



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

DCM: Cassey Ogden

DATE: September 29, 2025

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation (“Denton”) providing for, authorizing, and approving the execution by the City Manager of the Power Purchase Agreement (“PPA”) between Denton and Tidwell Prairie IIA, LLC (“Tidwell Prairie”); authorizing the acceptance and approval by the City Manager of the Letter of Credit or other credit support issued on behalf of Tidwell Prairie further securing the obligations of Tidwell Prairie to Denton for the benefit of Denton; approving the execution of such other and further related documents deemed necessary to effectuate the transactions allowed under this agreement by the City Manager, which are incident to or related to the PPA; finding that that the purchase of capacity and energy made by Denton under the terms of the PPA are in the public welfare; authorizing the expenditure of funds; determining that specific information contained in documents involved in this transaction pertain to a “Competitive Electric Matter” as set forth under the provisions of §551.086 and §552.133 of the Texas Government Code, as amended; allowing the public to inspect and reproduce the PPA as redacted; and providing an effective date.

BACKGROUND

As part of the City of Denton’s continuing efforts to achieve 100% renewable energy supply consistent with the Denton Renewable Resource Plan (DRRP), additional renewable energy supplies are required to keep up with load growth and to replace expiring renewable energy power purchase agreements. DME issued a Request for Proposals (RFP) on 10/21/2024 seeking qualified developers to provide proposals for Renewable Energy and Battery Energy Storage System (BESS) for consideration under a long-term Power Purchase Agreement (PPA). This initiative is in alignment with our strategic objectives to improve grid reliability, manage price volatility, and provide electric rate stability.

The need for additional resources has become critical in the ERCOT market, particularly during the “duck curve” hours when solar generation ramps down and wind generation is ramping up while load demand is persistently high. In addition, ERCOT has experienced increased winter peak volatility, especially during extreme cold events when generation and transmission constraints coincide with elevated load, leading to significant real-time market price spikes.

Battery storage represents a fast-response resource that can mitigate some of the high-cost hours, improving reliability, and supporting budget predictability for purchased power costs in the future.

Requests for Proposals were sent to 1360 prospective suppliers of this item. In addition, the RFP was placed on the Materials Management website for prospective respondents to download and advertised in the local newspaper. 11 proposals were received.

Based upon the proposal received pursuant to the RFP #8678, DME evaluated and selected the proposal from Jupiter Power LLC for its Tidwell Power II Battery Energy Storage System (BESS) to be constructed near Tidwell, Texas. The proposed battery storage is anticipated to be constructed with a capacity of 100 MW with 2-hour duration and a target commercial operations day of July 1, 2026. DME has negotiated a Power Purchase Agreement (PPA) for 100 MW of capacity from the Tidwell Power II project.

RECOMMENDATION

Staff recommends adoption of the ordinance.

FISCAL INFORMATION

Funds for the required payments to Tidwell Power II, LLC after the BESS achieves commercial operating status will be from the DME operating budget and will be included in the Energy Cost Adjustment (ECA) component of DME customer bills.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance & Redacted Power Purchase Agreement

Exhibit 3: Presentation

Respectfully submitted:
Jose Gaytan
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