



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: June 17, 2019

Re: An ordinance authorizing the City Manager to execute a Master Power Purchase and Sale Agreement with NextEra Energy Marketing, LLC.

## Executive Summary

Staff has prepared for Council consideration an ordinance authorizing the City Manager to execute a Master Power Purchase and Sale Agreement with NextEra Energy Marketing, LLC.

## Discussion

The City of Columbia has been approached by NextEra Energy Marketing (NextEra), LLC for a capacity swap beginning in planning year 2023/2024 (June 2023 – May 2024). Both the City of Columbia and NextEra are utility providers within Midcontinent Independent System Operator (MISO) and are subject to MISO's resource adequacy requirements. Each has Zonal Resource Credits located in MISO zones (Zone 5- NextEra, Zone 4 – Columbia) that are different from their load obligations and would benefit from entering into a local resource zoning capacity swap. The impact of this agreement is to reduce risks associated with balancing credits at the end of the MISO planning year. The swap is proposed to be a zero cost, MW per MW swap in accordance with the following table:

Planning Year (P/Y)	MW Volume
P/Y 23/24	6.50
P/Y 24/25	6.50
P/Y 25/26	6.50
P/Y 26/27	6.50
P/Y 27/28	6.50
P/Y 28/29	6.50
P/Y 29/30	6.50
P/Y 30/31	25.00
P/Y 31/32	25.00
P/Y 32/33	25.00

At its May 29<sup>th</sup> 2019 Water & Light Advisory Board meeting, the Board supported the Capacity Exchange Agreement as it reduces the risks associated with external Zonal Resource Credits used to satisfy Columbia's local capacity requirements.



## Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

## Strategic & Comprehensive Plan Impact

### [Strategic Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### [Comprehensive Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

## Legislative History

Date	Action
None	None

## Suggested Council Action

Staff recommends Council adopt an ordinance authorizing the City Manager to execute a Master Power Purchase and Sale Agreement with NextEra Energy Marketing, LLC