

iWG Assessment

SWATeam Recommendation Ref #: EGen003

Date of iWG Assessment: 03/30/2016

Original SWATeam Recommendation:

Take steps to allow a Power Purchase Agreement for electricity without any restriction on the term of the agreement.

iWG Assessment of budget and policy impacts (*check one*):

moderate budget and/or policy impact OR major budget and/or policy implications

iWG Routing Need (*check one*):

more detailed study OR transmit recommendation OR forward to Sustainability Council

iWG Routing Direction (*department name, SWATeam, or Council*): Sustainability_Council

iWG Recommendation:

We understand that the University is currently advocating for state legislative relief from a number of procurement-related restrictions, and we recommend that the University include in this effort a request to eliminate the 10-year limit on Power Purchase Agreements. If successful, this would allow (but not require) our campus and Prairieland Energy, Inc. to enter into long-term Power Purchase Agreements for renewable energy (including electricity and other renewable fuels) which may offer more favorable terms, perhaps even being less expensive than traditional energy options.

Individual comments are required from each iWG member (can be brief, if member fully agrees):

iWG Member Name	iWG Member's Comments
Ben McCall (iSEE)	I support this recommendation as it will provide the campus with more flexibility in considering renewable energy contracts. I think it is important that we consider this in the context of not only electricity contracts, but also contracts for other renewable fuels such as biogas and biomass.
Morgan Johnston (F&S)	Eliminating the PPA term limit could allow power suppliers to offer more competitive long-term rates, including energy developer agreements like the solar farm, too. F&S would like to caution that from our perspective there are more critical requests for state legislative relief, if they need to be prioritized.
Lowa Mwilambwe (Student Affairs)	I support this recommendation.
Matthew Tomaszewski (Provost's Office)	I support this recommendation. The measure will allow campus greater flexibility when considering renewable energy contracts.
Nancy O'Brien (Academic Senate)	I support this recommendation but have some reservations about committing the university to extended contracts that go beyond 10 years.
Jessica Tang (Student Sustainability Leadership Council)	I agree. It is important that the University has the ability to explore all PPA options for renewables, including ones of varying length. I extend my support of this recommendation to all energy contracts, not just electricity.

Joseph Vitosky (OBFS)	I support the recommendation to advocate state legislators and request the elimination of the 10 years limit on power purchase agreements within any state wide procurement reform.
Rob Fritz (college-level facility manager)	I agree with this recommendation. Longer term Power Purchase Agreements should allow better pricing and flexibility for University goals.

Attach any comments from subject matter experts (with names and roles).

Additional research performed by the SWATeam subsequent to the submission of their recommendation shows that many comparable institutions have entered into long-term PPAs, for example (<https://www3.epa.gov/greenpower/toplists/longtermcontract.htm>):

Ohio State: 20 years

University of Oklahoma: 26 years

Oklahoma State: 25 years

Iowa State: 20 years

Maryland: 20 years

A wind technologies market report (https://emp.lbl.gov/sites/all/files/lbnl-188167_0.pdf) indicates that 20 years is by far the most common length of PPAs (at 59% of their sample) while 89% of contracts were for terms between 15 and 25 years. Short PPAs, as we are currently restricted to, are thus outliers and may not offer the University the best financial value.