



City of Grand Island

Tuesday, April 14, 2020

Council Session

Item G-6

#2020-89 - Approving Amendment #1 to the Transmission Operating Agreement between the City of Grand Island Utilities Department and Omaha Public Power District

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Interim City Attorney

Meeting: April 14, 2020

Subject: Transmission Operator Services Agreement Addendum #1 between the City of Grand Island Utilities Department and Omaha Public Power District

Presenter(s): Timothy Luchsinger, Utilities Director

Background

In 2007 the federal government began enforcing regulatory standards on electric utilities across the country. Applicable standards were determined by the various roles each utility played. Larger utilities with larger service areas and more transmission and generation assets were subject to a larger number of standards than smaller utilities.

Each utility was registered under certain functions such as Transmission Owner (TO), Transmission Operator (TOP), Generator Owner (GO), Generator Operator (GOP), etc. Since the Grand Island electric system utilizes a 115,000 volt transmission system, Grand Island Utilities was registered as a TO among other functions. Grand Island Utilities has not been registered as a TOP. The TOP function requires a significant amount of man-hours and training as well as some sophisticated equipment to maintain compliance.

In February of 2017, Midwest Reliability Organization (MRO), informed Grand Island Utilities that they would require registration as a TOP by July 1, 2017, and fully compliant within two years. Due to the staffing needs and costs to implement this registration, the decision was made to hire an outside contractor that was already set up to perform these functions.

On August 27, 2017, City Council approved a three-year contract with Omaha Public Power District (OPPD) to perform these functions. Since the original contract is coming to an end, OPPD has presented an addendum to extend it for another three years. Since the Agreement is Confidential, a copy of the Addendum will be furnished to Council under separate cover.

Discussion

Grand Island Utilities staff reviewed the addendum and the performance of OPPD for these services. OPPD has done a great job of performing the TOP functions and the pricing for the extension is reasonable.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Transmission Operator Services Agreement Addendum #1 with Omaha Public Power District.

Sample Motion

Move to approve the Transmission Operator Services Agreement Addendum #1 with Omaha Public Power District.

RESOLUTION 2020-89

WHEREAS, in 2007 the federal government began enforcing regulatory standards on electric utilities across the country and applicable standards were determined by the roles each utility played; and

WHEREAS, Grand Island Utilities was registered as a Transmission Owner (TO); and in February of 2017, Midwest Reliability Organization (MRO) informed Grand Island Utilities that they would require registration as a Transmission Operator (TOP) by July 1, 2017 and be fully compliant within two years; and

WHEREAS, due to the staffing needs and costs to implement this registration, the decision was made to hire an outside contractor that was already set up to perform these functions; and

WHEREAS, on August 27, 2017, City Council approved a three-year contract with Omaha Public Power District (OPPD) to perform these functions; and

WHEREAS, since the original contract is coming to an end, OPPD has presented an addendum to extend it for another three years; and

WHEREAS, OPPD has done a good job performing the TOP functions and the pricing for the extension is reasonable.

WHEREAS, the Legal Department has reviewed the Addendum and is in agreement with the Utilities Department.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Addendum #1 to the Transmission Operator Services Agreement between the City of Grand Island Utilities Department and Omaha Public Power District is approved, and the Mayor is hereby authorized to sign the Addendum on behalf of the City of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, April 14, 2020.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
April 10, 2020	☐ City Attorney