

**RESOLUTION NO. 11-1362**

**A RESOLUTION OF THE CITY OF EULESS, TEXAS, AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER (TCAP) TO NEGOTIATE AN EXTENSION TO THE CURRENT ELECTRIC SUPPLY AND NECESSARY RELATED SERVICES AGREEMENT WITH NEXTERA FOR A FIXED PRICE PER KWH THAT IS LOWER THAN CONTRACT RATES FOR 2011-2013, SAID EXTENSION TO CONTINUE UNTIL DECEMBER 31, 2017; AUTHORIZING TCAP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; AUTHORIZING THE PRESIDENT OF TCAP TO EXECUTE AN EXTENSION TO THE CURRENT ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JULY 1, 2011; 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.**

**WHEREAS**, the City of Euless, Texas (City) is a member of Texas Coalition for Affordable Power (TCAP), a nonprofit political subdivision corporation dedicated to securing electric power for its 159 political subdivision members in the competitive retail market; and

**WHEREAS**, TCAP negotiated favorable contract terms and a reasonable commodity price for delivered electricity since 2002 resulting in significant savings for its members; and

**WHEREAS**, the City's current contract for power with NextEra arranged through TCAP, as successor to Cities Aggregation Power Project, expires December 31, 2013; and

**WHEREAS**, the TCAP Board of Directors has authorized a blend and extend contract with NextEra Energy Power Marketing, LLC for retail energy prices that will reduce the prices under the current contract through December 2013 and extend a fixed price for energy through December 31, 2017; and

**WHEREAS**, the current contract is a master agreement between TCAP and NextEra endorsed by contract between TCAP's designated Retail Electric Provider and individual TCAP members; and

**WHEREAS**, TCAP must be able to commit contractually to prices in a blend and extend contract amendment within a 24-hour period in order to lock-in favorable prices; and

**WHEREAS**, experiences in contracting in the deregulated electric market since 2002 demonstrate that providers demand immediate response to an offer and may penalize delay with higher prices; 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 amended period beginning July 1, 2011, and extending through December 31, 2017; and

**WHEREAS**, TCAP intends to continue to contract with NextEra (power supply) at least through December 31, 2017, and Direct Energy (billing, administrative and other customer services) at least through December 31, 2013; and

**WHEREAS**, the current contractual relationships between TCAP and NextEra and Direct Energy have been beneficial and cost effective for TCAP members and the City;

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EULESS, TEXAS, THAT:**

**SECTION 1.**

The TCAP Board and its consultants and advisors are agents authorized to negotiate for the City's electric power needs as a member of TCAP and extend the current supply agreement through December 31, 2017.

**SECTION 2.**

The City approves TCAP extending its current contract with NextEra for the supply of electric power and related, necessary services for the City for a term to begin July 1, 2011 and extending through December 31, 2017, so long as the extension results in savings over the current contract prices.

**SECTION 3.**

The President of TCAP is hereby authorized to sign a Commercial Electricity Supply Agreement (CESA) for the City pursuant to the contract approved and recommended by the TCAP Board of Directors within 24 hours of said approval and recommendation, provided that the energy price to be paid per kWh in the remainder of 2011 and through December 31, 2013 is less than the current contract prices for 2011-2013 resulting in savings for the City and that a fixed price for electricity for the period January 1, 2014 through December 31, 2017 will be less than the current price effective on January 1, 2011.

**SECTION 4.**

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 and the CESA signed by the President of TCAP on behalf of the City for the term beginning July 1, 2011 and extending to December 31, 2017.

**SECTION 5.**

A copy of the resolution shall be sent to Mary Bunkley with the City Attorney's office in Arlington, Texas and Geoffrey M. Gay, legal counsel to TCAP.

**APPROVED AND ADOPTED** at a regular meeting of the Euless City Council on the 26<sup>th</sup> day of April 2011, by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays, and \_\_\_\_\_ abstentions.

**APPROVED:**

\_\_\_\_\_  
Mary Lib Saleh, Mayor

**ATTEST:**

\_\_\_\_\_  
Susan Crim, TRMC, City Secretary