



City of Grand Island

Tuesday, October 12, 2021

Council Session

Item G-3

**#2021-241 - Approving Renewable Energy Certificate Purchase
and Sale Agreement with Evergy**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting: October 12, 2021

Subject: Renewable Energy Certificate Purchase and Sale Agreement -
Evergy

Presenter(s): Timothy Luchsinger, Utilities Director

Background

Included in the Grand Island Utilities Department's generation portfolio are several wind facilities, primarily the Prairie Breeze III project. Part of the decision to enter into these projects was in anticipation of implementation of the federal government's proposed Clean Power Plan, in which renewable energy credits (REC's) from wind generation projects could be used to offset carbon dioxide emissions from a utility's fossil fueled generation source. Implementation of this plan did not occur; however, the Utilities Department has been accruing RECs and will continue to do so until possible regulations will require their use. There is a demand and a market for RECs, primarily from utilities that operate in states or regions that have renewable energy standards or from corporate mandates for reducing their carbon footprint. Looking for expertise in marketing our RECs, Utilities Department management staff developed a Request for Proposals for Renewable Energy Credit Marketing Services in accordance with City procurement policies.

Discussion

Two proposals were received, however, only the proposal from Evergy Energy Partners met the REC marketing requirements of the RFP. Several options were discussed with Evergy with the intent on obtaining an equitable price for the RECs, while minimizing any risk to the Utilities Department. The option agreed upon involves Evergy purchasing the majority of the anticipated RECs produced by Prairie Breeze III for the years 2022 through 2024, and marketing the sale of RECs produced above this amount and the historical RECs already in the Utilities Department's account for a commission fee. The Renewable Energy Certificate Purchase and Sale Agreement with Evergy Kansas Central, Inc., is recommended by Utilities Department and Legal staff to be approved for execution by the mayor.

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 a future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Renewable Energy Certificate Purchase and Sale Agreement with Evergy Kansas Central, Inc., for execution by the Mayor.

Sample Motion

Move to approve the Renewable Energy Certificate Purchase and Sale Agreement with Evergy Kansas Central, Inc., for execution by the Mayor.

RESOLUTION 2021-241

WHEREAS, the Grand Island Utilities Department developed a Request for Proposals for Renewable Energy Credit (REC) Marketing Services in accordance with City procurement policies; and

WHEREAS, the proposal from Evergy Kansas Central, Inc., was the only proposal to meet the REC marketing requirements; and

WHEREAS, the option agreed upon involves Evergy purchasing the majority of the anticipated RECs and marketing the sale of RECs above this amount and historical REC's for a commission fee.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Renewable Energy Certificate Purchase and Sale Agreement with Evergy Kansas Central, Inc., is hereby approved, and the Mayor is authorized to sign the Agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 12, 2021.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 21, 2021	☐ City Attorney