



City of New Haven
Office Of Management and Budget
Justin M. Elicker, Mayor
Michael Gormany, City Budget Director

July 08, 2020

Alder Tyisha Walker
President, Board of Alders
23rd Ward
Board of Alders
165 Church Street
New Haven, CT 06510

RE: Energy Committee Ordinance Authorization Extension

As a result of present and projected seasonal market conditions we are asking that the Board of Alders approve an extension and an authorization of the Energy Procurement Committee to procure natural gas and electricity on behalf of the city and to take advantage of any other energy saving measures that may help the entire City save and conserve energy. Presently this committee is authorized to procure energy for the city out to December 2016. This resolution before you will extend the authorization of the committee to December 2026.

Our energy advisors, SourceOne recommended that we extend our energy supply contracts out for a longer period to achieve economies of scale over time. They recommended we buy blocks of energy out to 2021 to achieve greater savings. And to use hedging strategies periodically as market conditions dictate to maximize savings and to take advantage of present and future market conditions. Since inception of this committee back in September 2006 the city has avoided close to over six million dollars in electrical supply costs alone.

This Committee which includes Aldermanic representatives was set up following approval by the Board in September of 2006, it has consulted with legal counsel to develop a standard procurement agreement and has set up protocols for receiving and reviewing pricing and energy product information. Continued authorization for this committee to move quickly in response to market opportunities is in the best financial interests of the City.

The committee which consists of the City Budget Director (Chair), and voting committee members include City Controller, City Purchasing Agent, BOE Superintendent (or designee – Generally Chief Operating Officer), City Engineer, and two aldermanic representatives. The committee has been meeting as procurement opportunities have arisen. It has served as an open forum where different city departments can voice their concerns and share different ideas on energy savings which has



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developed a more coordinated effort citywide on energy conservation. Please feel free to contact us with any questions your favorable approval will allow the city to continue it is coordinated efforts in this highly volatile area.

Very truly yours,

Michael Gormany

Michael Gormany,
City Budget Director and Acting Controller

Giovanni Zinn

Giovanni Zinn
City Engineer