

CITY OF OGLESBY

---

ORDINANCE NO. 1131-110220

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERIM AGREEMENT  
BETWEEN THE CITY OF OGLESBY BY GTI OGLESBY, LLC

---

ADOPTED BY THE CITY COUNCIL OF  
THE CITY OF OGLESBY  
THIS 2nd DAY OF NOVEMBER, 2020

---

Published in pamphlet form by authority of the City Council of the City of Oglesby, LaSalle County, Illinois, this 2nd day of November, 2020.

---

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF LASALLE        )

I, Amy Eitutis, certify that I am the duly elected and acting municipal clerk of the City of Oglesby, LaSalle County, Illinois.

I further certify that on the 2nd day November, 2020, the corporate authorities of the above municipality passed and approved Ordinance No. 1131-110220, entitled "An Ordinance Authorizing the Execution of an Interim Agreement Between the City of Oglesby by GTI Oglesby, LLC", which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 1131-110220, including the ordinance and cover sheet thereof, was prepared and a copy of such ordinance was posted in the municipal building, commencing on the 2nd day of November, 2020, and continuing for at least ten days thereafter. Copies of the ordinance were also available for public inspection upon request in the office of the municipal clerk.

Dated in Oglesby, Illinois, this 2nd day of November, 2020.

(SEAL)

  
\_\_\_\_\_  
Municipal Clerk

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN INTERIM AGREEMENT  
BETWEEN THE CITY OF OGLESBY BY GTI OGLESBY, LLC

WHEREAS, the City of Oglesby and GTI Oglesby, LLC are negotiating an agreement whereby GTI Oglesby, LLC will purchase electrical power for its Oglesby, Illinois facility from the City of Oglesby; and

WHEREAS, in contemplation of the City of Oglesby and GTI Oglesby, LLC reaching an Agreement for the Purchase of Electricity from the City of Oglesby by Oglesby GTI, LLC, the City of Oglesby and GTI Oglesby, LLC have agreed to enter into an Interim Agreement attached to this ordinance, marked as Exhibit A and incorporated by reference as if set out in full herein; and

WHEREAS, Section 11-117-1 of the Illinois Municipal Code (65 ILCS 5/11-117-1 (West 2018)) authorizes the City of Oglesby to operate an electrical utility within the corporate limits of the City of Oglesby; and

WHEREAS, pursuant to this authorization, the City of Oglesby has become a member of the Illinois Municipal Electric Agency and the Illinois Municipal Electric Agency provides wholesale power to the City of Oglesby pursuant to the provisions of Section 11-119.1-2 et seq. of the Illinois Municipal Code (65 ILCS 5/11-119.1-2 (West 2018)); and

WHEREAS, the corporate authorities of the City of Oglesby deem it to be in the best interest of the public health, safety and welfare of the residents of the City of Oglesby to enter into the Interim Agreement with GTI Oglesby, LLC.

NOW, THEREFORE, be it ordained by the Mayor and Commissioners of the City of Oglesby, LaSalle County, Illinois as follows:

1. The recitals contained in the preamble of this ordinance are incorporated by reference as if set out in full herein.
2. The corporate authorities of the City of Oglesby authorize and agree to enter into an Interim

Agreement with GTI Oglesby, LLC entitled An Interim Agreement By and Between City of Oglesby and Oglesby GTI, LLC, a copy of which is attached to this ordinance and incorporated by reference as if set out in full herein. The corporate authorities of the City of Oglesby also authorize and empower the Mayor of the City of Oglesby and the City Clerk of the City of Oglesby to sign this Interim Agreement.

3. This ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

PRESENTED, PASSED AND ADOPTED at a regular meeting of the City Council of the City of Oglesby, LaSalle County, Illinois, by an aye and nay roll call vote as follows:

PASSED AND ADOPTED THIS 2ND DAY OF NOVEMBER , 2020.

THOMAS ARGUBRIGHT	<input checked="" type="checkbox"/>	AYE;	<input type="checkbox"/>	NAY;	<input type="checkbox"/>	ABSENT;	<input type="checkbox"/>	PASS
CARRIE LIJEWSKI	<input type="checkbox"/>	AYE;	<input type="checkbox"/>	NAY;	<input checked="" type="checkbox"/>	ABSENT;	<input type="checkbox"/>	PASS
JASON CURRAN	<input checked="" type="checkbox"/>	AYE;	<input type="checkbox"/>	NAY;	<input type="checkbox"/>	ABSENT;	<input type="checkbox"/>	PASS
JAMES CULLINAN	<input checked="" type="checkbox"/>	AYE;	<input type="checkbox"/>	NAY;	<input type="checkbox"/>	ABSENT;	<input type="checkbox"/>	PASS
DOMINIC RIVARA	<input checked="" type="checkbox"/>	AYE;	<input type="checkbox"/>	NAY;	<input type="checkbox"/>	ABSENT;	<input type="checkbox"/>	PASS

APPROVED:



Dominic Rivara, Mayor



Amy Etutis, Clerk

ATTACHMENT I

B7 Rate

Customer will be charged the B7 incentive rates set forth below for all but the first 200 kW of demand usage beginning the first month that Customer qualifies for B7 incentive rates by achieving at least a monthly kW billing demand of 3,200 kW and at least an 80% monthly load factor measured with the kWh consumption for each month and the kW billing demand for the same month and the next 59 months thereafter; provided however, that Customer meets the monthly demand and load factor requirements to continue to qualify for the B7 incentive rate. The rates charged to the Customer shall be calculated as follows:

- (A) Customer Service Charge: \$500.00 per month
- (B) Energy Charge: \$0.0420 per kWh for all kWh's used per month
- (C) Demand Charge:
  - \$7.60 per kW for all kW of billing demand - beginning with the first month and continuing for the next 11 months after the Customer first qualifies for the B7 incentive rate
  - \$8.85 per kW for all kW of billing demand - months 13 - 24
  - \$10.10 per kW for all kW of billing demand - months 25 - 36
  - \$11.35 per kW for all kW of billing demand - months 37 - 48
  - \$12.60 per kW for all kW of billing demand - months 49 - 60
- (D) Billing Demand: (i) for purposes of determining the peak load and load factor requirements to qualify for this B7 rate, billing demand is defined as the highest hourly integrated demand in kW of all of Customer's primary meters each month; (ii) for purposes of determining the demand charges under this B7 rate, billing demand is defined as the maximum hourly kW demand of all of Customer's primary meters at the time of the City's maximum hourly demand for the applicable month.
- (E) Reactive Demand Charge: is defined as \$0.25 per kVAR for all kVAR's by; which the Customer's power factor at the time of the billing demand is lower than 95% lagging or leading.
- (F) Power Factor (PF): is defined as the ratio of working power measured in kilowatts (kW), to apparent power, measured in kilovolt amperes (kVA).
- (G) Energy: is defined as the amount of energy consumed, measured in kilowatt-hours (kWh).

(H) Wholesale Energy Cost Adjustment: is defined as the energy charges (per kWh) above are subject to the Energy Cost Adjustment ("ECA"). The ECA charges shall be in addition to the stated base rates and charges, and additional amount shall be added or credited to each bill for the Purchase Power Adjustments ("PPA"). The ECA is hereby defined as the per kWh adjustments which are passed on by City's wholesale power supplier, the Illinois Municipal Electrical Agency ("IMEA"), to reflect the actual cost of energy and capacity purchased by the IMEA. The calculated adjustments for the previous month's purchases are applied to the previous month's usage and then added to the current month's invoice. The PPA shall be multiplied by the number of kWh consumed by each Customer and added to each bill for electrical service rendered.

(I) Tax Adjustment: is defined as any tax or charge imposed or levied by any taxing authority including the Illinois State Public Utility Revenue Tax Act and all applicable City municipal utility taxes shall be added to Customer's bill.

(J) Capital Recovery: from the September 2020 billing cycle through the last billing cycle before the Customer meets the qualifications for the B7 incentive rate, the City will apply \$0.00525 per kWh of the Customer's payment to the Phase 1 capital recovery as set forth in Attachment II. Beginning with the first month when the Customer meets the qualifications for the B7 incentive rate and is charged the B7 incentive rate as provided for herein, Customer agrees to pay an additional charge to City of \$0.00525 per kWh which will be applied to the remaining balance of the capital recovery and continue on each successive month's bill until the capital recovery charges provided for in Attachment II Phase 1 capital recovery is paid in full. When the Customer has fully paid the capital recovery amount set forth for Phase 1 in Attachment II, the additional charge of \$0.00525 per kWh will be discontinued.

(K) The B7 incentive rates set forth herein are subject to the following conditions:

- (i) The B7 incentive rates set forth herein are based upon the City obtaining IMEA approval for the incentive rates on or before December 31, 2020.
- (ii) The B7 incentive rates are based upon the Customer qualifying for the B7 incentive rate incentive by no later than June 1, 2021.
- (iii) To qualify for the B7 incentive rate, Customer must incur a kW billing demand of 3,200 kW and an 80% monthly load factor measured with the kWh consumption for each month and the kW billing demand for the same month.
- (iv) If Customer has not met the qualifications for this B7 rate (monthly kW billing demand of 3,200 kW and monthly load factor of at least 80%) by June 1, 2020, the Customer will be charged the B6 rate beginning June 1, 2020 until it qualifies for the B7 rate. If Customer does not meet the qualifications for this B7 rate within the first 12 months after June 1, 2020, Customer will be charged the B6 rate for the remaining 48 months of this Agreement. Once Customer has met the qualifications for the B7 incentive rate the first time during the first 12 months of the term of this Agreement, Customer must continue to meet such qualifications in at least 75% of the months remaining in the first 12-month period in order to continue to be charged the B7 rate, or Customer will be charged the B6 rate for all of

the remaining months of this Agreement beginning with the first month where it will no longer be possible for Customer to meet the qualifications in at least 75% of the months remaining in the first 12-month period. If Customer has met the B7 rate requirements during the first 12-month period, but fails to meet the qualifications for the B7 rate in 8 out of 12 months during the 2nd, 3rd, 4th or 5th 12-month period of this Agreement, Customer will be charged the B6 rate for all of the remaining months of this Agreement beginning in the fifth month of such 12-month period where the B7 requirements were not met.

- (v) The 60 month term of this Agreement begins upon the first month when the Customer qualifies for the B7 incentive rate, but not later than June 1, 2021, and continues for the next 59 consecutive months. Failure of the Customer to qualify for the B7 incentive rate during any month after the first month when the Customer qualifies for the B7 incentive rate, does not extend the 60-month term of this Agreement. This Agreement terminates 59 months after the earlier of the first month that the Customer qualifies for the B7 incentive rate or June 30, 2021.
- (vi) The rates set forth herein are subject to the Customer reimbursing the City for the capital improvement costs set forth in Attachment II.

(L) Late Payment Charge:

a late payment charge will be assessed in an amount equal to 10% of the Customer's bill and added to all subsequent bills if the Customer's bill is not paid in full by the 10th day of the month after the Customer receives its utility bill from the City. If the 10th day of the month is a Sunday or a holiday, the Customer may pay the net bill on the next day without penalty.

*The remaining portions of this page are intentionally left blank.*

ATTACHMENT I

B6 Rate

City will charge Customer a B6 incentive rate for any month as set forth in Section (K) of the B7 rate; provided, however, that Customer meets the requirements for the B6 incentive rate which requires a monthly kW billing demand of 1,200 kW per month. The rates charged to the Customer shall be calculated as follows:

- (A) Customer Service Charge:           \$500.00 per month
- (B) Energy Charge:                     \$0.0420 per kWh for all kWh's used per month
- (C) Demand Charge:                    \$9.60 per kW for all kW of billing demand -  
beginning with the first month and continuing for the next 11  
months after the Customer first qualifies for the B6 incentive  
rate  
\$10.85 per kW for all kW of billing demand -  
months 13 - 24  
\$12.10 per kW for all kW of billing demand -  
months 25 - 36  
\$13.35 per kW for all kW of billing demand -  
months 37 - 48  
\$14.60 per kW for all kW of billing demand -  
months 49 - 60
- (D) Billing Demand:                    (i) for purposes of determining the peak load and load factor  
requirements to qualify for this B6 rate, billing demand is defined as the  
highest hourly integrated demand in kW of all of Customer's primary

meters each month; (ii) for purposes of determining the demand charges under this B6 rate, billing demand is defined as the maximum hourly kW demand of all of Customer's primary meters at the time of the City's maximum hourly demand for the applicable month.

(E) Reactive Demand Charge: is defined as \$0.25 per kVAR for all kVARs by; which the customer's power factor at the time of the billing demand is lower than 95% lagging or leading.

(F) Power Factor (PF): is defined as the ratio of working power measured in kilowatts (kW), to apparent power, measured in kilovolt amperes (kVA).

(G) Energy: is defined as the amount of energy consumed, measured in kilowatt-hours (kWh).

(H) Wholesale Energy Cost Adjustment: is defined as the energy charges (per kWh) above are subject to the Energy Cost Adjustment ("ECA"). The ECA charges shall be in addition to the stated base rates and charges, and additional amount shall be added or credited to each bill for the Purchase Power Adjustments ("PPA"). The ECA is hereby defined as the per kWh adjustments which are passed on by City's wholesale power supplier, the Illinois Municipal Electrical Agency ("IMEA"), to reflect the actual cost of energy and capacity purchased by the IMEA. The calculated adjustments for the previous month's purchases are applied to the previous month's usage and then added to the current month's invoice. The PPA shall be multiplied by the number of kWh consumed by each Customer and added to each bill for electrical service rendered.

(I) Tax Adjustment: is defined as any tax or charge imposed or levied by any taxing authority including the Illinois State Public Utility Revenue Tax Act and all applicable City municipal taxes shall be added to Customer's bill.

(J) Capital Recovery: from the September 2020 billing cycle through the last billing cycle before the Customer meets the qualifications for the B7 incentive rate; the City will apply \$0.00525 per kWh of the Customer's payment to the Phase 1 capital recovery as set forth in Attachment II. Beginning with the first month when the Customer meets the qualifications for the B7 incentive rate and is charged the B7 incentive rate as provided for herein, Customer agrees to pay an additional charge to City of \$0.00525 per kWh which will be applied to the remaining balance of the capital recovery and continue on each successive month's bill until the capital recovery charges provided for in Attachment II Phase 1 capital recovery is paid in full. When the Customer has fully paid the capital recovery amount set forth for Phase 1 in Attachment II, the additional charge of \$0.00525 per kWh will be discontinued.

K) The B6 incentive rates set forth herein are subject to the following conditions:



- (i) Beginning with the September 2020 billing cycle through the last billing cycle before the earlier of June 1, 2020 or when Customer meets the qualifications for the B7 incentive rate, the City will apply \$0.00525 per kWh of the Customer's monthly payment to the recovery of the cost incurred by the City of Oglesby pursuant to Attachment II for Phase 1 of capital costs recovery.
- (ii) After the earlier of June 1, 2020 or when the Customer first qualifies for the B7 incentive rate and if the Customer is charged the B6 incentive rate by the City, the City will add an additional charge of \$0.00525 per kWh to the Customer's monthly bill and this charge will continue until the balance of the Phase 1 capital recovery costs as set forth in Attachment II are paid in full. Beginning with the first month after the Phase 1 capital recovery costs as set forth in Attachment II are paid in full, the City will discontinue the additional charge of \$0.00525 per kWh on the Customer's monthly bill.

(L) Late Payment Charge:

a late payment charge will be assessed in an amount equal to 10% of the Customer's bill and added to all subsequent bills if the Customer's bill is not paid in full by the 10th day of the month after the Customer receives its utility bill from the City. If the 10th day of the month is a Sunday or a holiday, the Customer may pay the net bill on the next day without penalty.

## ATTACHMENT II

### CAPITAL COST RECOVERY

In order for City to provide Customer with the B7 incentive rate and the B6 incentive rate, Customer agrees to reimburse City for certain infrastructure costs either incurred by City prior to the execution of this Agreement or costs which will be incurred by City during the term of this Agreement. City and Customer agree that Customer will reimburse City for Phase 1 costs, Phase 2 costs and Phase 3 costs incurred by the City.

City and Customer agree that Phase 1 costs incurred by the City of Oglesby total \$254,919.00 and are detailed in an Oglesby Electrical Department Job Cost Report dated September 24, 2020, attached hereto as Exhibit A, and incorporated by reference as if set out in full herein.

City and Customer agree that Phase 2 costs incurred by the City of Oglesby total \$677,622.00 and are detailed in an Oglesby Electrical Department Job Cost Report dated September 24, 2020, attached hereto as Exhibit B, and incorporated by reference as if set out in full herein.

City and Customer agree that estimated costs for the Phase 3 improvements to the Oglesby electrical system to be made by the City of Oglesby in the future total \$237,274.00 and are detailed in an Oglesby Electrical Department Job Cost Report dated September 24, 2020, attached hereto as Exhibit C, and incorporated by reference as if set out in full herein.

Customer and City agree that the City's cost for the Phase 1 improvements in the amount of \$254,919.00 will be paid by Customer as follows:

- (i) beginning with the September 2020 billing cycle and continuing through the last monthly billing cycle prior to Customer meeting the qualifications for the B7 incentive rate, the City will apply \$0.00525 per kWh of the Customer's monthly payment toward Customer's Phase 1 capital cost reimbursement to City;
- (ii) beginning with the first month when Customer qualifies for the B7 incentive rate and continuing for each month thereafter, City will charge Customer an additional kilowatt charge over and above the B7 incentive rate as set forth in Attachment I to this Agreement in the amount of \$0.00525 per kWh until such time as the City has recovered all of its costs for Phase 1.

City and Customer agree that Customer will reimburse City for all of the \$677,622.00 Phase 2 capital improvement costs within 10 days after the effective date of this Agreement. For the purposes of this paragraph, the effective date of the Agreement will be the date when the Agreement is signed by both Customer and City representatives.

City and Customer agree that Customer will reimburse City for the Phase 3 capital improvement costs in the amount of the actual costs reasonably incurred by the City. The current estimate of such costs is \$237,274.00 (the "Phase 3 Estimate"). In the event that the cost for the Phase 3 capital improvement work is ever anticipated to exceed 105% of the Estimate (\$249,138.00), the City shall receive Customer's written approval before proceeding with such work. Customer will make such reimbursement within 60 days after the date when City completes the installation of the equipment described in Phase 3. City shall be responsible for notifying customer when City has completed the installation of the Phase 3 equipment.

City and Customer agree that future expansion of Customer's Oglesby Illinois facility could require additional capital cost improvements to either the Oglesby electrical system or for any costs imposed on the City by the owner (Ameren Illinois Company) or operator (Midcontinent Independent System Operator, Inc.) of the regional transmission and distribution system (whether those costs are imposed directly on the City or are imposed on IMEA and passed through to the City) related to any required upgrade to the existing connections between the Ameren and Oglesby distribution systems or any new connection to be established and any required upgrade to the Ameren system to accommodate Customer's new large load,

including the costs of studies to determine the required connection-related facilities and the impact on the Ameren system. In the event of future expansion by Customer requiring capital cost improvements to either the Oglesby electrical system or the regional transmission and distribution system, before making these improvements, City will provide Customer with an estimate of the cost of the improvements for Customer's review and approval; said estimate shall include, if applicable, a detailed breakdown of any capital cost improvements incurred by City specifically related to either Customer's increased load or expansion ("Customer Capital Costs"). Customer and City agree that Customer Capital Costs are limited to costs directly attributable to Customer's future expansion. If Customer authorizes the improvements, including the City's allocation of Customer's Capital Costs, Customer will reimburse City for the actual costs of the improvements within 60 days after the date when City completes the improvements. City shall be responsible for notifying Customer when City has completed the improvements.