



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 9, 2016
Action Item for the City Council Meeting of February 16, 2016

DATE: January 26, 2016

TO: Ronald L. Olson, City Manager

FROM: Miles Risley, City Attorney; Tom Tagliabue, Director of Intergovernmental Relation; and Constance Sanchez, Director of Finance

Resolution authorizing the Texas Coalition for Affordable Power, Inc. (TCAP) to negotiate an electric supply agreement for five years for deliveries of electricity effective January 1, 2018 and obligate City to purchase electricity pursuant to said agreement

CAPTION:

A resolution of the City Council of the City of Corpus Christi, Texas, authorizing the Texas Coalition for Affordable Power, Inc. (TCAP) to negotiate an electric supply agreement for five years for deliveries of electricity effective January 1, 2018; authorizing TCAP to act as an agent on behalf of the city to enter into a contract for electricity; authorizing Jay Doegey or Ronald L. Olson or Tom Tagliabue or Constance Sanchez to execute an electric supply agreement for deliveries of electricity effective January 1, 2018 and committing to budget for energy purchases in 2018 through 2022 and to honor the city's commitments to purchase power for its electrical needs in 2018 through 2022 through TCAP.

PURPOSE:

Provide stable price of electricity for 5 years following expiration of current contract.

BACKGROUND AND FINDINGS:

See attached staff report. The City currently purchases electricity from two sources (NEC/Champion and TCAP/Gexa). These contracts will be recombined in this proposed TCAP contract. The City has 193 Nueces Electric Coop meters serviced by Champion Energy and 600+ meters in the AEP service area. For these 600+ meters, the City purchased 138,540,527 kilowatt hours of electricity in 2013. Under this proposed TCAP contract, the City's energy price for its AEP-serviced meters will drop from 7.66 cents per kWh to less than 4.25 cents per kWh. The energy price does not include transmission and distribution charges of 4.69 cents per kWh. These charges are standardized and not susceptible to negotiation.

ALTERNATIVES:

Purchase electricity from another provider. Three alternatives are described in the Staff Report.

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

Conforms to all city policies.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Intergovernmental Relations, Finance, Legal

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☒ Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE			-0-	-0-

Comments:**RECOMMENDATION:**

Staff recommends adoption.

LIST OF SUPPORTING DOCUMENTS:

Resolution