

RESOLUTION NO. RS2020-\_\_\_

A resolution amending Resolution RS2020-441 to revise the Green Invest Agreement between the Tennessee Valley Authority, Nashville Electric Service, and the Metropolitan Government of Nashville and Davidson County for the purchase of renewable energy.

WHEREAS, on July 21, 2020, the Metropolitan Council adopted Resolution RS2020-441 which was subsequently approved by Mayor John Cooper on July 22, 2020; and,

WHEREAS, Resolution RS2020-441 approved a "Green Invest Agreement" between the Tennessee Valley Authority, Nashville Electric Service, and the Metropolitan Government of Nashville and Davidson County for the potential purchase of renewable energy, and a copy of the proposed Agreement was attached and incorporated therein; and,

WHEREAS, the Green Invest Agreement does not obligate the Metropolitan Government to purchase renewable energy, but serves as a vehicle for the parties to investigate the option for entering into one or more future Tranche Amendments to purchase renewable energy from new renewable generation resources or to construct such resources at the request of the Metropolitan Government; and,

WHEREAS, in subsequent negotiations with the Tennessee Valley Authority, the Metropolitan Government was able to realize cost savings through a new pricing structure whereby TVA subtracts its avoided cost from the cost of the renewable energy obtained (with such difference not less than agreed-upon price minimums) and eliminates renewable energy credit fees; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that an amendment to the Green Invest Agreement be approved, thereby enabling the Metropolitan Government to realize more advantageous pricing structures.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That the Green Invest Agreement between the Tennessee Valley Authority, Nashville Electric Service, and the Metropolitan Government of Nashville and Davidson County, as adopted by the Metropolitan Council on July 21, 2020 pursuant to Resolution RS2020-441 be hereby amended as set forth in the Amendment attached hereto and incorporated herein, and that such Amendment is hereby approved, and the Metropolitan Mayor is authorized to execute the same.

Section 2. Any further amendments, renewals, or extension of the terms of the Agreement (as amended) may be approved by resolution of the Metropolitan Council.

Section 3. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED AS TO AVAILABILITY  
OF FUNDS:

DocuSigned by:

*Kevin Crumbo*

Kevin Crumbo, Director  
Department of Finance

INTRODUCED BY:

\_\_\_\_\_

\_\_\_\_\_

Member(s) of Council

APPROVED AS TO FORM AND  
LEGALITY:

DocuSigned by:

*Tara Ladd*

Assistant Metropolitan Attorney

## GREEN INVEST AGREEMENT AMENDMENT

Contract No. 99818372, Supp. No. \_\_\_\_

This Amendment is among THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY ("**Company**"), a nonprofit corporation; THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY, ACTING BY AND THROUGH THE ELECTRIC POWER BOARD OF SAID GOVERNMENT ("**Distributor**"); and TENNESSEE VALLEY AUTHORITY ("**TVA**"), a corporate agency and instrumentality of the United States of America created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended.

Distributor purchases all of its power requirements from TVA for resale under a rolling term contract number TV-48267A, effective December 19, 1977, as amended ("**Power Contract**").

Company, Distributor, and TVA previously entered into a Green Invest Agreement, Contract No. 99818372, effective August 14, 2020, including all Tranche Amendment(s) entered into thereunder and incorporated by reference (referred to collectively as the "**Green Invest Agreement**") to provide new renewable energy to Company under the Company Contract.

Company, Distributor, and TVA have since determined that they would each benefit from amending certain provisions of the Green Invest Agreement.

Therefore, the parties agree as follows:

### **SECTION 1 - TERM**

This Amendment will continue in effect until the expiration or termination of the Green Invest Agreement.

### **SECTION 2 - DEFINITIONS**

Unless otherwise defined herein, capitalized and underlined terms are defined in the Green Invest Agreement.

### **SECTION 3 - AMENDMENTS TO THE GREEN INVEST AGREEMENT**

#### **3.1 - Definitions Additions**

The parties hereby amend section 1 of the Green Invest Agreement by removing the definition of "REC Fee," and any reference thereto throughout the Green Invest Agreement, and by adding the following definitions to the alphabetized list:

**"Product Price Minimum"** means the minimum price of the Product, meant to represent the value of the benefit received by Company. The Product Price Minimum as of January 1, 2020, is one dollar and twenty-five cents per megawatt-hour (\$1.25/MWh) for each unit of Product. The Product Price Minimum may be changed by TVA upon 30 days written notice to Company. Any change to the Product Price Minimum will not apply to or otherwise affect any effective Tranche Amendment(s).

**"TVA Administrative Fee"** is a \$1,000.00 per month charge to compensate TVA for the cost it incurs to administer this Agreement and the associated Tranche Amendment(s). The TVA Administrative Fee will increase 3% on January 1 of each year, beginning January 1, 2021. As of the effective date of this Amendment, the TVA Administrative Fee will be applied to Distributor's monthly invoice whenever a Tranche Amendment becomes effective and an applicable Renewable Energy Facility has begun to deliver renewable power. The TVA Administrative Fee will not be applied to any previously effective Tranche Amendment executed prior to the effective date of this Amendment.

### **3.2 - Pricing Changes**

For any Tranche Amendment(s) signed after the effective date of this Amendment, the parties hereby agree to replace, in its entirety, section 3.4 of the Green Invest Agreement with the following, to reflect the new pricing structure:

**Section 3.4 Pricing.** The Product price TVA will provide to Company will be determined by subtracting TVA's avoided cost from the cost of the renewable energy obtained pursuant to the PPA, with such difference not less than the Product Price Minimum in effect at the time TVA receives the Notification. TVA's avoided cost will be based on TVA's then-current economic modeling approach utilized for planning TVA's existing and incremental generation resources, and will take into account the specific combination of features of the power to be generated by TVA or to be sold under the specific proposal for the PPA, which considerations will include, without limitation, capacity, real-time energy delivery amounts ("shaping"), dispatchability, intermittency, generation source diversity, maintenance scheduling, administrative and billing requirements, variations in line losses, curtailment rights, reliability, and other risk factors. The parties will agree to the Product price through execution of a Tranche Amendment. The Product price is not subject to change following execution of such Tranche Amendment, unless otherwise agreed to in the applicable Tranche Amendment.

### **3.3 - Invoicing Changes**

The parties hereby agree to replace, in its entirety, section 5.1 of the Green Invest Agreement with the following, to include the TVA Administrative Fee:

**Section 5.1 Invoicing.** TVA will invoice Distributor monthly for Product generated under each Tranche Amendment, the TVA Administrative Fee, and third-party costs for certifying, registering, and transferring RECs ("**Third-Party Costs**"), if any. Distributor shall pay for such Product, TVA Administrative Fee, and Third-Party Costs on Distributor's monthly bill for firm power in accordance with the terms and conditions in the Power Contract and each applicable Tranche Amendment. Any such monthly amount shall be netted against any credit due to Company in accordance section 5.2 or added to all other amounts payable on Distributor's monthly bill for firm power.

Distributor will invoice Company monthly for the Distributor Administrative Cost, Product generated under each Tranche Amendment, the TVA Administrative Fee, and any Third-Party Costs. Company shall pay for such Distributor Administrative Cost, Product, TVA Administrative Fee, and Third-Party Costs on Company's monthly bill for firm power in accordance with the terms and conditions in the Company Contract(s) and each applicable Tranche Amendment. Any such monthly amount shall be netted against any credit due to Company in accordance with section 5.2 or added to all other amounts payable on Company's monthly bill for firm power. In the event Company fails to make any payments when due under the terms of this Agreement or any Tranche Amendment, Distributor will provide TVA with notice of such failure within ten days.

If TVA is unable to collect the Product charges, TVA Administrative Fee, or Third-Party Costs from Distributor, TVA will invoice Company directly by submitting an invoice to Company, and Company shall, consistent with the attached Billing and Payment Terms, pay TVA for the Product charges, TVA Administrative Fee, and/or Third-Party Costs.

## **SECTION 4 - RATIFICATION OF THE GREEN INVEST AGREEMENT**

The parties hereby ratify and confirm that the Green Invest Agreement, as amended by this Amendment, is their continuing obligation.

**COMPANY LEGAL NAME**

By \_\_\_\_\_

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

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

**DISTIRBUTOR LEGAL NAME**

By \_\_\_\_\_

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

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

**TENNESSEE VALLEY AUTHORITY**

By \_\_\_\_\_  
Chief Financial Officer

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

The Parties are signing this Agreement to be effective (“**Effective Date**”) on the date of TVA’s signature.

**APPROVED AS TO AND  
AVAILABILITY OF FUNDS**

DocuSigned by:  
By Kevin Crumboltz  
Kevin Crumboltz, Director  
Department of Finance

**APPROVED AS TO FORM AND  
LEGALITY**

DocuSigned by:  
By Tara Ladd  
Tara Ladd, Metropolitan Attorney

**THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY**

By \_\_\_\_\_  
John Cooper  
Metropolitan County Mayor

**ATTEST**, this the \_\_\_\_\_ day of  
\_\_\_\_\_, 20 \_\_\_\_\_.

By \_\_\_\_\_  
Metropolitan Clerk

**APPROVED AS TO RISK AND  
INSURANCE**

DocuSigned by:  
By Balogun Cobb  
Balogun Cobb, Director of Insurance