



Legislation Text

File #: 1691-2018, **Version:** 1

This legislation authorizes the Director of Public Utilities to modify the contract with Central Ohio BioEnergy, 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 was not available for the year 2019. The pricing has recently become available and the Division of Power and COBE desire to modify Exhibit A of the Purchase Power Agreement to reflect the rates in the Electricity Price Schedule for 1/1/19-10/15/19 of \$38.80 per MWh and to extend the term of the agreement through October 15, 2019.

SUPPLIER: Central Ohio BioEnergy, LLC (26-1698590), DAX Vendor #002226, Expires June 18, 2020

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.

1. Amount of additional funds: Total amount of additional funds needed for this contract modification No. 8 is \$0.00. Total contract amount including this modification is \$1,084,000.00
2. Reasons additional funds were not foreseen: No additional funds are being requested at this time.
3. Reason other procurement processes were not used: The City of Columbus, Department of Public Utilities is obligated by contract to purchase excess energy from COBE.
4. How was cost determined: It is necessary to modify Exhibit A of the existing Purchase Power Agreement to reflect the addition of the rates in the Electricity Price Schedule for 1/1/2019 - 10/15/2019 of \$38.80 per MWh.

FISCAL IMPACT: No funds are being requested at this time.

\$134,864.11 was spent in 2017

\$147,134.54 was spent in 2016

To authorize the Director of Public Utilities to modify and extend the contract with Central Ohio BioEnergy, LLC for the purchase of excess electrical energy for the Division of Power; and to authorize the expenditure of \$0.00 from the Electricity Operating Fund. (\$0.00)

WHEREAS, the City of Columbus, Division of Power currently has a contract in place to purchase excess electrical energy from the Generating Facility located at 2500 Jackson Pike, Columbus, Ohio, with Central Ohio BioEnergy, LLC ("COBE"), and

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' option for additional one year renewal terms; and

WHEREAS, the Agreement was amended on July 26, 2017 to extend the term for an additional one year renewal term, which expires October 15, 2018; and

WHEREAS, Columbus desires to exercise the option to renew the term of the Agreement for an additional one year renewal term; and

WHEREAS, the parties desire to amend the term and provide pricing for the additional one year 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 1/1/19-10/15/19 of \$38.80 per MWh and to extend the term of the agreement through October 15, 2019; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Power, to authorize the Director of Public Utilities to modify and extend the Power Purchase Agreement with COBE, for the purchase of excess energy; 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 BioEnergy, LLC ("COBE"), to reflect the rate in the Electricity Price Schedule for 1/1/2019 - 10/15/2019 of \$38.80 per MWh, and to extend the term of the contract through October 15, 2019.

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

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