

ORDINANCE NO. 05-39 AC CMS

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE POWER PURCHASE SCHEDULES WITH AMERICAN MUNICIPAL POWER – OHIO, INC. (AMP-OHIO), IN ORDER TO SELL THE MUNICIPALITY'S PROJECT SHARE OF THE CAPACITY AND ASSOCIATED ENERGY PURSUANT TO COMBUSTION TURBINE POWER SCHEDULE TO AMP-OHIO

WHEREAS, the City of Oberlin, Ohio (the "Municipality"), and AMP-Ohio, collectively referred as Parties, and individually referred to as Party, have entered into a Master Services Agreement dated _____, 2005, pursuant to which the provision of energy and other services between the Parties may be provided under Schedules thereto; and,

WHEREAS, Municipality and AMP-Ohio have entered into a Power Schedule dated _____, 2005, known as the Combustion Turbine Power Schedule (AMP-Ohio Contract # _____), wherein the Municipality has agreed to purchase 2,300 kW of energy and associated energy from AMP-Ohio; and,

WHEREAS, other AMP-Ohio member municipalities who are participants in the RHGS Project have also entered into a Combustion Turbine Power Schedule and have agreed, or will agree to sell their purchase of capacity and associated energy, either in part or in whole, to AMP-Ohio for the purposes of reserve power for the RHGS Project, and the Municipality as a participant in the RHGS Project supports the purchase of the Combustion Turbine Power by AMP-Ohio for the RHGS Project for the remaining term of the RHGS Project.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

SECTION 1. That the form of Power Purchase Schedule, RHCT1, attached hereto as Exhibit 1, be, and the same hereby is, approved, subject to and with any and all changes provided herein and therein.

SECTION 2. That the City Manager is hereby authorized and directed to execute the Power Purchases Schedules, RHCT1, on behalf of the Municipality.

SECTION 3. That it is hereby found and determined that all formal actions of the Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. If any section, subsection, paragraph, clause or provision or any part thereof of this ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this ordinance shall be unaffected by such adjudication and all the remaining provisions of this ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such validity, been included herein.

SECTION 5. That this ordinance shall take effect at the earliest date allowed by law.

PASSED: 1st Reading – June 6, 2005 (E)
2nd Reading –
3rd Reading –

ATTEST:



CLERK OF COUNCIL



PRESIDENT OF COUNCIL

POSTED: June 7, 2005

EFFECTIVE DATE: June 7, 2005



OBERLIN MUNICIPAL LIGHT AND POWER SYSTEM ♦ 289 SOUTH PROFESSOR STREET ♦ OBERLIN, OHIO 44074

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MEMORANDUM

To: Rob DiSpirito, City Manager
Re: AMP-Ohio Combustion Turbine Project
From: Steve Dupee, Electric Director
Date: September 23, 2005

Karen
05-73 replaced
05-39. We are
still waiting for
contract for 05-73
JEM

ORD 05-73AC
CJM

On June 6, 2005, City Council passed Ordinance # 05-38 authorizing an agreement with AMP-Ohio to purchase capacity and energy from the AMP-Ohio Combustion Turbine Project. To refresh your memory, the agreement would allow us to purchase energy and capacity from a 142 megawatt distributed generation project located in three (3) AMP-Ohio member communities. This distributive generation was purchased for pennies on the dollar from PG & E in 2003. We will use our share of the project to provide back-up power to the Richard H. Gorsuch Station.

To date, we have not executed this agreement with AMP-Ohio because AMP-Ohio had to make several changes to the agreement including:

- Increasing our capacity share of the project from 2,300 kilowatts to 2,600 kilowatts in order to accommodate a step up provision;
- Changing the term of agreement to 1/01/06 to 12/31/22 in order to accommodate finance payment terms of project;
- Providing the Operating Committee the option of extending term of agreement for successive one year periods at the actual cost of project once debt service is completed and;
- Determining final capacity allocations only when project is fully subscribed.

AMP-Ohio has notified me that these changes will require passage of a new ordinance. I have attached a new draft ordinance along with an updated Combustion Turbine Schedule (Exhibit 1). I am recommending passage of this ordinance since these changes do not adversely impact our participation in the project.

I would respectfully request that the attached ordinance be placed on the City Council agenda for October 3rd for emergency consideration. AMP-Ohio apologizes for the short notice as well as the last minute changes requiring us to pass a new ordinance. An AMP-Ohio representative will be available to answer any questions City Council may have.

In the meantime, if you have any questions, please let me know.

/sd