



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: March 6, 2017

Re: Amendment to the Agreement for the Sale of Wind Energy from the Crystal Lake III to University of Missouri

Executive Summary

Staff has prepared for Council consideration an ordinance authorizing the City Manager to execute an Addendum to the Agreement with the University of Missouri for the sale of wind energy from the City's Contracts with Crystal Lake III. This is an annually renewing agreement with a 30 day termination provision. This Addendum will allow the rates of the Original Agreement to be adjusted to a blended rate to more accurately reflect the City's rate costs and to promote and strengthen the Parties' continued relationship in shared costs for Wind Energy from the City's Crystal Lake III Agreements.

Discussion

The City of Columbia Purchasing Department sent out an RFP for renewable energy, on behalf of Columbia Water & Light, in 2016. The most favorable proposal came from NextEra Energy Resources. In December of 2016 Council approved a Power Purchase Agreement for the Sale of Wind Energy from Crystal Lake III. This agreement represents an extension of Columbia's involvement with the Crystal Lake III Wind Energy Facility located in Northern Iowa. This facility has been operational since April 2009 and City's first contract for power from this facility started in 2012 and increases over time detailed below:

1. 21 MW's of wind turbine production, started 2012
2. 48 MW's of wind turbine production, started 2017
3. 66 MW's of wind turbine production, starting 2023

On March 18, 2013 Council approved an agreement authorizing a power purchase agreement with The Curators of the University of Missouri for the sale of wind energy and associated credits produced by Crystal Lake III. With the 2016 Crystal Lake Agreement, the overall rate cost to the City for delivered energy from the Crystal Lake III Wind Energy Facility has decreased. In keeping with the original intent of the power purchase agreement with the University of Missouri, Staff is recommending to amend the rates of the original agreement to a blended rate schedule to accurately reflect the City's rate costs and to promote and strengthen the Parties' continued relationship in shared costs for Wind Energy from the City's Crystal Lake III Agreements.



Fiscal Impact

Short-Term Impact: NA

Long-Term Impact: NA

Vision & Strategic Plan Impact

Vision Impacts:

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

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
02/06/2012	B19-12 Authorizing a power purchase agreement with Crystal Lake Wind III, LLC
03/18/2013	B63-13 Authorizing a power purchase agreement with The Curators of the University of Missouri for the sale of wind energy and associated credits produced by Crystal Lake III
12/05/2016	B315-16 Authorizing a power purchase agreement with Crystal Lake Wind III, LLC for the purchase of wind energy

Suggested Council Action

Approval of the ordinance authorizing the City Manager to execute an Amendment to the Agreement with University of Missouri