

**ROCHELLE CITY COUNCIL  
AGENDA ITEM MEMO  
REGULAR MEETING**

**SUBJECT:** Ordinance waiving competitive bidding for a power purchase agreement.

**Staff Contact:** Jeff Fiegenschuh City Manager, Blake Toliver Supt. Of Electric Operations

**Summary:** Based on discussion and recommendations from our marketing firm IMPA, Rochelle has a 7x24 5MW need for December '22 and January '23, and an Off Peak 5MW need for February '23 and March '23. With current long-term pricing uncertainties, a short-term contract is recommended. We would like to procure this contract to provide pricing stability for our rate payers in this volatile market.

**Current Market Pricing**

	<b>7x24</b>	<b>Off Peak</b>
Dec-22	\$ 65.72	
Jan-23	\$ 85.92	
Feb-23		\$ 73.47
Mar-23		\$ 50.55

IMPA expects the following pricing for the actual purchase to account for the bid/ask spread and any transactional premiums.

<b>Expected Pricing</b>		
	<b>7x24</b>	<b>Off Peak</b>
Dec-22	\$ 75.00	
Jan-23	\$ 96.00	
Feb-23		\$ 85.00
Mar-23		\$ 60.00

Using the expected pricing with the recommended quantities, these are the total costs.

	<b>7x24</b>	<b>Off Peak</b>
Dec-22	\$ 279,000	
Jan-23	\$ 357,120	
Feb-23		\$ 149,600
Mar-23		\$ 112,800
Total Cost		\$ 898,520

**Funding Sources:**

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Admin Funds		

**Strategic Plan Goal Application:**      Core Service Delivery

**Recommendation:**      Approve an Ordinance waiving competitive bidding and authorizing the city manager to enter into a power purchase agreement.