



## THE TEXAS RENEWABLE ENERGY CO-OP CONTRACT IS NOW AVAILABLE

*New State power purchasing offer achieves record-low pricing by leveraging aggregation, wholesale renewables*

### BEST PRACTICE, TRANSPARENT PROCESS WITH MULTIPLE LEVELS OF COMPETITIVE BIDDING

- ✓ Purchasing contract made available through the **Texas Comptroller's Office**, Statewide Procurement Division, utilizing Texas SmartBuy contract 961-M2 and coordinated by the **State Energy Conservation Office (SECO)**
- ✓ **Texas Energy Aggregation (TEA)** selected as the consultant in the Texas Comptroller's competitive bidding process
- ✓ TEA selected **Citigroup Energy** to provide wholesale renewable energy with **Gexa/NextEra** as the designated "anchor" retail electricity provider
- ✓ Competitively sourced retail power contracts incorporate the wholesale renewable energy block

### BENEFITS

1. Lowest fixed-price electricity offered around *3 cents per kWh\** (see FAQ below)
2. New hedging approach fixes about half of your load for 12 years to enhance budget certainty while leaving room for inevitable future changes in price and usage
3. Ability to participate even if you have years remaining on your current contract; the low-cost renewables will be included on your *next* power contract to reduce overall price
4. Powered by specific renewable generation facilities, not just grid power plus RECs
5. Program sets new standards for transparent, competitive bidding
6. Aggregated purchasing power with the largest end users in Texas
7. Confidence and accountability ensured by using the Texas Comptroller's Statewide Purchasing Division, SECO and TEA oversight
8. Financially stable counterparties backing the long-term electricity commitment
9. Optional services like demand response and on-site solar can be added to further reduce costs

### NEXT STEPS

1. Visit <https://comptroller.texas.gov/programs/seco/resources/tea/>
2. Follow the step-by-step instructions
3. Questions? Mike Bendewald, 254-242-4246, [mike.bendewald@texasenergyabc.com](mailto:mike.bendewald@texasenergyabc.com).

# FREQUENTLY ASKED QUESTIONS

## **What is a Renewable Energy Cooperative?**

An aggregation that enables entities to invest in renewable energy to become independent power producers, without having to own and maintain any generation facilities.

## **Will everyone in the pool pay 3 cents per kWh?**

A ceiling price of 3 cents kWh has been negotiated including everything but hub-to-zone differential ("nodal") and delivery charges. Each customer's exact fixed rate will differ slightly based upon meter locations, contract start date, and pool participation. Your exact fixed rate will be offered and held for the day to review before final contract confirmation.

## **What about the rest of my power that is not fixed as part of the renewable block? Do I have to use Gexa Energy?**

Your "balancing load" can be locked at any opportune time in the market at any contract length. Unlike other programs, it will be competitively bid among REPs. Gexa has agreed to serve as the default provider, anchoring the renewable block should you fail to select another provider.

## **Who is eligible to join TREC?**

TREC is available to Texas state agencies and local governments, including cities, counties, public hospitals, independent school districts, as well as credit-worthy private universities and hospitals. "Subscribers" collectively agree to purchase a portion of the power output from renewable plants.

## **What kind of generation is this, and where will these facilities be located?**

Utility-scale wind and solar facilities will be located in cost-effective delivery locations. Exact locations and wind/solar mix have been driven by load shape and locations of subscribers, and then ultimately by the best renewable project developers' bids.

## **When will the first TREC purchase occur?**

The TREC pool deadline to sign final contracts is **Sept. 16, 2019**. A second aggregation will take place before the end of the year.

## **Is there a risk of losses for over or under generation?**

No. An intermediary power trader will deliver a fixed volume and fixed shape wholesale block to the retail electricity provider of your choice to supply less than half your load

## **Can we continue to work with our current energy consultant?**

Yes. You may pay that aggregator, broker or consultant directly or as a residual portion of your bill. All fees will be clearly enumerated on your retail electricity contract.

## **What if we have several years left on our contract?**

The renewables contract will not begin until your current contract ends. You must decide to join the pool by Sept. 16, 2019.

## **Can I get 100% green power?**

Yes. TREC provides a contract directly with specific renewables plants for up to 50% of your usage. The remainder can be filled with grid power + Texas Renewable Energy Credits (RECs).

Do I have to choose to do on-site solar or Demand Response right now?

No. An independent study of your needs can be conducted by SECO and services added at a later time. Optional services are already considered to work in harmony with the TREC contract.