

## Legislation Text

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**File #:** 24-0051, **Version:** 1

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### **Item Description:**

Neg Agmt PR00005964 with Ever-Green Energy to manage, operate and maintain the Hennepin County Energy Center, 03/01/24-12/31/34, estimated NTE \$40,000,000

### **Resolution:**

BE IT RESOLVED, the County Administrator be authorized to negotiate Agreement PR00005964 with Ever-Green Energy, Inc. to manage, operate and maintain the Hennepin County Energy Center, during the period March 1, 2024 through December 31, 2034, with a not-to-exceed amount of \$40,000,000, be approved, that following review and approval by the County Attorney's Office, the County Administrator be authorized to sign the agreements on behalf of the county; and that the Controller be authorized to disburse funds as directed.

### **Background:**

The Hennepin County Energy Center (HCEC), located at 600 10th Avenue South in Minneapolis, is owned by Hennepin County and operated for the county by Energy Center HCEC LLC (Clearway). HCEC supplies steam for heat and chilled water to cool the Hennepin County Government Center, Hennepin County Medical Center, Public Safety Facility, Forensic Sciences Building, Juvenile Justice Center, Health Services Building, Municipal Building, and several buildings owned by private customers.

In 2019, the board approved Agreement A090990 with Energy Center HCEC LLC (Clearway), formerly NRG to operate the facility (Resolution 19-0475). In 2023, the county issued a request for proposals for the management, operation, and maintenance of HCEC. The county received proposals from two companies and selected Ever-Green Energy because it had the most responsive and lowest-cost proposal that met the requirements to operate and maintain the HCEC. Ever-Green Energy is based in St. Paul, Minnesota and has decades of experience operating district energy facilities like the Hennepin County Energy Center.

### **Current Request:**

This request is for approval of authorizing the County Administrator to negotiate Agreement PR00005964 with Ever-Green Energy, Inc. to manage, operate and maintain the HCEC, including routinely scheduled maintenance, during the period March 1, 2024 through December 31, 2034, with a not-to-exceed amount of \$40,000,000.

This contract will be a pass-through contract along with paying Ever-Green Energy a monthly management fee. Eligible pass-through costs will include, but are not limited to, expenditures for labor associated with operating the plant 24 hours per day, 7 days per week, 365 days per year. The remaining costs are for supplies, parts, and other contract services needed by Ever-Green Energy to perform all routine maintenance and repairs at the plant and the steam and chilled water distribution pipes serving customers, as well as assist in the implementation of county approved capital projects.

### **Impact/Outcomes:**

This agreement will ensure that the HCEC continues to provide efficient and reliable heating and cooling to county buildings and private customers.

**Recommendation from County Administrator:** Recommend Approval