

RESOLUTION NO. 2015-010

A RESOLUTION OF THE CITY OF MARLIN APPROVING THE CERTIFICATE OF FORMATION AND BYLAWS OF TEXAS COALITION FOR AFFORDABLE POWER ("TCAP"), A POLITICAL SUBDIVISION CORPORATION; ACCEPTING MEMBERSHIP IN SAID CORPORATION; APPOINTING A REPRESENTATIVE TO SERVE ON BEHALF OF THE CITY OF MARLIN; APPROVING PAYMENT OF AN INITIAL MEMBERSHIP FEE.

WHEREAS, Chapter 304 of the Texas Local Government Code, entitled Energy Aggregation Measures for Local Governments, allows political subdivisions to form a political subdivision corporation to act as an agent to negotiate the purchase of electricity, or to likewise aid or act on behalf of the political subdivisions for which the corporation is created, with respect to their own electricity use for their respective public facilities; and

WHEREAS, Texas Coalition for Affordable Power ("TCAP") is a political subdivision corporation organized under said Chapter; and

WHEREAS, more than one hundred cities and other political subdivisions have joined TCAP since the Texas electric retail market was deregulated January 1, 2002; and

WHEREAS, TCAP members work collaboratively with the assistance of attorneys and procurements experts hired by TCAP to negotiate lower cost, stable, reliable electric power; and

WHEREAS, the negotiation for electricity by the corporation should result in lower, more stable electricity costs to THE CITY OF MARLIN; and

WHEREAS, the THE CITY OF MARLIN seeks to become a Member of TCAP; and

WHEREAS, TCAP Bylaw Section 9.1 requires an initial membership fee, not to exceed \$14,000, that is the greater of ½ of 1% of the total annual electric bill of the last full year of billing information available prior to membership application or \$00.05 per capita of the resident population of the prospective member.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL  
OF THE CITY OF MARLIN.

Section 1. The recitals contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

Section 2. The Certificate of Formation and Bylaws of TCAP, a political subdivision corporation, attached hereto and incorporated herein for all purposes as Exhibits A and B respectively, are hereby approved.

Section 3. THE CITY OF MARLIN accepts Membership in TCAP.

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Section 4. THE CITY OF MARLIN approves payment of an initial New Membership Fee assessment equivalent to the greater of \$00.05 per capita of the resident population or 1/2 of 1% of the total annual electric bill for THE CITY OF MARLIN of the last full year of billing information available prior to membership application. Such fee shall not exceed \$14,000.

Section 5. THE CITY OF MARLIN hereby appoints the City Manager to serve as THE CITY OF MARLIN's representative to the corporation and to act on THE CITY OF MARLIN's behalf.

Section 6. All Resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

Section 7. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 8. This Resolution shall take effect immediately from and after its adoption and it is accordingly so resolved.

Section 9. A copy of this Resolution shall be sent to Randy Moravec, TCAP Executive Director, 15455 Dallas Parkway, Suite 600, Addison, Texas 75001, along with the initial assessment fee.

PRESENTED AND PASSED on this the 10th day of February, 2015, by a vote of 6 ayes and 0 nays at a regular meeting of the City Council of the City of Marlin, Texas. Sparks Absent

Elizabeth Nelson  
Mayor  
Elizabeth Nelson  
Printed Name

ATTEST:

Sandra Herring  
City Secretary  
Sandra Herring  
Printed Name

APPROVED AS TO FORM:

City Attorney

BY Mike Dixon  
Mike Dixon  
Printed Name



TO: Dick Fletcher -- City of Marlin  
FROM: Caitlin Bowdish -- TCAP Consultant  
RE: TCAP Indicative Pricing Summary 2.5.15

Prospective Member City of Marlin  
Est. Annual kWh 2,412,966  
# of ESI IDs 44  
Est. Membership Fee \$1,475  
Offer Term Apr 2016 - Dec 2017

TCAP Costs

Membership Fee: One time membership fee of 1/2 of 1% of previous calendar year electric billings.  
Estimate for Marlin = \$295,000\*.005 = \$1,475

Aggregation Fee: \$0.0002 per kWh, added to your monthly invoicing.

Billing Structure & Annual Estimate

*based on 2/04/15 indicative pricing*

	Energy Rate	Est. TDSP	Est. Energy	Agg Fee	Est. Taxes	Est. Annual Cost	Estimated Annual Savings	Est. Annual Savs w/refunds*
lowest bid (14 mon)	\$0.04629	\$138,089	\$111,696		\$5,405	\$255,190		
TCAP (21 mon)	\$0.04600	\$138,089	\$110,996	\$483	\$5,400	\$254,968	\$222 0%	\$5,048
lowest bid (24 mon)	\$0.04826	\$138,089	\$116,450	\$483	\$5,518	\$260,539	\$5,571 2%	\$10,397

\*Est. annual refunds \$ 0.002 \$4,826

\*Not guaranteed; estimate based on historic average since 2009

**FACTORS FOR CONSIDERATION**

- No Possible Additional Pass Throughs - risk built into pricing - overpayments returned to membership
- True FIXED Energy Price - isolated from impacts due to increases in system wide offer caps
- Ability to ADD/DELETE Meters - without penalty or limitation
- Upholds PUC Substantive Rules - customer protection rules
- 120 Day Billing Guarantee - REP must bill within 120 days or forfeit
- TCAP Membership Benefits -

- Legislative Support
- Consultant Support
- Dedicated REP billing team
- Web Portal
- Budget/Governmental Reporting Data



Knowledge is the most valuable power

Office: (254) 751-0364  
 Fax: (254) 751-0155

Mike Carlisle  
 254-214-0852

### Fixed Pricing Electricity Proposal for: CITY OF MARLIN

Estimated kWh per year **2,412,966** Average monthly kWh **201,081** Number of meters **44** TDSP **ONCOR** 1/20/2015  
**CURRENT** average cost per kWh: **\$0.12217** Load factor **29%** Peak demand kW **952** Annual Delivery Cost: \$ **138,089**

Energy Company	Contract Months	Energy Charge per kWh	Average Delivery Charge per kWh	Bundled Cost per kWh	Monthly Charge per Meter	Annual Cost	Annual Savings	Contract Savings	Comments
<b>Current Company: MP2</b>		<b>0.06494</b>	<b>0.0572</b>	<b>\$0.12217</b>	<b>\$0.00</b>	<b>\$294,787</b>			
<b>MP2 Energy</b>	12	0.04811	0.0572	0.10534	\$0.00	\$ 254,177	\$40,610	\$ 40,610	Texas Based
	14	0.04762	0.0572	0.10485	\$0.00	\$ 252,994	\$41,793	\$ 48,758	Commercial and Industrial
	26	0.04849	0.0572	0.10572	\$0.00	\$ 255,094	\$39,693	\$ 86,002	
	38	0.04906	0.0572	0.10629	\$0.00	\$ 256,469	\$38,318	\$ 121,340	
	46	0.04959	0.0572	0.10682	\$0.00	\$ 257,748	\$37,039	\$ 141,983	
<b>Constellation NewEnergy</b>	12	0.04815	0.0572	0.10538	\$0.00	\$ 254,273	\$40,514	\$ 40,514	Largest REP in the U.S
	18	0.04981	0.0572	0.10704	\$0.00	\$ 258,279	\$36,508	\$ 54,762	Publicly Traded
	24	0.04874	0.0572	0.10597	\$0.00	\$ 255,697	\$39,090	\$ 78,180	
	36	0.04918	0.0572	0.10641	\$0.00	\$ 256,759	\$38,028	\$ 114,085	Owens Generation Assets
<b>TXU Energy</b>	12	0.04678	0.0572	0.10401	\$0.00	\$ 250,968	\$43,819	\$ 43,819	Large REP
	14	0.04629	0.0572	0.10352	\$0.00	\$ 249,785	\$45,002	\$ 52,502	Dallas Based
	24	0.04826	0.0572	0.10549	\$0.00	\$ 254,539	\$40,248	\$ 80,497	
	26	0.04785	0.0572	0.10508	\$0.00	\$ 253,549	\$41,238	\$ 89,348	
	38	0.04899	0.0572	0.10622	\$0.00	\$ 256,300	\$38,487	\$ 121,875	
<b>Green Mountain Energy</b>	12	0.04845	0.0572	0.10568	\$0.00	\$ 254,997	\$39,790	\$ 39,790	Texas Based
	18	0.04996	0.0572	0.10719	\$0.00	\$ 258,641	\$36,146	\$ 54,219	Environmentally friendly
	24	0.04893	0.0572	0.10616	\$0.00	\$ 256,155	\$38,632	\$ 77,263	Commercial and Residential
	30	0.05006	0.0572	0.10729	\$0.00	\$ 258,882	\$35,905	\$ 89,762	
	36	0.04947	0.0572	0.10670	\$0.00	\$ 257,458	\$37,329	\$ 111,986	
<b>Hudson Energy</b>	14	0.05000	0.0572	0.10723	\$0.00	\$ 258,737	\$36,050	\$ 42,058	Partnership with Shell
	26	0.05090	0.0572	0.10813	\$0.00	\$ 260,909	\$33,878	\$ 73,402	
	38	0.05140	0.0572	0.10863	\$0.00	\$ 262,115	\$32,672	\$ 103,460	
	48	0.05180	0.0572	0.10903	\$0.00	\$ 263,081	\$31,706	\$ 126,825	AA Rating
	51	0.05170	0.0572	0.10893	\$0.00	\$ 262,839	\$31,948	\$ 135,778	
<b>Brilliant Energy</b>	12	0.04770	0.0572	0.10493	\$0.00	\$ 253,187	\$41,600	\$ 41,600	Texas Based
	14	0.04720	0.0572	0.10443	\$0.00	\$ 251,981	\$42,806	\$ 49,940	Great Customer Service
	16	0.04810	0.0572	0.10533	\$0.00	\$ 254,153	\$40,634	\$ 54,179	subsidiary of natural gas
	24	0.04840	0.0572	0.10563	\$0.00	\$ 254,877	\$39,910	\$ 79,821	
<b>SAVINGS OVER CURRENT MP2 PRICE: (LOWEST BID)</b>									
<b>15.3%</b>									

Lowest Bid Annual Savings:	\$ 45,002
Potential Contract Savings:	\$ 141,983

Current Average Monthly Bill	\$ 24,566
Lowest Bid Average Monthly Bill	\$ 20,815
Average Monthly Savings	\$ 3,750

WE REPRESENT YOU - NOT THE ENERGY COMPANY. ALL ENERGY CHARGES ARE GUARANTEED FIXED FOR THE LENGTH OF YOUR CONTRACT.