

BUSINESS & FINANCE DIVISION

Report No. 11

OGDENSBURG CITY SCHOOL DISTRICT
OGDENSBURG, NEW YORK

SUBJECT: Resolution to Authorize the Tri-County Energy Consortium Electricity Purchasing Agreement

DATE: May 9, 2016

REASON FOR BOARD CONSIDERATION:

To present information to the Commissioners regarding the Tri-County Energy Consortium Electricity Purchase Agreement.

FACTS AND ANALYSIS:

Pursuant to Article 5-G of the New York General Municipal law, local governments (schools, towns, villages, counties) can contractually agree to combine their efforts to perform a function or service that they could do individually, through the use of an *inter-municipal cooperation agreement*. These agreements are common, and are used to allow local governments to cooperate on a variety of initiatives from road and highway maintenance, gasoline procurement, electricity, bid sharing, and maintenance services.

RECOMMENDED ACTION:

Moved by _____ and supported by _____ that, having the recommendation of the Superintendent of Schools, the Board of Education of the Ogdensburg City School District does hereby agree to authorize the Tri-County Energy Consortium Electricity Purchasing Agreement. Therefore; the Superintendent of Schools is authorized to sign the Tri-County Energy Consortium Electricity Purchasing Agreement with Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES, 20104 NYS Route 3, Watertown, NY 13601, on this 9th day of May, 2016.

APPROVED FOR PRESENTATION TO THE BOARD:


Superintendent

TMV/alf
Attachment

***TRI-COUNTY ENERGY CONSORTIUM
ELECTRICITY PURCHASING AGREEMENT***

This Agreement by and between the Tri-County Energy Consortium (hereinafter, the “Consortium” or “TCEC”), having its principal place of business at the Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES, 20104 NYS Route 3, Watertown, NY 13601, (hereinafter called “BOCES”), and the Ogdensburg City School District, having its principal place of business at 1100 State Street, Ogdensburg, New York 13669, (herein referred to as the “Customer”).

WITNESSETH

WHEREAS, both the TCEC and the Customer can enter into cooperative agreements pursuant to Article 5-G of the General Municipal Law under which the parties can cooperate in the procurement of electricity at the lowest possible cost; and

WHEREAS, both the TCEC and the Customer wish to secure lower prices for electricity through joint purchases in the open market, through use of a School and/or Municipal Energy Cooperative, and use of energy generated by and for TCEC through arrangements with an energy service company or companies (ESCOs), Power Purchase Agreement, or Consortium owned project; and

WHEREAS, it is expected that purchase of electricity by the TCEC on behalf of the Customer will result in prices lower than would otherwise be available to either party; and

WHEREAS, Article 5-G of the General Municipal Law authorizes municipal corporations to contract to perform together that which each municipal corporation is authorized to perform individually, and

WHEREAS, both the TCEC and the Customer are empowered to purchase electricity by open public bid for their respective needs or to enter into agreements with ESCOs.

ELECTRICITY PURCHASE AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The Customer and TCEC shall identify those meters of the Customer, which if transferred to TCEC, will allow the acquisition of electricity at a lower cost than otherwise possible. The Customer and TCEC shall then notify the Customer's electric service provider to transfer all liability for the meter and the cost of service related to that meter to TCEC.
2. The TCEC shall, from time to time, enter into such contracts and agreements as necessary to obtain the lowest cost of energy for the TCEC and the Customer.
3. Immediately upon receipt of any billing from any electricity provider, TCEC shall notify the Customer of its share of the billing, and Customer, by wire transfer or other method, shall transfer funds to TCEC in sufficient time to allow TCEC to pay the electric billing on a timely basis. Any late charges or other fees assessed by the electricity provider as a result of late payment by the Customer to TCEC shall be the responsibility of the Customer.
4. The TCEC may enter into similar agreements with additional school districts and municipalities as appropriate to obtain a lower cost of energy.
5. The TCEC shall add to the payment due from the Customer an administrative cost(s) as determined by the TCEC subject to the following:
 - a. Such administrative cost may be added to the rate charged for electricity to the Customer, initially determined to be \$0.006 per kilowatt hour, except that any member executing a valid EPA agreement with the TCEC and returning such executive agreement by May 20, 2016, will be considered an "Inaugural Member" or "Tier I" member whose administrative cost rate will be discounted by \$0.005 cents per kilowatt hour for the life of their membership in the TCEC;
 - b. Administrative costs may include any other costs incurred or contemplated by the TCEC necessary for the operation of the TCEC, except for withdrawal fees and costs subject to the notice provisions under Paragraph 7 below; and
 - c. Administrative costs shall be set annually by the Executive Committee and adopted by the TCEC, with notice to all members with signed EPA agreements, in a manner approved by the Executive Committee.

ELECTRICITY PURCHASE AGREEMENT

6. Either party may terminate this agreement upon ninety (90) days' written notice to the other, except that notice of termination and termination will not relieve either party of its obligation to purchase, deliver or receive electricity contracted under any contract or meter arrangement in place at the time of termination.

7. Regardless of termination, this agreement is also subject to continued legislative appropriation and approval of the payment of monies owed to the Consortium for the provision of energy to the Customer. The Parties agree that the Consortium may approve and provide for an additional fee or penalty outside the express terms of this agreement for withdrawal from the Consortium by affirmative resolution of the Board of Directors and, further, unless the Customer issues a notice to terminate this agreement within thirty (30) days of the notice of such fee and/or penalty, said fee and/or penalty shall become a material term of this agreement.

8. The Customer specifically recognizes and acknowledges that the Consortium will enter into such other third-party agreements as are necessary to secure reduced energy rates, which will be secured in part by this agreement, and which the Consortium will use to apply to the Customer's energy usage. Such third-parties are, therefore, considered third-party beneficiaries to this agreement. Such obligation shall also encompass as an obligation to the Consortium and/or any of its partners in their status as third-party beneficiaries to this agreement and whose services were provided, at least in part, in reliance upon the Customer's assent to this agreement.

9. In the event that Customer shall be thirty or more days' delinquent in payment, the TCEC may unilaterally, upon thirty (30) additional days' written notice to the Customer and the electric service provider, transfer responsibility for the meter back to the Customer.

ELECTRICITY PURCHASE AGREEMENT

10. This agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts taken together shall constitute one and the same instrument.

11. The parties each acknowledge that a cooperative or other entity may be formed among the TCEC, Customer, and similar entities for managing the joint efforts to maximize savings on the purchase of energy. The parties agree this Agreement may be transferred to such an entity, and that the meters covered by this Agreement may remain in the name of TCEC or transferred to the new entity.

12. All required notices under this contract shall be directed as follows:

To the TCEC:

Executive Director of TCEC
c/o Jefferson-Lewis-Hamilton-Herkimer-Oneida BOCES
20104 NYS Route 3
Watertown, NY 13601

Superintendent (or Business Manager or Supervisor or Mayor)
Timothy M. Vernsey, Superintendent of Schools

13. Customer shall provide a copy of any minutes or certification of any vote required to approve of this agreement to the TCEC Executive Director along with a copy of this signed agreement.

14. By their signatures on this page, the parties confirm that the governing bodies of the TCEC and of the Customer have authorized this contract for the purposes of the purchase of electricity for their respective purposes.

ELECTRICITY PURCHASE AGREEMENT

By:

Ogdensburg City School District
(CUSTOMER NAME)

Timothy M. Vernsey
(Print Name)

(Signature)

Date: May 9, 2016

Title: Superintendent of Schools

(ATTACH ANY SUPPORTING CERTIFICATION OF LEGISLATIVE APPROVAL AS REQUIRED)

By:

TRI-COUNTY ENERGY CONSORTIUM:

(Print Name)

(Signature)

Date: _____

Title: Executive Director

Tri-County Energy Consortium

April 2016

Agenda

- Introductions
- NYSERDA Grant Update - Rob Campany
- Consortium Update – John Warneck
- Membership
- Purpose of this meeting
- PPA's - Dominic D'Imperio & John Warneck
- Electricity Purchase Agreement (EPA)
- Timeline
- Discussion

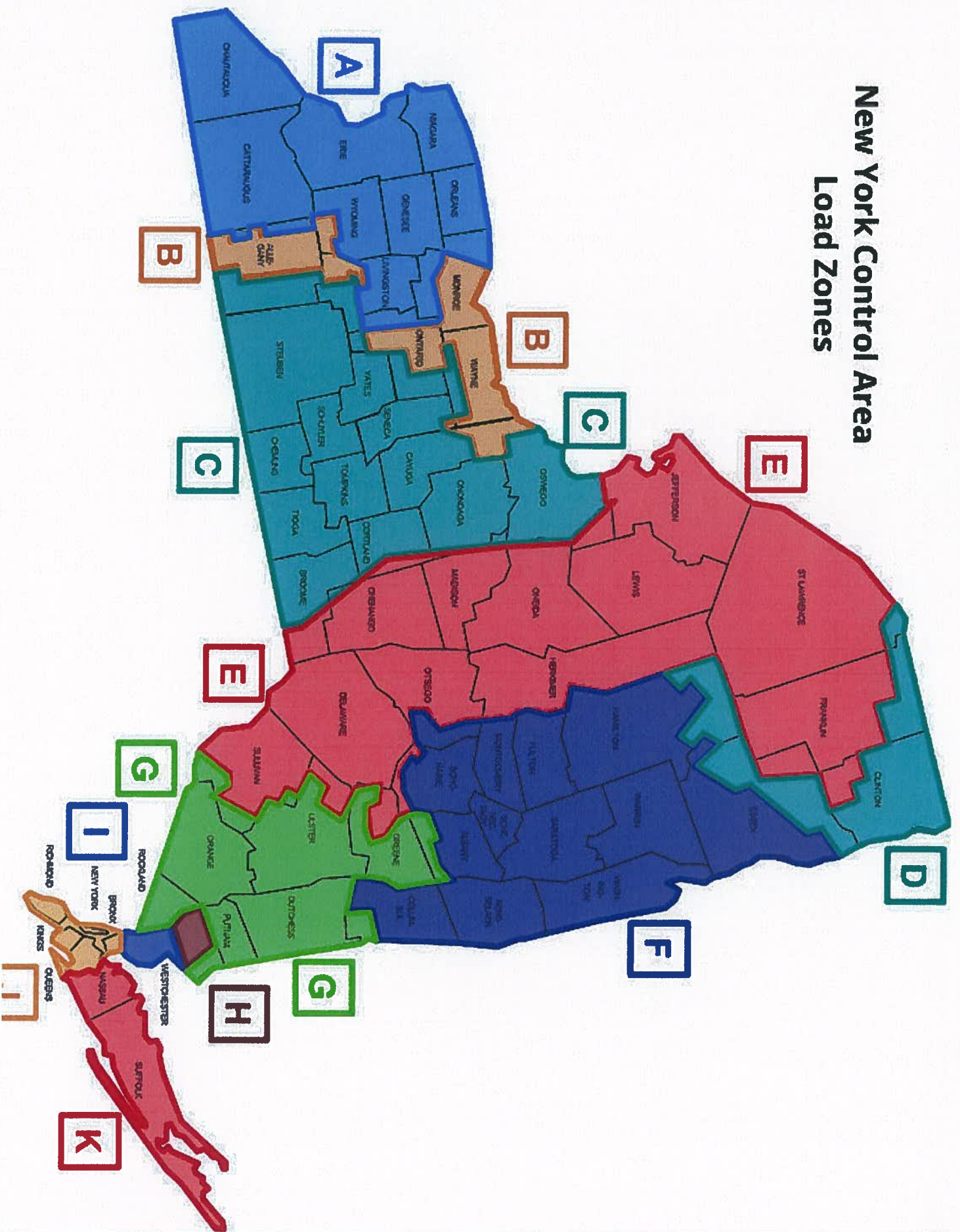
NYSERDA

- **Status of Study**
- **Results**
- **Completion Date**

Consortium Update

- Working with 3 Developers
- Ameresco, Borrego & Solar City
- Identified Sites Throughout Load Zone E of National Grid Territory
- Land to leased is both Public & Private Land
- Most sites are in Jefferson & St. Lawrence Co. and are on Municipal land

New York Control Area Load Zones



Membership

- Numerous presentations through Jefferson, Lewis and St. Lawrence Counties.
- Also in Oneida County – 2 school districts
- Currently 55 members of which 7 are pending
- Stop presentations as of March 31st.
- Freeze on membership as of April 30th

Misc.

- Approximate electrical needs are in excess of 70MW if all remain in.
- Requires 28 2.5MW arrays to meet 100 of load
- If all 28 arrays are built, cost will be between \$120-140 million
- Federal Investment Tax Credits were extended
- Remote Net Metering Credits (RNMC) must be used by 12/31/17 or under construction

Purpose of Meeting

- Solar City has sites ready to be submitted to National Grid
- Required to have signed PPA prior to submission
- Consortium can not sign PPA without groups authorization.
- Consortium requires a companion contract with members guaranteeing participation (EPA).

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- NYSERDA monies
- National Grid requirements
- Construction of the arrays

1

E. Mohawk

date verified

Not Maturity Credit Value

\$0.05696

-\$0.00152

\$0.00010

\$0.00063

\$0.00332 varies annually

-\$0.00405 varies monthly

\$0.00232

\$0.00135

\$0.05605

\$0.12064

Customers served under this service classification may be subject to adjustments and applied in the manner described in each respective Rule.

http://www.nationalgridus.com/naparamohawk/includes/non_html/STATPS7.pdf

200

U-2 Male
-50 00152

\$0.00009

\$0.00005

\$0.00492

\$0.00108

\$0.00242

\$0.00142

\$0.00006

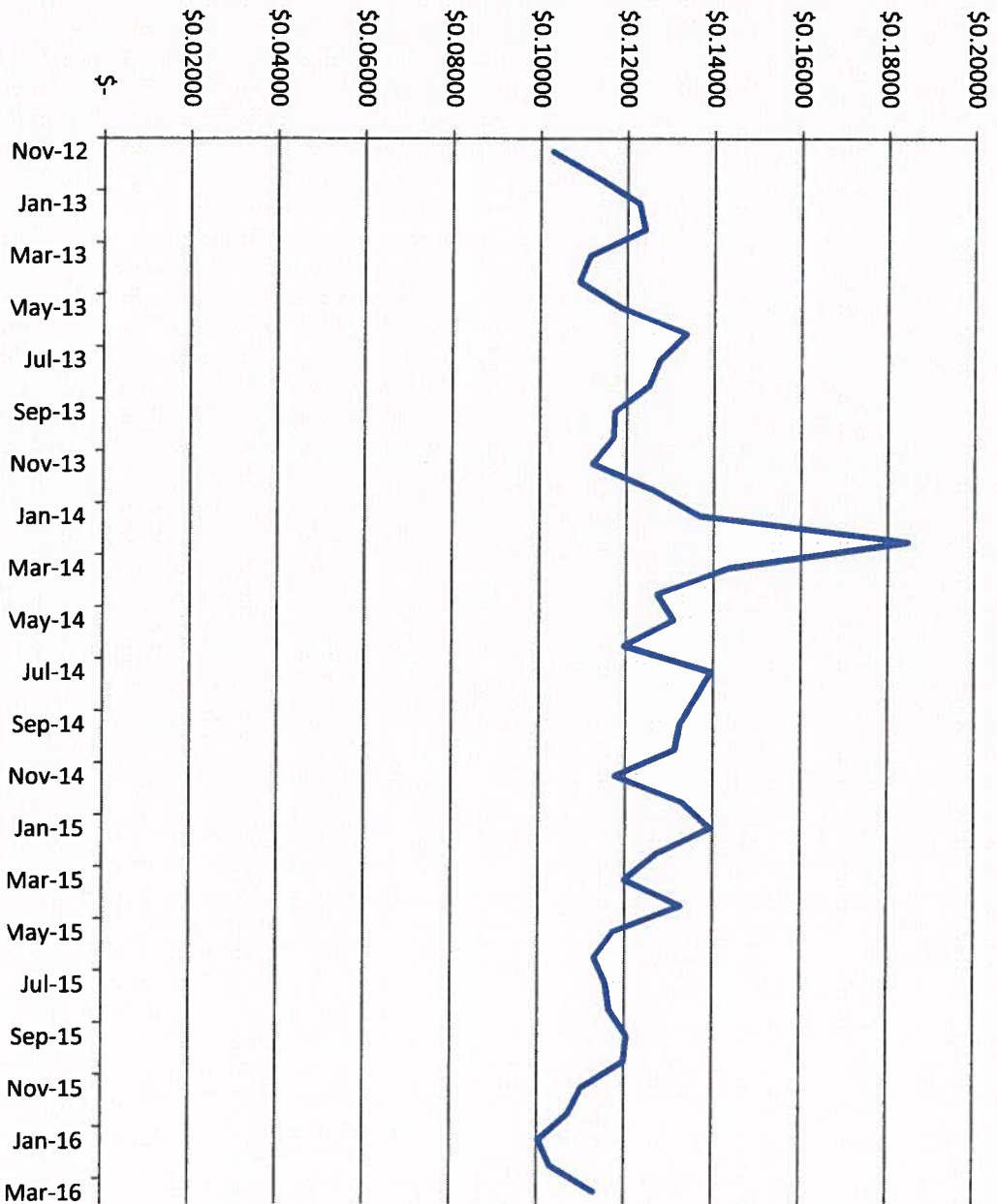
\$0.005533

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Remote Net Metering Credits

Load Zone	E
RNM Credit Value - SC2ND	EMohawk V - Utica, Watertown
Nov-12 \$	0.10279
Dec-12 \$	0.11322
Jan-13 \$	0.12270
Feb-13 \$	0.12407
Mar-13 \$	0.11146
Apr-13 \$	0.10898
May-13 \$	0.11865
Jun-13 \$	0.13366
Jul-13 \$	0.12762
Aug-13 \$	0.12513
Sep-13 \$	0.11727
Oct-13 \$	0.11699
Nov-13 \$	0.11221
Dec-13 \$	0.12620
Jan-14 \$	0.13678
Feb-14 \$	0.18467
Mar-14 \$	0.14352
Apr-14 \$	0.12710
May-14 \$	0.13092
Jun-14 \$	0.11948
Jul-14 \$	0.13946
Aug-14 \$	0.13599
Sep-14 \$	0.13241
Oct-14 \$	0.13129
Nov-14 \$	0.11759
Dec-14 \$	0.13289
Jan-15 \$	0.13942
Feb-15 \$	0.12711
Mar-15 \$	0.11988
Apr-15 \$	0.13270
May-15 \$	0.11720
Jun-15 \$	0.11302
Jul-15 \$	0.11561
Aug-15 \$	0.11653
Sep-15 \$	0.12048
Oct-15 \$	0.11986
Nov-15 \$	0.11014
Dec-15 \$	0.10719
Jan-16 \$	0.10037
Feb-16 \$	0.10912
Mar-16 \$	0.11301
Last 12 Months Average	\$ 0.114
Last 41 Months Average	\$ 0.123
Minimum Credit over last 41 Months	\$ 0.100

E Mohawk V - Utica, Watertown



— E Mohawk V - Utica, Watertown

Financial Analysis

Tri County Solar Consortium						
<i>Illustrative purposed only</i>						
	Annual MW usage	% of participation of Total annual MW Used	Traditional Charges for Electricity Delivery and Supply		Total Annual Electricity Costs	
Member Totals=>	7,000	100%	Distribution and Delivery	\$0.06734	\$471,380	
			Electricity Supply (commodity)	\$0.05610	\$392,700	
Tier I or Innagural Members						
	St. Lawrence Lewis BOCES	1,700	24.286%	Total Charge	\$0.12344	\$209,848
	Jefferson Lewis BOCES	1,900	27.143%	Total Charge	\$0.12344	\$234,536
Tier II Members						
	District A	2,900	41.429%	Total Charge	\$0.12344	\$357,976
	District B	500	7.143%	Total Charge	\$0.12344	\$61,720
	Annual MW usage	% of participation of Total annual MW Used	Traditional Charges for Electricity Delivery and Supply		Total Annual Electricity Costs	
Annual Member Totals=>	7,000	100.0%		\$0.12344	\$864,080	

Solar Array Totals & Blended Rates==>		6822	\$	0.0813	\$	554,744		(\$777,708.00)	(\$222,964.00)							
	Array Number 1	3190	\$	0.0720	\$	229,680	\$	0.11400	(\$363,660.00)	(\$133,980.00)						
	Array Number 2	3632	\$	0.0895	\$	325,064	\$	0.11400	(\$414,048.00)	(\$88,984.00)						
	Total Annual MW Production	6822				Annual Array Cost Payable to Builder by Consortium	\$	554,744	Current RNM Rate (credit) to Consortium		Annual RNM Credit Generated	(\$777,708.00)	Remaining Annual Credits after PPA Payments	(\$222,964.00)		
	Annual Member Totals==>															
Illustrative purposed only																
	Annual MW usage			% of participation of Total annual MW Used		Initial Total Annual Consortium Electricity Costs		Total Annual Consortium Credits		Adjusted Total Annual Consortium Electricity Costs	Administrative Rates per kWh	Administrative Costs	Total Consortium Costs Billed to Members	Total Savings		
	Member Totals==>	7,000		100%		\$864,080		(\$222,964)		\$641,116	Varies	\$24,000	\$665,116	\$198,964		
	Tier I or Inaugural Members															
	St. Lawrence Lewis BOCES	1,700		24.286%						\$155,700	\$0.0010	\$1,700	\$157,400	\$52,448		
	Jefferson Lewis BOCES	1,900		27.143%						\$174,017	\$0.0010	\$1,900	\$175,917	\$58,619		
	Tier II Members															
	District A	2,900		41.429%						\$265,605	\$0.0060	\$17,400	\$283,005	\$74,971		
	District B	500		7.143%						\$45,794	\$0.0060	\$3,000	\$48,794	\$12,926		
	Annual MW usage			% of participation of Total annual MW Used		Initial Total Annual Consortium Electricity Costs		Total Annual Consortium Credits		Adjusted Total Annual Consortium Electricity Costs	Adjusted Total Annual Consortium Electricity Costs	Adjusted Total Annual Consortium Electricity Costs	Adjusted Total Annual Consortium Electricity Costs	Adjusted Total Annual Consortium Electricity Costs		
	Annual Member Totals==>	7,000		100%		\$864,080		(\$222,964)		\$641,116	Varies	\$24,000	\$665,116	\$198,964		

Electricity Purchase Agreement

- 20 year contract with Consortium
- All in once signed
- Decision required by May 20th to be a Tier 1 or Inaugural member
- **IN or OUT in this initial phase**

SOLAR CONSORTIUM

District/Organization	Energy Requirements Mega Watts
Alexandria Central School	0.5MW
Beaver River Central School	1.3MW
Belleville-Henderson CSD	0.7MW
Brasher Falls/St. Lawrence Central School	1.8MW
Canton Central School	2.0MW
Carthage Central School	2.4MW
City of Ogdensburg	3.6MW
Clifton-Fine Central School	0.5MW
Colton-Pierrepont Central School	0.6MW
Copenhagen Central School	1.1MW
Edwards-Knox Central School	0.8MW
General Brown Central School	1.6MW
Gouverneur Central School	1.9MW
Hammond Central School	0.4MW
Harrisville Central School	0.7MW
Heuvelton Central School	1.0MW
Jefferson Community College	2.9MW
Jefferson-Lewis BOCES	1.9MW
LaFargeville CSD	0.7MW
Lisbon Central School	0.8MW
Lowville Central School	2.2MW
Lyme Central School	0.4MW
Madrid-Waddington Central School	1.3MW
Malone CSD	3.4MW
Morristown Central School	0.4MW
Norwood-Norfolk Central School	1.5MW
Ogdensburg City School District	3.4MW
Parishville-Hopkinton Central School	0.6MW

SOLAR CONSORTIUM

District/Organization	Energy Requirements Mega Watts
Potsdam Central School	1.8MW
Sackets Harbor Central School	0.5MW
Salmon River Central School	4.2MW
South Jefferson Central School	2.8MW
South Lewis Central School	2.2MW
St. Lawrence-Lewis BOCES	1.7MW
Thousand Islands Central School	1.4MW
Town of Cape Vincent	0.5MW
Town of Clayton	3.0MW
Town of Colton	3.0MW
Town of Croghan	0.4MW
Town of Gouverneur	2.4MW
Town of Lyme	0.7MW
Town of Morristown	0.5MW
Town of Norfolk	
Town of Waddington	
Town of Webb UFSC	0.6MW
Village of Cape Vincent	
Watertown City School	4.5MW
Whitesboro Central School	2.9MW
TOTAL	73.5MW
Pending	
Jefferson County	6.8MW
Renselaer Falls	

SOLAR CONSORTIUM

District/Organization	Energy Requirements Mega Watts
Town of Hammond	
Town of Macomb	
Village of Hamond	
Village of Heuvelton	
Westmoreland Central School	
TOTAL	