



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: January 3, 2022

Re: Amending the FY 2022 Annual Budget by appropriating funds for expenses associated with natural gas purchases for the Columbia Energy Center (CEC).

Executive Summary

Staff is recommending an ordinance authorizing an amendment to the City Utilities Electric FY 2022 budget.

Discussion

The nation has been experiencing higher than normal natural gas prices over the past several months, due to market volatility and weather events. This volatility has impacted the energy prices in the Midcontinent Independent System Operator (MISO) market and has impacted natural gas expenses related to Water & Light's four units at the CEC.

The units at the CEC have operated more this fall since the grid has seen congestion due to transmission outages. These outages have led MISO to dispatch our units to help alleviate the congestion. For the first two months of the fiscal year we have spent \$688,000 to run our CEC units. For the same period the past two years, we have spent \$44,790 and \$101,700. In terms of electric production, the CEC has produced 6,811 MWh for the first two months of FY 2022, compared to 1,869 MWh in FY 2019 and 634 MWh in FY 2020.

The FY 2022 current natural gas budget is \$500,000 and with the current market volatility and the opportunity for MISO to dispatch our units in the upcoming winter and summer months, staff is requesting an additional \$750,000 to be appropriated. This would bring the total natural gas budget for the CEC to \$1,250,000. Staff will continue to watch the natural gas budgets and if additional funds are needed an appropriation will be brought forward for council consideration.

Fiscal Impact

Short-Term Impact: \$750,000

Long-Term Impact: None

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Legislative History

Date	Action
None	None

Suggested Council Action

Approval of the ordinance.