

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

SUBJECT: Sale of Renewable Energy Credits

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: Rochelle Municipal Utilities accumulates Renewable Energy Credits (RECs) at the solar arrays at the Wastewater Treatment Plant and the Village of Hillcrest. Per an agreement with Rochelle Waste Disposal, RMU is also entitled to the RECs produced at the Rochelle Energy Center at the landfill. RECs can generate revenue by being sold to companies seeking to lower their emissions footprint. Staff has met with Engie Energy Market NA Inc. to formalize an agreement to sell the RECs generated from June 1, 2022 through May 30, 2024 at a rate of \$12 per solar REC and \$14 per methane REC. The contract with the current buyer has expired. The new contract is estimated to generate an annual revenue of \$270,000 which is 3x the revenue of our expired contract. Under the previous agreement we generated approximately \$75,000 annually in revenue so the new contract will realize an increase of approximately \$200,000 in new revenues for the electric utility. In previous years, the revenues have been utilized to fund the income assistance program.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application: Maintain Fiscal Stability & Balanced Budget – Short Term Routine

Recommendation: Approve the Ordinance for the Sale of the Renewable Energy Credits