

Legislation Text

File #: 19-4027, **Version:** 1

Receive presentation regarding a proposed electrical aggregate program for Mesquite residents and discuss the potential for implementing a Mesquite Power Switch program with iChoosr, LLC.

In 2002, the Texas electricity market was deregulated, and while deregulation has increased electric provider options for Texans, the electric retail market remains complex and finding the most cost effective plan for an individual household is not an easy task despite the State's *Power to Choose* web portal on the Public Utility Commission website.

iChoosr is a "municipal aggregator" that offers an opt-in program called the *Texas Power Switch* for residents to participate in order to take advantage of group buying power to reduce their home electricity bill. iChoosr is the only company in Texas with this business model, although there are similar opt-in municipal aggregations operating in Illinois, Ohio and Massachusetts, and a few other states have opt-out aggregation programs.

To date, nine Texas cities have joined Texas Power Switch: Dickinson, Fate, Farmers Branch, Lake Dallas, Richland Hills, Seadrift, Waco, Wilmer and Webster; and 12 cities are currently considering the program, including eight within the Metroplex. City staff reached out to cities with more established programs and all provided extremely positive feedback for the program - attached is a resident survey from the City of Fate. In their first year, the City of Fate reported 10 percent of all households switching with an estimated combined savings of \$90,000. City staff has also vetted this program through the City's own electric consultant with Tradition Energy, and iChoosr is endorsed by the Texas Coalition for Affordable Power.

The City Attorney's Office has reviewed the attached iChoosr agreement with the City of Farmers Branch and would recommend only slight changes regarding the term and use of City information; otherwise, there doesn't appear to be anything fundamentally wrong with the structure of the program or how it might operate in Mesquite. While there is no cost to a resident to participate, iChoosr does receive compensation through its contract with participating energy providers in the range of \$2.50 to \$4.00 per month per switched account, depending on the number of aggregate participants. iChoosr has between 5 to 7 participating retail providers and is continuing to expand this group and all must adhere to certain customer service standards. Attached is a company FAQ for your review prior to the presentation.

If Council directs staff to proceed, City communications staff would work with iChoosr to outline a communications plan leading up to the next Power Switch auction (TPS7) this summer:

Registration phase: July 8 - September 24
Bring your Bill Event: Early August (TBD)
Auction: August 20
Decision phase: September 3 - 24
Switch window: September 3 - January 21, 2020

Recommended/Desired Action

Council direction is requested on whether to move forward and partner with iChoosr so Mesquite residents

have the option to participate in a *Mesquite Power Switch* program.

Attachment(s)

City of Fate Resident Survey
Farmers Branch iChoosr Agreement
iChoosr FAQ

Drafter

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Head of Department

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