

# **TOWNSHIP OF LOWER MERION**

## **Finance Committee**

### **Issue Briefing**

**Topic:** Electricity Supply Contract

**Prepared By:** Eric Traub, Chief Financial Officer

**Date:** October 11, 2018

#### **I. Action To Be Considered By The Board:**

Authorize the Township Manager to enter into an agreement to purchase electricity supply services for Township facilities.

#### **II. Why This Issue Requires Board Consideration:**

The Board of Commissioners must authorize entering into a contract for electricity supply services. Pricing information will be supplied at the October 17<sup>th</sup> Finance Committee meeting.

#### **III. Current Policy Or Practice (If Applicable):**

The Township's multi-year fixed rate contract with Constellation Energy for electric supply is expiring in November.

#### **IV. Other Relevant Background Information:**

The Township currently has a fixed rate contract for electricity supply which will expire shortly. The Board of Commissioners authorized the Manager to solicit new pricing for electric supply in September.

The Manager has been working with Provident Energy and the Pennsylvania Municipal League's Municipal Utility Alliance to seek competitive pricing and the proposals will be submitted on Wednesday, October 17<sup>th</sup>. Staff will receive, review and provide the Board with the list of proposals and a staff recommendation at the Finance Committee meeting. The electric supply proposals will include an option for 10%, 50% or 100% green power for Board consideration as well as options for splitting street lighting accounts from other general service accounts.

A copy of the Manager's Issue Briefing prepared in September providing additional background information on electric supply is included with this Issue Briefing.

**V. Impact On Township Finances:**

The impact on Township finances should be a reduction in the amounts paid for electricity supply. Staff will present estimates of the annual savings at the October 17<sup>th</sup> Finance Committee.

**VI. Staff Recommendation:**

The staff recommendation will be provided once we have a better understanding of the annual savings after receiving the proposals.