



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1767-2017, Version: 1

BACKGROUND: This ordinance authorizes the Director of Public Utilities to modify the contract with 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 executed an Interconnection Agreement (Columbus Ordinance #1285-2010) pursuant to which the Generating Facility is interconnected as a "behind the meter" generation unit.

The Power Purchase Agreement was effective October 16, 2012. The Agreement was for an initial five year term expiring in 2017, with the option of additional one year renewals. At the time of execution of the agreement, a price for electricity in 2018 was beyond the initial term of the Agreement, and was not available. The pricing has recently become available and the Division of Power and COBE desire to modify Exhibit A of the Power Purchase Agreement to reflect the rates in the Electricity Price Schedule for 1/1/18-5/31/18 of \$42.25 per MWh and for 6/1/18-12/31/18 of \$38.80 per MWh and to extend the term of the agreement through October 15, 2018.

Contract Compliance Number: 26-1698590, Expires: 02/01/2018

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 is sufficient budget authority in the Power Operating Fund to cover this service. The total amounts spent for purchase power in 2015 and 2016 were \$52,217,514.12 and \$51,240,460.10, respectively.

To authorize the Director of Public Utilities to modify the Power Purchase Agreement with Central Ohio Bio Energy, LLC by modifying Exhibit A of the Power Purchase Agreement to include the rates in the Electricity Price Schedule for 2018 and extending the term of the contract through October 15, 2018. (\$0.00)

WHEREAS, the Power Purchase Agreement (the "Agreement") was effective October 16, 2012; and

WHEREAS, the Agreement was amended on February 3, 2017 to provide pricing information for COBE for that portion of the Term occurring during 2017; and

WHEREAS, the Agreement provides for an initial five year term that may be extended at Columbus's option for additional one year renewal terms; and

WHEREAS, the Department of Public Utilities, Division of Power now desires to exercise the option to renew the term of the Agreement for an additional one year renewal term; and

WHEREAS, it is necessary to modify Exhibit A of the existing Power Purchase Agreement to reflect the rates in the Electricity Price Schedule for 1/1/18-5/31/18 of \$42.25 per MWh and for 6/1/18-12/31/18 of \$38.80 per MWh ; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Power, to modify the Power Purchase Agreement with COBE, for the purchase of excess energy 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 modify Exhibit A of the Power Purchase Agreement with Central Ohio Bio Energy, LLC ("COBE"), to reflect the rate in the Electricity Price Schedule for 1/1/18-5/31/18 of \$42.25 per MWh and for 6/1/18-12/31/18 of \$38.80 per MWh, and to extend the term of the contract through October 15, 2018 .

SECTION 2. That this modification is in accordance with Chapter 329 of the Columbus City Codes.

SECTION 3. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.