



## Legislation Text

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**File #: 0224-2020, Version: 1**

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This legislation authorizes the Director of Public Utilities to enter into a multi-year Demand Response Services Agreement with NRG Curtailment Solutions, Inc. (the "Agreement"). Under the Agreement, NRG Curtailment Solutions, Inc. will provide demand response services under the PJM emergency load response program for Division of Power retail customers including Department of Public Utilities facilities. The Agreement covers the period from June 1, 2020 through May 31, 2023, with the option of two renewals of 12 months each, at the sole discretion of the Department of Public Utilities (DPU).

Under the Agreement, DPU agrees to enroll in NRG Curtailment Solutions, Inc. (NRGCS) PowerPay! Program(s) and authorizes NRGCS to be its exclusive demand response provider for all applicable demand response-related programs offered with PJM relating to energy, capacity, and ancillary services. The curtailment services, referred to as "demand responses services," are a planned reduction in electricity use during times of high demand that help maintain electric grid reliability by reducing the stress on the grid system. This demand response activity helps reduce wholesale electricity prices and reduce electricity usage to address environmental concerns.

The demand response services generate revenue for the Department of Public Utilities, and participating Division of Power retail electricity customers can similarly receive performance payments from NRGCS if they choose to participate in the demand response program.

Based on the energy curtailment performance of the Department's water and wastewater facilities in 2019, estimated revenue for the Department from 2020 activities could be approximately \$450,000.00 for the year. No funding is required for these services.

**SUPPLIER:** NRG Curtailment Solutions, Inc. / Contract Compliance No.: 41-1724239 / MAJ / Expires 11/20/2021

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:** There are no fiscal transfers or expenditures anticipated at this time.

**EMERGENCY JUSTIFICATION:** This ordinance is being submitted as an emergency in order to expedite the signing of this agreement and allow for services to begin on June 1, 2020.

To authorize the Director of Public Utilities to enter into a multi-year Demand Response Services Agreement with NRG Curtailment Solutions, Inc. for demand response services for the Division of Power's retail electricity customers, including Department of Public Utilities facilities, and to declare an emergency.

**WHEREAS**, RFQ013987 for DPU's Demand Response Services project was advertised from October 25, 2019 through November 22, 2019 and the city received four (4) responses. All proposals were deemed responsive and were fully evaluated by the Evaluation Committee on December 2, 2019; and

**WHEREAS**, the Department of Public Utilities has elected to enter into a multi-year energy curtailment services agreement with NRG Curtailment Solutions, Inc.; and

**WHEREAS**, the Agreement and the associated demand response services will generate revenue for the Department of Public Utilities and help support reliable operation of regional electric services; and

**WHEREAS**, the Agreement provides for a three year term beginning on June 1, 2020 and ending on May 31, 2023, with the option of two renewals of 12 months each, at the sole discretion of the Department of Public Utilities; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to authorize the Director of Public Utilities to enter into a Demand Response Services Agreement with NRG Curtailment Solutions, Inc. in order to allow for the timely execution of the agreement and implementation of the PJM load response program, for the preservation of the public peace, health, property, and welfare; 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 enter into a multi-year Demand Response Services Agreement with NRG Curtailment Solutions, Inc. for demand response services for the Department of Public Utilities' retail electricity customers, including Department of Public Utilities facilities.

**SECTION 2.** That there is no cost associated with this project.

**SECTION 3.** That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared an emergency measure and shall take effect and be enforced from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.