



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a New Contract or Renewal Agreement with an Energy Provider that will be Selected via a Bid Process with the Help of the City's Energy Advisor, Energy by 5, for the Procurement of Electricity for the City beginning December 1, 2026

**MEETING DATE:** August 1, 2023

**DEPARTMENT:** Financial Services

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

**RECOMMENDED CITY COUNCIL ACTION:** Approval of Resolution

**ITEM SUMMARY:**

- This Resolution authorizes the City Manager to enter into a new contract or renewal agreement with the bid -winning energy provider for the procurement of energy at a fixed cost for a period up to 60 months beginning December 1, 2026. This is for the remaining 2/3 of unhedged meters.

**BACKGROUND INFORMATION:**

- The City has previously entered into an agreement with Energy by 5 to work as an advisor, consultant and energy broker on behalf of the City.
- In 2018 Energy by 5 helped facilitate a future contract with TXU for 1/3 of the total meters while decreasing our base price per kilowatt hour (kWh) from \$0.03697 to \$0.03632 for December 1, 2026 through November 30, 2030.
- The electricity market has increased since the beginning of the Ukraine conflict, but has recently taken a 20% hit, since mid-March. With the Public Utility Commission adopting a Performance Credit Mechanism, now is the time to take advantage of the market dip.

**FINANCIAL SUMMARY:**

- Based on recent quotes of \$0.05366 for 24 months, blending the current 2026-2030 rate of \$0.03632 with the proposed 24 month offer from TXU would give a weighted average rate of **\$0.04499/kWh**
- The TXU offer includes \$10,000/year in Greenback dollar rebates.

- Price per kWh will be based on the refreshed market rate on day of bid

**BOARD OR COMMISSION RECOMMENDATION:** N/A