

Remaining Requirements History and Summary

June 16, 2017

1st Agreement: In 2014 AMP instituted the Remaining Requirements Program to help reduce power costs for member communities which needed a portion of their overall power purchased from the market. Through the program AMP enters into a third party power purchase agreement at a fixed price over a predetermined term. In 2014 the City Council with recommendation from Courtney and Associates entered into a remaining requirements power purchase agreement for the years 2014-2018 at a not to exceed price of \$49.00 per MWh. The secured price came in at \$46.40

1st Amendment: In early 2016 AMP issued the first amendment extending this agreement from 2019-2020 at the same not to exceed price of \$49.00 per MWh. City Council with the recommendation of Courtney and Associates entered into the agreement. The secured price for this term came in at \$43.15 per MWh.

New Agreement: In the first quarter of 2017 AMP issued a new agreement for remaining requirements at a not to exceed price of \$44.00 per MWh for 2021-2022. Courtney and Associates strongly advised the City to extend the not exceed rate of \$44.00 per MWh through 2024. As such, staff is recommending the term of 2021-2024

Requirements summary:

2014-2018 \$46.40 MWh

2019-2020 \$43.15 MWh

2021-2024 \$? (Secured upon approval)

Notes:

No purchases are made until approved by City staff at the advisement and recommendation of John Courtney.

Approximately 15-20% of the City's power requirements (Intermediate, peaking power) will be secured under the remaining requirements contracts.