



Legislation Details (With Text)

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File created: 10/30/2020 **In control:** Committee on Public Works
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Effective date: 11/19/2020

Title: Resolution amending Resolution No. 192 of 2020, authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an amendment or amendments to the Second Amended Full Requirements Service Agreement with Direct Energy Business LLC for the continued supply of electricity to the City’s buildings and facilities in connection with City’s aggregated purchase of electricity with other members of the Western Pennsylvania Energy Consortium.

Sponsors:

Indexes: AGREEMENTS (AMENDING)

Code sections:

Attachments: 1. 2020-0854 Cover Ltr-direct energy, 2. Summary 2020-0854

Date	Ver.	Action By	Action	Result
11/19/2020	1	Mayor	Signed by the Mayor	
11/17/2020	1	City Council	Passed Finally	Pass
11/10/2020	1	Standing Committee	Affirmatively Recommended	Pass
11/2/2020	1	City Council	Read and referred	

Resolution amending Resolution No. 192 of 2020, authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an amendment or amendments to the Second Amended Full Requirements Service Agreement with Direct Energy Business LLC for the continued supply of electricity to the City’s buildings and facilities in connection with City’s aggregated purchase of electricity with other members of the Western Pennsylvania Energy Consortium.

WHEREAS, the City conducted an auction (i.e. competitive bid) in 2017 on behalf of the Western Pennsylvania Energy Consortium (WPEC) for the aggregated purchase of electricity in prorated volumetric amounts based on members’ respective usage thereof; and

WHEREAS, WPEC is comprised of public and private entities who have partnered together in order to optimize savings and maximize their use of renewable energy sources; and

WHEREAS, after Direct Energy Business LLC (“Direct Energy”) won said electricity supply auction the City proceeded to enter into an electricity supply contract entitled “Full Requirements Service Agreement” with Direct Energy effective March 14, 2017 (subsequently amended on March 17, 2017) and expiring on May 7, 2020; and

WHEREAS, the City requires enhanced services in its forthcoming long term electricity supply contract in

order to meet its goals of reducing emissions and achieving greater financial savings, for example, the establishment and management of a electricity subaccount holder along with procuring electricity through Power Purchase Agreements; and

WHEREAS, the City seeks to issue, with the assistance of its energy consultant, Enel X North America, Inc., who has entered into an agreement with the City of Pittsburgh pursuant to Resolution No. 707 of 2019, a Request for Proposals (“RFP”) later in 2020 or early 2021 for an agreement with an supplier/subaccount holder to commence in May 2021 immediately after the current contract with Direct Energy expires; and

WHEREAS, the Full Requirements Services Agreement authorizes up to two (2) one-year amendments; and

WHEREAS, said RFP will require substantial time and effort to formulate such that an amended agreement with Direct Energy for a term of one year is necessary in order to ensure the continued supply of electricity to City of Pittsburgh buildings and facilities; and

WHEREAS, other WPEC members shall, in conjunction with the City of Pittsburgh, separately execute their respective amended agreements with Direct Energy for said continued supply of electricity for one additional year until May 2021; and

WHEREAS, the parties now seek to further amend the previously executed Second Amended Full Requirements Service Agreement, as authorized by Resolution No, 192 of 2020, in order to provide for a kilowatt-per-hour rate (KWH) applicable to the City’s GM (general medium) accounts in addition to KWH rate applicable to the City’s GL (general large) accounts.

Be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. The Mayor and Director of the Department of Public Works are hereby authorized, on behalf of the City of Pittsburgh, to enter into an amendment or amendments to the Second Amended Full Requirements Service Agreement with Direct Energy Business LLC (“Direct Energy”), as previously authorized by Resolution No. 192 of 2020, for the continued supply of electricity to City of Pittsburgh buildings and facilities, extending the term thereof for one year and expiring May 7, 2021.

Section 2. Said amendment or amendments shall not include not-to-exceed amounts due to the fact that compensation provided thereunder (reflecting a rate reduction to \$0.04970/KWH, from \$0.05382/KWH for the City’s GL (general large) accounts, and a rate reduction to \$0.053740/KWH from \$0.05880/KWH for the City’s GM (general medium) accounts, will be paid to Direct Energy from the City’s utility bills payable to Duquesne Light Co. according to the updated pricing schedule(s) attached thereto, chargeable to and payable from the following accounts in their respective budget years:

<u>2020</u>	11101.450000.54.54601.2020
<u>2021</u>	11101.450000.54.54601.2021

Section 3. Said amendment or amendments to the Full Requirements Services Agreement shall be in a form approved by the City Solicitor.