



Legislation Text

File #: 1985-2012, **Version:** 1

BACKGROUND: This ordinance authorizes the Director of Public Utilities to enter into a Power Purchase Agreement between the City of Columbus, Ohio ("Columbus"), Division of Power & Water (Power) and Central Ohio Bio-Energy, LLC, ('COBE') majority owned by Quasar Energy Group, a Cleveland, Ohio based waste-to-energy company. COBE designs, builds and operates anaerobic digester systems that produce renewable energy in the form of electricity. COBE and the Division of Power and Water (Power), executed an interconnection agreement (Columbus Ordinance #1285-2010) pursuant to which the Generating Facility is interconnected as a "behind the meter" generation unit. This unit is estimated at producing approximately 6,500,000 kWh per year of excess electricity. COBE desires to enter into a separate agreement in addition to the existing Interconnection Agreement with the Division of Power and Water (Power) for the sale of the Generating Facility's excess electricity.

Both COBE and Columbus desire to memorialize their understanding with respect to COBE's desire to sell and Columbus's desire to purchase excess electricity from the Generating Facility.

Contract Compliance Number: 26-1698590, Expires: 9/7/2014

Emergency action is requested in order that purchases may continue without interruption and payments can be made on a timely basis.

To authorize the Director of Public Utilities, Division of Power and Water (Power) to enter into a Power Purchase Agreement with Central Ohio Bio-Energy, LLC, a waste to energy company; to authorize the expenditure of \$84,000.00 from the Electricity Operating Fund; and to declare an emergency. (\$84,000.00)

WHEREAS, COBE is majority owned by Quasar Energy Group, LLC, a Cleveland, Ohio-based waste-to-energy company that designs, builds, and operates anaerobic digester systems that produce renewable energy in the form of electricity; and,

WHEREAS, Columbus, through its Division, owns and operates a municipal electric utility, under Article XVIII, Section 4 of the Constitution of the State of Ohio; and,

WHEREAS, COBE is a biomass waste-to-energy system, with an original nameplate capacity of approximately 1 MW, located at 2500 Jackson Pike, Columbus, Ohio 43223, as well as related generation equipment, controls, and protective relays and equipment (collectively, "Generating Facility"); and

WHEREAS, COBE has contracted with Columbus, through its Division of Sewerage and Drainage to take, treat, and dispose of a portion of the sludge produced by the treatment process at the Jackson Pike Waste Water Treatment Plant in an environmentally responsible manner. The production of electricity is a byproduct of the disposal process; and

WHEREAS, COBE and Columbus executed an interconnection agreement (Columbus Ordinance #1285-2010) pursuant to which the Generating Facility is interconnected as a "behind the meter" generation unit (located behind Columbus' wholesale supply meter) ("Interconnection Agreement"); and

WHEREAS, COBE estimates the Generating Facility will produce approximately 6,500,000 kWh per year of excess electricity; and

WHEREAS, COBE desires to enter into a separate Agreement in addition to the existing Interconnection Agreement with Columbus for sale of the Generating Facility's excess electricity; and,

WHEREAS, the Parties desire to memorialize their further understandings with respect to COBE's desire to sell and Columbus's desire to purchase excess electricity from the Generating Facility; and,

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and Water (Power), of the Department of Public Utilities, in that it is immediately necessary to purchase excess power from COBE 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 enter into an Power Purchase Agreement between the City of Columbus, Ohio ("Columbus"), Division of Power & Water (Power) and Central Ohio Bio-Energy, LLC, ('COBE'). This agreement only applies to the operation of the Generation Facilities, and in an amount not to exceed \$84,000.00.

SECTION 2. That the expenditure of \$84,000.00 , or so much thereof as may be needed, is hereby authorized from the Electricity Operating Fund 550, Division No. 60-07, OCA 600830, Object Level Three 2233.

SECTION 3. 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.