

Killeen Independent School District Board Agenda Item Action Sheet

Date: May 13, 2025

Agenda Item Caption: Discussion of Current Electricity Provider Contract Review and Consideration of Delegation of Authority to Execute a Future Contract

Purpose of Agenda Item: Action needed

Administrative Recommendation: Move to approve the delegation of authority to the Superintendent to negotiate and execute a contract for electricity services.

Background Information: The District's electricity contract with the Reliant will expire in December 2029. A high projected statewide energy demand coupled with limited upcoming energy generation projects has led the District's electricity procurement consultant, L5E, LLC, d/b/a 5, to advise that it may be in the District's best interest to pursue a contract extension soon to mitigate the risks of potentially escalating electricity costs.

The Board reviewed a market overview presentation at the May 6, 2025 Board Workshop. On May 8, 2025, the District updated its agreement with 5 to serve as the District's electricity procurement advisor and negotiator.

5 will enter multiple rounds of competitive pricing with electricity providers and will provide summarized results to the District for consideration. Because negotiated energy provider pricing is valid for a short period of time (typically less than one business day) and suppliers retain the right to withdraw all offers at any time, it is in the best interest of the District to delegate contracting authority to the Superintendent. This will allow staff to swiftly execute a contract when the best pricing is available.

Fiscal Analysis: The District's current average electricity rate is .03535 cents per kilowatt-hour (kWh). It is the intention of staff to execute an agreement that is at or below .065 cents per kWh, and which would become effective in January of 2030.

Regulatory Requirements: Board Policy CH (Legal): Purchasing and Acquisition

Contact Person for Additional Questions/Information:

Name: Adam Rich, Assistant Superintendent for Facilities Services

Email address: Adam.Rich@killeenisd.org

Telephone Number: (254) 336-0074

Attachments: Electricity Market Overview Presentation

Signature Requested: Yes (Superintendent)