



Text File

Introduced: 3/19/2021

Bill No: 2021-1328, **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 an Energy Services Agreement or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

WHEREAS, the District Energy System currently used by members of Pittsburgh Allegheny County Thermal (PACT), of which the City of Pittsburgh is a member, provides steam heating to various downtown customers and locations including the City-County Building; and

WHEREAS, the District Energy System requires significant modernization in order to remain functional and affordable to its customers; and

WHEREAS, PACT and the City have explored various long-term options for this modernization process, including the transition to a new District Energy System and eventual dissolution of PACT, targeted for sometime in 2023;

WHEREAS, PACT and the City have determined that Energy Center Pittsburgh LLC is the only PUC-regulated entity capable of providing the combination of infrastructure and services needed to modernize the District Energy System;

WHEREAS, PACT has separately approved a Development Agreement that authorizes the transition of PACT assets to Energy Center Pittsburgh LLC and the creation of the new District Energy System;

WHEREAS, the Energy Services Agreement authorizes an agreement term of 20 years, with full operation of the new steam system set to commence sometime in 2023 in approximate conjunction with the dissolution of PACT; and

WHEREAS, the City entered into a non-binding Letter of Intent with Energy Center Pittsburgh LLC in January 2021 regarding the parties' intention to enter into said Energy Service Agreement(s);

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 Energy Service Agreements or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

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Section 2. Total compensation to Energy Center Pittsburgh LLC shall be an aggregate of fixed costs and variable costs, the latter of which are based upon City’s prorated consumption of steam and/or water within the City-County Building as limited by City’s annual budget allocation. Said Agreement(s) shall apply annual variable rates as determined by the Pennsylvania Utility Commission (PUC) as well as the following fixed rates for capacity charges and operation/maintenance (“O&M”) charges:

Fixed Rates: a Capacity Charge of \$20,434/month and an Operation and Maintenance (“O&M”) Charge of \$5397/month

The fixed rates stated above are reflective of the evenly divided split between the City and Allegheny County, with whom the City shares occupancy of the City-County Building, as required by separate existing agreement. The variable rates as determined by the PUC shall be applied to City’s prorated consumption of steam and/or water within the City-County Building.

Compensation will be paid to Energy Center Pittsburgh LLC directly from the City’s utility bills payable thereto, chargeable to and payable from the following utility accounts in their respective budget years, and/or any other utility accounts as may be determined by City’s Office of Management and Budget:

2023	11101.450000.54.54607.2023
2024	11101.450000.54.54607.2024
2025	11101.450000.54.54607.2025
2026	11101.450000.54.54607.2026
2027	11101.450000.54.54607.2027
2028	11101.450000.54.54607.2028
2029	11101.450000.54.54607.2029
2030	11101.450000.54.54607.2030
2031	11101.450000.54.54607.2031
2032	11101.450000.54.54607.2032
2033	11101.450000.54.54607.2033
2034	11101.450000.54.54607.2034
2035	11101.450000.54.54607.2035
2036	11101.450000.54.54607.2036
2037	11101.450000.54.54607.2037
2038	11101.450000.54.54607.2038
2039	11101.450000.54.54607.2039
2040	11101.450000.54.54607.2040
2041	11101.450000.54.54607.2041
2042	11101.450000.54.54607.2042
2043	11101.450000.54.54607.2043

Section 3. Said Energy Services Agreement(s) shall be in a form approved by the City Solicitor.