



COMMISSION SUMMARY

AGENDA CATEGORY: Other Reports, D. General Services

ITEM NUMBER: 1

DATE: January 15, 2020

SUBJECT	Wind Power Procurement
SUMMARY	The purpose for this item is to provide the Commissioners with information relating to the <i>Wind Power Procurement in 2020</i> .
SPECIAL COMMENTS	
CONTRACT NO./ REFERENCE NO.	N/A
COSTS	N/A
AMENDMENT/ CHANGE ORDER NO. AMOUNT	N/A
MBE PARTICIPATION	N/A
PRIOR STAFF/ COMMITTEE REVIEW	N/A
PRIOR STAFF/ COMMITTEE APPROVALS	
RECOMMENDATION TO COMMISSION	N/A
COMMISSION ACTION	N/A



Briefing on Wind Power Procurement

January 15, 2020

Agenda

- Rationale for Wind Power at WSSC Water
- Wind Contract Terms: Previous vs. New
- Why 10 Years?
- Status of New Wind Power Contract
- Questions



Rationale for Wind Power at WSSC Water

- Need renewable wind power to help meet our Greenhouse Gas reduction goal of 60% by 2035
- Currently, energy suppliers are required to provide 10% green energy
- Comply with MD Clean Energy Jobs Act (2019) SB 516:
 - 50% green energy required by 2028
 - 14.5% solar
 - 2.5% for offshore wind
 - 33% for other green resources

Wind Contract Terms: Previous vs. New

	Previous Wind Contract	New Wind Contract
Purchased From	Constellation Energy	Directly from wind farm (wholesale)
% of WSSC Water annual energy consumption purchased	33%	33%
Kilowatt-hours (kWh) Per Year	70,000,000	70,000,000
Contract Term	10 years (2008 – 2017)	10 Years (2020 – 2030)
Cost per kWh	\$.064 fixed	\$.043 fixed
Total Cost	\$44.8 million	\$30 million
Renewable Energy Credits (RECs)	Included	Included

Nearly \$15 million savings compared to previous contract

Why 10 Years?

- Standard term for wholesale wind power
- WSSC Water receives better price with long-term contract
- Price is fixed for 10 years
- Price is competitive now with conventional power
- Conventional power rates expected to increase over the next 10 years
- RECs are projected to increase in price as a result of SB 516



Status of New Wind Power Contract

- **Advertised RFP** September 20, 2019
- **Proposals received** October 2, 2019
- **Evaluation Committee** October 22, 2019
- **Negotiating Terms & Conditions** Current
- **Commission approval** February 19, 2020

