



Legislation Text

File #: 19-1077, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the recommendation by Customized Energy Solutions to award Renewable Energy Certificates for Solar and Wind to Galt Power, 3Degrees Group, Inc. and ACT Commodities, Inc. for an amount not to exceed \$184,800

DEPARTMENT: Electric Utility

SUBMITTED BY: Lucille Podlesny, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In January 2012, Council awarded Contract 12-148 to Customized Energy Solutions (CES) to develop a renewable energy program to provide residents with renewable energy options supporting solar/wind projects and purchase Renewable Energy Certificates (REC) for Illinois-generated energy as part of their electric service. In December 2012, the City Manager approved a sole source award for CES to continue to manage and administer the program. As the program administrator, CES acts as the City's REC broker. The fifth and final extension of the program administration ends on December 31, 2019.

The Electric Utility annually purchases RECs to support the generation of renewable energy in Illinois. Naperville's Renewable Energy Program is comprised of 99% wind and 1% solar. All REC purchases are sourced from wind and solar energy providers within Illinois, which supports businesses and economic growth in the state. The RECs are tradable, non-tangible energy commodities that represent proof that 1 megawatt-hour of electricity was generated from an eligible renewable energy resource and was fed into the shared system of power lines which transport energy. One REC is equivalent to one megawatt hour (or 1,000 kilowatt-hours) of electricity generation.

Naperville's residents and businesses continue to embrace its renewable energy offering and collectively support the annual purchase and retirement of more than 11,500 RECs per year (2016 through 2018 average), which represents over 11.5 million kilowatt hours (kWh) of renewable energy. This is the equivalent of offsetting 8,132 metric tons of carbon dioxide emissions, planting more than 9,571 acres of trees, or removing 1,727 cars from the road per year.

On September 17, 2019 Council approved the recommendation to implement the phased in modifications to the Renewable Energy Program (agenda item 19-896) which includes an increase in

the amount of REC purchases for 2019 going forward. This approval allowed an increase in REC purchased per year from approximately 11,500 to 85,000.

DISCUSSION:

Due to the increase in REC amount purchases and the expiration of the current contract with CES on December 31, 2019, RECs are being purchased in 2019, with partial RECs received in early 2020. These solar and wind REC purchases, including AMEREX brokerage fees, are for the 12-month period of January 1 through December 31, 2019:

- a) **1,000 Solar RECs** - to GALT Power (Procured thru Exelon Generation Company LLC) for an amount not to exceed = \$10,800.00;
- b) **50,000 Wind RECs** - to 3Degrees, Inc. for an amount not to exceed \$102,000;
- c) **32,000 Wind RECs** - to ACT Commodities, Inc. for an amount not to exceed \$72,000.

By purchasing 83,000 in RECs, the Electric Utility will be able to provide 83 million kilowatt hours (kWh) of renewable energy which is equivalent to 6,604,426 gallons of gasoline consumed, reduction in greenhouse gas emissions for 12,461 vehicles driven for an entire year or electricity use for 7,028 homes in one year.

Currently staff is in the process of working on additional modifications to the Renewable Energy Program with a small working group, including the Naperville Environmental Sustainability Task Force and anticipates reviewing these modifications with the Public Utility Advisory Board at its January 16, 2020 meeting and bringing a recommendation for Council consideration to its January 21, 2020 meeting.

FISCAL IMPACT:

CIP#: N/A

The funds allocated to award renewable energy certificates is budgeted in the Other Professional Services account listed below. The requested award of \$184,800 is within the 2020 adopted budget, however will utilize existing Renewable Energy Fund balance.

Account Number	Fund Description	Total Budget Amount
40101400-531309	Renewable Energy Fund	\$199,000