

Evergy Direct Renewable Participation Service Agreement



Public Works & Utilities
Utilities Optimization Program

July 14, 2020



Utilities Optimization Program



- **MISSION:** The Utilities Optimization Program will reduce costs and failure risks of the water and wastewater systems.
- **GOAL:** Save \$3 Million per year through:
 - Energy Savings
 - Chemical Savings
 - Revenue Recovery
- **STRATEGY:** \$750,000 in energy savings per year
 - Natural gas transport contract
 - Energy Management Information System
 - Energy audits



Direct Renewable Participation Service



- Everygy created this program in 2018 for large customers to offset energy use through a renewable resource (wind farm).
- Opportunities to participate are limited to times when new wind farms are constructed.
- City of Wichita would be reserving a “share” of the energy produced by the Ponderosa Wind Farm.



Direct Renewable Participation Service Terms

- No cost to participate, but we agree for Evergy to substitute the Retail Energy Cost Adjustment (RECA) surcharge with a Renewable Participation Charge (RPC)
- The RECA surcharge is variable and has averaged \$0.021 (2.1 cents) per kWh over the last five years (range \$0.017-\$0.024).
- The RPC will be fixed at or below \$0.018 per kWh.
- Expected savings: \$326,398 per year



Reserving Wind Farm Capacity

- City reserves a share or percentage of the electricity generated by the wind farm in each year.
- Electricity produced may be higher or lower depending on how much the wind blows.
- Staff recommend reserving 30 MW, which is approximately 70-80% of the City's annual consumption.
- 30 MW allows for variation in wind production and future energy efficiency projects.



Benefits & Recommendation

- • • • • • • • • • • • • •
- City can take credit for using renewable energy
- Savings spread across funds proportional to electricity consumption:
 - Water Utility & Wastewater Utility Funds (\$140k)
 - General Fund & other funds (\$186k)
- Beginning in 2021
- Recommendation: Approve the agreement with Evergy and authorize the necessary signatures



Evergy Direct Renewable Participation Service Agreement



Public Works & Utilities
Utilities Optimization Program

