



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 21-0790, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 2, 2021

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to allocate \$500,000.00 annually for the purchase of Renewable Energy Credits (RECs) and to authorize the Director of Procurement and Materials Management to accept pricing for the procurement of RECs for 2022 and 2023.

Dear Sir:

Authorization is requested to allocate \$500,000.00 annually for to the purchase of RECs for 2022 and 2023. It is recommended that the District allocate \$500,000.00 annually in its budget to procure RECs either combined with the purchase of electricity or as a separate purchase.

At the Board Meeting of July 15, 2021, the Board of Commissioners ("Board") authorized the District to advertise Contract 21-RFP-06, Environmental Attributes Services Provider. The District may utilize this provider for the procurement of RECs.

Additionally, the Board authorized the District to advertise Contract 20-RFP-24, Request for Qualification to Participate in a Reverse Auction to Supply Electricity to the MWRD at the Board Meeting of August 5, 2021. The vendor for this RFP would provide an additional vehicle to procure RECs along with electricity using a live online auction.

Due to the volatility of the REC market, the District may request that the contractors provide pricing for 2022 and 2023 on a continuing basis. As prices rise and fall rapidly, it would be in the best interest of the District to authorize the Director of Procurement and Materials Management to accept pricing for 2022 and 2023 when favorable pricing is present in the market. Pricing offers are typically held until the end of the day and require the District to have the ability to capitalize on the volatility of the market quickly.

In view of the foregoing, it is requested that the Board of Commissioners allocate \$500,000.00 annually for the purchase of RECs and authorize the Director of Procurement and Materials Management to accept pricing for procurement of RECs for 2022 and 2023, subject to the maximum allocation of \$500,000.00 each year.

Requested, John P. Murray, Director of Maintenance and Operations, AG: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 2, 2021