



Mr. Mike Perez
City Manager
City of Mission
1201 East 8th Street
Mission, TX 78572

Dear Mike,

Since 2021, TCAP has been hard at work securing your power needs well into the future through our Strategic Hedging Program (SHP). Thanks to the Board's forward-thinking approach, we've been purchasing energy 24+ months in advance to lock in the best rates and long-term stability for our members. Designed around member needs, SHP has proven to be the best combination of customer service, competitive price and flexibility to take advantage of favorable pricing available in the market.

In January 2026, we'll finalize the final year of our current 5-year procurement cycle, which runs through **December 31, 2027**.

At its most recent meeting, the TCAP Board voted unanimously to extend SHP for another five years — covering **Calendar Years 2028 through 2032**. Procurement for that term will begin in **February 2026**. This extension ensures continued access to competitively priced power and the strategic benefits you've come to expect from TCAP.

Because your organization's Commercial Electricity Service Agreement (CESA) with GEXA runs through **December 31, 2037**, there's no need for a new contract to continue participating in SHP. That long-term structure was designed to ensure a smooth continuation — no paperwork, no hassle.

Here's what you need to know:

- **If you intend to remain a TCAP member, no action is required.** You're all set!
- **If you plan to exit TCAP, we'll need a written notice by December 31, 2025.**
 - This will prevent us from including your load in the 2028–2032 energy procurements.
 - There are **no penalties** for leaving the SHP post-2027 if proper notice is given.
 - However, **moving your electric accounts before 12/31/2027** will result in financial penalties due to the existing procurement commitments.

If you'd like a customizable council or board memo to help explain this process internally, we're happy to provide one.

As a reminder and in accordance with Section 6.B. of your PSA, this letter serves as TCAP's formal notice of intent to include your load in the SHP energy procurements for Calendar Years 2028–2032.

Questions? We're here to help. Reach out to us at **972-725-4114** or email msomereve@tcaptx.com. We are hosting a webinar to explain the extension and allow for questions on Friday, August 29, 2025 at 9:00 a.m. Register at <https://tcaptx.com/events>

Thank you for your continued trust in TCAP. We're honored to serve you.

Sincerely,

Margaret Somereve
Executive Director
Texas Coalition for Affordable Power