



MEMORANDUM

To: Mayor and City Council

From: Jennifer Miller, Director of Finance

Date: July 28, 2020

Reference: Consider approval of a Resolution of the City Council of Coppel, Texas, authorizing an agreement with iChoosr, LLC, approving the terms and conditions to market and provide retail elective aggregation services to residents in the City of Coppel, and authorizing the Mayor to sign.

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Introduction:

The City of Coppel is seeking to enter into a contractual agreement with the company iChoosr to sponsor their Texas Power Switch group switching service for Coppel residents. By registering and using the Texas Power Switch program, Coppel households will have the opportunity to participate in a reverse auction process with multiple electricity providers competing to provide potentially lower household electricity rates.

Analysis:

iChoosr is in Austin, TX and maintains a customer support center in Houston, TX. Their Texas Power Switch program has been implemented by a few other cities in Texas, including Farmers Branch, Corinth, Waco, Fate, Lake Dallas, and others. The goal of the program is to provide a competitive bidding environment for electricity rates for households. iChoosr has stated the average savings rate is twenty percent (20%), which has been confirmed, but there are documented instances of households saving as much as fifty percent (50%) from their then current electricity contracts. Overall cost savings is somewhat dependent upon a household's past experience in shopping for electricity rates. After receiving bids from competing entities, 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.

There is an opportunity for some households to decrease their electricity rates from twenty to fifty percent (20%-50%) by participating in the program with minimal financial impact to the city in the promotion of the program. The implementation of the Texas Power Switch program provides a tool for Coppel residents to become savvy electricity shoppers and lower their monthly electricity costs.

Legal Review: The agenda item has been reviewed by legal during the agenda review process.

Fiscal Impact:

There are no financial obligations (e.g., fees) associated with the agreement. There could be some minimal direct costs to the city (e.g., marketing materials), if implemented, but most marketing activities will be conducted electronically with no additional direct costs. The city will incur indirect costs of staff time for those that will be

responsible for the marketing, implementation, and future community promotion activities of the Texas Power Switch program. Most entities are spending less than five (5) hours overall per month with the program.

Recommendation:

The Finance Department recommends approval.