

# Business Item 2017-246 Industrial Pretreatment Incentive Program (IPIP) Contract Approvals

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Environment Committee: October 24, 2017



# Proposed Action

- That the Metropolitan Council authorize its regional administrator to negotiate and execute the IPIP contracts to Kemps for \$.7 million and to Michael Foods for \$11.3 million.

# IPIP Background

- January 14, 2015 – Business Item 2014-310
  - Metropolitan Council authorized the implementation of the IPIP program
  - Five industrial customers have applied to the program
- The IPIP program benefits the Council and its wastewater ratepayers; the private sector; and the General Public.
  - Lower strength influent
  - Preserves plant capacity
  - Delays capital expansion costs
  - Lower financing charges and performance incentives for customer
  - Lower strength charges for customer

# IPIP Participants Ready to Sign

- Capital Costs for approval:
  - Kemps - \$.7 million
  - Michael Foods - \$11.3 million
- Financial analyses show present value of the benefits (energy cost savings and avoided capital costs) are expected to exceed the costs (lost revenue and incentive payment) over the 10-year contract term

# Thrive Lens Analysis

- Stewardship
  - Lower financing costs for pretreatment facilities
  - Preserve plant capacity
  - Lower plant operating costs
- Prosperity
  - Enable customer growth
  - Lower customer strength charges
- Sustainability
  - Cleaner influent
  - Energy generation

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# Questions