



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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TRANSMITTAL LETTER FOR BOARD MEETING OF JANUARY 9, 2020

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, 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 December, 2020 and ending December 31, 2021

Dear Sir:

At the Board meeting of July 11, 2019, 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.

In 2018, the District accepted extension pricing for Group 1, for the electricity supply price of \$0.02848 per kWh for a total unit price of \$0.03230 per kWh RTC including a bandwidth of 100%. At that time, the District also accepted extension pricing for Group 2, for the electricity supply price of \$0.02744 per kWh for a total unit price of \$0.02968 per kWh RTC including a bandwidth of 100%. These prices are firm for 2020.

The cost savings to the District, for both Groups 1 and 2 combined, is approximately \$1.1M from the 2019 pricing.

On November 27, 2019 Dynegy offered pricing for the extension year of 2021 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 \$0.02673 per kWh for a total unit price of \$0.02955 per kWh RTC including a bandwidth of 100%. The new fixed price for Group 2, for the electricity supply price is \$0.02521 per kWh for a total unit price of \$0.02683 per kWh RTC including a bandwidth of 100%. The new prices for 2021 are considered advantageous to the District and in the public's best interest.

The cost savings to the District, for both Groups 1 and 2 combined, for the one-year extension is approximately \$1.733M from the 2020 pricing.

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:lc