

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF DOCUMENTS GUARANTEEING PAYMENT FOR WHOLESALE POWER CONTRACTS; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, through the adoption of Ordinance No. 8206 on October 12, 2009, the City Council approved an Integrated Resource Plan (“IRP”), a planning guide for future transmission, power supply, demand management and conservation programs for customers served by the North Little Rock Electric Department (“NLRED”), with the plan calling for NLRED to diversify its power supply beginning January 1, 2014, and also requiring the development and adherence to a Risk Management Policy; and

WHEREAS, through the adoption of Ordinance No. 8771 on October 26, 2015, the City Council adopted a new Energy Risk Management Policy (“RMP”) to identify risks and their economic impact on NLRED, to manage or mitigate risks, and to establish and define procedures and controls to be used by NLRED staff and a third-party energy trading and risk management entity (“Power Manager”) to manage risk; and

WHEREAS, through the adoption of Resolution No. 8883 on November 23, 2015, the City Council entered a resource management agreement whereby The Energy Authority, Inc. (“TEA”) would serve as the Power Manager for NLRED; and

WHEREAS, due to credit limitations of the resource management agreement, certain transactions entered by TEA on behalf of NLRED require guarantees of performance by NLRED; particularly transactions with performance that is more than two years in the future.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Chairperson of the Risk Management Committee is authorized to execute such documents as are deemed necessary or advisable to guarantee payment of such wholesale power, transmission, capacity, and related contracts as may be lawfully approved by the Risk Management Committee and entered by the Power Manager for the benefit of the North Little Rock Electric Department. The Chairperson of the Risk Management Committee shall ensure that any and all guarantees executed are periodically reported to City Council.

SECTION 2: That this ordinance is intended to further enable the Risk Management Committee to accomplish the goals of the Energy Risk Management Policy. It is not intended and shall not be construed to expand the authority or approval limits of the Risk Management Committee.

SECTION 3: That the form and content of each guarantee shall be approved by the Office of the City Attorney.

SECTION 4: That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 5: It is hereby found and determined that the community and NLRED customers will benefit from reliable and efficient delivery systems with a goal of providing a reliable, responsible and affordable electrical service in the City, and that the City and the residents thereof can best be served by the adoption of this Ordinance; THEREFORE, an emergency is hereby declared to exist, and this Ordinance being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

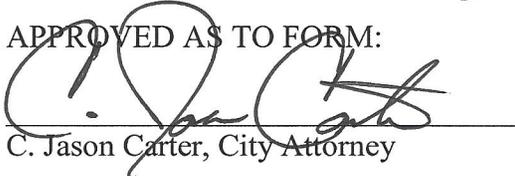
ATTEST:



Mayor Joe A. Smith

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED _____ A.M. _____ P.M.
By _____
DATE _____
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas
RECEIVED BY _____