CHICAGO TRANSIT AUTHORITY

Contract Details
Contract Type:
Supply Management; Price Risk Management; Energy Procurement; Energy Invoice Management

Managed Annual Energy Costs:
$100 million

Energy Savings:
Over $19.7 Million

Summary
The CTA operates the nation's second largest public transportation system and covers the City of Chicago and 40 surrounding suburbs. On an average weekday, approximately 1.7 million rides are taken on the CTA. Through a competitive bid process, the CTA selected Ameresco as their energy services partner to provide supply management for electricity, natural gas and Diesel fuel and other related services.

Customer Benefits
The CTA wanted greater energy cost stability for the procurement of their energy resources for their annual energy spend which was exceeding $100 million. Through the expertise and efforts of the Supply Management and Risk Management, the Ameresco team was able to identify and assist in the procurement of energy that ultimately would save over $19 million in energy costs for the CTA.

Services Provided
CTA consumes a large quantity of electricity to run its trains (Traction Power) and operate its various facilities. Ameresco worked cooperatively with CTA’s Purchasing department and professional staff to structure a competitive bidding process designed to help CTA achieve the largest possible value from the competitive market.

Key features of the process Ameresco designed and implemented with CTA include:
- definition of electric requirements and structuring of load “tranches” to maximize value to CTA in bid process
- a custom supply contract document designed to strike the proper balance between terms required by CTA rules and ordinances and industry standard terms
- a custom Request for Proposal (RFP) clearly articulating CTA’s needs
- a procurement process and timeline designed to give bidders ample opportunity to get all of their questions answered
- price discovery over 2 contract periods and several pricing alternatives so as to provide choice and maximize value to CTA

The resulting supply contract will create close to $10 Million per year in savings compared to CTA’s prior electric supply contract.

CTA requires natural gas primarily to heat its maintenance facilities and offices. Gas load exists behind two gas utilities serving the greater Chicago area. Through these utilities, CTA has access to a gas storage capability, allowing CTA to buy more gas than it needs in the summer months and consume that extra gas in the winter time when its demand is the greatest.

Ameresco designed a bid process allowing CTA to be paid to relinquish its storage rights to the winning gas supplier, with that supplier to be selected through competitive bidding. CTA pays only for the gas it actually consumes every month. The supplier may utilize the storage assets as it sees fit in exchange for a discounted price for gas.
About CTA
The Chicago Transit Authority (CTA) is an independent governmental agency created by the Metropolitan Transit Authority Act (70-ILCS-3605). The CTA began operating on Oct. 1, 1947, after it acquired the properties of the Chicago Rapid Transit Company and the Chicago Surface Lines. On Oct. 1, 1952, CTA became the predominant operator of Chicago transit when it purchased the Chicago Motor Coach system. The CTA operates the nation’s second largest public transportation system and covers the City of Chicago and 40 surrounding suburbs. On an average weekday, approximately 1.7 million rides are taken on the CTA.

Learn more at http://www.transitchicago.com/

About Ameresco
Ameresco, Inc. is one of the leading global energy services providers. We deliver long-term customer value, environmental stewardship, and sustainability through energy efficiency services, alternative energy solutions, supply management, and innovative facility renewal strategies. The company has over 650 employees in regional offices throughout North America. Ameresco, Inc. has constructed billions in energy projects throughout the world.

Learn more at www.ameresco.com

Services Provided (cont.)
CTA’s gas price follows the monthly Chicago citygate price with the discount provided by the winning supplier amounting to more than $100,000 per year in extra value to CTA compared to CTA’s prior gas contract. As with the electricity contract described above, Ameresco worked closely with CTA Purchasing, Business and Legal personnel to structure a bidding process and contract meeting CTA’s unique requirements.

CTA consumes substantial quantities of ultra low sulfur diesel fuel to run its bus fleet. Ameresco closely monitors the liquid fuels markets, provides insight into key drivers of these markets and offers our perspective to CTA decision makers as to when and at what level they should consider locking in the price of fuel for future needs.

This is done both from the perspective of achieving good value in the market, as well as protecting budget. Ameresco also offers assistance in transacting with CTA’s counterparties as well as recommending additional competitors for CTA’s consideration.

While the process of contracting for energy supply is a periodic event, Ameresco provides on-going energy consultation and assistance to the CTA through consultation, monitoring market trends, energy invoice review and future energy procurement opportunities.