

121 W. Broadway St.
Prosper, TX 75078



NEWS RELEASE

FOR IMMEDIATE RELEASE

Media Contact: Celso Martinez, 972-623-8836

March 10, 2016

Council approves purchase of electricity at wholesale *Membership in purchasing consortium ensures best price*

PROSPER (March 10, 2016) In a few short years, employees of the Town of Prosper will occupy a second fire station, a new Town Hall, and perhaps a few other new buildings, all with demands for electrical power, says Town Manager Harlan Jefferson.

“The Town’s demand for electricity will rise, of course, as more buildings are erected, more employees are hired, and our growth continues,” he said. “Keeping electric costs as low as possible is definitely a priority.”

That’s the reason behind the Council’s recent resolution to continue its alignment with the Texas Coalition for Affordable Power, Inc. (TCAP). The organization negotiates electric supply agreements for municipalities and other political subdivisions and, because it represents over 170 entities, is able to purchase electricity on the wholesale market, maintaining favorable rates for its members.

Council recently authorized the Town Manager to enter into a five-year agreement with TCAP starting on Jan. 1, 2018. During that period, the Town has agreed to purchase power through TCAP, locking in favorable electrical rates through Dec. 31, 2022. The 2018 agreement is similar to the one Prosper signed five years ago with TCAP.

“This agreement will lock in one of the lowest rates since the retail electric market was deregulated in 2002,” said Jefferson. “We will see significant savings. In fact, we estimate the new rates will save the town more than 50 percent compared to our current rates, representing a savings of hundreds of thousands of dollars.”

Entering the electricity market as a single customer hampers the Town’s ability to negotiate for the most favorable electricity rates. By joining forces with TCAP and its members, Prosper can take advantage of wholesale rates, rather than the higher retail rates.

TCAP is able to secure cost savings through its wholesale supplier NextEra, a clean energy company that gets its energy through wind, solar and nuclear sources, among other sources. The organization is governed by a 15-member board of directors, all of whom must be city employees or elected city officials. Typically, board members have been mayors, city managers, assistant city managers, finance directors, or city attorneys.

“We are, of course, interested in flat, fixed-price, full-requirement contracts as well as price stability,” he said. “The agreement maintains that goal for a five-year period at half the current contract price.”

The resolution, passed unanimously by Council in early February, was a requirement for inclusion in the 2018 through 2022 period, as TCAP must have these commitments in hand prior to entering negotiations with electric suppliers.

###

ABOUT THE TOWN OF PROSPER – The Town of Prosper is a fast-growing suburb with small town charm, located 30 miles north of Dallas at the crossroads of U.S. 380, Preston Road and the Dallas North Tollway in Collin and Denton Counties. Prosper sits on 27 square miles and is home to more than 17,800 people. A home-rule municipality, governed by a council-manager form of government, the town has full-time fire and police departments, including its own dispatch service. As the Town grows to its projected build-out population of 70,000 residents, Prosper’s vision is to remain a “Place Where Everyone Matters.”