



Amendment to the TSI Retail Electric Energy Services Agreement

City Council Meeting
November 18, 2020

Overview

- The City has worked closely with large electricity customers for many years
- Focus on promoting energy efficiency and managing electricity costs
- Provides specific benefits to the customer, other utility customers, and the City
- In 2019, the City entered into a two-year Retail Electric Energy Services Agreement (Agreement) with TSI Semiconductors America, LLC (TSI)

Overview

- The Agreement provides a discount on certain electric rates:
 - First year – 15%
 - Second year – 7.5%
- Agreement will expire in February 2021
- TSI requested extension to the Agreement
- Worked with TSI to develop an amendment

Purpose of Amendment

- Continue partnership with large electric customer
- Provide greater certainty on electric revenues
- Reduce the risk of raising rates on other customers
- Assist in retaining jobs within our community
- Provide electric system operational benefits
- Continue a discounted electric service rate to TSI

Customer Agrees To

- Receive electricity only from the City
- Provide electric load forecast to City
- Coordinate energy efficiency projects with the City
- Participate in peak load reduction programs
- Partner with City to reduce energy during grid emergencies

Amendments

- Provides a 5% discount on energy charges
- Extends Agreement through December 2022

Recommendation

- Recommend City Council adopt a resolution authorizing the City Manager to execute an amendment to the Retail Electric Energy Services Agreement with TSI Semiconductors America LLC.