



Text File

Introduced: 4/17/2020

Bill No: 2020-0286, **Version:** 1

Committee: Committee on Public Works

Status: Passed Finally

Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into a an amendment or amendments to the 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 is entering 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

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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 Full Requirements Service Agreement with Direct Energy Business LLC (“Direct Energy”) 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 amendments 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/KKWH), 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:

2020 450000.54601.54.2020

2021 450000.54601.54.2021

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