



CITY COUNCIL AGENDA ACTION FORM

AGENDA DATE:	04/12/2022		
AGENDA SUBJECT:	Discussion, consideration, and possible action on approving a contract for electricity for 12, 24, 36, or 48 months beyond the end of the City's current contract on May 31, 2027		
PREPARED BY:	City Administrator Leamons	DATE SUBMITTED:	04/04/2022
EXHIBITS:	Front page of TXU Electricity Contract		
BUDGETARY IMPACT:	Required Expenditure:	\$00.00	
	Amount Budgeted:	\$00.00	
	Appropriation Required:	\$00.00	
CITY ADMINISTRATOR APPROVAL:			
SUMMARY:			
Todd Malcom of ADK Solutions, the broker who is handling the City's current electricity contract which expires on May 31, 2027 recently reached out to staff about extending the City's contract. Electricity prices are on the rise, and he believes there exists a window of opportunity for the City to lock in some better prices. In March, he obtained a \$0.053/kWh rate for a 48 month extension. The City currently has a \$0.038/kWh rate. One school district he represents recently had their contract expire. Although they are a large user and entered into a 10 year contract, their new rate is over \$0.05/kWh. Mr. Malcolm will obtain fresh rate quotes on the afternoon of April 12th which will be good through the end of the day on the 13th. This is a hard decision as it is a distant horizon and there are so many uncertainties. Staff makes no recommendation concerning this matter, but wanted to allow the Council to act should it choose to do so. Thankfully, we have the luxury of waiting, should you choose to do so, because our contract is good for 5 more years.			
RECOMMENDED ACTION:			