

RESOLUTION~ DISCUSS, CONSIDER AND/OR APPROVE A RESOLUTION OF THE CITY OF BAY CITY TEXAS ADOPTING TCAP'S PROFESSIONAL SERVICES AGREEMENT AND GEXA ENERGY'S COMMERCIAL ELECTRIC SERVICE AGREEMENT FOR POWER TO BE PROVIDED ON AND AFTER JANUARY 1, 2023.



EXECUTIVE SUMMARY

BACKGROUND:

- Texas Coalition for Affordable Power (“TCAP”) is a non-profit political subdivision corporation established by the 2010 merger of Cities Aggregation Power Project, Inc. (“CAPP”) and South Texas Aggregation Project, Inc. (“STAP”), both created in 2001 to aggregate members’ power needs in order to negotiate better electric prices for their members. TCAP is one of the largest political subdivision aggregation groups in Texas with political subdivision members that purchase approximately 1.3 billion kWh annually.
- The City joined TCAP in June 2018. The current TCAP contract runs through December 2022.
- TCAP has a new procurement program—called Strategic Hedging Program (SHP) that will involve purchasing power two years in advance of delivery to its members. Instead of buying electricity through a fixed price longer term contract, SHP will procure one twelfth of the annual supply each month, two years forward year-to-year.

FINANCIAL IMPLICATIONS: Anticipated savings

RECOMMENDATION: Recommend City Council approve Resolution to approve the Professional Services Agreement and the Commercial Electricity Service Agreement

ATTACHMENTS: Resolution, Professional Services Agreement, Electric Contract, SHP Explanation