



VILLAGE OF DOBBS FERRY BOARD OF TRUSTEES AGENDA

MEETING DATE: MAY 10, 2022

AGENDA ITEM SECTION: DISCUSSION AND RESOLUTION ITEMS

AGENDA ITEM NO. : 7

AGENDA ITEM:

DISCUSSION: SUSTAINABLE WESTCHESTER POWER UPDATE

RESOLUTION: CONSIDER A RESOLUTION AUTHORIZING THE VILLAGE ADMINISTRATOR TO EXECUTE A REVISED MEMORANDUM OF AGREEMENT FOR EXTENSION OF THE 2021 ELECTRIC SERVICE AGREEMENT (ESA)

ITEM BACKUP DOCUMENTATION:

1. E-MAIL DATED APRIL 22, 2022 FROM DAN WELSH/PROGRAM DIRECTOR – WESTCHESTER POWER
2. MEMORANDUM OF UNDERSTANDING
3. DRAFT RESOLUTION

Liz Dreaper

From: Dan Welsh <dan@sustainablewestchester.org>
Sent: Friday, April 22, 2022 1:43 PM
To: Dan Welsh
Cc: Nina Orville; Nick Tedrow
Subject: Westchester Power Update and Action Required
Attachments: 2022 Westchester Power Con Ed Extension MOU Revised 20220422 - renewable.docx

[EXTERNAL] This email is from outside the Village of Dobbs Ferry - Please use caution when opening links and attachments!

Dear Westchester Power Chief Electeds & Admins:

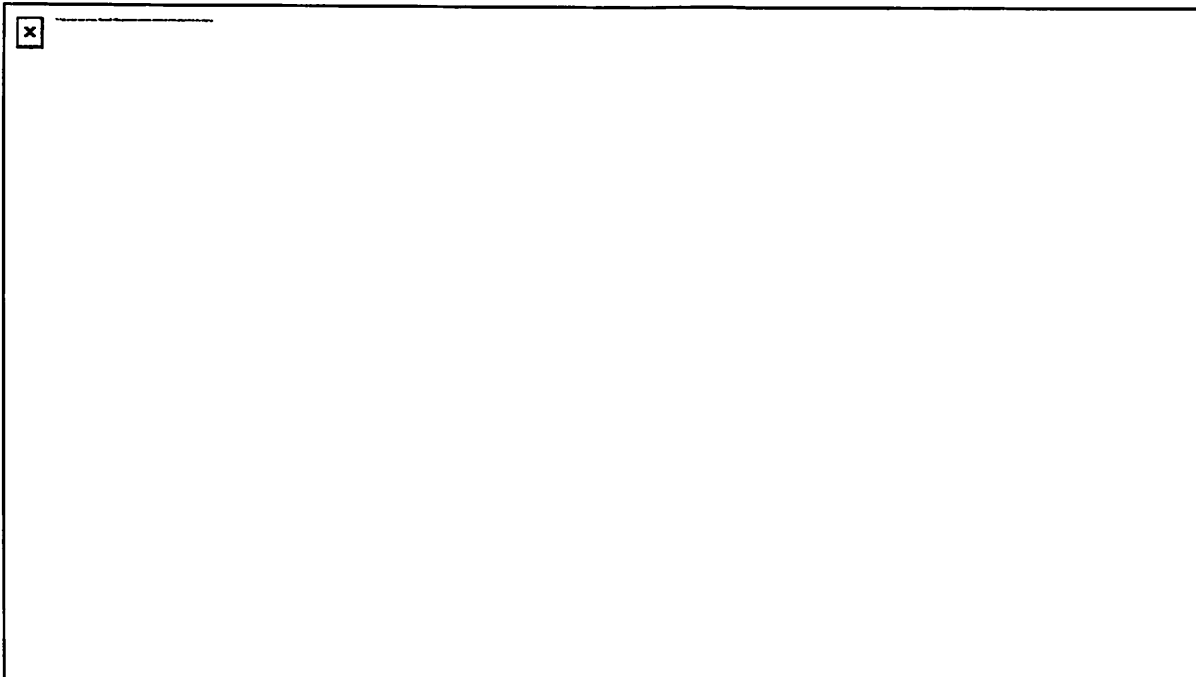
We had hoped to be reporting a contract extension award made and alerting you all to impending digital contract signings. Unfortunately the energy market has continued its volatility as we collected the last MOUs. As seen in the chart below, the bids hit a high of almost 15 cents, significantly beyond our price-not-to-exceed target of 12.5 cents,

Summary: 100% renewable (supply + RECs) cents/kilowatt-hour prices					
Bid #	Pricing Date	3 Mo	4 Mo	5 Mo	6Mo
1	3/23/2022	11.64		11.76	
2	3/30/2022	11.64		12.13	
3	4/5/2022		12.86	13.08	14.01
4	4/6/2022		13.29	13.5	
5	4/19/2022		14.99		

We are checking day by day for favorable movement that would bring rates down into range however we have been advised that the market pricing is not likely to come down to our original price-not-to-exceed level. For this reason, we are requesting a revised MOU from each municipality with a new **price-not-to-exceed 13.9 cents** (please see attached).

This higher price-not-to-exceed would provide more flexibility and increase the likelihood of continuity of service in the program while still allowing us to try to take advantage of any downturn in market pricing over the next two weeks.

As we have noted, high natural gas prices are driving the market. The news continues to suggest nothing but upward pressure, but there can be movements within the larger pattern that might offer opportunities. There has been a modest downturn from a very extreme high in gas prices recently, as you can see in the graph below.



To increase the likelihood of program continuity, we are submitting to you an updated MOU with a new price-not-to-exceed that gives us a better chance to reach an extension contract with no disruption in the program.

Switching over to this alternative plan and staying on schedule would require that actions be taken within a tight timeframe, with **all modified MOUs executed by May 5**. Looking at municipal schedules as posted, it appears that all but perhaps one participating municipality will have meetings between now and then and we ask that action be taken at the first available opportunity.

If, during this period while municipalities are taking action on the revised MOU and before they are all executed, market movements bring prices down within our original price-not-to-exceed, we are prepared to execute on the original MOU immediately. Assuming that doesn't happen, we would then be positioned with this backup.

We feel that this backup mechanism is prudent and provides the best route to maintaining program momentum and carrying us through to our next, enhanced auction event. There still would not be a guarantee of market rates being within this new target of course, but our chances improve. The proposed new price not to exceed is higher of course versus past rates, but currently ESCO renewable rates are tracking into the 15 cent range and of course there is no guarantee that residents will fare better with Con Ed in these turbulent times. As always, residents will have the option of changing to the standard (non-renewable) supply or exiting the program.

Because the timing for this approach is so compressed, we would like to ask you all to confirm your support for taking the MOU with the proposed **13.9 cent not-to-exceed rate** to your board. We anticipate that it won't be necessary for us to return to your boards to make presentations and that we can instead provide concise information to share with the boards, but if that is not the case, please let us know as well so that we can plan to join you.

We are scheduling two zoom sessions to provide opportunities to ask questions and discuss these plans. Please put the one of these on your calendar:

Session 1: Monday, April 25, 12 Noon. Zoom: <https://us02web.zoom.us/j/87353829490> or <https://tinyurl.com/ContractExtensionUpdate1>


Session 2: Wednesday, April 27, 7:00 PM. Zoom: <https://us02web.zoom.us/j/85024416592> or <https://tinyurl.com/ContractExtensionUpdate2>

As always, let us know if you have questions - email or phone us as you find convenient. We will of course update you all as things progress, or if there are any changes.

Thanks for your attention and support,

Attached: Revised MOU with appropriate default product for your municipality pre-selected in 5a.

Dan Welsh
Program Director
Westchester Power
A Program of Sustainable Westchester
914-242-4725

 Con Ed Customers: Earn cash for saving electricity with [GridRewards!](#) Average households can earn around \$100/year by reducing electricity at peak times. [Sign up today to participate this summer!](#) 🕶️

MEMORANDUM OF UNDERSTANDING
For
Participation in the Short-Term Westchester Power Extension Contract
For Communities in the Con Edison Service Territory

This Memorandum of Understanding is entered into by and between:

Sustainable Westchester, Inc., a New York non-profit corporation (“Sustainable Westchester”), and the City / Town / Village of _____ (the “Municipality”), a local government member of Sustainable Westchester (each a “Party” and collectively, the “Parties”).

1. Background:

- a. In February 2015, the New York Public Service Commission (“PSC”) issued an Order for Case 14-M-0564 as follows: “The Petition of Sustainable Westchester is granted to the extent that its municipal members are authorized to undertake a Community Choice Aggregation demonstration project consistent with the discussion in the body of this Order...”
- b. The PSC subsequently issued an Order for Case 14-M-0224 on April 21, 2016, which authorized Community Choice Aggregation (“CCA”) throughout New York State (the “CCA Order”) and on November 15, 2018 issued the “Order Approving Renewal of the Sustainable Westchester Community Choice Aggregation Program” reauthorizing the Sustainable Westchester CCA program under a Master Implementation Plan.
- c. Sustainable Westchester’s CCA Program enrolled Participating Customers from an initial group of 20 participating municipalities in April 2016. Since then, nine additional municipalities have joined and several other municipalities are actively working towards participation.
- d. For participating municipalities in the Con Edison utility territory, the current Electric Service Agreement for the Sustainable Westchester CCA Program will terminate on the first meter read date after June 30, 2022
- e. In compliance with the PSC CCA Orders, the Municipality has adopted local legislation to enable Community Choice Aggregation.
- f. As a member of Sustainable Westchester in good standing and participant in the Sustainable Westchester CCA Program, the Municipality wishes to continue to engage the services of Sustainable Westchester as the Program Manager for Community Choice Aggregation for the Operation and Maintenance of the Program.

2. Definitions:

- a. **2021 ESA:** The ESA which implemented the Sustainable Westchester CCA Program during the period from January 1, 2021 to the first meter read date after June 30, 2022.
- b. **2022 Extension ESA:** The ESA which will implement Sustainable Westchester CCA Program commencing on the first meter read date after July 1, 2022 for the Con Edison service territory. The 2022 Extension ESA shall have substantially the same terms outlined in the attached 2022 Extension ESA Template (Attached as Exhibit 1) and shall have a term of no longer than six months. The 2022 Extension ESA

Template sets out the new prices and terms, as well as any items which require clarification in the context of the extension

- c. **CCA Orders:** Collectively, the February 26, 2015 “Order Granting Petition in Part” issued by the PSC in Case 14-M-0564; the April 21, 2016 “Order Authorizing Framework for Community Choice Aggregation Opt-out Program” issued by the PSC in Case 14-M-0224 (the “CCA Framework Order”), which sets forth the requirements, terms, and conditions under which CCA programs can proceed through implementation; and the November 15, 2018 “Order Approving Renewal of the Sustainable Westchester Community Choice Aggregation Program” issued by the PSC in Case 14-M-0564, which reauthorizes the Sustainable Westchester CCA program under a Master Implementation Plan.
- d. **Community Choice Aggregation Program or CCA Program or Program–** A municipal energy procurement program, which replaces the incumbent utility as the default supplier for all Eligible Consumers within the Participating Municipality, as defined in the PSC CCA Orders.
- e. **Competitive Supplier:** An entity duly authorized to conduct business in the State of New York as an energy service company (“ESCO”) that procures electric power for Eligible Consumers in connection with this CCA Program.
- f. **Compliant Offer:** Electric power supply offer from a Competitive Supplier that meets the requirements specified in this MOU and the 2022 Extension ESA. A Compliant Offer price must be inclusive of fees owed to Program Manager and be less than:
 - i. Residential accounts: 13.90 cents/kwh;
 - ii. Small commercial accounts: 13.90 cents/kwh
- g. **Default Product:** The product selected by the Municipality for supply to its Eligible Consumers upon enrollment, unless they take action to select a different product or opt out.
- h. **Distribution Utility:** Owner or controller of the means of distribution of the natural gas or electricity that is regulated by the Public Service Commission in the Participating Municipality.
- i. **Electric Service Agreement (“ESA”):** An agreement that implements a CCA Program and contains all the terms and conditions of the Program.
- j. **Eligible Consumers** – Residential and small commercial consumers of electricity who have been served by the program under the 2021 ESA and have not opted out. For the avoidance of doubt, all Eligible Consumers must reside or be otherwise located at one or more locations within the geographic boundaries of the Municipality, as such boundaries exist on the Effective Date of the 2021 ESA. the 2022 Extension ESA.
- k. **Participating Municipality:** A dues-paying municipal member of Sustainable Westchester, which has adopted the applicable local legislation for the Community Choice Aggregation Program.
- l. **Participating Customers:** Eligible Consumers enrolled in the Program, including Opt-out Eligible Consumers who have been enrolled subsequent to the opt-out process and other customers who have opted in.
- m. **Program Manager:** Sustainable Westchester, a non-profit corporation of which the Participating Municipality is a member.

- n. **Public Service Commission (“PSC”)**: The New York State Public Service Commission or the New York State Department of Public Service acting as staff on behalf of the Public Service Commission.
 - o. **Qualifications Review**: A verification of the status of the Competitive Supplier as an electricity supplier in the Distribution Utility’s service territory. A precondition for attaining such status is that Competitive Supplier has met the credit requirements established by the New York Independent Systems Operator.
3. **Purpose**: The purpose of the Memorandum of Understanding is as follows:
- a. To establish participation by **The Municipality (hereafter, the “Participating Municipality”)** in a Community Choice Aggregation Program (hereafter, the “Program”) that will be managed on its behalf by **Sustainable Westchester, (hereafter, the “Program Manager”)** under the 2022 Extension ESA.
 - b. To affirm that the Participating Municipality and Program Manager agree to adhere to the terms and conditions of the 2022 Extension ESA in the event they execute it.
 - c. To affirm that the Participating Municipality and Program Manager agree to execute the 2022 Extension ESA, subject to the conditions of review and approval outlined in 4(c) and 5(a), below.
4. **Roles and responsibilities of the Program Manager**: As Program Manager, Sustainable Westchester agrees to perform all duties outlined in the 2022 Extension ESA and, prior to execution of that agreement, Program Manager agrees to:
- a. Provide the involved agencies and parties to the PSC CCA Orders, including, but not limited to, the Public Service Commission and Distribution Utility, requested information about and documentation of the actions undertaken by the Participating Municipality in furtherance of enabling participation in the Program;
 - b. Manage the contract extension process including:
 - i. the collection of indicative pricing and other inputs against which to evaluate the 2022 Extension ESA offers,
 - ii. the preparation of the 2022 Extension ESA,
 - iii. the acceptance, secure opening, and review of the indicative pricing and 2022 Extension ESA offers, and
 - iv. the organization of the Qualifications Review, offer evaluation, and selection of a Competitive Supplier, all in a manner that is transparent to the Participating Municipality and firms seeking to be the Competitive Supplier;
 - c. Sign the 2022 Extension ESA in a timely fashion subject to the conditions that:
 - i. the Competitive Supplier is deemed qualified for the duration of the 2022 Extension ESA by the Qualifications Review, and
 - ii. such Competitive Supplier’s offer is deemed by the Program Manager to be a Compliant Offer as defined in Section 2 above.
 - d. Fulfill any other responsibilities as may reasonably adhere to facilitating the implementation of the Program, subject to the Program Manager’s inherent and original role as an organization driven by the deliberated priorities of its constituent member municipalities.
5. **Roles and responsibilities of the Participating Municipality**: The Participating Municipality agrees to:

- a. Sign the 2022 Extension ESA, selecting the 100% Renewable Clean Power Product as the Default Product for its Eligible Consumers, in a timely fashion, subject to the conditions that:
 - i. the Competitive Supplier is deemed qualified for the duration of the 2022 Extension ESA by the Qualifications Review, and
 - ii. such Competitive Supplier's offer is deemed by the Program Manager to be a Compliant Offer as defined in Section 2 above.
6. **Term and Termination:** Memorandum of Understanding shall expire on the earlier of June 30, 2022 or the date on which the 2022 Extension ESA is signed by the Participating Municipality, the Program Manager, and the selected Competitive Supplier. Participating Municipality shall have the right to terminate this Memorandum of Understanding for any of the reasons set forth in the Termination section of the 2021 ESA attached hereto as Exhibit 2.

IN WITNESSETH WHEREOF, the Parties have signed this MEMORANDUM OF UNDERSTANDING on the day and year appearing below their respective signatures.

City/Town/Village of _____

Authorized Official Name and Title: _____

Signature: _____

Address: _____

Telephone(s): _____

E-Mail Address: _____

Address for Notices: _____

Sustainable Westchester, Inc.

Authorized Official Name and Title: Nina Orville, Executive Director

Signature: _____

Address: 40 Green Street, Mount Kisco, NY 10549

Telephone(s): (914) 242-4725

E-Mail Address: nina@sustainablewestchester.org

Address for Notices: 40 Green Street, Mount Kisco, NY 10549

Attachments: Exhibit 1, 2022 Extension ESA Template
Exhibit 2, 2021 ESA



VILLAGE OF DOBBS FERRY
112 Main Street
Dobbs Ferry, New York 10522
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RESOLUTION -2022

**RESOLUTION OF THE VILLAGE OF DOBBS FERRY BOARD OF TRUSTEES TO
AUTHORIZE VILLAGE ADMINISTRATOR TO EXECUTE REVISED MEMORANDUM OF
AGREEMENT FOR EXTENSION OF 2021 ESA**

WHEREAS, on April 12, 2022, the Board of Trustees of the Village of Dobbs Ferry passed a resolution authorizing the Village Administrator to execute a Memorandum of Understanding with Sustainable Westchester and any other documentation committing the Village to participate in a short-term extension of the 2021 Competitive Electric Service Agreement (2021 ESA) which otherwise will expire on June 30, 2022; and

WHEREAS, that MOU required a "Compliant Offer" price "must be inclusive of fees owed to Program Manager and be less than i) Residential accounts: 12.50 cents/kwh; ii) Small commercial accounts: 12.50 cents/kwh"; and

WHEREAS, given the volatility of the energy market, Sustainable Westchester has now requested a revised MOU with a new "Compliant Offer price to be less than i) Residential accounts: 13.90 cents/kwh; ii) Small commercial accounts: 13.90 cents/kwh.

THEREFORE, BE IT RESOLVED that the Dobbs Ferry Board of Trustees does hereby authorize the Village Administrator to execute the revised Memorandum of Understanding with Sustainable Westchester and any other documentation in connection with the short term extension of the 2021 ESA, both in form and substance acceptable to the Village Attorney.