



Legislation Text

File #: 21-904, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE: June 23, 2021

COUNCIL DISTRICT(S): All

DEPARTMENT: Building Services Department

EXECUTIVE: Joey Zapata

SUBJECT

Authorize an amendment to the electricity services contract with TXU Energy Retail Company, LLC to enroll the City in their Surplus Power Purchase Program for any self- and co-generation renewable energy projects installed at city facilities - Financing: No cost consideration to the City

BACKGROUND

The City's current electricity supply contract with TXU Energy Retail Company, LLC (TXU), recognizes and encourages the City to pursue self- and co-generation renewable energy projects to meet a portion of city facility electricity needs.

In the event that any self- and co-generation projects result in excess power beyond the facilities' needs for a period of time, the excess power can be exported to the electrical grid. While this is anticipated to be a rare occurrence, the purpose of this contract amendment is to establish how that potential excess power is valued. The City may receive credit on the monthly power bill for this excess at the rate of 95% of the "Real Time Settlement Point Price" converted from \$/Megawatt-hour to \$/Kilowatt-hour as calculated by the Electric Reliability Council of Texas Load Zone where the facility is located. This price is typically established every 15 minutes. The City will retain any renewable energy credits associated with any excess power exported to the electrical grid.

The contract amendment is necessary to enable any city facilities that have or will have self- and co-generation capabilities to receive power bill credits in the event excess power is returned to the electrical grid. A corresponding interconnection agreement will also be needed for each specific building that has or will have the potential to export power to the electrical grid. Additional facilities will benefit from this amendment as solar energy projects are developed.

Currently, the following facilities have the potential to benefit from this amendment:

- Vickery Park Library
- Fire Station No. 6
- Fire Station No. 27
- Kiest Park Recreation Center
- North Central Police Station
- Northeast Police Station
- Southeast Police Station

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 23, 2019, City Council adopted a resolution calling for federal action on climate change and continued local efforts to develop a comprehensive environmental and climate action plan with goals that will ensure that the City of Dallas is addressing climate change in a manner that is effective and equitable by Resolution No. 19-0223.

On April 10, 2019, City Council authorized (1) a resolution establishing the City of Dallas' commitment to the use of clean and efficient energy, the use of 100 percent renewable energy for municipal operations, and to sustain and promote renewable energy projects and partnerships that reduce environmental impacts for the benefit of Dallas residents and the region; and (2) the City Manager to determine the most advantageous proposal and enter into an electricity services contract consistent with the adopted City of Dallas Green Energy Policy by Resolution No. 19-0484.

Information about this item was provided to the Environment and Sustainability Committee on June 7, 2021.

FISCAL INFORMATION

No cost consideration to the City.

PROCUREMENT INFORMATION

Texas Government Code Section 252.022 (a)(15), exempts utility purchases from the standard purchasing procedures. The City's typical procurement and approval processes are not utilized due to the nature of the energy market. Instead, a process with greater flexibility is necessary that authorizes the City Manager to negotiate the final process and enter into an electricity services contract.

Tradition Energy, the City's electricity procurement advisor, evaluated the final terms for market competitiveness.

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OWNER

TXU Energy Retail Company, LLC.

Gabe Castro, Vice President