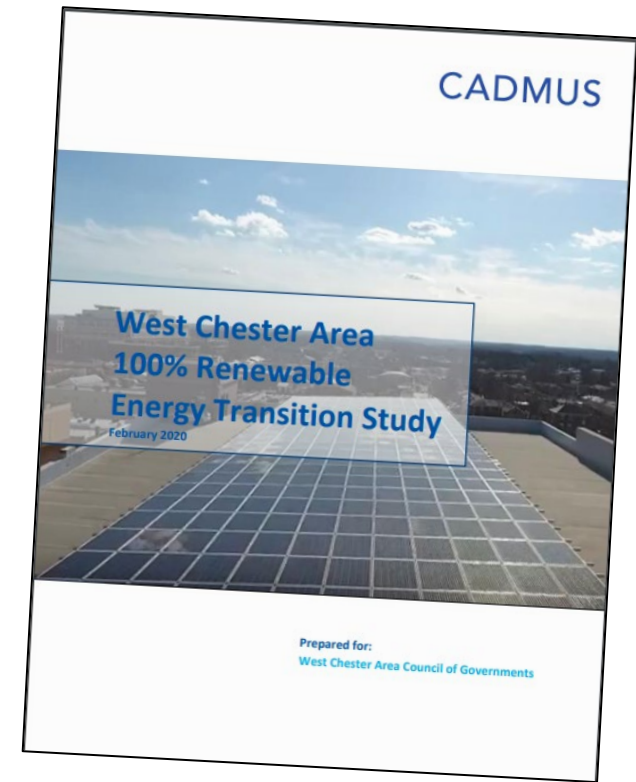


Clean Energy Power Purchase Agreement

June 2021

Background

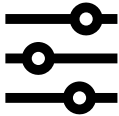
- Joint procurement from a new, clean, regional renewable energy asset is one of the 18 strategies identified in the Energy Transition Study completed in February 2020
- One of the most feasible and impactful strategies local gov can accomplish
 - ~65% reduction in operational emissions
- Opportunity for municipal governments to be community leaders on climate action and a national leader among local gov



How we buy energy today...



2-3 year contract



Fixed price - energy supply



On-bill transaction



Unknown "brown" energy



Unknown location

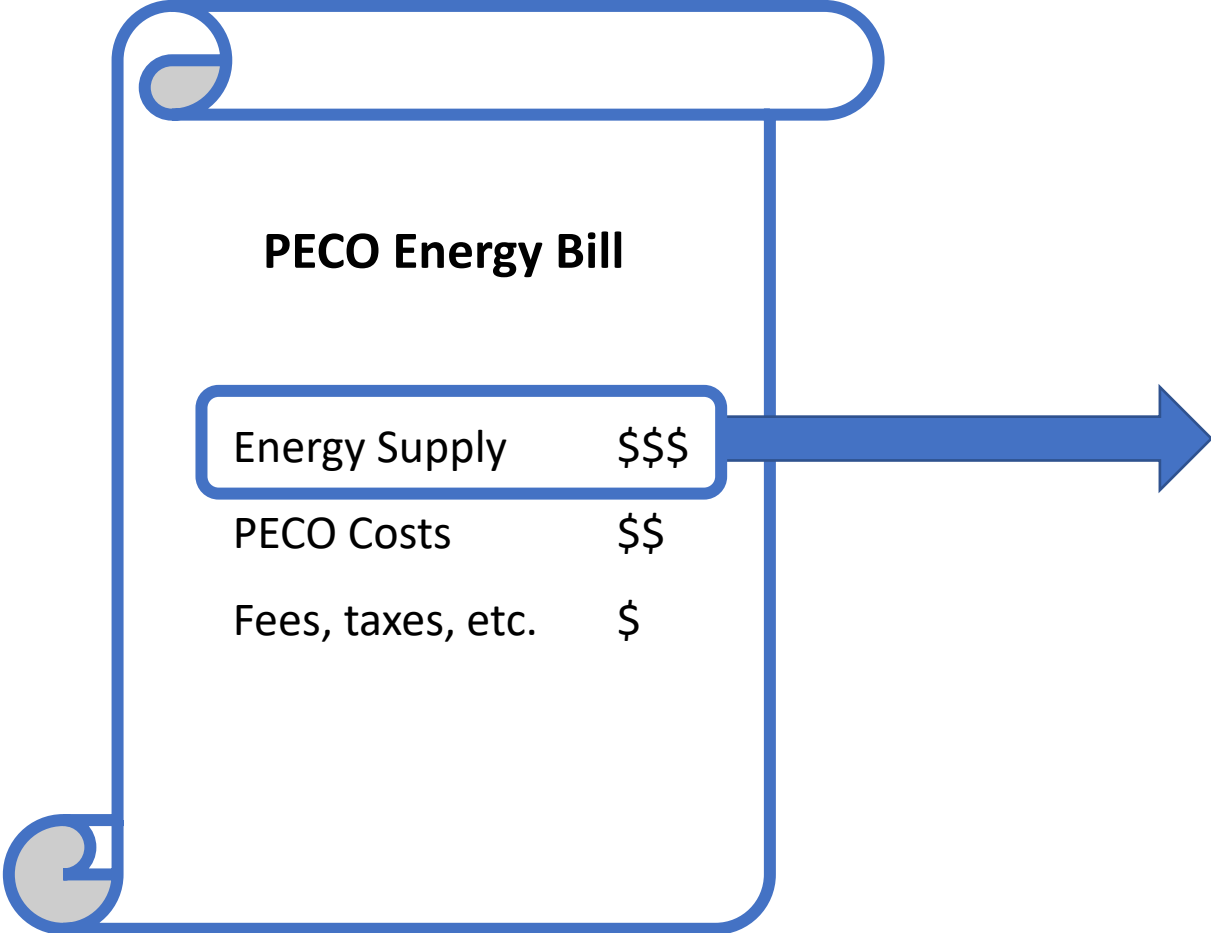


Existing Project

PECO Energy Bill

Energy Supply	\$\$\$
PECO Costs	\$\$
Fees, taxes, etc.	\$

Energy Supply Costs



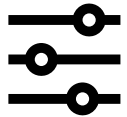
Constellation Energy

Component
Energy Costs
Ancillary Services And Other ISO Costs
Auction Revenue Rights Credits
Balancing Congestion Charges
Capacity Costs
FERC Order 745 Costs
Line Loss Costs
Renewable Portfolio Standards Costs
RMR Costs
Transmission Costs
Transmission Loss Credits
Transmission Reallocation Costs

How we buy energy today...



2-3 year supply contract



Fixed price



On-bill transaction



Unknown “brown” energy



Unknown location

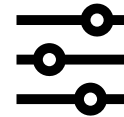


Existing Project

“Sleeved” PPA...



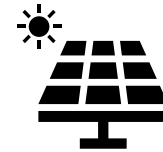
2-3 year supply contract



Fixed price



On-bill transaction



Clean energy source

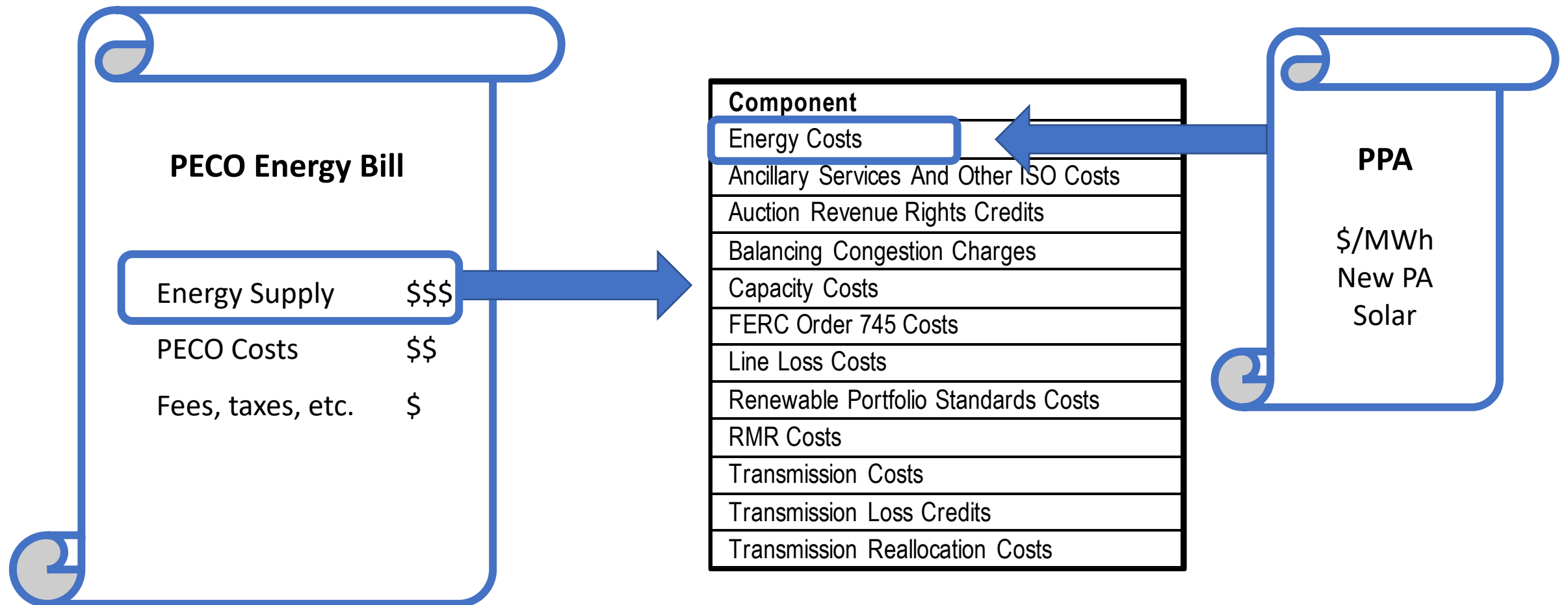


Known location



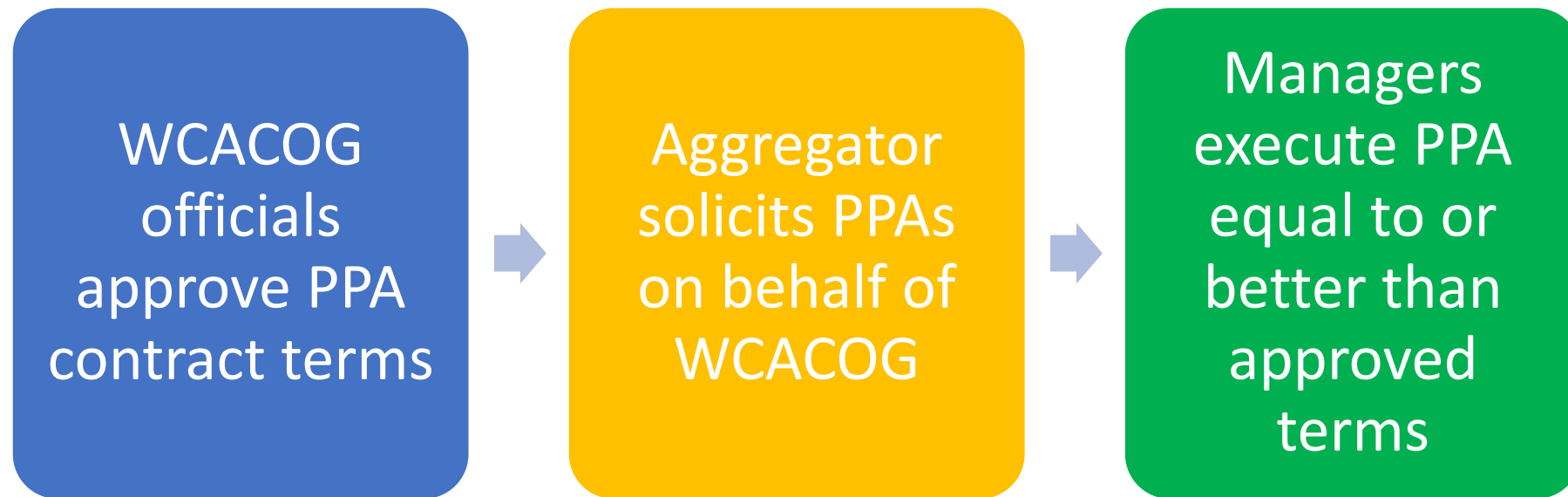
New Project

A Power Purchase Agreement is an underlying, long-term commitment for the energy component of energy supply contract.



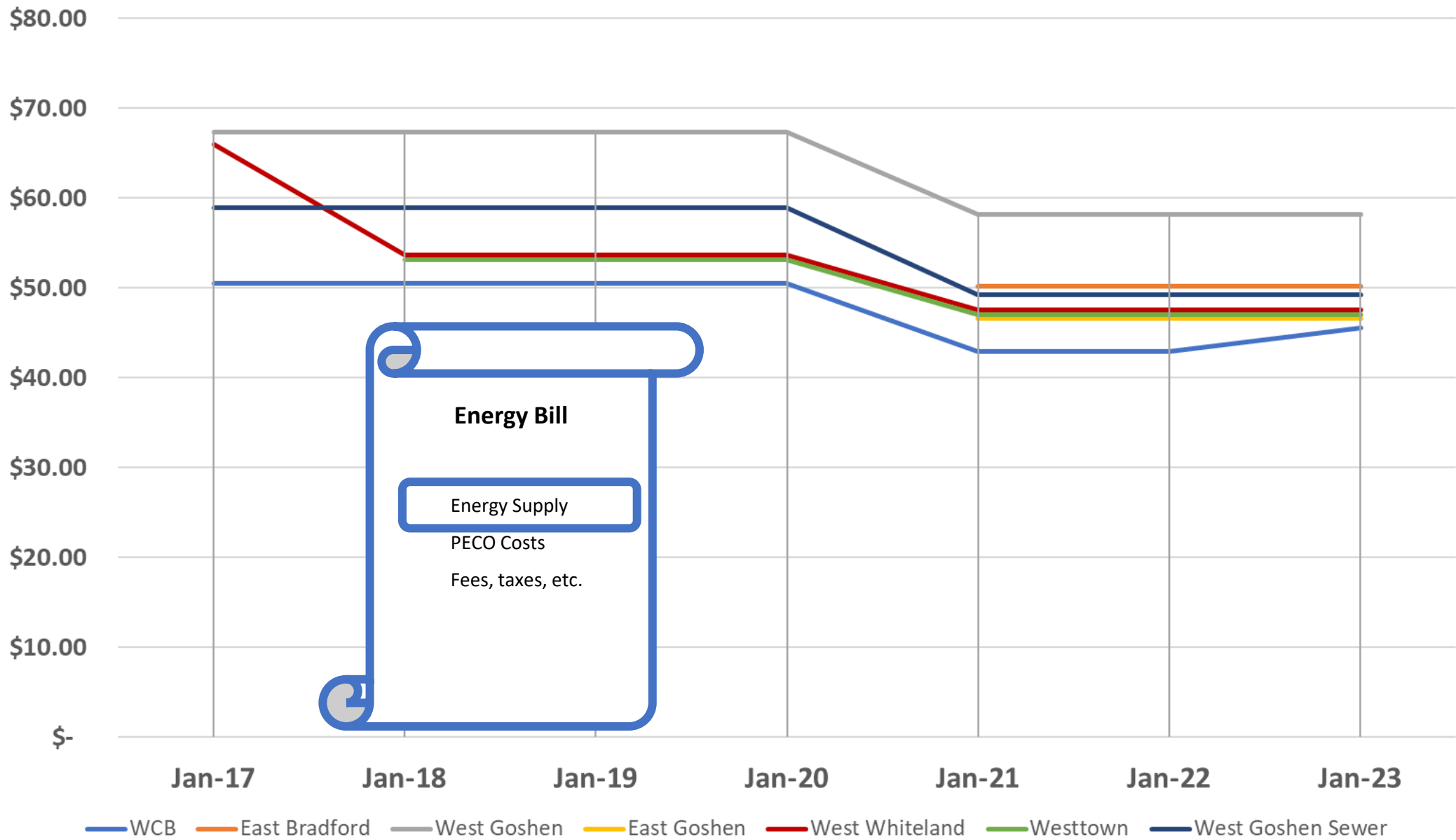
Process & Action Item

- Authorize the Borough Manager to execute a 15-year PPA and initial 3-year energy supply contract, commencing in 2024, in conjunction with WCACOG municipalities, with a supply cost equal to or less than \$___/MWh

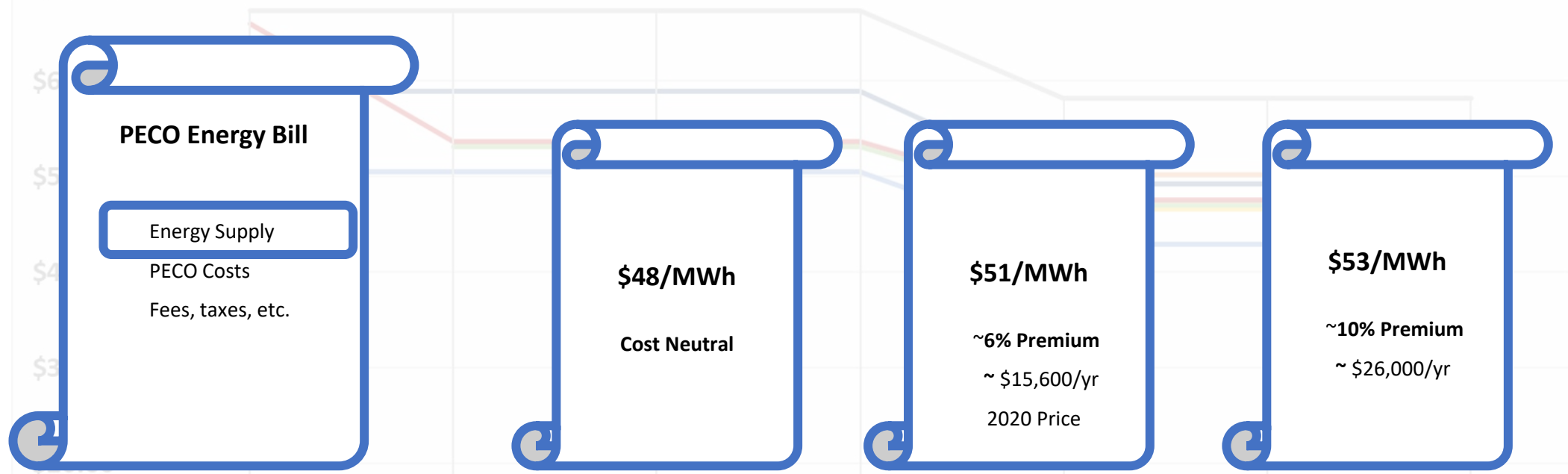


- Why the Manager? Single business day turnaround required for all parties!

Electricity Supply Rate - \$ per MWh



Authorize the Borough Manager to execute a 15-year PPA and initial 3-year energy supply contract, commencing in 2024, in conjunction with WCACOG municipalities, with a supply cost equal to or less than \$___/MWh



• West Chester Borough:

- uses ~5,200 MWh of electricity per year
- spends \$550,000 on energy and fuel per year
- 2021 Annual Budget = \$40,000,000
- Paid \$51/MWh in 2017-2020

Next Steps

- Legal review of agreements from 2-3 major aggregators
- Educate and obtain approvals and contract terms from participating WCACOG municipalities
- Evaluation of agreements and contract terms by 3rd party energy consultant
- Provide letter of commitment to aggregator(s)
- Aggregator(s) start soliciting deals
- Maybe sign a PPA!
- Reconvene 1Q 2022 if unsuccessful to reapprove contract framework