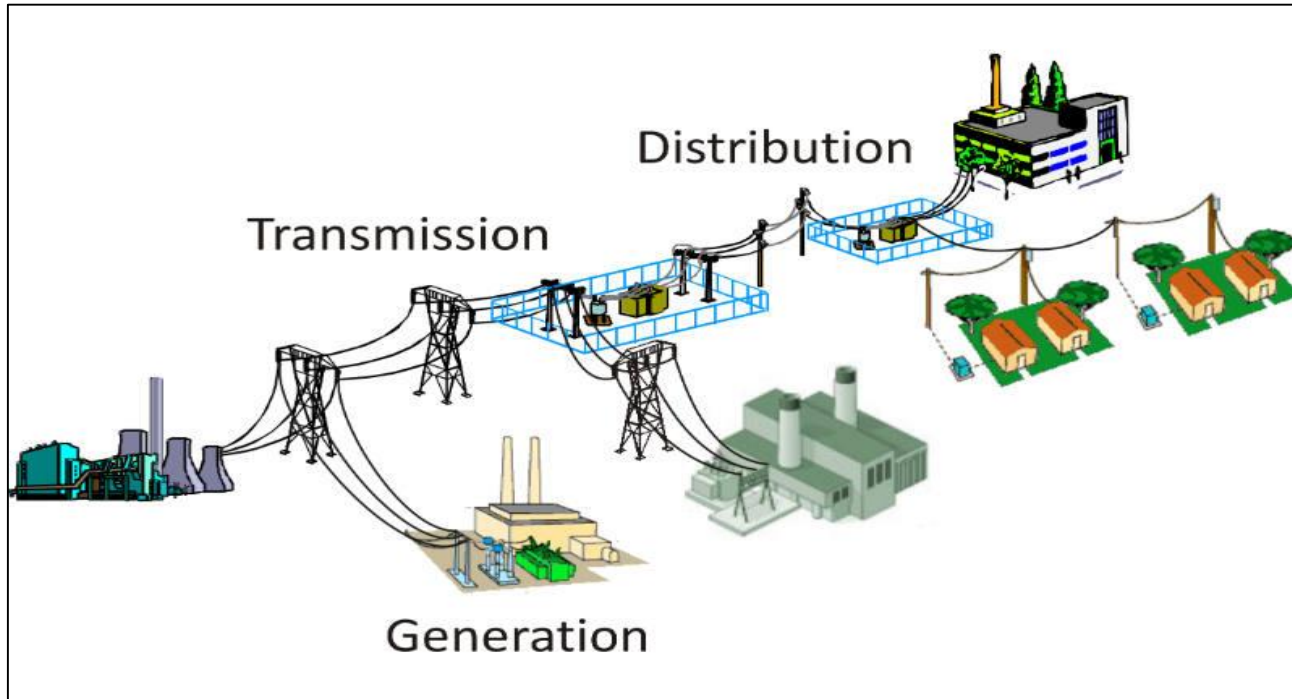


New Electricity Supply Program

Commission Meeting
March 20, 2019

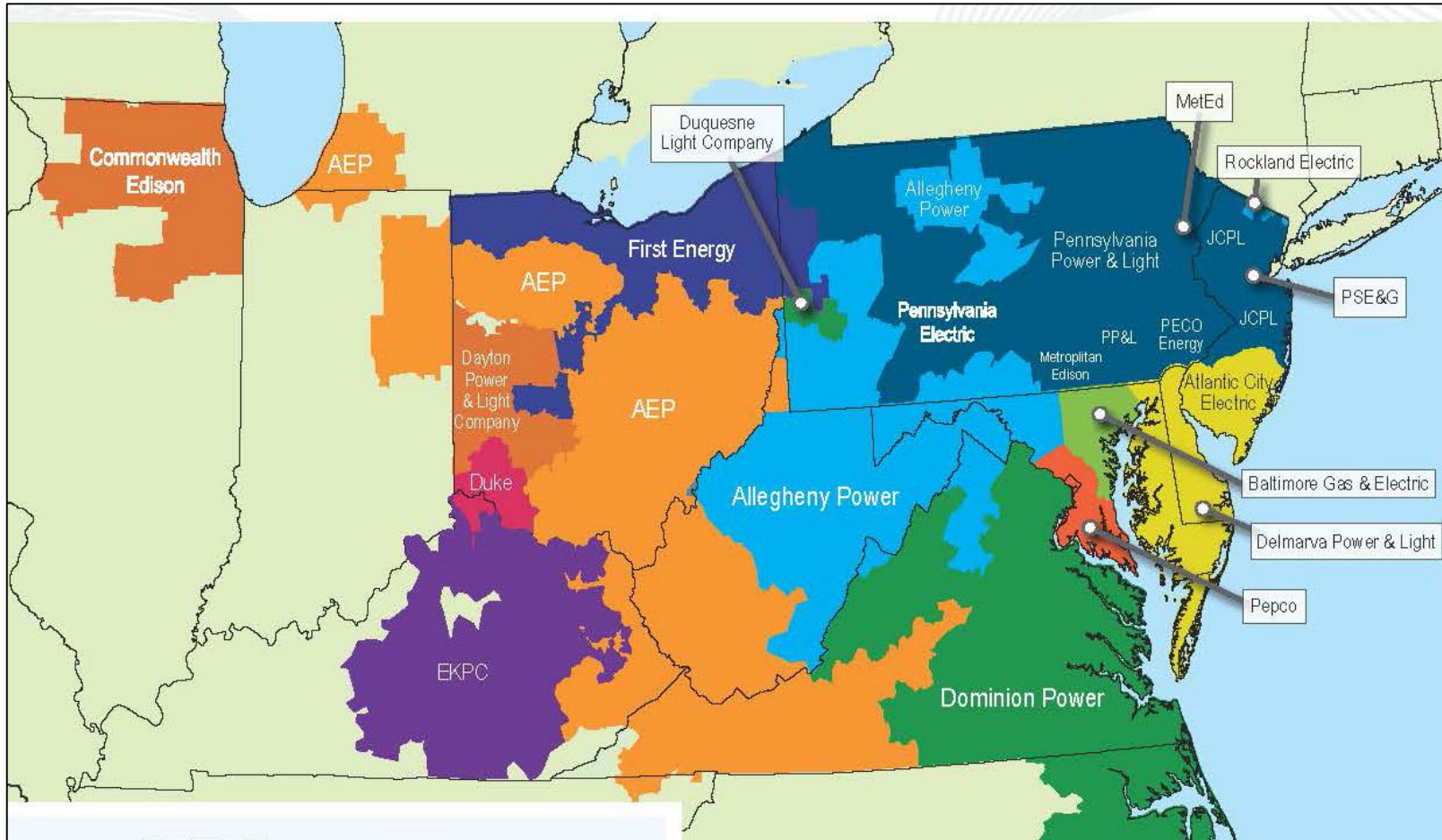
Electricity Market



Supply = Generation + Transmission

Energy Generation & Transmission

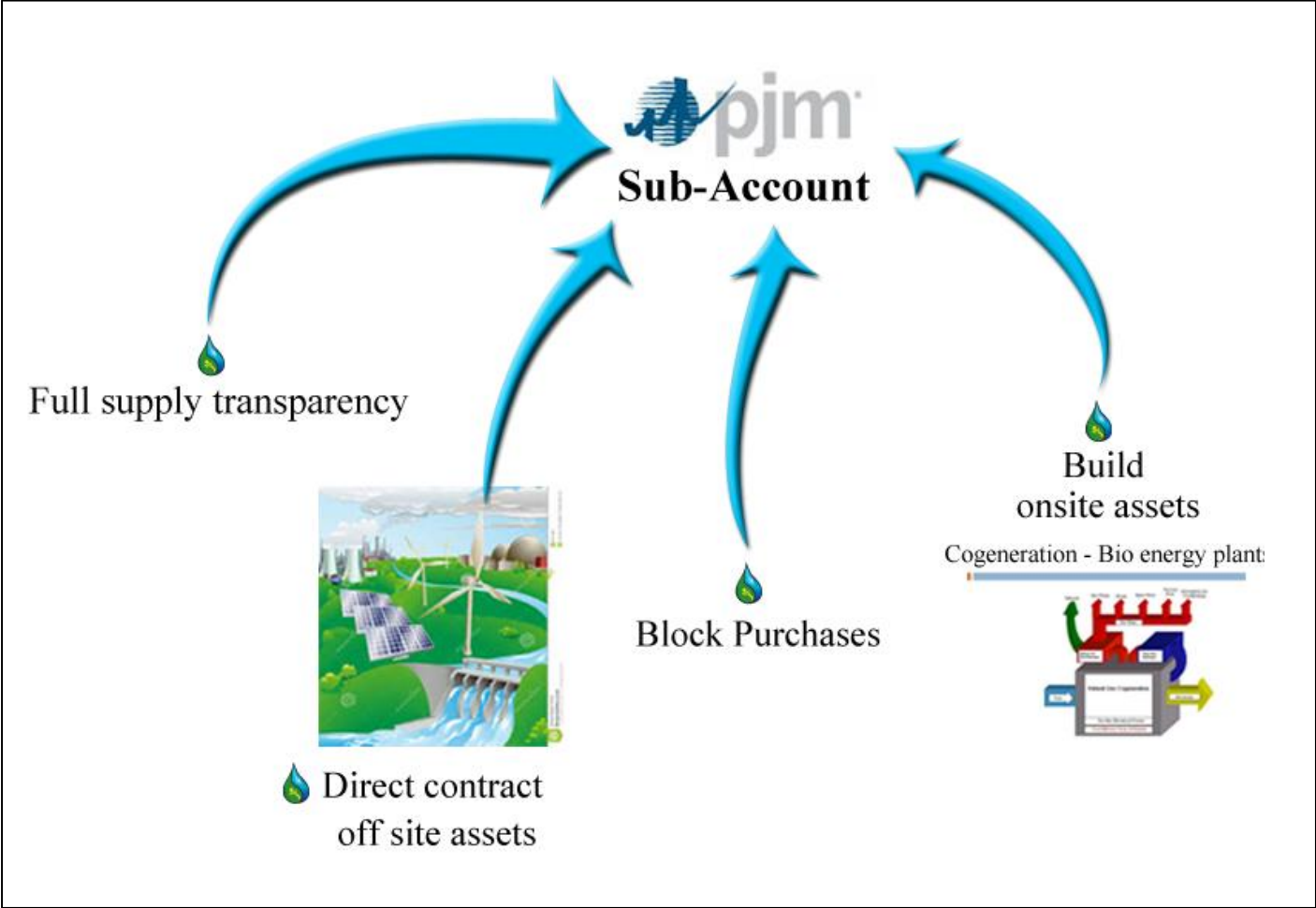
PJM Grid



Electricity Supply Procurement – WSSC History

- ▶ Fixed Price – Retail (2000 – 2004)
 - \$/kWh all inclusive price per account
 - Includes consumption & capacity, all other charges
 - No flexibility
- ▶ Block & Index– Retail (2004 – 2019)
 - \$/kWh on PJM Hourly Market
 - \$/MW blocks for yearly, seasonal periods
- ▶ PJM Sub–Account – Wholesale (2019 – 2024)
 - Similar to Block & Index w/o retail markup
 - Offers more flexibility

Benefits of PJM Sub-Account

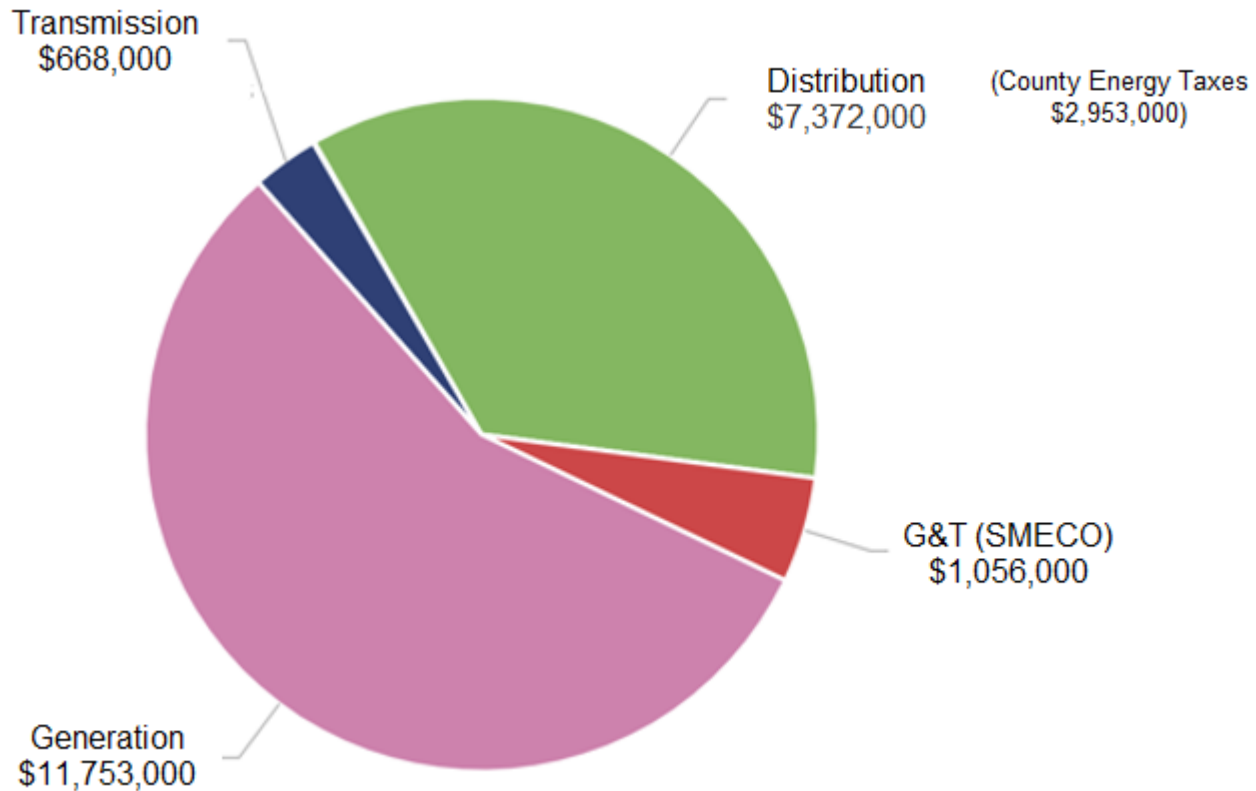


Existing Electricity Retail Supply Contract

- ▶ Supplier is Constellation Energy
- ▶ Expires 6/30/19
- ▶ Contract cost = fee (\$.00432/kWh) + wholesale cost of electricity
- ▶ Wholesale cost= spot market (hourly) + capacity + blocks (bid)
- ▶ Advice on timing and size of block purchasing & market conditions

WSSC FY'18 Electricity Cost Breakdown

Total Cost = \$20,849,000



New Electricity Wholesale Supply Contract

- ▶ PJM Account Holder
- ▶ WSSC becomes PJM Sub-Account Holder
- ▶ Contract begins 7/1/19
- ▶ Contract period is 5 years + 5 (1) year options
- ▶ Contract cost = flat fee/year + wholesale cost of electricity
- ▶ Wholesale cost = spot market (hourly) + capacity + blocks (bid)
- ▶ WSSC (and consultants) decide on timing and size of block
- ▶ Projected cost/yr. of wholesale supply = \$12,000,000
- ▶ **Projected savings vs existing contract = \$700,000/yr.**

New Electricity Wholesale Supply Contract

- ▶ Contract advertised 11/19/18 as Invitation for Bid
- ▶ 3 proposals received on 1/7/19
- ▶ Contract being finalized with successful offer

Other Jurisdictions with Wholesale Supply (PJM Sub-Account) Contracts

- ▶ Montgomery County Public Schools
- ▶ Montgomery County Government (starting 2021)
- ▶ State of Maryland/University System
- ▶ Univ. of Maryland Medical System
- ▶ Baltimore Regional Cooperative Purchasing Committee
- ▶ Johns Hopkins Health Systems
- ▶ U.S. General Services Administration
- ▶ City of Philadelphia
- ▶ Georgetown University
- ▶ U.S. Postal Service

Questions





COMMISSION PACKAGE

ACTION REQUESTED:

Purpose of Commission Package: Request approval to award Contract No. 16009 for Electric Supply and Service to Direct Energy Business, LLC, with a not to exceed amount of \$56,000,000.00, for a five (5) year base term, and 5, one-year options, if exercised by the Commission.

Basis of Award: This solicitation is being awarded to the lowest, most responsible and responsive bidder.

PROJECT OVERVIEW:

The scope of this project consists of the following: The engagement of an appropriately licensed electric supplier to work with WSSC and its energy advisor in implementing its energy policy and procurement strategy. The agreement is structured as a Cost + Fee arrangement, whereby, the electric supplier will pass-through all direct market costs of serving WSSC's electric load, including PJM wholesale market, block or generation purchases, utility service and regulatory fees, as applicable.

CONTRACT DATA:

CONTRACT NO. :	16009	CUMULATIVE CONTRACT AMOUNT:	\$56,000,000.00
CONTRACT TERM:	5 YRS.	CONTRACT TYPE:	GOODS AND SERVICES
PROCUREMENT TYPE:	MULTI-STEP IFB	OPTION TERM:	N/A
PROJECT LOCATION:	<input type="checkbox"/> MONTGOMERY COUNTY <input type="checkbox"/> PRINCE GEORGE'S COUNTY <input checked="" type="checkbox"/> BOTH	OSDI CONCURRENCE:	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

AWARDEE INFORMATION:

AWARDEE:	DIRECT ENERGY BUSINESS, LLC
CONTRACT AMOUNT:	\$56,000,000.00
PAST PERFORMANCE:	<input type="checkbox"/> SATISFACTORY <input checked="" type="checkbox"/> NO PAST PERFORMANCE

MBE/SLBE REQUIREMENT: 0% SUBCONTRACTING REQUIREMENT

- | | | |
|--|---|---|
| <input type="checkbox"/> AFRICAN AMERICAN | <input type="checkbox"/> ASIAN AMERICAN | <input type="checkbox"/> NATIVE AMERICAN |
| <input type="checkbox"/> HISPANIC AMERICAN | <input type="checkbox"/> WOMEN OWNED | <input type="checkbox"/> WSSC-SLBE APPROVED |

STATEMENT OF DETERMINATION AND FINDINGS

BASED UPON A THOROUGH REVIEW AND ANALYSIS OF THE CONTRACTOR'S PROPOSAL AND ALL OTHER SUPPORTING DOCUMENTATION SUBMITTED BY THE CONTRACTOR, AND IN CONJUNCTION WITH THE DUE DILIGENCE PERFORMED BY THE PROCUREMENT OFFICE, I CERTIFY THAT THE AWARD OF CONTRACT NO. 16009 IS RELEVANT, FAIR AND REASONABLE, AND IN THE BEST INTEREST OF THE COMMISSION. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL APPLICABLE REGULATORY AND STATUTORY PROVISIONS WERE ADHERED TO WHEN DETERMINING AWARD.

KEVIN BELLAMY BUYER INITIALS KB

Legal Form and Sufficiency Review

This contract has been reviewed and approved for legal form and sufficiency by the General Counsel's Office:



General Counsel's Office

Or

The Procurement Office has notified the General Counsel's office that this is a standard form contract previously approved for legal form and sufficiency by the General Counsel's Office and there are no deviations from the standard form:

General Counsel's Office

COMMITTEE REVIEW & APPROVAL



J. C. Langley
Production Director

2/28/19

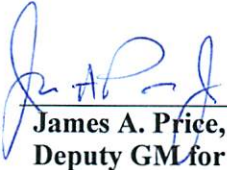
Date

*Dakota & Jackson signing
on behalf of Acting Chief
Procurement Officer*

Caprecia M. Poole-Williams
Acting Chief Procurement
Officer

2/28/19

Date



James A. Price, Jr.
Deputy GM for Operations

3/1/19

Date



Carla A. Reid
General Manager/CEO

03/05/19

Date

- This is to certify that the Washington Suburban Sanitary Commission on this date voted to approve the above action.
- This is to certify that the Washington Suburban Sanitary Commission on this date voted to approve the above action with the following stipulations:

- This is to certify that the Washington Suburban Sanitary Commission on this date voted not to approve the above action.

COMMISSION / _____
Date

BID TABULATION




**Washington Suburban
Sanitary Commission**

SOLICITATION:	16009	DATE: TIME: LOCATION:	01/07/19
TITLE:	Electric Supply and Service		
		RECORDED BY:	Kevin Bellamy

	NAME OF BIDDER	BID AMOUNT
1.	Constellation Energy	Non-Responsive
2.	Direct Energy	\$120,000 0%
3.	WGL Energy Services	\$265,000 1%
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WASHINGTON SUBURBAN SANITARY COMMISSION
Interoffice Memorandum

TO: DISTRIBUTION

FROM: CAPRECIA POOLE-WILLIAMS
ACTING CHIEF PROCUREMENT OFFICER 

DATE: FEBRUARY 26, 2019

SUBJECT: DELEGATION OF AUTHORITY

I will be away from the office beginning February 27, 2019 and will return to the office on March 4, 2019. During my absence, delegation of authority has been assigned to Mrs. Debbie Jackson who can be reached on x8880. Please provide Debbie with sufficient information and supporting documentation for all approvals.

/cpw

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