



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 18-0499, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 17, 2018**

#### COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Ratification and approval of the Executive Director's decision authorizing the Director of Procurement and Materials Management's to reduce the committed KWHs from 36.887 MW to 24 MW in the Pennsylvania, New Jersey and Maryland (PJM) upcoming 2021/2022 Reliability Pricing Model (RPM) Base Residual Auction (BRA) for Demand Response (DR)

Dear Sir:

On May 3, 2018, the Board approved participation by the District in the Pennsylvania, New Jersey and Maryland (PJM) upcoming 2021/2022 Reliability Pricing Model (RPM) Base Residual Auction (BRA) for Demand Response (DR). The District sought Board approval to commit to curtail 36.887 MW.

Recent adjustments to the RPM BRA for DR require the participant to curtail the full MW amount committed throughout the year, including both summer and winter months. The District has always been successful in fulfilling its committed obligations during the summer months. It is anticipated, however, that participating in a curtailment event during the winter season could be difficult as overall usage is low. Reducing electric usage 36.887 MW during this time could be unachievable. Failure to curtail the full amount could result in penalties. The District anticipates the ability to participate in any event with a committed curtailment amount of 24 MW. Therefore it is in the best interest of the District to commit 24 MW for this auction.

All committed amounts were required to be placed into the auction by May 16, 2018. After conferring with the Executive Director, the decision was made to reduce the committed megawatt from 36.887 MW to 24 MW. The reduction will insure the District's success in its curtailment efforts.

A report will be submitted to the Board of Commissioners on the results of the auction, if and when it occurs.

Accordingly, it is requested that the Board of Commissioners ratify and approve the Executive Director's decision authorizing the Director of Procurement and Materials Management's to reduce the committed MW from 36.887 MWh to 24 MWh in the 2021/2022 RPM BRA for DR.

Requested, John P. Murray, Director of Maintenance and Operations, SES:PD:JL

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 May 17, 2018