

Legislation Text

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Authorizing the Procurement Commissioner to enter into purchase obligations for the delivery of electric and natural gas energy supplies for use by facilities owned and leased by the City, including agreements that obligate payments 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 of Philadelphia ("City") and all consumers of electricity to have direct access to the competitive market for the generated supply of electricity; and

WHEREAS, The termination of rate caps on December 31, 2010 for the Philadelphia Region required the City to investigate the various ways the City may purchase in the competitive market to achieve price stability, lower costs and reliability; and

WHEREAS, By Ordinance (Bill No. 100368, approved June 30, 2010) the City was authorized to enter into purchase obligations for the delivery of electric supply for use by facilities owned and leased by the City, for Fiscal Years ("FY") 2011, 2012, 2013 and 2014; 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; and

WHEREAS, The Electricity Supply Advisory Committee is composed of the Chair of the City Council Committee on Transportation and Utilities, the Chair of the City Council Committee on Public Property, the Chair of the City Council Committee on the Environment, the City Solicitor, the Deputy Mayor for Transportation and Utilities, the Finance Director and the Procurement Commissioner; and

WHEREAS, The City with advice and approval of the Electricity Supply Advisory Committee the City has entered into purchase obligations for FY 2011, FY 2012, FY 2013, FY 2014 and FY 2016; and

WHEREAS, The Pennsylvania Public Utilities Commission provides for large account natural gas customers with the ability to switch from natural gas to an alternative fuel whenever Philadelphia Gas Works (PGW) announces a temporary curtailment of gas service to purchase natural gas from the competitive market.

WHEREAS, Some City accounts qualify for the access to the competitive market for natural gas supply.

WHEREAS, It is in the interest of all PGW rate payers for large account customers to purchase in the competitive market.

WHEREAS, Electricity and natural gas prices are at favorable levels for entering into purchase obligations for FY 2014, FY 2015 and FY 2016; 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 electric supply for City Facilities for Fiscal Year 2016. 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 (“PEA”) of the City’s intent to make the purchases and shall fully consider the timely advice provided by the PEA on 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 Years 2014, 2015, and 2016. Prior to authorizing the NGS to make such purchases, the Procurement Commissioner shall advise a designated representative of the Philadelphia Energy Authority (“PEA”) of the City’s intent to make the purchases and shall fully consider the timely advice provided by the PEA on the intended purchases.

SECTION 3. The Procurement Commissioner shall file quarterly reports with the Chief Clerk of Council detailing the agreements executed pursuant to this Ordinance and any purchases made pursuant to such agreements.