



Legislation Text

File #: 0380-2015, Version: 1

This legislation authorizes the Director of Public Utilities to extend an existing Demand Response Sales and Services Agreement with EnerNOC, Inc. (the "Agreement") for one additional year. Under the Agreement, EnerNOC, Inc. provides demand response services under the PJM emergency load response program for Division of Power retail customers including Department of Public Utilities facilities. The Agreement provides for an initial term ending on May 31, 2015, with an opportunity for two additional one-year terms if the Agreement is renewed at the city's option. The Department of Public Utilities requests authorization to exercise this option and extend the term of the Agreement for an additional one year renewal term.

Under the Agreement, EnerNOC is the sole curtailment service provider for the Division of Power's municipal retail electricity customers, including Department of Public Utilities facilities. The curtailment services, referred to herein as "demand responses services," are a planned reduction in electricity use during times of high demand that helps 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. EnerNOC pays the City for temporarily curtailing a portion of the participating Department of Public Utilities facilities' energy use through high-return Integrated Demand Response strategies.

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 EnerNOC if they choose to participate in the demand response program.

Based on the demand response earnings received thus far during the initial term of the Agreement for the Department of Public Utilities participating facilities, expected revenue for the one year renewal term is estimated to be \$420,000 per year. No funding is required for these services.

Contract Compliance No.: 87-0698303/ MAJ / Expires 2/6/2017

Emergency Action: An Emergency designation **is** requested at this time. The city must exercise its option to renew the Agreement as soon as possible in order to meet the registration deadline to participate in the PJM emergency load response program.

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

To authorize the Director of Public Utilities to extend the Demand Response Sales and Services Agreement with EnerNOC, 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, the Department of Public Utilities entered into a Demand Response Sales and Services Agreement in 2012 with EnerNOC, Inc. pursuant to ordinance 0246-2012, passed February 27, 2012, for demand response services for Division of Power retail consumers, including Department of Public Utilities facilities; and

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

WHEREAS, the Agreement provides for an initial term ending on May 31, 2015 with the opportunity for two additional one-year terms if the Agreement is renewed at the city's option; and

WHEREAS, it is necessary to authorize the Director of Public Utilities to exercise this option to extend the term of the Agreement for an additional one-year renewal term; 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 extend the Agreement in order to meet the registration deadline to participate in 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 extend for one-year the term of the Demand Response Sales and Services Agreement with EnerNOC, Inc. for demand response services for the Department of Public Utilities' retail electricity customers, including Department of Public Utilities facilities.

SECTION 2. There is no cost associated with this project.

SECTION 3. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 4. 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 5. That for the reasons stated in the preamble hereto which are 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 immediately after its passage and signature by the Mayor, or within 10 days thereafter if the Mayor neither signs nor vetoes the same.