effective as of November 1, 2012, but Division (Customer) desires to retain the Quasar Facility as a Third Party Supply generation resource, behind the meter, during the Delivery Period and used as a source of supply for Customer's end-use customers. Customer agrees to provide Company with the meter data information associated with the Quasar Facility monthly through December 31, 2012 and no less frequently than every six months thereafter.

**Amount of additional funds to be expended:** \$0

**Reasons additional goods/services could not be foreseen:** Not Applicable. The Quasar Facility was not in service on the original effective date of the Master Power Purchase and Sale Agreement.

**Reason other procurement processes are not used:** The City of Columbus, Department of Public Utilities is obligated by contract to obtain capacity and energy services from American Electric Power Service Corporation (AEPSC).

**How cost of modification was determined:** There is no additional cost associated with this modification.

Emergency action is requested in order that the amendment may be executed and the project may be implemented as soon as possible.

**Contract Compliance Number:** 134922641, expires 03/01/2014.

**FISCAL IMPACT:** This modification will not have any fiscal impact on the existing budget.

## **..Title**

To authorize the Director of Public Utilities to amend the Master Power Purchase and Sale Agreement partial requirements confirmation letter with American Electric Power Service Corporation to bring about the termination of AEPSC's power purchase agreement for the sale of generation from the Quasar Facility, but to continue to retain the Quasar Facility as a Third Party Supply generation resource for the Division of Power and Water, behind the meter and use as a source of supply for the Division's end-use customers, and to declare an emergency. (\$0)

## **..Body**

WHEREAS, Ordinance Number 0837-2006, passed May 22, 2006, waived the provisions of Columbus City Code Article 329.14, to authorize the Director of Public Utilities to negotiate and enter into contract for purchase power; and

WHEREAS, Contract DL012676 was established with American Electric Power Service Corporation (AEPSC) based upon the lowest responsive proposal received; and

WHEREAS, Ordinance 1285-2010, passed September 20, 2010, authorized the Director of Public Utilities to enter into an Interconnection Agreement with Central Ohio Bioenergy, LLC, owned by Quasar Energy Group, a waste-to-energy company; and

WHEREAS, the Division of Power and Water desires to further amend the Confirmation letter to terminate the power purchase agreement for the sale of generation, but to continue to retain the Quasar Facility as a Third Party Supply generation resource, behind the meter and use as a source of supply for the Division's end-use customers

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and Water, of the Department of Public Utilities, in that it is immediately necessary to amend the existing agreement to recognize Quasar Energy Group, LLC as an additional Third Party Supply generation resource for the preservation of the public health, peace, property, safety and welfare; now, therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Director of Public Utilities be and is hereby authorized to amend the Master Power Purchase and Sale Agreement partial requirements confirmation letter with American Electric Power Service Corporation to bring about the termination of AEPSC's power purchase agreement for the sale of generation from the Quasar Facility, but to continue to retain the Quasar Facility as a Third Party Supply generation resource for the Division of Power and Water, behind the meter and use as a source of supply for the Division's end-use customers.

**SECTION 2.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.