



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Pete Wyffels
Meeting Date:	Tuesday, April 14, 2026
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Firm Electric Service Contract and Renewable Energy Certificates Contract between Western Area Power Administration and City of Marshall
Background Information:	<p>On March 18, 2026, the Marshall Municipal Utilities Commission approved Resolution No. 221: A Resolution related to Firm Electric Service Contract and Renewable Energy Certificates Contract between Western Area Power Administration (WAPA) and City of Marshall (attached).</p> <p>Since 1958, under contract with WAPA, the electric customers served by Marshall Municipal Utilities (MMU) have received a portion of their electricity needs from hydroelectric power plants with about twenty-four (24) percent of the community's needs being serviced by the hydropower source.</p> <p>On July 18, 2012, and July 24, 2012, the Marshall Municipal Utilities Commission and the City Council approved extending the Firm Energy Services Contract (FES) with Western Area Power Administration (WAPA) through year 2050.</p> <p>To successfully continue to serve our customers with this electric service, Resolution No. 221 approved by the Commission consisted of two parts:</p> <ol style="list-style-type: none"> 1). Two amendments to the FES have recently been made. <ul style="list-style-type: none"> • Amendment No. 1: deals with deletions of maintenance provisions for the meter at the Marshall 115-kV Southwest substation POM and Load Control Boundary point between Xcel Energy and WAPA from the original contract. • Amendment No. 2: makes changes to paragraph 44 of the General Power Contract provisions of the Firm Energy Services contract. Changes to paragraph 44 of that agreement now bring the contract in compliance with Federal Anti-Discrimination laws pursuant to the DEI Presidential Executive Order. 2). In 2023, WAPA created and credited Renewable Energy Certificates (RECs) connected to the hydroelectric power they produce and deliver to all their power contract holders, like MMU, and are subject to the same regulations concerning all forms of contracted RECs. Missouri River Energy Services (MRES) offered their services to administer the MMU allotted WAPA RECs, as they currently do for the RECs purchased by MMU customers through the Bright Energy Choices program; therefore on March 21, 2023, and April 25, 2023, the Marshall Municipal Utilities Commission requested, and the City Council approved WAPA Contract No. 23-UGPR-28, allowing MRES to administer Renewable Energy Certificates for the City of Marshall. <p>In 2026, a new WAPA REC Contract, 25-UGPR-135 would terminate and replace the previous REC Contract No. 23-UGPR-28, including its updated general power contract provisions and renewable energy certificate program principals, which now allows for the acquisition, resale and administration of RECs between WAPA, MRES, and Marshall.</p> <p>The FES contract continues to be both beneficial and appropriate for the continued successful provision of electric service to the customers of MMU and the REC Contract is important to meet the Renewable Energy Standards of the State of Minnesota.</p>

	Pursuant to Marshall City Code Chapter 13.04 Subd. 1, contracts exceeding ten (10) years in length shall be approved by the the MMU Commission and the City Council. Therefore, it is MMU's recommendation that City Council of the City of Marshall to approve Amendment 1 and 2 to the FES Contract and approve the WAPA REC Contract, 25-UGPR-135. All parties, including WAPA, MRES and Attorney Dennis Simpson, on MMU's behalf, have reviewed these documents for legal sufficiency and have given MMU approval to proceed.
Fiscal Impact:	n/a
Alternative/ Variations:	
Recommendations:	To approve the Firm Electric Service Contract, Amendment 1 and 2 and the Renewable Energy Certificates Contract, 25-UGPR-135, including its updated general power contract provisions and renewable energy certificate program principals, between the City of Marshall and the Western Area Power Administration, an entity within the Department of Energy (DOE).