



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authorization to execute Rider CLR7, ComEd's customer agreement, for voluntary electricity curtailment at the District's six largest facilities, for the period between June 1, 2010, and May 31, 2011

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Date	Ver.	Action By	Action	Result
2/4/2010	1	Committee of the Whole	Recommended	Pass
2/4/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 4, 2010

COMMITTEE ON MAINTENANCE AND OPERATIONS

Mr. Richard Lanyon, Executive Director

Authorization to execute Rider CLR7, ComEd's customer agreement, for voluntary electricity curtailment at the District's six largest facilities, for the period between June 1, 2010, and May 31, 2011

Dear Sir:

ComEd, a unit of Exelon Corporation, has forwarded the 2010 Rider CLR7 Customer Agreement for voluntary load curtailment for the period between June 1, 2010, and May 31, 2011, at the District's six largest facilities: the Stickney, Calumet, North Side, Kirie, and Egan Water Reclamation Plants (WRPs) and the Mainstream Pumping Station. The District has been participating in Rider CLR7 and its predecessor, Rider 32, since 1997.

Curtailment programs are used by Regional Transmission Organizations (RTO) such as Pennsylvania Jersey Maryland (PJM) to defer the need for additional generation and transmission, to limit operations of expensive peak load plants, and to reduce grid overload during peak energy usage. Curtailment programs also reduce peak hourly electricity prices as well as local pollution during prolonged, hot summer periods. These programs are effective because users are compensated by the RTOs for reducing their loads. ComEd manages the PJM curtailment program without collecting any management fees and passes the complete compensation to the District. The PJM auction has established the compensation rate at \$63.61 per kilowatt of load curtailment, minus line losses, for the 2010 season.

If PJM does not call a curtailment event by August 15, 2010, a one hour test event must be called. Complete noncompliance with this test would result in a charge to the District of approximately \$122,000.00, while a minimum compliance of 17% of the committed curtailment would eliminate all charges and provide partial compensation. In 2009, PJM called a one hour test event, which the District successfully completed and received complete compensation.

The Maintenance and Operations Department has reviewed the 2010 ComEd Agreement and is confident that the District can fully comply and thereby receive full compensation. In addition, the District will continue to curtail usage whenever possible to assist in the reliable electrical distribution in this region and to minimize energy costs. The District's CLR7 compensation for the 2009 program was \$426,548.27 and it is estimated that the District's compensation for the 2010 program will be approximately \$718,793.00. This increase is the result of the higher compensation price of \$63.61 per kilowatt for 2010 compared to \$37.24 per kilowatt for 2009.

It is therefore requested that the Board of Commissioners approve the execution of the Rider CLR7 Customer Agreement with ComEd for voluntary load curtailment for the period between June 1, 2010, and May 31, 2011, at the District's six largest facilities: the Stickney, Calumet, North Side, Kirie, and Egan WRPs and the Mainstream Pumping Station. The Agreement's execution deadline is close of business on Monday, February 12, 2010.

Requested, Osoth Jamjun, Director of Maintenance and Operations, MPS:SO'C:MAG:JK
Respectfully Submitted, Frank Avila, Chairman Committee on Maintenance and Operations
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for February 4, 2010