



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 Enerwise Global Technologies, Inc. d/b/a CPower, for Contract 14-RFP-35 Energy Curtailment Services, for 2019-2021

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Date	Ver.	Action By	Action	Result
9/6/2018	1	Board of Commissioners	Approved	Pass
9/6/2018	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 6, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Authorization to exercise an option to extend and amend agreement with Enerwise Global Technologies, Inc. d/b/a CPower, for Contract 14-RFP-35 Energy Curtailment Services, for 2019-2021

Dear Sir:

The Demand Response Program is a cyclical program through energy curtailment services that allows the District to commit to a reduction of electricity use at designated times in return for compensation. The program is designed to reduce electricity consumption at times when the electric grid is stressed from overuse. This program is a cyclical program that runs on a yearly basis from June 1 through May 31 of the following year. In this program, participants commit to designated reductions (in megawatts) three years in advance. Those participants may be actual users who are members of PJM or intermediaries who will then enter into agreements with energy users for designate amounts of energy. Intermediaries have a finite number of megawatts available for reimbursement. In order to guarantee that the District is able to participate to the fullest extent practicable, the District must commit to an intermediary long before the beginning of the curtailment year.

At the Board Meeting of April 9, 2015, the Board of Commissioners authorized the District to enter into an agreement with Enerwise Global Technologies, Inc. d/b/a CPower (formerly EnergyConnect, Inc., a Johnson Controls Company), to provide energy curtailment services for the District for a three year period. In 2017, the Board authorized a one-year extension for the period from June 1, 2018 through May 31, 2019. The current agreement is scheduled to terminate on May 31, 2019.

As a result of the District's membership in PJM, the District will be able to participate in the Demand Response Program without an intermediary in 2021. Until that time, the District requires the use of an intermediary.

Enerwise Global Technologies, Inc. d/b/a CPower has acted as the intermediary since 2015. The contract was structured so that Enerwise Global Technologies, Inc. d/b/a CPower would receive 9.9% of the curtailment value and the District would receive 90.1%. This was the highest return realized from the BAFOs. Over the last 4 years, the District has received nearly \$6 million. We estimate receiving \$3.65 million for the period June 1, 2019 through May 31, 2021. The terms of the extension are consistent with market pricing.

The extension of the termination date 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 June 1, 2019, through May 31, 2021, the Board of Commissioners authorize the Director of Procurement and Materials Management to exercise an option to extend and amend agreement with Enerwise Global Technologies, Inc. d/b/a CPower.

Requested, Thomas M. Conway, Acting Director of Maintenance and Operations, BAP:SO'C:SES:PD
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 September 6, 2018