

LOCAL GOVERNMENT CODE

TITLE 9. PUBLIC BUILDINGS AND GROUNDS

SUBTITLE C. PUBLIC BUILDING PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 304. ENERGY AGGREGATION MEASURES FOR LOCAL GOVERNMENTS

Sec. 304.001. AGGREGATION BY POLITICAL SUBDIVISIONS. (a) In this chapter, "political subdivision" means a county, municipality, school district, hospital district, or any other political subdivision receiving electric service from an entity that has implemented customer choice, as defined in Section 31.002, Utilities Code.

(b) A political subdivision may join with another political subdivision or subdivisions to form a political subdivision corporation or corporations to act as an agent to negotiate the purchase of electricity, or to likewise aid or act on behalf of the political subdivisions for which the corporation is created, with respect to their own electricity use for their respective public facilities.

(c) The articles of incorporation and the bylaws of a political subdivision corporation must be approved by ordinance, resolution, or order adopted by the governing body of each political subdivision for which the corporation is created.

(d) A political subdivision corporation may negotiate on behalf of its incorporating political subdivisions for the purchase of electricity, make contracts for the purchase of electricity, purchase electricity, and take any other action necessary to purchase electricity for use in the public facilities of the political subdivision or subdivisions represented by the political subdivision corporation. In this subsection, "electricity" means electric energy, capacity, energy services, ancillary services, or other electric services for retail or wholesale consumption by the political subdivisions.

(e) A political subdivision corporation may recover the expenses of the political subdivision corporation through the assessment of dues to the incorporating political subdivisions or through an aggregation fee charged per kilowatt hour, or a combination of both.

(f) A political subdivision corporation may appear on behalf of its incorporating political subdivisions before the Public Utility Commission of Texas, the Railroad Commission of Texas, the Texas Natural Resource

Conservation Commission, any other governmental agency or regulatory authority, the Texas Legislature, and the courts.

(g) A political subdivision corporation has the powers of a corporation created and incorporated pursuant to the provisions of the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) and such other powers as specified in Section 39.3545, Utilities Code.

(h) The provisions of the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) relating to powers, standards of conduct, and interests in contracts apply to the directors and officers of a political subdivision corporation.

(i) A member of the board of directors of a political subdivision corporation:

- (1) is not a public official by virtue of that position; and
- (2) unless otherwise ineligible, may be elected to serve as an official of a political subdivision or be employed by a political subdivision.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 42, eff. Sept. 1, 1999.
Renumbered from Sec. 303.001 by Acts 2001, 77th Leg., ch. 1420, Sec. 21.001(87), eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 201, Sec. 58, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 680, Sec. 2, eff. June 20, 2003.

Sec. 304.002. AGGREGATION BY POLITICAL SUBDIVISION FOR CITIZENS. (a) A political subdivision aggregator may negotiate for the purchase of electricity and energy services on behalf of the citizens of the political subdivision. The citizens must affirmatively request to be included in the aggregation services by the political subdivision aggregator.

(b) A political subdivision may contract with a third party or another aggregator to administer the aggregation of electricity and energy services purchased under Subsection (a).

(c) The political subdivision aggregator may use any mailing from the subdivision to invite participation by its citizens.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 42, eff. Sept. 1, 1999.
Renumbered from Sec. 303.002 by Acts 2001, 77th Leg., ch. 1420, Sec. 21.001(87), eff. Sept. 1, 2001.

Electricity

Members see big cost reductions, better contracts, and top-notch service by working together.



Local government and political subdivisions join together to act as one, in a process called aggregation, to negotiate favorable rates and contracts usually reserved for large industrial customers. The Texas Public Utility Commission reports call these aggregations the "big winners" in electric deregulation. Aggregation gives a group of customers the increased size and clout needed to effectively negotiate with retail electric providers. Furthermore, members of an aggregation share the cost of consultants, gaining access to expertise that would be costly to obtain on their own.

Public Power Pool has grown to be the largest aggregation in Texas, with the lowest aggregation fee. P3 purchases power for 98 political subdivisions and handles over 5,300 accounts that spent a significant amount more on electricity before deregulation. By working together since 2002, P3 members have saved \$122 million against market rates.

What is Public Power Pool?

Public Power Pool is a non-profit political subdivision corporation, created by local governments in Texas, designed to save taxpayer money by aggregating power usage to procure the best power contracts at the lowest cost.

What does Public Power Pool do?

Who is eligible to join?

How does an entity join Public Power Pool?



Research shows that counties that go it alone finish up paying much more for electricity than P3 members. One north Texas County that signed a contract directly with a retailer at the same time as P3 members secured a rate of 4.77 cents/kWh finished up 5.6 cents/kwh, costing their taxpayers an additional \$33,922 per year. Another neighboring county wound up paying 5.5 cents/kWh, costing their taxpayers \$17,743 more than if they'd procured through our group. As a budget defender, I urge you to consider the bulk purchasing discounts that come from working with 39 other Texas counties in P3.

What is Public Power Pool?



What does Public Power Pool do?

In addition to negotiating excellent rates on your electricity contracts, Public Power Pool offers excellent customer service and is a liaison between members and the retail provider. This includes handling your day-to-day requests such as adds and deletes, providing members with useful forward budgets, semi-annual account audits to ensure billing accuracy, and customized energy analyses as requested by individual members.

Who is eligible to join?



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How does an entity join Public Power Pool?

1. Letter of Authorization

To join this innovative electric procurement project, a Letter of Authorization and a list of meters to be enrolled is required to allow P3 to collect usage history from relevant Transmission Distribution System Providers.

2. Minute Order

Once membership in Public Power Pool is requested, a local government must adopt a Minute Order/Resolution approving both P3's Articles of Incorporation and the Bylaws. It also designates a representative who will serve as the primary point of contact for Public Power Pool. Finally, it authorizes payment of one-time membership fees based on the number of meters to be enrolled.



Public Power Pool: 100 Members

Atascosa County	Ector County	Midland County
Bee County	Ector County Appraisal District	Midland CSCD
Bell County	Falls County	Mills Road MUD
Bell County Appraisal District	Foard County	North Central TX Council of Govts
Brazoria County	Foard County Hospital District	North Mission Glen MUD
Calhoun County	Fountainhead MUD	NTTA North TX Tollway Authority
Central Texas Council of Govts	Freestone County	Nottingham Country MUD
Chambers County	Galveston County	Nueces County
Chelford City MUD	Grayson County	Nueces County MHMR
Cherokee County	Greater Harris Co 911 Emergency Network	Presidio County
Cinco MUD #7	Green Trails MUD	Rains County
City of Arcola	Harris County	Reeves County
City of Bedford	Harris Health System	Rockwall County
City of Bryson	Harris County Appraisal District	Rolling Creek MUD
City of Cockrell Hill	Harris County MUDs #	Runnels County
City of Crowley	11, 18, 23, 46, 102, 191, 278 & 383	San Patricio County
City of Friendswood	Harris County Sports & Convention Corp.	Scurry County
City of Haslet	Heatherloch MUD	Smith County
City of Hutchins	Heart of Texas Region MHMR	Somervell County
City of Jamaica Beach	Howard County	Tarrant Appraisal District
City of Santa Fe	Irion County	Tarrant County
City of Uvalde	Jack County	Tarrant County 911 District
Collin County	Jackson County	Tarrant County Hospital District
Cooke County	Jeff Davis County	Town of Lakeside
Coryell County	Jim Hogg County	Uvalde County CSCD
Crockett County	Johnson County	Van Zandt County
Cypresswood Utility District	Johnson Co. Central Appraisal District	Wharton County
Dallas Central Appraisal District	Kaufman County	Wichita Appraisal District
Dallas County	Kleinwood MUD	Williamson County
Denton County	Mason Creek MUD	Wise County
Dickens County	McLennan County	Zapata County
	MHMR Tarrant County	



Public Power Pool

Five Reasons why P3 is a County's Best Option for Purchasing Power

- 1 P3 negotiates bulk discounts unavailable to counties acting alone
 - The combined flattened group load we take to market reduces risk for the retailer, producing discounted rates and competitive bids from eager retailers
 - If P3 members procured power alone, they would pay over 1/3 – 1/2 cent/kWh more
- 2 P3 contracts are the most county-friendly in the business
 - No penalties for consumption changes due to aggregate swing benefit provisions
 - No minimum use requirements
 - Enhanced supplier performance standards and enforcement penalties
 - Competitive pricing for large load adds; small loads are added at the contract price
 - Unfettered member access to demand-side programs
- 3 P3 provides customized support to all members
 - From expertly-managed RFPs & procurements, to account adds & deletes, monthly bill checks, semi-annual audits, forward budgeting, HB3693 reports, account analysis and load analysis services, P3 helps counties to plan
- 4 P3's transparent aggregation fee of 59.3c/MWh is the lowest in the business
 - By sharing energy expertise, legal counsel, operating expenses and account management, counties receive a suite of services without paying a premium
- 5 P3 is a non-profit owned & operated by our members – including 49 counties
 - Unlike brokers, we take no commission from REPs to steer business their way
 - Our unbiased, ethical RFP awards contracts to only the best and lowest offer

