



Legislation Details (With Text)

File #: 1849-2024 **Version:** 1

Type: Ordinance **Status:** Second Reading

File created: 6/18/2024 **In control:** Public Utilities & Sustainability Committee

On agenda: 7/15/2024 **Final action:**

Title: To authorize the Director of Public Utilities to modify the Power Purchase Agreements with DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC, to provide funding for the purchase of energy and environmental attributes generated at the photovoltaic (PV) solar energy facilities at the Jackson Pike Wastewater Treatment Plant and the Parsons Avenue Water Plant; and to authorize the expenditure of \$1,500,000.00 from the Electricity Operating Fund. (\$1,500,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD 1849-2024 Financial Coding - NextEra Solar PPAs, 2. Jackson Pike Solar_Power Purchase Agreement_2021.12.31_fully executed, 3. Parsons Ave Solar_Power Purchase Agreement_2021.12.31_fully executed

Date	Ver.	Action By	Action	Result
7/15/2024	1	Columbus City Council		

This ordinance authorizes the Director of Public Utilities to modify the Power Purchase Agreements with DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC, to provide funding for the purchase of energy and environmental attributes generated at the photovoltaic (PV) solar energy facilities at the Jackson Pike Wastewater Treatment Plant and the Parsons Avenue Water Plant.

The solar PV facilities have approximately 27 MW_{AC} and 18 MW_{AC} aggregate nameplate capacity at the Parsons Avenue and Jackson Pike sites, respectively. MW_{AC} means a megawatt of alternating current electric generating capacity.

Ordinance 0210-2021 authorized the Director of Public Utilities to enter into a letter of intent and negotiate solar power purchase agreements for the Division of Power and to enter into associated interconnection agreements. It also authorized the Director of Finance to enter into license or lease agreements for selected Department of Public Utilities (DPU) sites. Ordinance 3114-2022 modified the terms and conditions of these power purchase agreements to increase the negotiated price and to amend the right of entry agreements.

This Ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications.

- Amount of additional funds: The total amount of additional funds needed for this contract modification is \$1,500,000.00 to cover payments through March of 2025.
- Reason additional funds were not foreseen: The need for additional funds was known at the time of the initial contract with the expectation that amounts would be developed later, after contract negotiations that included the price per megawatt hour (MWh).
- Reason other procurement processes were not used: N/A - this vendor was selected through the RFP process and this is a planned modification.
- How was cost determined: The modification is based upon estimated requirements to purchase the solar energy less estimated savings at a contract price per MWh negotiated between NextEra and DPU.

SUPPLIER:

NextEra Energy Capital Holdings, Inc. | D365 Vendor #043736 | Federal EIN on file | Expires 11/28/2024
NextEra does not hold MBE/FBE status.

The company is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

FISCAL IMPACT:

\$1,500,000.00 is budgeted and available for this purchase.

\$0.00 was spent in 2023

\$0.00 was spent in 2022

To authorize the Director of Public Utilities to modify the Power Purchase Agreements with DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC, to provide funding for the purchase of energy and environmental attributes generated at the photovoltaic (PV) solar energy facilities at the Jackson Pike Wastewater Treatment Plant and the Parsons Avenue Water Plant; and to authorize the expenditure of \$1,500,000.00 from the Electricity Operating Fund. (\$1,500,000.00)

WHEREAS, Ordinance 0210-2021 authorized the Director of Public Utilities to enter into a letter of intent and negotiate solar power purchase agreements for the Division of Power and to enter into associated interconnection agreements; and

WHEREAS, power purchase agreements with DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC, both subsidiaries of NextEra Energy Capital Holdings, Inc, were signed in December of 2021 for the Jackson Pike and Parsons Avenue solar sites, respectively; and

WHEREAS, Ordinance 3114-2022 modified the terms and conditions of these power purchase agreements to increase the negotiated price and to amend the right of entry agreements; and

WHEREAS, this ordinance authorizes the Director of Public Utilities to modify the Power Purchase Agreements to provide funding for the purchase of energy and environmental attributes generated at the solar sites; and

WHEREAS, this ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications; and

WHEREAS, the expenditure of \$1,500,000.00 or so much thereof as may be needed, is hereby authorized from Fund 6300, Electricity Operating Fund, in object class 02, Materials & Supplies, per the accounting codes attached to the ordinance; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities to authorize the Director of Public Utilities to modify the Power Purchase Agreements with DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC both subsidiaries of NextEra Energy Capital Holdings, Inc, to provide funding for the purchase of energy and environmental attributes generated at the photovoltaic (PV) solar energy facilities at the Jackson Pike Wastewater Treatment Plant and the Parsons Avenue Water Plant; and 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 Power Purchase Agreements with

DG Columbus Jackson Pike, LLC and DG Columbus Solar, LLC, both subsidiaries of NextEra Capital Holdings, Inc., to provide funding for the purchase of energy and environmental attributes generated at the photovoltaic (PV) solar energy facilities at the Jackson Pike Wastewater Treatment Plant and the Parsons Avenue Water Plant, in accordance with the terms and conditions as shown in the Power Purchase Agreement on file in the office of the Division of Power. This modification adds \$1,500,000.00 for these payments.

SECTION 2. That this modification is in accordance with the relevant provisions of Chapter 329 of City Code.

SECTION 3. That the expenditure of \$1,500,000.00 or so much thereof as may be needed, is hereby authorized from Fund 6300, Electricity Operating Fund, in object class 02, Materials & Supplies, per the accounting codes attached to the ordinance.

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 6. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.