



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authorization to exercise an option to extend and amend agreement with Blue Delta Energy, LLC, for Contract 15-RFP-25 (Re-bid) Environmental Attributes Service Provider, for 2018, on a percentage retention structure of 90% for the District and 10% for Blue Delta.

Sponsors:

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Attachments:

Date	Ver.	Action By	Action	Result
11/2/2017	1	Board of Commissioners	Approved	Pass
11/2/2017	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 2, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to exercise an option to extend and amend agreement with Blue Delta Energy, LLC, for Contract 15-RFP-25 (Re-bid) Environmental Attributes Service Provider, for 2018, on a percentage retention structure of 90% for the District and 10% for Blue Delta.

Dear Sir:

At the Board Meeting of April 21, 2016, the Board of Commissioners authorized the District to enter into an agreement with Blue Delta Energy, LLC to provide service to analyze and monetize Lockport Renewable Energy Credits (RECs). Over the last 18 months, Blue Delta Energy, LLC has monetized these attributes, created tracked and deliver the attributes to identified markets, and remitted payment for these attributes directly to the District. The existing agreement gives the District the option to extend the agreement up to an additional two years.

The contract was structured so that Blue Delta Energy, LLC would work on a retainage percentage basis for older vintage attributes from 2010 through 2016. After a transitional period, the attributes value was fixed for the last 4 months of 2016 and year 2017.

The market for RECs is volatile with the price fluctuating daily. Blue Delta Energy, LLC has offered us a proposal to continue work on a percentage retention structure. We believe this is in the best interest of the District as the fixed prices currently being quoted for Lockport's RECs are on the lower end of the historical range. We also believe the prices have more potential to increase than decrease from the current level.

Exercising the option to extend and amend the agreement is in compliance with the Illinois Criminal Code because it is germane to the original agreement as signed and is in the best interest of the District.

In view of the foregoing, it is requested that for the period from January 1, 2018, through December 31, 2018, the Board of Commissioners authorize the Director of Procurement and Materials Management to accept the offer from Blue Delta Energy.

Requested, John P. Murray, Director of Maintenance and Operations

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 2, 2017