



Electricity Contract Procurement Process

for

Duncanville ISD

by

Texas Energy Aggregation

Texas Comptroller's Office of Statewide Procurement

Texas Smart Buy Contract 961-M2

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Procurement Requirements



1. Duncanville ISD currently spends approx. \$1.4 million year for electricity and must negotiate a new electricity contract before Feb. 2022. Potential increased cost of 6-10%, trending upward.
2. DISD selected Texas Energy Aggregation (TEA) in Dec. 2020 to assist with procurement of a new electricity contract. TEA is the Selected Vendor for the Texas Comptroller's Office of Statewide Purchasing to satisfy legal purchasing requirements.
3. TEA conducted a State-approved vetting process for Retail Energy Providers (REPs) selecting 3 of the most reputable, competitive, and financially-stable providers to offer competing bids.

Competitive Procurement Process

1) Contract Pre-approval

2) Select best time to lock-in pricing

3) Sign contract in short window

1. Electricity commodity pricing is volatile and changes *hourly*. The most aggressive bidders will require a contract to be signed and returned in about 2 hours.
2. Based upon current market conditions, projected inflation and other increased costs, TEA recommends acting immediately to procure a fixed-rate, forward energy contract to begin when the current contract expires.
3. All electricity supply contracts will include allowances for fluctuations in usage appropriate for growing school districts.

Procurement Considerations



1. Low cost will be the foremost consideration.
2. Longer terms currently offer best rates.
3. Renewable energy options are being considered for price comparison. Renewable energy sources are as reliable and consistent for delivery of power.
4. Providers will also be encouraged to offer “added value” services, such as cash back for LED lighting, efficiency upgrades, on-site energy audits, backup generation and even small solar arrays which may serve as student teaching tools.
5. In the event that differences in price are negligible, “added value” services may be considered in final decision making.

Next Steps



1. All bidding energy providers will submit their contracts for legal review and approval before requesting final pricing.
2. DISD will designate a team to review final bids and an authorized contract signer will be available to return the signed contract within a 2-hour window.
3. TEA monitors the market to select the day when pricing is most advantageous to request final bids.
4. DISD team will review final bids with TEA, select the winning provider and term length.
5. TEA will ensure that meters are switched accurately and billed correctly once the switch has taken place and will be available to help navigate any issues during the length of the contract.

Questions?

- About Texas Energy Aggregation?
- About the legal purchasing process?
- About renewable offers?

*Selected vendor, Statewide
Procurement Division
Contract 961-M2*



Contract managed by

