



City of Hudson, Ohio

Staff Report With Text

File #: 16-13 **Version:** 1 **Name:**

Type: Ordinance **Status:** Consent Agenda Ready

File created: 1/11/2016 **In control:** City Council

On agenda: 2/2/2016 **Final action:** 2/2/2016

Title: AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO THE 2014-2018 ENERGY PURCHASE POWER SALES SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC.
 Executive Summary: In order to satisfy the City's energy requirements AMP provides power to the City of Hudson from a portfolio of energy resources. As these fixed resources do not provide the City's total power requirements, there are remaining requirements that need to be purchased. The City is currently under a power purchase agreement with AMP to purchase remaining required power from 2014 through 2018. This ordinance amendment will extend this agreement from 2019 through 2020.

Sponsors: David A. Basil

Indexes: Public Works - Administration, Public Works - Electric

Code sections:

Attachments: 1. Original AMP Ord. (No. 14-76) and Agreement, 2. AMP Power Supply Amendment & Sample Legislation, 3. Ordinance No. 16-13

Date	Ver.	Action By	Action	Result
2/2/2016	1	City Council	to suspend the rule requiring three readings	Pass
2/2/2016	1	City Council	adopted with rule suspension	Pass

AN ORDINANCE AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO THE 2014-2018 ENERGY PURCHASE POWER SALES SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC.

Executive Summary: In order to satisfy the City's energy requirements AMP provides power to the City of Hudson from a portfolio of energy resources. As these fixed resources do not provide the City's total power requirements, there are remaining requirements that need to be purchased. The City is currently under a power purchase agreement with AMP to purchase remaining required power from 2014 through 2018. This ordinance amendment will extend this agreement from 2019 through 2020.

Legislative History

Ordinance 14-76: entering into a power purchase schedule with AMP for 2014-2018

Purpose & Explanation

With the current remaining requirements agreement, the City has the option of passing on market risk and purchase from a service provider. The provider is then required to provide that power at the agreed upon price regardless of the amount of power the City will need to meet its remaining requirements. The current term of the remaining requirements agreement is June 1, 2014 through December 31, 2018 with a not to exceed price of \$49.00 per MWh.

AMP has recommended that the current term be extended to include the years 2019 and 2020. This allows the City to continue to take advantage of low power markets for its remaining requirements. All other terms of the schedule remain unchanged.

The City's energy consultant John Courtney of Courtney and Associates has reviewed the AMP power purchase schedule amendment and has recommended the City of Hudson participate in the extension period.

Timing Considerations

Legislation will position AMP to begin to lock in power purchases.

Fiscal Impact

Currently Budgeted
 Supplemental Appropriation Required
 Appropriation Not Required.

Suggested Action

Staff recommends City Council approve the Ordinance authorizing the execution of the first amendment to the 2014-2018 energy purchase power sales schedule with American Municipal Power, Inc. ("AMP") to extend the agreement term to include the years of 2019 and 2020.

Submitted by,

Jane Howington, City Manager

Frank J. Comeriato, Asst. City Manager - Operations