

From: Colleen Heinrich <cwheinrich@ferrarafirm.com>
Date: May 19, 2016 at 11:03:02 AM EDT
To: Susan Johns <stjohns@ferrarafirm.com>
Subject: Electricity Purchase Agreement

Susan,

I am attaching a resolution should the districts want to pursue the EPA since they are supposed to make the decision this week. I have watered down the commitment. The problem is that the districts are also committing to the terms and conditions of each underlying Power Purchase Agreement. I have just received two of the ones being considered and I expect there will be several more. To be truthful we just do not have enough time to fully understand all of this by the deadline put in place. Nonetheless, the districts should be aware that changing their mind after they commit does not relieve them of obligations under any PPA that is in existence and entered into by the Consortium. Each is a pass through obligation. These PPAs have at least 20 year terms. Additionally, there will be a penalty for withdrawal from the Consortium, however what that is has not even been set. The description of what is being offered, clean energy credits which will come directly off of their energy bill, is very appealing. The problem is that we do not know how this will actually work 3-5, 5-10 or 10-20 years down the road. My concern is that the energy market is very fluid and the district's need to be aware that this appears to be a long term commitment. This is a financial decision that the district will need to consider.

RESOLUTION

WHEREAS, the Edwards Knox Central School District (the "District") desires to find ways to save energy costs throughout the District; and

WHEREAS, the District has been approached by Tri-County Energy Cooperative ("TCEC") regarding entering into an Inter-governmental agreement pursuant to Article 5(g) of the New York Municipal Law for the purpose of procuring energy from generating facilities, including renewable energy facilities, as well as the exercising of the power and authority jointly to purchase energy through the cooperative; and

WHEREAS, the Board of Education of the District has determined the possibility of purchasing renewable energy, including solar power is in the best long term interest of the District; and

WHEREAS, the District desires to work with the cooperative as it explores and takes all steps necessary under the requirements of the New York State Education Law and the New York State Energy Law; and

WHEREAS, the Cooperative seeks to enter into Power Purchase Agreements ("PPA") with solar companies for remote net meeting, for the benefit of its members; and

WHEREAS, the Consortium is requiring companion agreements known as Electricity Purchase Agreements with its members to allow the Cooperative to enter into the Power Purchase Agreements and other agreements with renewable energy suppliers; and

WHEREAS, the Energy Purchase Agreement will transfer the District's electrical meters to TCEC and the District's electric billing will be through TCEC; and

WHEREAS, the District will be responsible for administrative costs to TCEC, as well as any fees and assessments to be determined by TCEC; and

WHEREAS, entering into the Energy Purchase Agreement has been determined to be in the best interest of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education that the exploration of alternative sources of energy and the participation in the Consortium is in the best interest of the District; and be it further

RESOLVED, that the Energy Purchase Agreement is approved subject to the District's counsel's review and approval of any of the underlying Power Purchase Agreements, contracts, or agreement, as well as disclosure and prior approval of all administrative costs and/or fees related to the Districts participation in the Energy Purchase Agreement, including termination fees and obligations; and it is further

RESOLVED this approval is subject to the District's right to review and audit any and all assessment and billing practices of the TCEC related to the Energy Purchase Agreement.

Good afternoon: I just wanted to remind everyone that the sign up period for the Tier 1 inaugural membership is May 20th. We realize that some districts and municipalities are not meeting until next week to act on the agreement. If you are experiencing this type of delay, please contact Dominic or myself to let us know.

If you have already signed the Electric Purchasing Agreement (EPA), there is nothing more to do.

There are currently 22 schools and municipalities that have acted on and returned the EPA totaling 33 MW.

Brasher Falls
Canton CSD – Partial
Carthage CSD
City of Ogdensburg
Colton-Pierrepont CSD
General Brown CSD
Gouverneur CSD
Harrisville CSD
Jefferson Community College
Jefferson-Lewis BOCES
LaFargeville CSD
Lyme CSD
Madrid Waddington CSD
Morristown CSD
Ogdensburg City School District
Sackets Harbor CSD
Salmon River CSD
St. Lawrence Lewis BOCES
Town of Cape Vincent
Town of Morristown
Village of Cape Vincent
Village of Morristown

Thank you,

John Warneck
Executive Director
Tri-County Energy Consortium