City of Needles, California
Request for Commission Action

☐ CITY COUNCIL   ☒ BOARD OF PUBLIC UTILITIES   ☒ Regular ☐ Special

Meeting Date: December 3, 2024

Title: Western Area Power Administration FY25 Q3 Term Purchase

Background: On November 18, 2024, staff successfully completed a transaction for the FY25 Q3 term power purchase, covering the period from December 2024 through March 2025. The forecasted expenditure for this purchase was $455,846.

The purchase aims to cover 110% of the projected load during this winter period, factoring in both **on-peak** and **off-peak** demands. Below is a summary of the costs by month:

MONTH	TO BE WITHIN ~10% OF LOAD			PLUS 10% FOR WINTER DEMAND		
	OFF PEAK	ON PEAK	TOTAL	OFF PEAK	ON PEAK	TOTAL
Dec-24	$25,877.72	$21,850.20	$47,727.92	$28,465.49	$24,035.22	$52,500.71
Jan-25	$61,805.04	$124,176.00	$185,981.04	$67,985.54	$136,593.60	$204,579.14
Feb-25	$43,752.96	$87,955.20	$131,708.16	$48,128.26	$96,750.72	$144,878.98
Mar-25	$0.00	$48,988.16	$48,988.16	$0.00	$53,886.98	$53,886.98
Total >>	$131,435.72	$282,969.56	$414,405.28	$144,579.29	$311,266.52	$455,845.81

Following the request for proposal (RFP),received came in lower than forecasted at $340,208. The savings of the final purchase cost came in significantly lower than expected at $340,208, resulting in a **savings of $115,638**. These savings will be reallocated for spot purchases in January through March 2025 to address any unanticipated fluctuations in power demand.

In comparison, the term purchase for the same months in 2024 was $1,127,313, highlighting a notable reduction in current market prices. Staff is closely monitoring forward pricing trends and will evaluate additional procurement opportunities for peak months as needed. The NPUA has term purchasing procured through March 2025.

Fiscal Impact: This transaction aligns with the FY25 power purchase expenditure account, which has an annual budget of **$6,600,000**. Following this transaction of $455,846, the current balance stands at **$2,773,328**.

Environmental Impact: N/A

Recommended Action: Information Item Only

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: _Patrick J Martinez_   Date: 11/25/2024

Other Department Approval (when required): _____   Date: _____

Approved: ☐	Not Approved: ☐	Tabled: ☐	Other: ☐

Agenda Item: _____