

# Greater Cleveland Regional Transit Authority

## Summary of Proposed Award Electricity Supply

Presented to : Finance Committee  
April 5, 2016

Greater Cleveland Regional Transit Authority



# Project Overview

## Electricity Supply Procurement

- Electricity major component of budget
  - 2016 budget \$6,725,000
    - Propulsion Power – 52%
    - Facilities – 48%

# Project Overview

## Electricity Supply Procurement

### ■ Budgeted Cost per Utility/Other

• CEI (Direct Energy)	\$5,331,000	-	79.3%
• CPP (04/2020)	\$768,000	-	11.4%
• Other (non-contracted)	<u>\$626,000</u>	-	<u>9.3%</u>
Total	\$6,725,000	-	100.0%



# Project Overview

## Electricity Supply Procurement

### ■ History

- Prior to deregulation – Electricity sole sourced from Utility
- June 2009 – Ohio's Electric Market was opened for competition
  - Distribution – Utility
  - Electricity – Utility or Supplier

# Project Overview

## Electricity Supply Procurement

- Since deregulation, 3 Electricity Supply RFPs
  - Jan 10 to Jun 11 – Price decrease from \$.069 to \$.053
  - Jun 11 to Jun 14 - Price decrease from \$.053 to \$.049
  - Jun 14 to Jun 17 - Slight price increase of \$.049 to \$.050

# Project Overview

## Electricity Supply Procurement

<u>Actual Expense</u>	<u>Exp Savings vs 2009</u>
• 2009 – \$8.1 M	
• 2010 - \$6.9 M	\$1.2 M
• 2011 - \$5.0 M	\$3.1 M
• 2012 - \$4.7 M	\$3.4 M
• 2013 - \$5.3 M	\$2.8 M
• 2014 - \$5.3 M	\$2.8 M
• 2015 - \$5.4 M	<u>\$2.7 M</u>
Total	\$16.0 M



# Project Overview

## Electricity Supply Procurement

- Cumulative savings obtained 2010-2015
  - Energy management
  - “Shopping” for electricity
  - Energy efficiency projects
- Offset by
  - Utility price increases
  - Weather driven usage

# Project Overview

## Electricity Supply Procurement

- Current Electrical Supply Prices
  - Potentially as low as \$0.05
- Procurement Objective – Stabilize and control electrical supply costs through June 2019



# Procurement Overview

## Electricity Supply Procurement

- RFP issued February 29, 2016
- Proposals Due March 30, 2016
- 19 interested parties downloaded the solicitation from the website
- 7 firms submitted proposals

# Procurement Overview

## Electricity Supply Procurement

- Evaluation Panel Members
  - Accounting
  - Engineering
  - Legal
  - Office of Management & Budget
  - Procurement
  - Brakey Energy (consultant)

# Procurement Overview

## Electricity Supply Procurement

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



# Procurement Overview

## Electricity Supply Procurement

- 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 April 25, 2016 when a final evaluation will take place

# Procurement Overview

## Electricity Supply Procurement

- A recommendation with a not to exceed contract amount will be taken to the April 26, 2016 Board Meeting for approval