



Legislation Details (With Text)

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On agenda: 12/5/2022 **Final action:** 12/7/2022

Title: To authorize the Director of Public Utilities to modify the terms and conditions of existing purchase power agreements and right of entry agreements with DG Columbus Solar, LLC and DG Columbus Jackson Pike, LLC; and to declare an emergency.

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|----------|--------|
| 12/7/2022 | 1 | CITY CLERK | Attest | |
| 12/6/2022 | 1 | MAYOR | Signed | |
| 12/5/2022 | 1 | COUNCIL PRESIDENT | Signed | |
| 12/5/2022 | 1 | Columbus City Council | Approved | Pass |

BACKGROUND: This legislation authorizes the Director of Public Utilities to modify the terms and conditions of existing purchase power agreements and right of entry agreements entered into with DG Columbus Solar, LLC and DG Columbus Jackson Pike, LLC.

NextEra was selected for award of these contracts through an RFP process, in which the Director of Public Utilities sent out a request for proposals to potential solar vendors for solar power purchase agreements at three Department of Public Utilities' sites: the Parsons Avenue Water Plant, Jackson Pike Wastewater Treatment Plant, and the Sewer Maintenance Building.

To date the Department of Public Utilities has executed purchase power agreements for solar facilities at Parsons Avenue Water Plant and Jackson Pike Wastewater Treatment Plant.

Build costs of the Parsons Road Solar Project and Jackson Pike Landfill Solar Project have increased since Power Purchase Agreements (PPAs) between the City and NextEra were executed December 2021. The increases are the result of inflationary pressures such as commodity price increases, supply and material increases, supply chain disruptions, increased labor costs, and, at the Jackson Pike Landfill, landfill conditions uncovered during diligence and engineering.

Due to these conditions, the original negotiated price of the PPAs cannot support these added costs and the City and NextEra would like to negotiate different terms and conditions to account for these price increases.

The current Right of Entry agreements will also be amended to allow access to the Parsons Road Solar Project and Jackson Pike Landfill Solar Project properties for final due diligence in advance of the amended PPAs and lease agreements.

CONTRACT COMPLIANCE #:

DG Columbus Solar, LLC, 700 Universe Boulevard, A1A/JB, Juno Beach, FL 33408 | Tax ID#: 87-2135792

DG Columbus Jackson Pike, LLC, 700 Universe Boulevard, A1A/JB, Juno Beach, FL 33408 | Tax ID#: 87-3597176

FISCAL IMPACT:

Due to inflationary pressures impacting labor and material costs, the original terms and conditions of the negotiated purchase power costs will need amended to account for these increases.

EMERGENCY DESIGNATION:

This ordinance is requested to be an emergency measure to allow contract price adjustments to be in effect as soon as possible based on current market conditions.

To authorize the Director of Public Utilities to modify the terms and conditions of existing purchase power agreements and right of entry agreements with DG Columbus Solar, LLC and DG Columbus Jackson Pike, LLC; and to declare an emergency.

WHEREAS, the City of Columbus, Department of Public Utilities is committed to taking steps to mitigate and adapt to our community’s changing climate; and

WHEREAS, Mayor Ginther announced the City’s goal to reduce greenhouse gas emissions from municipal operations by 40% by the year 2030 from year 2005 baseline levels and to explore a 100% renewable energy portfolio for municipal operations; and

WHEREAS, the City of Columbus deepened its commitment to renewable energy procurement, committing to install 200 MW of on-site solar at municipal facilities by 2030 in the Columbus Climate Action Plan finalized December 2021; and

WHEREAS, renewable energy procurement from solar power installations at Department of Public Utilities sites will help to achieve this goal while also reducing greenhouse gas emissions, creating local public health benefits, and providing economic opportunity to the Columbus community; and

WHEREAS, pursuant to Ordinance 0210-2021 the Department of Public Utilities entered into purchase power agreements for solar facilities at Parsons Avenue Water Plant and Jackson Pike Wastewater Treatment Plant to help meet these goals; and

WHEREAS, build costs at the solar sites have increased due to inflationary pressures, supply chain disruptions, and landfill conditions; and

WHEREAS, it is necessary to modify existing right of entry agreements to allow access to the properties for final due diligence; and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power, of the Department of Public Utilities, in that it is immediately necessary to authorize the Director to modify the existing purchase power agreements and right of entry agreements to allow contract price adjustments to be in effect as soon as possible based on current market conditions, now, therefore:

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

SECTION 1. That the Director of Public Utilities is hereby authorized to modify the terms and conditions of existing purchase power agreements and right of entry agreements entered into with DG Columbus Solar, LLC and DG Columbus Jackson Pike, LLC.

SECTION 2. That for the reasons states 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 the passage if the Mayor neither approves nor vetoes the same.