



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 16, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Report on the amendment to the agreement for Request for Proposal 14-RFP-18 Supply of Electricity, with Dynegy Energy Services LLC, for a One (1) Year Extension, starting January 1, 2019 and ending December 31, 2019

Dear Sir:

At the Board meeting of September 1, 2016, the Board of Commissioners granted authority to exercise the option to extend and amend the existing agreement with Dynegy Energy Services LLC (Dynegy) for one (1) year if the District can secure a lower price that is deemed advantageous to the District. If the agreement is extended, the only terms that may vary are the contracted prices and termination dates.

The 2018 fixed price with Dynegy for Group 1, for the electricity supply price is \$0.0321 per kWh for a total unit price of \$0.03877 per kWh RTC including a bandwidth of 100%. The 2018 fixed price for Group 2, for the electricity supply price is \$0.03355 per kWh for a total unit price of \$0.03643 per kWh RTC including a bandwidth of 100%. These prices are firm for January 1, 2018 to December 31, 2018.

On February 21, 2017, Dynegy offered pricing for the extension year of 2019 and the Director of Procurement and Materials Management accepted the offer. The new fixed price agreed to between the District and Dynegy for Group 1, for the electricity supply price is \$0.03008 per kWh for a total unit price of \$0.03355 per kWh RTC including a bandwidth of 100%. The new fixed price for Group 2, for the electricity supply price is \$0.02924 per kWh for a total unit price of \$0.03150 per kWh RTC including a bandwidth of 100%. The new prices for 2019 are considered advantageous to the District and in the public's best interest.

The cost savings to the District, for Groups 1 and 2 combined, for the one year extension is approximately \$2.991M from the 2018 pricing.

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:cm
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 March 16, 2017