



Legislation Text

File #: 42844, Version: 1

**Fiscal Note**

No fiscal impact.

**Title**

Creating Section 39.02(9)(a)2.j. and amending Section 39.02(9)(c) of the Madison General Ordinances to exempt certain contracts with public utilities from the City’s affirmative action contract compliance requirements.

**Body**

DRAFTER'S ANALYSIS: This ordinance would exempt specific types of agreements entered into by the City and public utilities from the City’s affirmative action contracting requirements. Interruptible electric service agreements are entered into by the City with the City’s electricity provider to allow the City to qualify for a reduced electricity rate at a specified City facility. In exchange for the lower rate, the City is subject to having the facility’s electricity supply interrupted, at which point the City’s backup power generator kicks in. These agreements allow for significant cost savings at numerous City facilities where back-up generators are required (wells, booster stations, lift stations, etc.). The terms of such agreements are approved by the Public Service Commission as part of the public utility’s rate case. The City does not receive any type of service from the public utility; rather we agree to have reduced electricity service in exchange for a cost savings on our electricity bill. One of the City’s electricity suppliers has recently indicated that will not agree to add the City’s affirmative action clauses to the interruptible service agreement because, among other things, in the Utility’s view our contract clauses are not required by the Public Service Commission. As a result, the City cannot enter into an agreement for a City facility, resulting in higher electricity costs than would otherwise be available. This ordinance would exempt such contracts from the City’s affirmative action clauses so that the City can obtain the reduced electricity rate at its facilities. Distributed generation interconnection agreements are also entered into between the City and the City’s electric public utility. These type of agreements allow the City to connect its distributed generation installations (solar installations) to the electricity grid. Like the interruptible electric service agreements, the terms of these agreements are set by the Public Service Commission and the City is required to sign the approved form before it may begin generating electricity from its distributed generation installations. Accordingly, to enable the City to utilize its distributed generation installations in the event a public utility does not feel that it can amend the Public Service Commission approved forms to include the City’s affirmative action contracting requirements, this amendment exempts these types of agreements from the City’s affirmative action requirements as well.

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The Common Council of the City of Madison do hereby ordain as follows:

1. Subparagraph j. of Paragraph 2. entitled “Contract” of Subdivision (a) entitled “Definitions” of Subsection (9) entitled “Contract Compliance Provisions” of Section 39.02 entitled “Affirmative Action Ordinance” of the Madison General Ordinances is created to read as follows:

“j. Contracts with electric public utilities that provide for interruptible electric service or distributed generation interconnection or another Public Service Commission approved program that results in a lower rate tariff or other cost savings to the City.”

2. The introductory paragraph of Subdivision (c) of Subdivision (9) entitled “Contract Compliance Provisions” of Section 39.02 entitled “Affirmative Action Ordinance” of the Madison General Ordinances is amended to read as follows:

“(c) Every contract to which the City of Madison is a party, except those exempted by Sec. 39.02(9)(a)2.a., b., d., e., f., g., h., i., and j. shall contain the following language:”