

Request for Additional Appropriation

Operating Budget

FY 2022/2023

TO: Members of the Board of Finance and The Board of Representative
FROM: Caroline Simmons, Mayor
DATE: 11/15/2022
PURPOSE: GLOBAL PRICE OF ENERGY INCREASE
DEPT: 2200 - Engineering
REQUEST AMOUNT: \$595,314.00
FUNDING SOURCE: Contingency

Part A - Description of Request

Electricity- Electricity supply costs are seeing a significant increase year over year. Many of the city accounts are contract through 2023 at more favorable pricing including Govt Center & much of the street lighting. The other municipal accounts are seeing the largest increase as those accounts had a contract that expired in November and were subject to current market conditions. Supply costs for that subset of accounts are going up 125%. The cost increase can be attributed to the below factors:

1. Global demand for Natural Gas- Natural gas has become a world commodity while the US is a primary exporter of natural gas (LNG). The continued unrest in the Ukraine has kept global natural gas prices high because Europe and others have been impacted by Russian sanctions and Russia withholding natural gas via the Nord Stream pipeline into Europe. The US has been exporting to meet this demand.
2. Low US Inventories- The US storage numbers for natural gas are well below the 5 year average and has been since late 2021. US production has not kept up with US demand or Global demand as production has yet to meet PRE-Covid numbers. This is problematic heading into winter.
3. New England Pipeline Capacity- New England has limited pipelines to bring in Natural Gas and cannot meet is regional demand in the winter. This requires New England to buy spot LNG on the international market at extremely high winter prices.
4. New England is HIGHLY dependent on Natural gas for electricity generation- At any given time 50-70% of New Englands electricity comes from natural gas. For all of the reasons mentioned above, natural gas pricing is high which drives up electricity pricing especially in the winter. This pushes up spot pricing and fixed forward contracts.

Natural Gas- The city accounts are all currently being served by the utility from a supply perspective. All of the reasons mentioned above are also impacting natural gas costs with supply costs expected to rise close to 40%. With that said, 3rd party supply options are more expensive than the utility and CES has recommended that we continue to utilize the utility for supply.

Part B - Computative Narrative

Part C - Account Information

Ref #	Prior Year's Expenditure	Department Request	Approved by Mayor	Approved by BOF	Approved by BOR	Revised Budget	Balance In Account	Projected Exp	Requested Amount
01421246204	137 Henry St/Electric Utility								
	61,243	68,950	68,950	68,950	68,950	68,950	46,375	82,599	13,649.00
01421246205	137 Henry St/Natural Gas Utili								
	35,319	36,030	36,030	36,030	36,030	36,030	31,736	60,042	24,012.00
01421266204	Lockwood Ave/Electric Utility								
	165,659	117,711	117,711	117,711	117,711	158,150	97,507	189,780	31,630.00

Part D - Approvals

Matt Quiñones, Department Head/Director  <small>Matt Quiñones (Nov 28, 2022 12:44 EST)</small>	Sandra L. Dennies, Director of Administration  <small>Sandra L. Dennies (Nov 28, 2022 12:53 EST)</small>
OPM Director/OPM Asst Director  <small>Eida Sinani (Nov 28, 2022 12:43 EST)</small>	Caroline Simmons, Mayor  <small>Caroline Simmons (Nov 30, 2022 16:05 EST)</small>
Date Nov 28, 2022	Date Nov 28, 2022
Date Nov 28, 2022	Date Nov 30, 2022

1003652422	jlazcano	11/15/2022							ADAP
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01421266205	Lockwood Ave/Natural Gas Utility								
	63,816	20,562	20,562	20,562	20,562	64,320	56,834	108,487	44,167.00
01421336205	Gov't Ctr/Natural Gas								
	118,067	106,402	106,402	106,402	106,402	106,402	92,076	200,714	94,312.00
01421346204	Parks Maintenance/Electric								
	331,728	310,200	310,200	310,200	310,200	320,200	223,539	464,419	144,219.00
01421346205	Parks Maintenance/Natural Gas								
	20,839	20,405	20,405	20,405	20,405	20,405	14,653	35,426	15,021.00
01421356204	Maintenance/Electric								
	138,352	134,410	134,410	134,410	134,410	134,410	96,825	193,693	59,283.00
01421356205	Maintenance/Natural Gas								
	113,898	117,106	117,106	117,106	117,106	117,106	105,001	193,627	76,521.00
01421416204	Transf Station/Electric - Util								
	82,494	68,100	68,100	68,100	68,100	73,610	65,856	111,210	37,600.00
01421496204	Old Town Hall/Electric Utility								
	58,787	10,000	10,000	10,000	10,000	94,720	68,722	118,758	24,038.00
01421496205	Old Town Hall/Natural Gas Utility								
	18,117	25,000	25,000	25,000	25,000	25,000	23,397	30,799	5,799.00
01433006205	Police Admin/Natural Gas - Utility								
	75,000	100,000	100,000	100,000	100,000	100,000	25,000	125,063	25,063.00
								Total	\$595,314.00
								Tax Impact	0.000026

City of Stamford
Municipal Energy Budget FY23 & Prelim FY24

FY23

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Total Electricity Usage	1,173,188	1,218,399	1,122,423	1,154,763	1,142,093	1,206,276	1,342,546	1,117,233	1,156,332	990,436	1,055,074	1,112,899	13,791,662
Electricity Delivery	\$ 99,267	\$ 101,271	\$ 90,736	\$ 92,284	\$ 90,472	\$ 95,759	\$ 106,612	\$ 90,602	\$ 93,206	\$ 80,712	\$ 86,082	\$ 93,838	\$ 1,120,842
Electricity Supply	\$ 90,717	\$ 94,601	\$ 88,608	\$ 90,930	\$ 131,118	\$ 142,555	\$ 158,322	\$ 136,019	\$ 139,056	\$ 116,772	\$ 121,049	\$ 132,234	\$ 1,441,981
Total Electricity Costs	\$ 189,984	\$ 195,873	\$ 179,343	\$ 183,214	\$ 221,590	\$ 238,314	\$ 264,934	\$ 226,622	\$ 232,262	\$ 197,485	\$ 207,131	\$ 226,072	\$ 2,562,824
Total Natural Gas Usage	492	416	419	486	1,438	2,486	3,482	3,902	3,278	2,702	1,646	518	21,264
Natural Gas Delivery	\$ 2,020	\$ 1,707	\$ 1,723	\$ 2,063	\$ 6,282	\$ 10,640	\$ 15,009	\$ 16,541	\$ 13,859	\$ 11,356	\$ 6,865	\$ 2,148	\$ 90,215
Natural Gas Supply	\$ 5,415	\$ 4,576	\$ 4,611	\$ 5,384	\$ 16,042	\$ 27,598	\$ 38,719	\$ 43,233	\$ 36,294	\$ 29,876	\$ 18,173	\$ 5,711	\$ 235,631
Total Natural Gas Costs	\$ 7,436	\$ 6,283	\$ 6,334	\$ 7,447	\$ 22,325	\$ 38,237	\$ 53,728	\$ 59,774	\$ 50,152	\$ 41,232	\$ 25,038	\$ 7,859	\$ 325,846

Total Utility Costs	\$ 197,420	\$ 202,156	\$ 185,678	\$ 190,661	\$ 243,915	\$ 276,552	\$ 318,663	\$ 286,395	\$ 282,414	\$ 238,716	\$ 232,169	\$ 233,931	\$ 2,888,669
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FY24 (PRELIM)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Total Electricity Usage	1,173,188	1,218,399	1,122,423	1,154,763	1,142,093	1,206,276	1,342,546	1,117,233	1,156,332	990,436	1,055,074	1,112,899	13,791,662
Electricity Delivery	\$ 104,231	\$ 106,335	\$ 95,273	\$ 96,898	\$ 94,996	\$ 100,547	\$ 111,943	\$ 95,132	\$ 97,866	\$ 84,748	\$ 90,386	\$ 98,530	\$ 1,176,884
Electricity Supply	\$ 138,786	\$ 140,625	\$ 131,261	\$ 129,972	\$ 179,406	\$ 190,538	\$ 212,004	\$ 178,173	\$ 183,773	\$ 157,235	\$ 166,765	\$ 178,246	\$ 1,986,784
Total Electricity Costs	\$ 243,017	\$ 246,960	\$ 226,534	\$ 226,870	\$ 274,401	\$ 323,947	\$ 323,947	\$ 273,306	\$ 281,639	\$ 241,983	\$ 257,150	\$ 276,776	\$ 3,163,668
Total Natural Gas Usage	492	416	419	486	1,438	2,486	3,482	3,902	3,278	2,702	1,646	518	21,264
Natural Gas Delivery	\$ 2,121	\$ 1,793	\$ 1,809	\$ 2,167	\$ 6,597	\$ 11,172	\$ 15,760	\$ 17,368	\$ 14,552	\$ 11,924	\$ 7,208	\$ 2,256	\$ 94,725
Natural Gas Supply	\$ 5,415	\$ 4,576	\$ 4,611	\$ 5,384	\$ 16,042	\$ 27,598	\$ 38,719	\$ 43,233	\$ 36,294	\$ 29,876	\$ 18,173	\$ 5,711	\$ 235,631
Total Natural Gas Costs	\$ 7,537	\$ 6,369	\$ 6,420	\$ 7,550	\$ 22,639	\$ 38,769	\$ 54,479	\$ 60,601	\$ 50,845	\$ 41,800	\$ 25,381	\$ 7,967	\$ 330,357

Total Utility Costs	\$ 250,554	\$ 253,328	\$ 232,954	\$ 234,420	\$ 297,040	\$ 329,855	\$ 378,426	\$ 333,906	\$ 332,485	\$ 283,783	\$ 282,531	\$ 284,743	\$ 3,494,025
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\$ Increase	\$ 53,134	\$ 51,172	\$ 47,276	\$ 43,760	\$ 53,125	\$ 53,303	\$ 59,763	\$ 47,511	\$ 50,070	\$ 45,066	\$ 50,363	\$ 50,812	\$ 605,356
% Increase	27%	25%	25%	23%	22%	19%	19%	17%	18%	19%	22%	22%	21%