

RESOLUTION NO. 717

A RESOLUTION OF THE CITY OF TERRELL, TEXAS, AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER (TCAP) TO SEEK BIDS TO COVER THE ELECTRIC POWER NEEDS OF THE CITY FOR THE PERIOD JANUARY 1, 2014 - DECEMBER 31, 2017 AND TO NEGOTIATE AN EXTENSION OF THE CITY'S POWER SUPPLY AND RETAIL ELECTRIC PROVIDER CONTRACTS FOR THE SAME PERIOD; AUTHORIZING THE CITY MANAGER TO SIGN A CONTRACT WITH TCAP FOR THE CITY'S ELECTRICITY NEEDS FOR THE PERIOD EXTENDING UP TO DECEMBER 31, 2017; COMMITTING TO BUDGET FOR ENERGY PURCHASES AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER THROUGH TCAP FOR ITS ELECTRICAL NEEDS THROUGH DECEMBER 31, 2017, IF CITY AGREES TO ACCEPT THE CONTRACT OFFER.

WHEREAS, the City of Terrell, Texas (City) is a member of Texas Coalition for Affordable Power (TCAP), a nonprofit political subdivision corporation dedicated to securing electric power for its 162 political subdivision members in the competitive retail market; and

WHEREAS, the City's current contract for power with Next Era as supplier and Direct Energy Business Services (DEBS) as Retail Electric Provider (REP) arranged through TCAP expires December 31, 2013; and

WHEREAS, the TCAP Board of Directors has authorized its consultants to seek market-based bids for 14 members that did not agree to the 2011 blend and extend opportunity to cover the period January 1, 2014 through December 31, 2017; and

WHEREAS, TCAP and its members must be able to commit contractually to price offers within a 24-hour period in order to lock-in favorable prices; and

WHEREAS, experiences in contracting for TCAP load since 2002 have demonstrated that providers demand immediate response to an offer and may penalize delay with higher prices; and

WHEREAS, it is necessary for the City to designate a specific individual who can sign a power purchase agreement within 24 hours of receiving a proposal that economically benefits the City; and

WHEREAS, suppliers demand assurance that TCAP will pay for all contracted load; and

WHEREAS, the City must assure TCAP that it will budget for energy purchases and honor its commitments to purchase power for its electrical needs through TCAP for the period beginning January 1, 2014 and extending through December 31, 2017; therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS:

Section 1:

That the TCAP Board and its consultants and advisors are agents authorized to solicit proposals and to negotiate for the City's electricity needs as a member of TCAP and to offer the City an extension to the current supply agreement through December 31, 2017.

Section 2:

That the City Manager may execute a contract for power supply and sign a Commercial Electricity Supply Agreement (CESA) for the City's electricity needs and related, necessary services beginning January 1, 2014 and extending up to December 31, 2017, as a member of TCAP and the City commits its load for the same period, provided that the energy price to be paid per kWh in 2014-2017 results in savings over the current contract that expires December 31, 2013 and otherwise is satisfactory to the City Manager.

Section 3:

That the City will budget and approve funds necessary to pay electricity costs proportionate to the City's load under the supply agreement arranged by TCAP, if a power supply agreement is signed by the City's designated individual for the term January 1, 2014 through December 31, 2017.

Section 4:

That a copy of this resolution shall be sent to Randy Moravec, Executive Director, Texas Coalition for Affordable Power, 1323 Dunbarton Drive, Richardson, Texas 75081 and Geoffrey M. Gay, legal counsel to TCAP, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED by the City Council of the City of Terrell this the 17th day of July, 2012.

APPROVED:

Hal Richards, Mayor

ATTEST:

John Rounsavall, City Secretary