



Legislation Text

File #: 19-3008, **Version:** 1

Resolution - A Resolution of the City Council of the City of Mansfield, Texas, Authorizing the City Manager or His Designee to Negotiate and Execute an Electric Supply Agreement with a Retail Electric Provider or Broker for Deliveries of Electricity Effective January 1, 2027

Staff requests that the Council consider for approval, the attached Resolution, authorizing the City Manager or his Designee to execute contractual agreements necessary for the supply of electricity for all municipal accounts.

Staff recommends approval

The City of Mansfield's contract with TXU expires on December 31st of 2026. Since the expiration of the contract with the Texas Coalition for Affordable Power (TCAP) on December 31, 2017, we have utilized EnergyBY5 or 5 as our electric consultant. 5 have secured electricity at a rate below what we would have been able to secure on our own or with TCAP. We have utilized 5 to advise us on energy conservation and peak charge reductions that have resulted in thousands of dollars saved annually.

5 is reporting energy prices as low as they have been since deregulation, and there are currently a few retail electric providers willing to lock these low rates into a contract that would start in January of 2027. Locking in a rate now would allow the City to avoid market risk and keep our electric rates stable beyond our current contract.

Staff is reviewing electricity pricing from several retail electric providers; all have competitive rates indicative of the market, which is below the current contract price of 3.8 cents per kWh.

Electric rates are tied to natural-gas futures that change every fifteen minutes making it difficult for any retail electric provider or broker to hold a rate beyond 24 hours; the attached resolution will authorize staff to enter an electric agreement when staff feels it has the best possible scenario for the City.

Electric usage is budgeted in the annual operating budget for each department individually.

Jeff Price, Director of Utilities

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