



Legislation Text

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Agenda Information Sheet

DEPARTMENT: City Manager's Office

CM/ ACM: Bryan Langley, Deputy City Manager

Date: October 23, 2017

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Resource Planning and Power Supply Strategy prepared by Enterprise Risk Consulting for Denton Municipal Electric.

BACKGROUND

Staff executed a professional services agreement with the independent firm of Enterprise Risk Consulting ("ERC") to provide strategic support by assisting with resource planning and the implementation of a revised long-term power supply strategy.

ERC, a professional firm who specializes in trading and risk management consulting services, has staff who have substantial experience in trading and energy economics. ERC project staff has served in senior roles in the energy industry, the financial services industry, and academia. ERC's expert knowledge in the energy industry makes them well-qualified to perform the update to the City's long-term power supply strategy plan.

The immediate focus for the consulting project was to enable the efficient operation of the Denton Energy Center (DEC) by the target completion date in the summer of 2018, and to meet Denton's original long-term goal of 70% renewable energy by 2019. The long range plan is to further develop Denton's portfolio of renewable resources and ability to manage a power supply portfolio approaching 100% renewable energy.

The purpose of this item is for ERC to present their recommended resource plan. This incorporates the addition of the Denton Energy Center to our power supply portfolio. Targets have been developed for completing DME's renewable power supply portfolio through the acquisition of a diversified set of power purchase agreements from renewable energy resources. Larry G. Lawrence, President, and Neil McAndrews, Senior Principal, of ERC will present the attached presentation during the work session.

ERC has also been engaged to complete a second phase of work to 1) develop a Power Supply Hedge Strategy and 2) implement a Risk Management process. This work will be finished in early 2018, and it will be presented to the PUB and City Council once complete.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

An initial Resource Planning and Power Supply strategy was presented to the Public Utilities Board on September 11, 2017, and the City Council on September 19, 2017.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Public Infrastructure**

Related Goal: **2.3 Promote superior utility services and facilities**

EXHIBITS

1. Resource Planning and Power Supply Strategy Report
2. Presentation

Respectfully submitted:
Bryan Langley
Deputy City Manager