



**CITY OF WASHINGTON, ILLINOIS**  
**City Council Agenda Communication**

**Meeting Date:** February 6, 2023

**Prepared By:** Joanie Baxter, Finance Director *JB*

**Agenda Item:** Resolution Approving Distributed Energy Resource Agreement with Voltus, Inc.

**Explanation:** The City's energy consultant, Good Energy, L.P. contacted City staff about an opportunity to participate in a demand response program in regard to electric consumption. The program provides for monetary payments in conjunction with the ability to shift electric consumption off the power grid as may be needed to prevent overload and potential blackouts.

The payment structure is related to the number of kilowatt hours that can be shifted from the five largest electric users, including both Water Plants, the Sewer Plant, Wells 11 & 12 and the Police Department. All of these facilities have generators that are currently exercised on a periodic basis. If it is necessary to do an emergency shift, the City will be given no less than six hours of advance notice and the generators would need to run for a minimum of four hours. In addition, the facilities must run a test at least once a year under load which can be run concurrently when we exercise our generators.

The payment for participation is estimated to total approximately \$16,665 for all five facilities which is \$33 per kilowatt hour of electricity shifted. The City will be paid an additional \$2 per kilowatt hour if an emergency event is called. There has never been an emergency that has risen to the level of an "event" since the inception of the program over 20 years ago.

East Peoria, Morton, Peoria, Peoria County and Tazewell County are all either enrolled in the program or are anticipated to enroll within the next few weeks.

**Fiscal Impact:** Additional revenue of \$16,000 per year.

**Recommendation/Committee Discussion Summary:** Staff recommends approval.

**Action Requested:** Approval of the Resolution for participation in the program.

**RESOLUTION NO. \_\_\_\_\_**

Synopsis: Adoption of this resolution would provide for an agreement for participation in a demand response program in regard to electric consumption.

**RESOLUTION APPROVING DISTRIBUTED ENERGY RESOURCE  
AGREEMENT WITH VOLTUS, INC.**

**WHEREAS**, Voltus, Inc. is a company who provides demand response opportunities to municipalities; and

**WHEREAS**, demand response programs allow for payments to municipalities who are able to shift electric consumption off the grid through use of generators in the event of an emergency; and

**WHEREAS**, sufficient alternative generation has been identified throughout the City in locations in which generators are already being used and tested on a monthly basis; and

**WHEREAS**, it is determined that participating in the program is in the best interests of the City of Washington and the greater community at large;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE COUNTY OF TAZEWELL IL**, that the Mayor and/or appropriate municipal officials are hereby authorized and directed to approve the Distributed Energy Resource Agreement with Voltus, Inc.

AYES \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



## Distributed Energy Resource Agreement

This Distributed Energy Resource Agreement ("Agreement"), effective as of the later signature date ("Effective Date"), is made between Voltus, Inc. ("Voltus" and "Party"), located at 2443 Fillmore St. #380-3427, San Francisco, CA 94115, and City of Washington ("Customer" and "Party"), located at Washington City Hall, 301 Walnut Street, Washington IL 61571. Any Exhibit or Appendix attached hereto shall be incorporated herein by reference and be binding on the Parties.

1. **Term.** This Agreement will start on the Effective Date and shall terminate on May 31, 2025. If, for any reason, Customer is not enrolled in a distributed energy resource program ("Program") within the initial six (6) months following the Effective Date, this Agreement shall automatically be terminated on such six (6) month anniversary of the Effective Date.
2. **Voltus Managed Services**
  - a. **Scope of Services:** Voltus will manage Customer's participation in the Program(s) listed on Exhibit 1, in accordance with rules set forth by Voltus, the grid operator, and/or utility ("Operator"). Voltus will (i) work with Customer to develop an appropriate curtailment plan; (ii) manage all aspects of Customer's participation in the Program(s) and (iii) process all Program financial settlements in accordance with the rules set forth by the Operator. Voltus shall enroll Customer as soon as practicable in the next Program period for each Program following the Effective Date.
  - b. **Voltlet and VoltApp:** Upon Customer's authorization, Voltus will equip Customer with a system that collects energy data ("Voltlet") and provides visibility of this data through the Voltus cloud ("VoltApp"). At the Customer's request, such system may enable remote distributed generation control and direct load management. Voltus will install the system at each Customer facility as identified on Exhibit 1, which may be amended with the Customer's written consent, including email, to reflect additional locations. All energy data that identifies Customer ("Customer Energy Data") collected by the Voltlet shall be at all times the property of Customer and may not be sold or utilized by Voltus without the express written consent of Customer, except as necessary for the performance of services by Voltus pursuant to the terms of this Agreement. Upon written request by Customer at the termination of this Agreement, Voltus shall provide to Customer all Customer Energy Data collected by the Voltlet and shall destroy or delete any duplicate copies thereof in the possession of Voltus. Customer may access and download its Customer Energy Data at any time during the term of this Agreement. Notwithstanding the foregoing, Voltus may aggregate and anonymize energy data collected pursuant to this Agreement and create anonymized and aggregated data records that do not identify Customer ("Aggregate Data") and Voltus may use such Aggregate Data for any legitimate business purpose.
3. **Customer Requirements**
  - a. **Utility Data:** Customer hereby authorizes utility data access for Voltus for facilities listed on Exhibit 1.
  - b. **Voltlet Installation:** In the event a Voltlet needs to be installed, Customer will provide Voltus personnel, or their designee, with access to meters and/or equipment at facilities listed on Exhibit 1. The Voltlets shall be installed at the sole and exclusive expense of Voltus. Title to the installed Voltlets shall pass to Customer upon installation. Repairs and maintenance to the installed Voltlets shall be made by Voltus at no cost to Customer during the term of this Agreement.
  - c. **Acceptance Testing:** If the Program requires acceptance testing, Customer will work with Voltus to validate Customer capability at each facility in a timely manner.
  - d. **Performance:** Customer will use best efforts to execute its curtailment plan when notified by Voltus in accordance with Program rules. The capacity listed on Exhibit 1 represents the Parties' best estimate of performance and actual enrollment may vary.
4. **Payments**
  - a. **LMR Capacity Payments:** The payment rate for participation in the MISO Load Modifying Resource ("LMR") Program for the Program periods 2023-24 and 2024-25 shall be \$33,000 per megawatt (MW) per year owing to Customer's performance, less \$350 per Voltlet per month.
  - b. **Additional Capacity Payments:** Voltus will pay Customer 63% of all payments obtained by Voltus owing to Customer's performance in the MISO Operating Reserves ("OR") and Economic Demand Response ("DR") Programs, up to the total enrolled amount, by facility.
  - c. **Energy Payments:** If Voltus is dispatched by MISO for the Energy Demand Response ("EDR") Program and Customer is enrolled in such Program, Voltus will pay Customer \$2,000 per MWh to Customer's performance by facility.
  - d. **Underperformance:** By complying herewith, in no event shall Customer be penalized for underperformance.
  - e. **Payment Timing:** Voltus will issue Customer payment within 45 days of Voltus's receipt of payment from the Operator for (i) each Program season if the Program has a fixed season, or (ii) the preceding quarter. In the event this Agreement is terminated early, Voltus's payment obligations in this Section 4 for participation through the last day of the term of this Agreement shall survive such early termination of this Agreement.
5. **General Terms**
  - a. **Limitation on Liability:** Voltus is not liable for Customer performance in the Program(s). Each party's aggregate liability for all direct damages arising out of this Agreement, whether in contract, tort, or otherwise, shall in no event exceed an amount equal to the sum of the payments made to Customer pursuant to Section 4 in the twelve (12) months preceding the event giving rise to such claim. Neither party shall be liable to the other party for any indirect, punitive, special, consequential, or incidental damages, lost profit, or other business interruption damages.
  - b. **Indemnification:** Voltus shall defend, indemnify and hold harmless Customer against any and all damages, losses, liabilities, judgments, awards and costs as may be awarded by a court or agreed to in a final settlement (including reasonable attorneys' fees and expenses) (collectively "Loss") in any third-party claim, action, lawsuit, or proceeding (individually and collectively "Claim") arising out of an allegation that Voltus's grossly negligent, or intentional actions or omissions caused a Loss, provided however that Voltus's obligation to indemnify will not apply if Customer's actions or inactions were in any way a contributing factor to the Claim. Customer shall defend, indemnify and hold harmless Voltus against any Loss in any Claim arising out of an



allegation that Customer's grossly negligent, or intentional acts or omissions caused a Loss, provided however that Customer's obligation to indemnify will not apply if Voltus's actions or inactions were in any way a contributing factor to the Claim.

- c. *Program Changes.* In the event that Program rules materially change, the Parties shall enter into good faith negotiations to update the terms of the Agreement. In the event the Parties are unable to enter into a mutually agreeable amendment within 30 days of the effective date of a material Program rule change, this Agreement shall terminate on such 30<sup>th</sup> day. Payment obligations shall survive in accordance with Section 4(e) above.
- d. *Assignment.* Neither Party shall assign or transfer this Agreement, including pursuant to a change of control, without the other Party's prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed.
- e. *Termination for Material Breach:* Either Party may terminate this Agreement upon 10 days' prior written notice to the other Party if the other Party materially breaches the terms of this Agreement and fails to cure the breach within such 10-day period.
- f. *Entire Agreement:* This Agreement and applicable Exhibits shall constitute the entire agreement between the Parties regarding the subject matter hereof, and supersedes any and all prior and contemporaneous agreements or communications with respect to such subject matter. This Agreement may not be modified in any manner unless in writing signed by both Parties.
- g. *Venue & Governing Law:* Venue for any claims arising under this Agreement shall be in the Circuit Court of the county in which Customer's principal office is located. Illinois law shall apply to this Agreement.

**Voltus, Inc.**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

**Customer**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_



### Exhibit 1

The descriptions for the Programs listed below are located at: <https://www.voltus.co/contract/welcome>

Program Operator and Name	Utility Account Number	Address	City	State	Zip Code	Estimated Enrolled Capacity
MISO LMR/EDR	0122166002	107 LEGION RD WELLS 11/12	Washington	Illinois	61571	80
MISO LMR/EDR	0923001770	955 ERNEST ST	Washington	Illinois	61571	235
MISO LMR/EDR	2052528413	1760 CONSTITUTION WTR TREATMNT PLANT2	Washington	Illinois	61571	60
MISO LMR/EDR	2189124652	210 N MAIN ST WTR TREATMNT PLANT1	Washington	Illinois	61571	120
MISO LMR/EDR	9906538974	115 W JEFFERSON ST	Washington	Illinois	61571	10