

CITY OF HURON, OHIO

**RESOLUTION NO. 84-2021
INTRODUCED BY JOEL HAGY**

**RESOLUTION AUTHORIZING THE EXECUTION OF THE
2021-2025 FIXED VOLUME ENERGY SUPPLY SCHEDULE
WITH AMERICAN MUNICIPAL POWER, INC. ("AMP")**

WHEREAS, the City of Huron, Ohio (the "Municipality") is a political subdivision organized and existing pursuant to the laws of the State of Ohio, which owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers;

WHEREAS, in order to satisfy the electric energy requirements of its electric utility system, the Municipality has heretofore purchased economical and reliable energy from AMP, an Ohio non-profit corporation, of which the Municipality is a member, or has heretofore purchased energy arranged by AMP;

WHEREAS, the Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP, endeavors to arrange for reliable, reasonably priced supplies of electric energy for ultimate delivery to its customers;

WHEREAS, Municipality has executed a Master Services Agreement with AMP which sets forth the general terms and conditions for the provision of power supply and other services by AMP to the Municipality;

WHEREAS, AMP will negotiate with one or more reputable and financially sound third party power suppliers to enter into an agreement(s) to purchase electric energy in various megawatt ("MW") or megawatt hour ("MWh") blocks for a term beginning on December 1, 2021 and ending no later than December 31, 2025, which will provide an economical source of electric energy (herein "Long-Term Energy Purchase(s)") for Municipality;

WHEREAS, AMP, on behalf of the Municipality, desires to purchase from third party supplier(s) and then to resell the energy available from these Long-Term Energy Purchase(s) on a long term basis to Municipality at contract cost (excluding any taxes, transmission costs, replacement energy, losses, congestion costs, security costs, or AMP service fees) not to exceed the up-to price per MWh set forth in the 2021-2025 Fixed Volume Energy Supply Schedule.

WHEREAS, AMP, has prepared and delivered to the Municipality the form of a 2021-2025 Fixed Volume Energy Supply Schedule, pursuant to which the Municipality may purchase energy; and

WHEREAS, AMP has provided and will continue to provide appropriate personnel and information regarding the Long-Term Energy Purchase(s) to the Municipality, as such officers and representatives of the Municipality deem necessary or appropriate, to enable the Municipality to evaluate the benefits and risks of the Long-Term Energy Purchase(s), to take actions contemplated by the resolution hereinafter set forth and to determine that the same are in the public interest.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO.

SECTION 1. That the form of the 2021-2025 Fixed Volume Energy Supply Schedule between this Municipality and AMP, substantially in the form attached hereto as Exhibit 1 ("Schedule"), is approved, subject to and with any and all changes provided for herein and therein.

SECTION 2. That the City Manager be authorized to execute the 2021-2025 Fixed Volume Energy Supply Schedule and to acquire the Municipality's energy from one or more Long-Term Energy Purchase(s), each with a term beginning on December 1, 2021 and ending no later than December 31, 2025, and with a third party contract price (excluding any taxes, transmission costs, replacement energy, losses, congestion costs, security costs, or AMP service fees) not to exceed the up-to price per MWh for purchases set forth in the 2021-2025 Fixed Volume Energy Supply Schedule from AMP, and is further authorized to execute and deliver any and all documents necessary to participate

in one or more Long-Term Energy Purchase(s), pursuant to the conditions set forth herein and therein.

SECTION 3. That competitive bidding is not required on the Municipality's acquisition of its right to secure energy under the 2021-2025 Fixed Volume Energy Supply Schedule, and in the event any competitive bidding requirements are applicable, any such competitive bidding requirement that might otherwise be applicable, are hereby waived.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of a quorum of the Council, and that all deliberations of this Council and of any its committees that resulted in such formal action, were held in meetings open to the public, in compliance with all legal requirements.

SECTION 5. If any section, subsection, paragraph, clause or provision or any part thereof of this shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Resolution shall be unaffected by such adjudication and all the remaining provisions of this Resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 6. That this Resolution shall take effect at the earliest date allowed by law.

ATTEST: *Jurii Weekenes*
Clerk of Council

Monty Tapp
Monty Tapp, Mayor

ADOPTED: 14 DEC 2021



CITY OF HURON, OHIO
2022-2025 FIXED VOLUME ENERGY SUPPLY SCHEDULE
AMP Contract No. 202_____

A Schedule to
American Municipal Power, Inc.
and
City of Huron, Ohio
Master Service Agreement No. C-3-2006-5025

WHEREAS, the City of Huron, Ohio (the "Municipality") and American Municipal Power, Inc. ("AMP"), collectively ("Parties"), have entered into a Master Service Agreement ("Agreement") under which certain services may be provided under schedules thereto;

WHEREAS, in order to obtain economical electric energy, the Municipality desires to purchase electric energy from AMP or have AMP arrange for the same on behalf of the Municipality; and

WHEREAS, AMP will negotiate with one or more reputable and financially sound third party power suppliers to enter into an agreement(s) to purchase electric energy in various megawatt ("MW") or megawatt hour ("MWh") blocks for a term beginning no earlier than December 1, 2021 and ending no later than December 31, 2025, all of which will provide an economical source of electric energy (herein "Long Term Energy Purchase(s)") for Municipality.

NOW, THEREFORE, in consideration of the conditions, terms and covenants hereinafter contained, the Parties do hereby mutually agree as follows:

ARTICLE I
TERM

SECTION 101 – CONTRACT TERM: Subject to the conditions contained herein,

this Schedule shall be for a term beginning on December 1, 2021 and ending no later than December 31, 2025.

ARTICLE II
CONTRACT QUANTITIES AND RATE

SECTION 201 - CONTRACT QUANTITIES: For the compensation hereinafter set forth, and pursuant to the terms and conditions contained herein, AMP shall arrange for the delivery of energy to the Municipality. The Municipality shall be invoiced and responsible for paying, and AMP is entitled to receive as compensation, the following:

- A. Actual monthly transmission fees, congestion charges, ancillary services, unforced capacity charges, losses, customer charges, security costs, replacement energy, and taxes or other such costs incurred by AMP to deliver the energy to the Municipality's Delivery Point;
- B. AMP's Service Fee B, as defined in the Agreement, for all energy sold or arranged for and delivered pursuant to this Schedule, unless the same is paid for under another power supply schedule; and
- C. The contract rates or fees that AMP pays or incurs for each MW or MWh of energy supplied to the Municipality.

The Long Term Energy Purchases anticipated to be executed as transaction confirmations between AMP and third party power suppliers for the benefit of Municipality are listed in the following table. The Municipality's Authorized Representative as designated in Section 402 (or his/her designee) shall be authorized to approve purchases (and execute necessary transaction confirmations) of energy with a term beginning no earlier than December 1, 2021 and ending no later than December 31, 2025 as set forth in the table below. Additionally, the third party power supply contract prices of all energy purchases made under this Schedule (excluding any taxes, transmission costs, replacement energy, losses, congestion costs, security costs, or AMP service fees) shall not exceed \$49.00 per MWh for up to 6 MW in any hour.

Term	Total Planned Purchase	Months	Days/Week	Hours/Day	Supplier
2021-2025	Up to 6 MW	November, December, January, February, March	7	Up to 18 hours	TBD via steps 1 – 4 below
2021-2025	Up to 6 MW	April	7	Up to 16 hours	TBD via steps 1 – 4 below
2021-2025	Up to 6 MW	October	7	Up to 16 hours	TBD via steps 1 – 4 below
2021-2025	0.5 MW	January through December	7	24	TBD via steps 1 – 4 below

SECTION 202 – PROCEDURES FOR AUTHORIZATION OF ENERGY SUPPLY ACQUISITION AND SALE: It is understood and anticipated that AMP may throughout the term of this Schedule, enter into energy purchase transaction confirmations or other arrangements on behalf of the Municipality, subject to the approval of Municipality’s Authorized Representative, to implement the Long Term Energy Purchases contemplated in Section 201 of this Schedule. The steps that will be followed in securing such Long Term Energy Purchases are set forth below.

At the time that AMP recommends that a Long Term Energy Purchase should be finalized, the following shall take place:

1. Authorized personnel of AMP shall confer with the Municipality’s Authorized Representative (or his/her designee) on a recorded telephone line or through E-mail, regarding AMP’s recommended Long Term Energy Purchases that meet the requirements of Section 201 and the table set forth therein prior to executing a transaction confirmation with a third party power supplier. AMP will provide power supply recommendations to Municipality’s Authorized Representative based upon the best market information available to AMP at the time any conferring takes place.
2. If the Municipality’s Authorized Representative approves AMP’s recommendation and authorizes acquisition of the Long Term Energy Purchase

over a recorded telephone line or through E-mail, then AMP shall acquire the Long Term Energy Purchase on behalf of the Municipality subject to the effective date and other terms and conditions approved by the Municipality's Authorized Representative.

3. AMP will enter into a transaction confirmation or other arrangement with the authorized and approved third party power supplier as soon as reasonably possible after approval is received as set forth above.

4. Once a Purchase is finalized and a supplier transaction confirmation executed, AMP will send an acknowledgement of the transaction via email to Municipality's Authorized Representative that contains the commercial terms for Municipality's review and records.

ARTICLE III **DELIVERY POINT**

SECTION 301 – DELIVERY POINTS: The delivery point(s) for electric energy to be delivered hereunder ("Point of Delivery" or "Delivery Point") shall be the Municipality's interconnections with PJM, or its successor.

ARTICLE IV **GENERAL**

SECTION 401 - FIRMNESS OF SUPPLY: Firmness of supply under this Schedule shall be equal to the firmness provided by the energy supply schedules and transmission service arrangements executed by AMP, which are utilized to provide energy under this Schedule.

AMP's obligations hereunder are specifically dependent upon the performance of the suppliers with whom AMP transacts on behalf of the Municipality or as otherwise agreed to by the Parties. In the event of default of a power supplier (hereinafter "Supplier Default"), AMP shall provide replacement energy to Municipality and Municipality shall pay any cost difference (if any) of the replacement energy (or, if the cost of replacement energy is less, then Municipality shall pay that lower cost). Should a third party supplier

default to such a degree that the agreement by and between that third party supplier and AMP is terminated, AMP shall use its best efforts to execute an alternate energy supply agreement, with another supplier unless otherwise agreed to in writing by Municipality.

Notwithstanding the foregoing, AMP agrees that it will notify Municipality promptly of any Supplier Default which may result in AMP's purchase of replacement energy for Municipality. AMP also agrees that in an event of a Supplier Default, AMP shall take all appropriate legal action to enforce the terms of AMP's contracts with the defaulting supplier and/or seek appropriate damages from supplier on Municipality's behalf. Municipality is, and shall be, third party beneficiary of such legal action and will be reimbursed or credited by AMP a *pro rata* share of any net recoveries against the defaulting supplier or Municipality's increased costs occasioned by the Supplier Default, whichever is less.

Municipality specifically acknowledges that although energy made available from the supplies purchased pursuant to this Schedule or otherwise agreed to by the Parties are intended to be the primary source of energy pursuant to this Schedule, AMP may, from time to time, substitute for actual delivery purposes other energy; provided that such substitute energy be of a similar firmness and reliability as that made available under the third party power supplier transaction confirmation(s) and further provided that such substitution does not result in increased costs to Municipality.

When third parties providing firm transmission service interrupt deliveries from AMP to Municipality, AMP will use commercially reasonable efforts to deliver energy across other parties' transmission systems if interruptions occur from the primary firm transmission provider's system.

All other terms and conditions of the Agreement between AMP and the Municipality that are not consistent with the terms and conditions of this Schedule shall be applicable as if fully restated herein.

SECTION 402 – AUTHORIZED REPRESENTATIVE: The Municipality's Representative shall be the City Manager or the City Manager's designee until modified

by written notice to AMP by the Municipality.

IN WITNESS HEREOF, each of the Parties has caused this Schedule to be duly executed.

CITY OF HURON, OHIO

By: 

Title: City Manager

Date: 12-14-21

APPROVED AS TO FORM:


Legal Counsel

AMERICAN MUNICIPAL POWER, INC.

By: _____

Pamala M. Sullivan
Title: Chief Operating Officer

Date: _____

APPROVED AS TO FORM:

Lisa G. McAlister
SVP & General Counsel for Regulatory
Affairs