



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 17-333, **Version:** 1

Presentation by the City of McKinney Energy Consultant, 5, for the Selection of an Energy Provider for the Procurement of Electricity

COUNCIL GOAL: Financially Sound Government

MEETING DATE: April 3, 2017

DEPARTMENT: Financial Services

CONTACT: Mark Holloway, Chief Financial Officer
Trudy Mathis, Finance Director
Kelvin Bryant, Investment & Treasury Manager

RECOMMENDED CITY COUNCIL ACTION:

- N/A

ITEM SUMMARY:

- Presentation will cover
 - Market Update
 - Current Renewal Opportunity
 - Recommendations

BACKGROUND INFORMATION:

- The City has previously entered into an agreement with 5 to work as an advisor, consultant and energy broker on behalf of the City, and they have a presentation.
- 5 helped extend our previous/current contract with TXU while decreasing our base price per kilowatt hour (kWh) from \$.04999 to \$.04144 for December 1, 2019 through November 30, 2021.
- Due to natural gas storage being grossly below its 5 year average and the power market hovering around all-time lows, forward market pricing is lower, allowing the City to currently lock in pricing below \$.04 per kWh for up to 60 months.

FINANCIAL SUMMARY:

- Based on March 24, 2017 quotes, this could save the City approximately \$140,000/year over the 60 month term.
- Price per kWh will be based on the refreshed market rate on the day of bid.

BOARD OR COMMISSION RECOMMENDATION:

- N/A