

Legislation Text

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Authorizing the Procurement Commissioner to enter into agreements to purchase electricity, natural gas and motor fuel for use by the City in City facilities and vehicles, including agreements that obligate payment for delivery of such energy supplies in future fiscal years, all under certain terms and conditions.

WHEREAS, the passage in 1996 by the Commonwealth of Pennsylvania of the “Electricity Generation Customer Choice and Competition Act,” 66 Pa. C.S. § 2801 *et seq.*, made it possible for the City and all consumers of electricity to have direct access to the competitive market for the generated supply of electricity; and

WHEREAS, by Executive Order No. 6-10, “City Purchase of Electricity Supply” (November 3, 2010), an Electricity Supply Advisory Committee was established and has been maintained;

WHEREAS, under the Pennsylvania Public Utilities Commission’s rules, natural gas customers also have the ability to access the competitive market for natural gas supply;

WHEREAS, it is in the interest of all PGW ratepayers for large-account customers like the City to purchase in the competitive market;

WHEREAS, the price of motor fuels may be volatile and the advance purchase of some of the City’s motor fuel requirements can support budget stability;

WHEREAS, Council has authorized the City to enter into agreements through Fiscal Year 2026 to purchase electricity, natural gas and motor fuel for use by the City in City facilities and vehicles through Fiscal Year 2026 (Bill No. 220810, approved March 15, 2023); and

WHEREAS, electricity, natural gas and motor fuel prices are at favorable levels for entering into purchase obligations now for fixed prices for delivery (“Fixed Rate Purchases”) in Fiscal Year 2027; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Procurement Commissioner, on behalf of the City, is hereby authorized to enter into an agreement or agreements with a Licensed Supply Provider (“LSP”), pursuant to which the City will authorize the LSP to make, on behalf of the City, certain Fixed Rate Purchases of electricity supply for City Facilities for Fiscal Year 2027. Such agreement shall require the LSP to make purchases only after first securing responsive and competitive bids from qualified electric power providers, and only from the lowest bidder. Prior to authorizing the LSP to make such purchases, the Procurement Commissioner shall advise a designated representative of the Philadelphia Energy Authority of the City’s intent to make the purchases and shall fully consider the timely advice provided by the Philadelphia Energy Authority regarding the intended purchases.

SECTION 2. The Procurement Commissioner, on behalf of the City, is hereby authorized to enter into an agreement or agreements with a competitively selected Natural Gas Supplier (“NGS”), pursuant to which the City will authorize the NGS to make, on behalf of the City, certain Fixed Rate Purchases of natural gas supply for City Facilities for Fiscal Year 2027. Prior to authorizing the NGS to make such purchases, the Procurement Commissioner shall advise a designated representative of the Philadelphia Energy Authority of the City’s intent to make the purchases and shall fully consider the timely advice provided by the Philadelphia Energy Authority on the intended purchases.

SECTION 3. The Procurement Commissioner, on behalf of the City, is hereby authorized to enter into an agreement or agreements with a competitively selected motor fuel supplier (“MFS”), pursuant to which the City will authorize the MFS to make, on behalf of the City, certain Fixed Rate Purchases of motor fuel supply for the City’s fleet for Fiscal Year 2027. Prior to authorizing the MFS to make such purchases, the Procurement Commissioner shall advise a designated representative of the Philadelphia Energy Authority of the City’s intent to make the purchases and shall fully consider the timely advice provided by the Philadelphia Energy Authority on the intended purchases.

SECTION 4. The Procurement Commissioner shall file an annual report with the Chief Clerk of Council detailing the agreements executed pursuant to this Ordinance and any purchases made pursuant to such agreements.