



MEMORANDUM

Office of the Vice President for Administrative Services

To: Dr. Ponce and Board of Trustees

From: Dr. Gisela Figueroa

Date: April 8, 2025

Re: Consideration for the approval of ratifying a contract for electricity from NRG.

Staff Recommendation: Approval

The Board is asked to consider ratifying a contract with NRG for electricity.



Contract Ratification

Description: Consideration for the approval of ratifying a contract for electricity from NRG.

Recommendation: The Board is asked to consider ratifying a contract with NRG for electricity.

Temple College recently received our Certificate of Occupancy for the new Visual Arts/Workforce building. As a result, we needed to start procuring an electricity contract for the new facility. Purchasing determined using the Comprehensive Energy Consulting and Management Services Contract through the Omnia Partners Cooperative was the best solution. Selecting this cooperative contract allowed us to meet the required competitive bid laws within Texas Education Code 44.031, as the college has an established interlocal agreement with the cooperative. In working with the awarded energy consultant Tradition Energy, the College reviewed electricity rates from companies willing to submit offers based on our anticipated electricity load for the building.

Purchasing also worked with several college employees, Stantec, and Tradition Energy to compile a building profile so we could more accurately forecast the building's electricity needs. This assisted the electricity companies in formulating a response to our needs.

The college had two companies submit offers at the closing time of the offers. TXU Energy and NRG (Reliant). Tradition Energy indicated that some providers did not submit offers due to uncertainty regarding expected volumes and current market conditions. After reviewing the two offers received, Tradition Energy recommended we choose the five-year offer from NRG based on the market conditions and expected forthcoming issues with demand and supply imbalances in the electricity market. NRG also had more favorable contract terms should the building's anticipated demand load change over time. The electricity markets are volatile, and the college must sign a contract on the day the contract offer is received.

Temple College has several advantages in locking in their electricity rate now, as:

- We no longer have upward market risk for electricity through the year 2030
- Once we know our average consumption for the new building, the contracted rate will assist us in creating a more accurate budget for this service
- By selecting a five-year term, the college will review future market opportunities, should the market decrease during the contract period, for a possible blend-and-extend approach.

Electricity funding will be budgeted in each future fiscal year as needed. Based on the information provided, the Board of Trustees has been asked to ratify a contract from NRG through the Omnia Partners Cooperative. The Board of Trustees is also asked to authorize the Vice President of Administration or designee to approve any change orders up to the amount allowed by Texas Education Code 44.0411.

Item 9-B



Fund Available:

 X Budgeted

_____ Fund Balance

_____ Other: _____

Approved:

Gisela Figueroa

Vice President for Administrative Services

Date