



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 30, 2025

SUBJECT

Consider 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 Blue Summit I Wind, LLC ("Blue Summit"); authorizing the acceptance and approval by the City Manager of the Letter of Credit or other credit support issued on behalf of Blue Summit further securing the obligations of Blue Summit 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 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. The Public Utilities Board will consider this item on Monday, September 29, 2025.

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.

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 Nextera Energy for its Blue Summit I Wind located in Vernon, Texas. The proposed wind farm has 85 turbines for a total of 139.80 MWs and is a repowered facility that will be available immediately after adoption of the ordinance and PPA.

RECOMMENDATION

Staff recommends adoption of the ordinance.

FISCAL INFORMATION

Funds for the required payments to Blue Summit I Wind, LLC after the operating date 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

Executive Manager of Power Supply

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