



# River Trails

## SCHOOL DISTRICT 26

To: Board of Education  
From: Ryan Berry  
Date: March 11, 2025  
Subject: Electricity Contract

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### **Introduction**

The district's current electricity supply contract expires in May 2025. Therefore, the administration is pursuing the procurement of fixed-rate electricity supply for the upcoming contract renewal. Given the unpredictability of future electricity prices, the district continues to mitigate future cost increases and provide budget certainty for the District's energy costs.

### **Recommendation**

The administration is recommending approval to enter into an electricity supply agreement effective May 2025 for a term not to exceed 48 months following our energy supply consultant's solicitation for electricity supply rates from eligible retail energy providers for on/off-peak electricity pricing.

### **Background**

The district has used an energy consultant for many years in order to gain the best pricing for their electricity needs (gas is purchased through a cooperative). Our current consultant, Nania Energy Advisors, solicits energy providers for requests for proposals, evaluates options and makes recommendations, audits invoices for accuracy, provides cost forecasting for budget planning, and provides a dedicated customer care team for any issues that arise.

Last spring, after assessing various products in the marketplace to meet the District's anticipated changes in electricity usage, Nania Energy Advisors collected and evaluated electricity rates from multiple retail energy suppliers. They presented an "on/off-peak" product, which would enable the District to maximize savings with current and future mechanical equipment and on-site solar, while still ensuring budget certainty in a volatile market. A one-year contract was signed at that time, but now it is time to reassess. Current multi-year contract rates are lower than the rates the District is currently paying.

### **Analysis of Options**

Two alternate energy purchase options were also presented to the administration. The first alternative was a fixed-rate cost option that would charge the district the same rate for all electricity purchased. The second alternative would involve purchasing electricity based on the current market index price, but securing the adder and pass through costs. Those types of costs include distribution and transmission charges.

The choice to maintain the on/off-peak pricing was made because it reduces the overall cost of electricity purchased for the district, while locking in rates for the actual product, the electricity. Extending the term of the contract will

also allow the district to maintain budget stability, while giving enough time to examine new trends created from new mechanical equipment and onsite solar.

**Timeline and Next Steps (if needed)**

Because electricity market prices are so volatile, prices cannot be locked in for more than 24 hours. Therefore, once the board approves the administration's recommendation, the administration is able to lock in a rate whenever the market is favorable to the district. That would lead to the following timeline:

- Approval at the April Board of Education Meeting
- After April 8, 2025, administration signs a new agreement for terms not to exceed 48 months

**Attachments**

Energy Review and Market Update (Nania)

24 Month Electricity Usage