



## AGENDA MEMORANDUM

Action Item for the City Council Meeting July 27, 2021

**DATE:** July 27, 2021

**TO:** Peter Zaroni, City Manager

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### Power Purchase Consultant

#### **CAPTION:**

Motion authorizing a three-year service agreement with up to three one-year renewal options with Acclaim Energy, Ltd., in the amount of \$0.00035 based on a yearly average citywide consumption of 140,742,000 Kilo Watt Hours (kWh) for an estimated annual fee of \$43,000, and potential estimated amount of \$258,000.00, for power purchase consultant services to the City, effective upon issuance of notice to proceed.

#### **SUMMARY:**

This motion authorizes consultant services to manage the upcoming purchase of electricity commodity for the City of Corpus Christi. Acclaim Energy Ltd. met and exceeded all the requirements and therefore was selected based on technical expertise/competence and lowest fees of \$0.00035. Note: The consultant fees are based on the total kWh ( $\$0.00035 \times \text{kWh consumption} = \text{consultant fee}$ ) of electricity consumed by the City.

#### **BACKGROUND AND FINDINGS:**

The City of Corpus Christi's Power Purchase Agreement (PPA) is set to expire December 2023. In order to take advantage of the current market rates and navigate the Electric Reliability Council of Texas (ERCOT) and Retail Energy Providers the Asset Management Department championed the hiring of a consulting firm to assist the City.

Texas is deregulated and power purchasing is subject to a myriad of options and challenges. A consultant will significantly improve the City's options of obtaining a lower rate and assist and guide the City by limiting liability from dubious fees and charges by Retail Energy Providers (REP). The City of Corpus Christi spends on average (2017 – 2020) \$14M per year in electricity and currently pays \$0.03883 per kWh. The goal is to execute PPA between \$0.02 and \$0.03. This effort will reduce the electricity cost by approximately \$1M to \$2M per year.

**PROCUREMENT DETAIL:**

Contracts and Procurement conducted a competitive Request for Proposal (RFP 3444) to obtain qualified firms to provide a power purchase consultant. Four firms submitted proposals for Power Purchase Consultant. Acclaim Strategic Power Specialists was selected as the Consultant for Power Purchase and was the highest ranked firm.

The selection committee was comprised of representatives from Asset Management, Legal, Finance, and Contracts and Procurement. The final evaluation ranked Acclaim Strategic Power Specialists as the highest ranked firm based on five factors: 1) firm's experience; 2) Team's experience; 3) Team Identification; 4) Understanding the Project Scope; and 5) Pricing.

**ALTERNATIVES:**

There are no alternatives because the City does not have personnel with the required skill sets or credentials to perform this task internally.

**FINANCIAL IMPACT:**

Not applicable for FY 2021.

**Funding Detail:**

Fund:  
Organization/Activity:  
Mission Element:  
Project # (CIP Only):  
Account:

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a three-year agreement with up to three one-year renewal options with Acclaim Energy, Ltd.

**LIST OF SUPPORTING DOCUMENTS:**

Vendor Service Agreement – available to Councilmembers upon request  
Evaluation Matrix