



DANIEL P. MCCOY
COUNTY EXECUTIVE

COUNTY OF ALBANY
WATER PURIFICATION DISTRICT
1 CANAL ROAD, SOUTH
ALBANY, NEW YORK 12204
REMITTANCE: 112 STATE ST., BASEMENT, ALBANY, NY 12207
PHONE: (518) 447-1611 FAX: (518) 433-0369
www.albanycounty.com

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EXECUTIVE DIRECTOR

August 6, 2021

Hon. Andrew Joyce
Chairman
Albany County Legislature
112 State Street – Suite 710
Albany, New York 12207

**Re: RFP #2021-101 Firm Electric Supply from Energy Service Companies
Direct Energy Business, LLC/NRG Energy, Inc**

Dear Mr. Joyce

The Albany County Energy Advisory Group (EAG), acting as the County's agent to secure the purchase of low cost electric energy, is requesting a contract authorization with Direct Energy Business LLC (Direct Energy) for the supply of electric services to various County facilities as identified in the enclosed attachments. The contract term is for three years for the period of August 1, 2021 through July 31, 2024, with the option of two one year extensions.

In response to the above subject RFP, two proposals were received, the first by Direct Energy and the second by Constellation New Energy Inc. The Energy Advisory Group conducted a thorough evaluation and agreed unanimously that Direct Energy would bring the best value to the County based on the following:

- Proven experience in providing reliable and cost effective electric service to the County.
- Full understanding of the requested services and the ability to provide an actively managed Load Follow Block and Index product, that will allow the County to lock in fixed rates, for specified periods and amounts to be determined by the EAG during the contract term.
- Understanding the County's budget and legislative process and being responsive in meeting the County's changing needs.
- Providing an option to offer the County an additional 10% savings off National Grid's distribution charges via a Community Solar program.

To take advantage of the Community Solar (CS) savings, the EAG is recommending entering into a long term Community Solar agreement for the following accounts:

1. Correctional Facility: NG Account# 3628681106
2. ACWPD South Plant: NG Account# 4339937105
3. ACWPD North Plant: NG Account# 8039139107

Although the fixed adder charge by Direct Energy was not the lowest price, the saving potential from the three account listed above utilizing the CS program resulted in Direct Energy's proposal being the most cost effective. The CS agreement would be structured for a five renewable five years terms up to twenty five years. Based on historical usage for the above referenced accounts the CS program is estimated to save \$42,968 for the first year and \$1,257,533 over the course of 25 years.

Limiting the Community Solar agreement to the accounts listed above would also allow the County to pursue a separate in-county solar project under a separate power purchase agreement.

Enclosed for your reference is the EAG scoring worksheet, list of County accounts under this contract and cost analysis of the two proposals.

If you have any questions or concerns you may reach me at (518) 447-1617.

Sincerely,



Angelo Gaudio, P.E.
Executive Director

cc: Dennis A. Feeney, Majority Leader
Rebekah Kennedy, Majority Counsel
Frank Mauriello, Minority Leader
Arnis Zilgme, Minority Counsel
Karen Storm, Purchasing Agent
David Reilly, Commissioner of Management and Budget

Enc: EAB Scoring Worksheet
List of County Accounts with Cost Analysis

Constellation NewEnergy, Inc.

RFP #2021-101 Firm Electric Supply from Energy Service Companies

Proposal Rating Worksheet

Proposer 1: Direct Energy/NRG Energy

Proposer 2: Constellation NewEnergy, Inc.

	Weight	Direct Energy		Constellation		Proposer 3		Proposer 4	
		Rate	Score	Rate	Score	Rate	Score	Rate	Score
Proposer's comprehension of the required (work) Scope of Services	30%	5	1.5	4.5	1.35		0		0
Prior experience in providing electric service to public sector, industrial or commercial accounts	40%	5	2	5	2		0		0
Total proposed fixed adder price per kWh (See Note 1)	20%	5	1	4.5	0.9		0		0
Client References	10%	5	0.5	5	0.5		0		0
TOTALS:			5		4.75		0		0

NOTES:

1. The cost scoring is based on the savings Direct Energy is able to provide under the Community Solar Program offered in their RFP. See attached cost analysis.
2. The Energy Advisor Board (EAB) met on 7/27/2021 to review the electric supply bids and collectively provided the scoring outlined above.

RFP# 2021-101: Electric Supply Cost Analysis

					Cost Comparison			
					Direct Energy	Direct Energy (REV) ¹	Constellation	Annual Difference (w/ Revised DE Adder)
County Facility	Address	Service Classification	National Grid Account #	Annual Historical Usage (KWh)	\$ 0.01050	\$ 0.00894	\$ 0.00808	\$ 0.000860
Correctional Facility ²	840 Albany Shaker Rd	SC-3 primary	3628681106	3,869,805	\$ 40,632.95	\$ 34,596.06	\$ 31,268.02	\$ 3,328.03
ACWPD South Plant ²	209 Church Street	SC-3 primary	4339937105	7,164,515	\$ 75,227.41	\$ 64,050.76	\$ 57,889.28	\$ 6,161.48
ACWPD North Plant ²	1 Canal Rd South	SC-3A	8039139107	10,746,735	\$ 112,840.72	\$ 96,075.81	\$ 86,833.62	\$ 9,242.19
Times Union Center	51 S Pearl Street	SC-3 Sub transmission	4695894005	4,156,704	\$ 43,645.39	\$ 37,160.93	\$ 33,586.17	\$ 3,574.77
Court House	16 Eagle St.	SC-3 secondary	111271106	1,183,156	\$ 12,423.14	\$ 10,577.41	\$ 9,559.90	\$ 1,017.51
County Office Building	112 State Street	SC-3 secondary	351271102	970,894	\$ 10,194.39	\$ 8,679.79	\$ 7,844.82	\$ 834.97
Shaker Place Nursing Center	100 Heritage Lane (780 Albany Shaker Rd)	SC-3 secondary	2168680146	2,353,801	\$ 24,714.91	\$ 21,042.98	\$ 19,018.71	\$ 2,024.27
Hockey Facility	830 Albany Shaker Rd	SC-3 secondary	22686-81109	693,632	\$ 7,283.14	\$ 6,201.07	\$ 5,604.55	\$ 596.52
Judicial Center	6 Lodge St.	SC-3 secondary	36630-63002	2,006,461	\$ 21,067.84	\$ 17,937.76	\$ 16,212.20	\$ 1,725.56
Probation Dept. Mercantile Building	60 S Pearl Street	SC-3 secondary	4191268116	764,471	\$ 8,026.95	\$ 6,834.37	\$ 6,176.93	\$ 657.45
Ann Lee Home Main Bldg.	875 Albany Shaker Rd	SC-3 secondary	7668679102	144,727	\$ 1,519.63	\$ 1,293.86	\$ 1,169.39	\$ 124.47
Resource Center (Soil Conservation)	Rt 85A (24 Martin Rd)	SC-3 secondary	7722421102	170,033	\$ 1,785.35	\$ 1,520.10	\$ 1,373.87	\$ 146.23
Family Court	32 Clinton Ave	SC-3 secondary	8931270127	609,129	\$ 6,395.85	\$ 5,445.61	\$ 4,921.76	\$ 523.85
Social Services (DDS)	162 Washington Ave	SC-3 secondary	96112-70126	1,024,407	\$ 10,756.27	\$ 9,158.20	\$ 8,277.21	\$ 880.99
Health Department	175 Green Street	SC-3 secondary	9771270108	390,997	\$ 4,105.47	\$ 3,495.51	\$ 3,159.26	\$ 336.26
Times Union Center (Fire Pump)	51 S Pearl Street	SC-2	8415814003	410	\$ 4.31	\$ 3.67	\$ 3.31	\$ 0.35
Totals					\$ 380,623.71	\$ 324,073.90	\$ 292,899.01	\$ 31,174.89
Community Solar Savings (All Accounts) ²					\$ 78,023.05	\$ 78,023.05	\$ -	
Community Solar Savings 3 Accounts (NP, SP Jail) ²					\$ 42,967.90	\$ 42,967.90	\$ -	
Totals w/ Community Solar Savings (All Accounts)					\$ 246,050.85	\$ 246,050.85	\$ 292,899.01	\$ (46,848.15)
Totals w/ Community Solar Savings (3 Accounts, Jail, North & South Plant)					\$ 281,106.00	\$ 281,106.00	\$ 292,899.01	\$ (11,793.00)

1. Direct Energy included an administrative fee for the MEGA (Municipal Electric and Gas Alliance) program in their original adder cost. As MEGA is not being used for the County's electric supply Direct Energy eliminated their MEGA fee resulting in a fixed adder rate of \$0.00894/kWh

2. Direct Energy offered a Community Solar program as a value add in their proposal. As part of the bid review Constellation indicated they did not offer a Community Solar option at this time.

Recommendation: The Energy Advisory Board (EAB) met on 7/27/2021 to discuss the electric supply bids. Based on the County's green initiatives and the cost savings available from the Community Solar program the EAB is recommending awarding the electric supply contract to Direct Energy with inclusion of the ACWPD North Plant, South Plant and Correctional Facility accounts into a community solar agreement.



DANIEL P. McCOY
COUNTY EXECUTIVE

COUNTY OF ALBANY
DEPARTMENT OF GENERAL SERVICES
PURCHASING DIVISION
112 STATE STREET – ROOM 1000
ALBANY, NEW YORK 12207-2021
(518) 447-7140 - FAX (518) 447-5588
WWW.ALBANYCOUNTY.COM

DAVID LATINA
COMMISSIONER OF GENERAL SERVICES

KAREN STORM
PURCHASING AGENT

NOTICE OF AWARD

July 27, 2021

Mr. Steven E. Mueller
Senior Account Manager
Direct Energy Business
194 Wood Avenue South, 2nd Floor
Iselin, NJ, 08830

RE: RFP #2021-101 Firm Electric Supply

Dear Mr. Mueller:

You are the successful proposer under Request for Proposal #2021-101, as referenced above, for the Albany County.

Fixed adder for all accounts shall be: 0.894¢/kWh

This award shall also include Albany County's participation in the Community Solar program.

This award shall also include Albany County's participation in the Community Solar program and the associated energy savings estimate as outlined in your proposal.

As soon as practicable contract documents will be forwarded for your signature.

Thank you for your interest in doing business with the County of Albany.

Respectfully,

Karen A. Storm
Purchasing Agent

KAS:
cc: Energy Advisory Group
Affirmative Action