



MEMORANDUM

To: Mayor and City Council

From: Traci Leach, Deputy City Manager

Date: March 26, 2024

Reference: Consider approval of a Resolution of the City of Coppell, Texas terminating, ceasing and closing its affiliation with iChoosr, LLC., and authorizing the Mayor to sign.

2040: Sustainable Government

Introduction:

The purpose of this agenda item is to request City Council consideration of a Resolution to terminate the agreement between the City and iChoosr, a private, for-profit business that provides Coppell residents with assistance in procuring retail electric provider services. The current agreement was approved by City Council on July 28, 2020, and has been renewed annually for one additional year since that time.

Staff is recommending terminating the contract for the following reasons:

- It is no longer deemed beneficial to lend the City's logo, reputation, and credibility to for-profit entities to sell items, even potentially beneficial ones, to the public.
- Staff is concerned about the long-term viability of the program, as participation and therefore potential benefit has declined over time. This is the result of a combination of factors, primarily that those residents who were most interested in participating are already locked in multi-year contracts and thus are not engaging in current auction offerings.
- While there is some iChoosr Texas presence remaining, staff is concerned about service levels moving forward, as the company transitions the bulk of its operations to Amsterdam.

If City Council approves the Resolution to terminate the Agreement, staff will submit a sixty (60) day written notice, as required by the Agreement. iChoosr has voluntarily suspended the auction that was planned for April, pending the outcome of this discussion. Fred Wu, iChoosr Director of Community Engagement, will be available to answer iChoosr operational questions.

Background:

iChoosr, LLC operates the Texas Power Switch program, which conducts several auctions per year to solicit bids from retail electric providers for electricity rates for households in iChoosr partner

cities, with the goal of saving participating households money on their selected electricity contract. Under this agreement, iChoosr is authorized to use the City's logo on all promotional materials and the City has links on its webpage for the Texas Power Switch. Additionally, the City actively engages in the promotion of the auctions. After receiving bids from competing retail electric providers, a household can elect to switch electricity providers, and iChoosr then helps facilitate the contractual process of switching for participants as part of the program.

It is important to note that termination of the agreement DOES NOT impact any of the existing electric contracts that Coppell residents have entered into since the City began its partnership with iChoosr. Additionally, like any business, termination does not preclude iChoosr from sending out their own offers to Coppell residents, albeit without the City's logo or statement of City partnership. There are other for-profit companies that can assist residents select a retail electric provider for a fee. The State of Texas also offers a free service via the website (www.PowertoChoose.org) that allows residents to research and select plans that are right for them.

City staff will be preparing some information that will go live on the City website to further assist residents in interpreting and comparing the electricity facts labels and identifying where to find other plan features that consumers need to know, such as fees for connection, disconnection, early termination, etc., as well as applicable discounts for things like opting into e-billing.

Benefit to the Community:

For those participating in the Program, there are potential cost savings on their electricity plan.

Legal Review:

The City Attorney has reviewed the existing Agreement and has drafted the Resolution for Council consideration.

Fiscal Impact:

N/A

Recommendation:

Staff recommends approval of a Resolution terminating the Agreement between the City of Coppell and iChoosr, LLC.