

**NEW YORK SCHOOL AND  
MUNICIPAL ENERGY CONSORTIUM  
(NYSMEC)**

**ONONDAGA-CORTLAND-MADISON BOCES (OCM BOCES)  
ADMINISTRATIVE PARTICIPANT FOR NYSMEC**

# INTRODUCTION

- NYSMEC in existence since late 1980's
- Natural Gas deregulated in 1987
- Electricity deregulated in 1999
- NYSMEC Utility Service Territories
  - National Grid
  - NYSEG (New York State Electric & Gas)
- A Municipal Corporation or District (defined in NYS GML law as a school district, BOCES, fire district, or city, town, village, county (outside NYC) can participate in the program as long as National Grid or NYSEG is their servicing utility.
- NYSMEC year runs May 1<sup>st</sup> – April 30<sup>th</sup>

- NYSMEC created initially in response to natural gas deregulation.
  - School District's asked if OCM could help them procure the commodity at a better rate
  - In time, Electricity procurement followed
- NYSMEC has no staff – OCM BOCES staff used
- 179 Participants in the program – year end 2019-2020
  - 156 - School districts/BOCES*
  - 16 - Municipalities*
  - 7 - Fire Districts*
- NYSMEC Accounts
  - 713 Natural Gas
  - 1,226 Electricity
- 783 – Average # of invoices processed weekly by staff
- May 2019 - April 2020
  - Consortium Volumes – 25.1 (M) Nat. Gas Therms; 366 (M) - kWh

# MUNICIPAL COOPERATION AGREEMENT

- Document signed by program participants
- Explains the intermunicipal 5-G cooperation agreement/law, NYSMEC (New York School and Municipal Energy Consortium), governing body, etc.
- Discusses the billing procedure, bidding process, participation period, participant and NYSMEC expectations.
- Formal signature by your Board required upon entering program.
- Addendum processed prior to new bid period with an ESCO

# PROGRAM SERVICE FEES

- \$510 - each account (Gas and/or Electric).
- \$100 - low use accounts (Gas and/or Electric).
  - 10,000 therms or less for natural gas
  - 25,000 kWh or less for electricity
- Amounts listed above are annual fees and subject to change.
- Amounts above are separate costs from installment billing costs participants send NYSMEC to cover their monthly energy utility and supply invoices.

# PROGRAM SERVICE FEES

- OCM BOCES/NYSMEC bills School Districts 10 times per year.
- OCM BOCES/NYSMEC bills Municipalities once each year. (Typically in February)
- Provides monies for NYSMEC operating budget.

# BIDDING PROCESS

- State Education and Municipal Laws (GML 103)
- Anticipated annual spend over \$20K in “like” group of commodities – need to bid.
  - (i.e Office supplies, maintenance/janitorial supplies, energy etc.)
- Electricity and natural gas commodity supply must be bid
  - Utility is your utility – can’t bid out their delivery charges. Rates set and approved by Public Service Commission (PSC)
  - Deregulation – ESCO’s – competition exists for supply procurement.
- NYSMEC bids go out to all approved ESCo’s (Energy Service Company) on the National Grid and NYSEG Web Sites. ESCo’s must go through an approval process with each utility company and the PSC.

# BIDDING PROCESS

- NYSMEC provides the Bid Specifications for each bid.
- Sealed bids are opened at date and time specified on bid.
- No awards are made at bid opening.
- The bids are reviewed, meetings with bidders take place if necessary, and a recommendation is made.



# BIDDING PROCESS

- Bids are not awarded solely on price, but rather on “best value” taking into account vendor’s ability to service the needs of the consortium. We have the right to reject any and all bids.
- Notification is given to successful bidder(s) and contract negotiations begin.
- Goal - obtain firm supply pricing for participants up to 3 year period. “Budget predictability”

# CONSORTIUM AWARDED BID PRICING

- Utility /Transportation/Delivery expense – Not able to bid.
  - “Your Utility is your Utility”
- Supply bid pricing – NYSMEC bids on behalf of program participants
  - Electricity
    - Zones (B,C,E,F)
  - Natural Gas
    - National Grid – monthly & daily balanced accounts
    - NYSEG - monthly balanced & daily balanced accounts

*(See Attached Awarded Supply Bid Pricing)*

# CONTRACT TERMS

- Electricity – 3 Years
  - Engie
  - May 1, 2018 – April 30, 2021
- Natural Gas – 3 Years
  - Various Vendors by Utility & Account Type
  - May 1, 2018 – April 30, 2021

# NEW PARTICIPANTS JOINING PROGRAM

- Participants in NYSMEC at time of bid award and contract signing
  - Pay contracted bid award supply pricing
- Participants wishing to join afterwards:
  - Awarded vendor has the ability to “refresh” their supply pricing and provide a price quote
  - NYSMEC will not contract without participant acceptance of pricing terms.
  - Participant pays agreed upon supply rate for the remainder of contract period
- Participants can join the program without refreshing for firm supply pricing.
  - Would pay utility monthly market rate for supply – **NOT** Firm pricing

# INSTALLMENT BILLING SYSTEM

- Six payments per year to collect monies to cover your energy expenses
- Payments based on estimated participant consumption and could change throughout year
- Payments include both commodity and transportation costs, plus a factor for weather
- Formula is as follows:
  - Estimated consumption X rate per therm/KWH ÷ 6
- Goal – Forecast expenses & collect enough in advance to:
  - Return excess monies collected back to the participant at NYSMEC year end.
  - Not ask you in Feb./Mar for more \$

# INSTALLMENT BILLING SYSTEM, Contd.

- Installments are billed on or about the following dates:
  - Installment #1 - June 1
  - Installment #2 - August 1
  - Installment #3 - October 1
  - Installment #4 - December 1
  - Installment #5 - February 1
  - Installment #6 - April 1 (Mini Reconciliation)

# **INSTALLMENT BILLING SYSTEM, Contd.**

- Payments are due from participants within 30 days of the invoice date.
- Late charges of 1% will be added to balances exceeding 30 days.
- Non-payment exceeding 60 days from original invoice date may cause termination from program.

# RECONCILIATION PROCESS

- Done after we have received all billing information through April 30th. Typically completed by end of September.
- Look at monies in vs. monies out on an account by account basis.
- If monies in is less than monies out, we bill customer for difference.
- If monies in is more than monies out, we send customer a check for the difference.



# INVOICE PROCESSING PROCESS

- NYSMEC staff receives utility company and ESCo bills. Enters invoices into database system and prepares for payment.
- Checks for double billing, missing bills, etc.
- Notifies utility companies of any sales tax charges.
- Notifies utility companies and ESCo's of any billing discrepancies.
- Handles non-payment, disconnect notices.
- Bills received kept with NYSMEC files.
  - Comply with NYS ED-1 guidelines – 6 years after year end

# ACCOUNTS RECEIVABLE

- NYSMEC staff mail installment billings to customers at designated time periods.
- Records payments by customers.
- Makes courtesy calls to late payers.
- Assesses penalty fees for non-payers.
- Handles reconciliation process.

# PARTICIPANT DATABASE

- 2012 - NYSMEC discontinued mailings of participant invoice copies to them.
- Participant's can view their consumption via NYSMEC Web-based database
- Other reporting features available
- Review sample of “Expense Report”

# TROY & BANKS

- “Value – Add” Service to participants
- Utility Bill Auditing Firm. Contracted with them since December 2002
- 23%/77% split on any refunds up to \$10,000. 20%-22% split for amounts over and above \$10,000
- Refunds to date over \$1 million.
- Continuing process.

# NYSMEC – other

- “One-stop shopping” for supply procurement
- Convenience of annual forecasted consumption expense being billed over six installments
- Auditing and payment of utility and ESCo bills.
- Bid process handled.
- Awareness of market conditions, trends.
- Liaison between utilities/ESCO’s and customers.

# CONTACT INFORMATION

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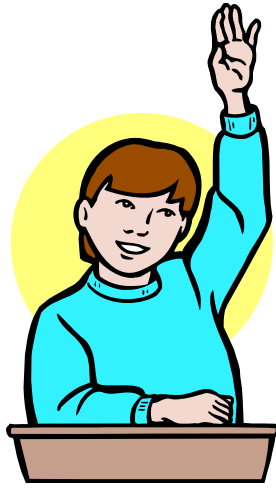
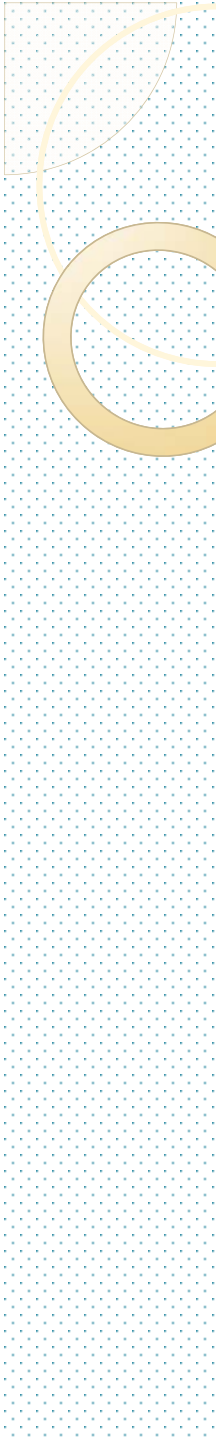
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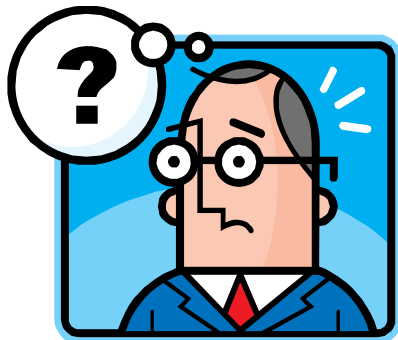
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# Questions ?



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