

MEMORANDUM

TO: Dr. Kyle Schumacher & Griff Powell, Interim Superintendent, Board of Education

FROM: Dan Polowy, Facilities Director

DATE: August 18, 2025

RE: Electricity Supply - Live Reverse Auction

Background:

Nania Energy Advisors has acted as Central CUSD 301's energy consultant since 2020, helping the District secure favorable natural gas and electricity rates long-term for significant cost avoidance over the term of the agreements. Nania Energy Advisors has provided expertise and market monitoring for Central CUSD 301, and informed District administrators of both opportunities and threats in the energy marketplace that could affect our energy costs.

Summary of Findings:

The District's current electricity supply contract expires in November 2025. Given the increase in energy prices and current market climate, the District is seeking ways to mitigate further cost increases and provide budget certainty for the District's energy costs. Therefore, Central CUSD 301 is seeking approval to utilize a live reverse auction for the purchase of electricity.

In a live reverse auction, energy suppliers bid against each other in real time for a specified period of time, typically 15 to 20 minutes. The process is completely transparent and often results in more competitive pricing than a sealed RFP. Pricing may be requested for multiple terms and products, allowing a thorough analysis of all options. All suppliers participating in the live auctions must first submit sealed pricing to ensure accurate RFP responsiveness before participating in the live auction. At the conclusion of the actual live event, the District will have the option of accepting or not accepting the low bid price, as well as what product and term the district would like to accept, if any.

Nania Energy Advisors will complete a sealed qualifying round of electricity supply rates with registered retail energy suppliers to be presented at the September 2025 Board of Education meeting. The purpose of this qualifying round is to (1) qualify responsive and responsible suppliers who can meet all RFP parameters and (2) establish the thresholds for acceptable results from the upcoming live reverse auction. Final results will be presented to the Board of Education for approval for Central CUSD 301 administration to conduct a live reverse auction, and furthermore, accept and execute a new electricity supply agreement if all pre-approved parameters are met.