



# Summary of Proposed Award

## Electricity Supply

Presented to: Organizational, Services & Performance  
Monitoring Committee

May 10, 2022

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# Project Overview

## Electricity Supply

### Purpose of this Procurement:

- Lock in supply prices at “perceived’ low points in market
  - Market is experiencing backwardation
  - Current prices higher than future prices
- Obtain long term pricing to provide budget and service stability for the term of May 2024 - May 2027

# Project Overview

## Electricity Supply

- ATSI ATC Prices Per kWh as of 05/03/2022
  - Balance 2022 \$0.11152
  - Calendar 2023 \$0.07187
  - Calendar 2024 \$0.04621
  - Calendar 2025 \$0.04255
  - Calendar 2026 \$0.04182
  - Calendar 2027 \$0.04126

# Project Overview

## Electricity Supply

		Excluding Margin	
	<u>“What if ATSI Price”</u>	<u>Annual \$</u>	
•	Balance 2022	\$0.112	\$5.8 MM
•	Calendar 2023	\$0.072	\$3.7MM
•	Avg 2024-2027	\$0.043	\$2.2 MM
•	Price drops to	\$0.035	\$1.8MM

# Project Overview

## Electricity Supply

- GCRTA is a large consumer of electricity
  - Powers entire rail line
  - Production of Compressed Natural Gas (CNG)
  - All facilities – from large districts, rapid stations to bus stations and light poles

# Project Overview

## Electricity Supply

GCRTA obtains electricity from:

- The Illuminating Company (CEI)
- Cleveland Public Power (CPP)
- Tower City and Airport – 3<sup>rd</sup> party basis

# Project Overview

## Electricity Supply

Components of Electrical Costs:

- Distributions / Delivery (utility)
- Supply (actual electron)

# Project Overview Electricity Supply

This Procurement – Supply for CEI Accounts

- Supply can be obtained from:
  - CEI – Standard Service Offer – variable rates
  - “Shopping” – locking in long term rates



# Project Overview

## Electricity Supply

- Estimated annual 52,000,000 kWh
  - Rail Substations 69%
  - Other Facilities 31%
- Goal is to obtain long term pricing to provide budget and service stability

# Procurement Overview

## Electricity Supply

- RFP issued February 21, 2022
- Proposals due March 29, 2022
- 20 interested parties downloaded the solicitation from the website
- 6 firms submitted proposals

# Procurement Overview

## Electricity Supply

### Evaluation Panel Members:

- Accounting
- Operations
- Office of Management and Budget
- Legal
- Procurement
- Brakey Energy (consultant)

# Procurement Overview Electricity Supply

## Evaluation Criteria:

- Total Cost of Power
- Terms of Contract
- Financial Viability
- Experience and Reputation

# Procurement Overview Electricity Supply

- Due to the nature of the electricity market, suppliers can only hold pricing for a few days
- Currently in the evaluation process
- Best and Final offers with revised pricing will be received May 23, 2022 when a final evaluation will take place

# Procurement Overview Electricity Supply

A recommendation with a not to exceed contract amount will be presented to the Board of Trustees for approval at the May 24, 2022 meeting.

# Questions/Comments

