

RE: RESOLUTION 2025-19 - AUTHORIZING AN ENERGY COST ADJUSTMENT UNDER SECTION 22-310 ELECTRIC SERVICE RATES

Background:

This Resolution, if approved, empowers the City Administrator to implement a 2025 Energy Cost Adjustment (ECA) as authorized in the adopted Electric Rates section 22-310 (h).

Analysis:

The current electric rate ordinance sets forth a formula to adjust the energy portion of the rates for our customers based on the preceding year's overall wholesale energy cost. The "all in" cost for wholesale power includes the cost of the energy and the cost for the transmission delivering that wholesale power to our distribution system. A simple version of the formula is to subtract the past year's wholesale energy cost from the adopted base amount in the current rate ordinance. Depending on the preceding years' wholesale cost, the ECA can be either a credit in years where costs were down or an increase in cost for any year where wholesale prices rose above the base.

Any ECA to apply to customer bills must be approved by the City Council. The current (2024) ECA is a credit of \$0.0517 per kilowatt Hour (kwh) sold under all rate classes. We continued to enjoy good wholesale rates through 2024 making the new ECA a credit to the customers of \$0.0560 per Kwh. Per section 22-310 (h) of the Nixa code, the formula computation below was used to calculate the new credit.

2021 (base) estimated wholesale Kwh energy cost:	\$0.00573
Less the 2024 actual wholesale Kwh energy cost:	<u>\$0.00517</u>
Difference to be applied per this Resolution:	-\$0.00560

If approved, this ECA would be applied as a monthly credit for each Kwh sold from April 2025 through March 2026.

Recommendation:

Pass the resolution.

MEMO SUBMITTED BY:

Doug Colvin | Assistant City Administrator, Director Nixa Utilities and Public Works

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RESOLUTION NO. 2025-19

A RESOLUTION OF THE COUNCIL OF THE CITY OF NIXA AUTHORIZING AN ELECTRIC ENERGY COST ADJUSTMENT PURSUANT TO SECTION 22-310 OF THE NIXA CITY CODE.

WHEREAS Section 22-310 of the Nixa City Code establishes the City’s electric service rates; and

WHEREAS Section 22-310(h) of the Nixa City Code authorizes the Council by Resolution to authorize an annual Energy Cost Adjustment (ECA); and

WHEREAS City Council desires to apply an energy cost credit, as set forth herein, to customer bills pursuant to Section 22-310 of the Nixa City Code.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NIXA, AS FOLLOWS, THAT:

SECTION 1: The City Council, pursuant to Section 22-310 of the Nixa City Code, hereby establishes an Energy Cost Adjustment in the amount of \$0.0056 for each Kwh as a credit to apply on electric bills from April 1, 2025, until March 31, 2026.

SECTION 2: The City Administrator and the officers of the City are hereby authorized to do all things necessary or convenient to carry out the terms and intent of this Resolution.

SECTION 3: This Resolution shall be in full force and effect from and after its final passage by the City Council and after its approval by the Mayor, subject to the provisions of section 3.11(g) of the City Charter.

ADOPTED BY THE COUNCIL THIS 25th DAY OF MARCH 2025.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2025.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

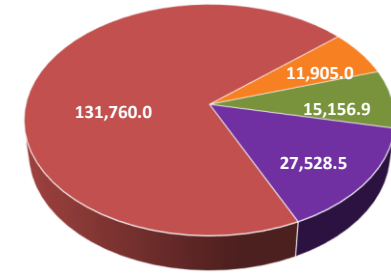
CITY ATTORNEY

NIXA 2024 Purchased Power Costs

TOTAL PURCHASED POWER						Southwest Power Administration (5.3 MW)					
	mWh	MW	Total Cost	Load Factor	\$/mWh		mWh	% of total Resources	Total Cost	% of Total Costs	\$/mWh
Jan-24	16,069.4	33.0	\$1,080,103.24	65.4%	\$67.21	Jan-24	1,347.0	8.4%	\$45,260.06	4.2%	\$33.60
Feb-24	12,063.5	25.0	\$863,849.60	69.3%	\$71.61	Feb-24	753.0	6.2%	\$35,600.96	4.1%	\$47.28
Mar-24	14,511.1	23.0	\$918,391.33	84.7%	\$63.29	Mar-24	671.0	4.6%	\$35,025.16	3.8%	\$52.20
Apr-24	11,895.6	29.8	\$748,582.05	55.4%	\$62.93	Apr-24	786.0	6.6%	\$35,976.16	4.8%	\$45.77
May-24	15,003.4	39.5	\$650,266.94	51.0%	\$43.34	May-24	1,913.0	12.8%	\$48,682.46	7.5%	\$25.45
Jun-24	19,627.4	53.8	\$944,717.95	50.6%	\$48.13	Jun-24	1,806.0	9.2%	\$49,516.16	5.2%	\$27.42
Jul-24	20,576.3	51.0	\$1,051,133.54	54.2%	\$51.08	Jul-24	1,094.0	5.3%	\$42,153.86	4.0%	\$38.53
Aug-24	21,026.8	52.3	\$700,342.83	54.0%	\$33.31	Aug-24	855.0	4.1%	\$38,769.76	5.5%	\$45.34
Sep-24	15,832.2	45.8	\$745,408.52	48.0%	\$47.08	Sep-24	350.0	2.2%	\$32,007.76	4.3%	\$91.45
Oct-24	13,538.9	38.4	\$542,364.25	47.4%	\$40.06	Oct-24	390.0	2.9%	\$32,643.76	6.0%	\$83.70
Nov-24	12,118.0	23.0	\$621,168.79	73.2%	\$51.26	Nov-24	1,010.0	8.3%	\$38,049.26	6.1%	\$37.67
Dec-24	14,087.9	26.3	\$773,761.23	71.9%	\$54.92	Dec-24	930.0	6.6%	\$37,394.76	4.8%	\$40.21
	186,350.4	53.8	\$9,640,090.27	7.9%	\$51.73		11,905.0	6.4%	\$471,080.12	4.9%	\$39.57

SPA Capacity Payments \$317,313.12

Nixa YTD Resources



- Energy Energy
- SPA Energy
- Solar Energy
- SPP Energy
- Trans/Mgmt
- Capacity Pmts

Evergy 24/7 Resource

	mWh	% of total Resources	Total Cost	% of Total Costs	\$/mWh
Jan-24	11,160.0	69.4%	\$229,896.00	21.3%	\$20.60
Feb-24	10,440.0	86.5%	\$215,064.00	24.9%	\$20.60
Mar-24	11,145.0	76.8%	\$229,587.00	25.0%	\$20.60
Apr-24	10,800.0	90.8%	\$222,480.00	29.7%	\$20.60
May-24	11,160.0	74.4%	\$229,896.00	35.4%	\$20.60
Jun-24	10,800.0	55.0%	\$222,480.00	23.5%	\$20.60
Jul-24	11,160.0	54.2%	\$229,896.00	21.9%	\$20.60
Aug-24	11,160.0	53.1%	\$229,896.00	32.8%	\$20.60
Sep-24	10,800.0	68.2%	\$222,480.00	29.8%	\$20.60
Oct-24	11,160.0	82.4%	\$229,896.00	42.4%	\$20.60
Nov-24	10,815.0	89.2%	\$222,789.00	35.9%	\$20.60
Dec-24	11,160.0	79.2%	\$229,896.00	29.7%	\$20.60
	131,760.0	70.7%	\$2,714,256.00	28.2%	\$20.60

Nixa Solar Farm (8 MW)

	mWh	% of total Resources	Total Cost	% of Total Costs	\$/mWh
Jan-24	757.0	4.7%	\$182,542.18	16.9%	\$241.15
Feb-24	1,131.8	9.4%	\$182,268.64	21.1%	\$161.04
Mar-24	1,390.0	9.6%	\$182,542.18	19.9%	\$131.33
Apr-24	1,386.8	11.7%	\$182,542.18	24.4%	\$131.63
May-24	1,421.6	9.5%	\$183,495.05	28.2%	\$129.08
Jun-24	1,549.7	7.9%	\$183,495.04	19.4%	\$118.40
Jul-24	1,473.2	7.2%	\$183,495.04	17.5%	\$124.55
Aug-24	1,455.3	6.9%	-\$98,811.53	-14.1%	-\$67.90
Sep-24	1,297.3	8.2%	\$183,495.05	24.6%	\$141.44
Oct-24	1,531.0	11.3%	\$183,495.05	33.8%	\$119.86
Nov-24	974.0	8.0%	\$183,495.05	29.5%	\$188.39
Dec-24	789.3	5.6%	\$183,495.04	23.7%	\$232.48
	15,156.9	8.1%	\$1,915,548.97	19.9%	\$126.38

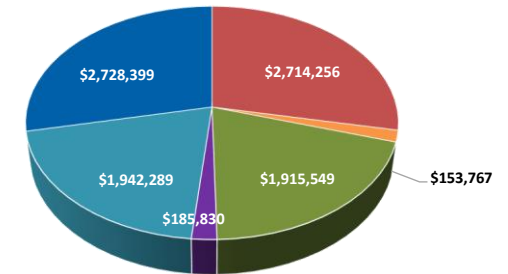
Evergy GRDA/NextEra Capacity @ \$22.50 (15mW/10 mW) + Dogwood Capacity @ \$27.70 (30mW), Transmission & Other Costs

	Capacity	Transmission	Mgmt Fees	Total Cost	% of Total Costs
Jan-24	\$254,035.31	\$126,171.76	\$24,404.00	\$404,611.07	37.5%
Feb-24	\$254,035.31	\$138,310.93	\$20,416.00	\$412,762.24	47.8%
Mar-24	\$254,035.31	\$136,817.37	\$20,257.00	\$411,109.68	44.8%
Apr-24	\$181,200.00	\$135,398.33	\$20,251.00	\$336,849.33	45.0%
May-24	\$181,200.00	\$137,270.07	\$23,309.00	\$341,779.07	52.6%
Jun-24	\$185,745.00	\$138,059.78	\$27,913.00	\$351,717.78	37.2%
Jul-24	\$185,745.00	\$140,425.70	\$28,877.00	\$355,047.70	33.8%
Aug-24	\$185,745.00	\$141,932.40	\$29,388.00	\$357,065.40	51.0%
Sep-24	\$185,745.00	\$143,149.21	\$24,167.00	\$353,061.21	47.4%
Oct-24	\$181,200.00	\$141,425.31	\$21,853.00	\$344,478.31	63.5%
Nov-24	\$181,200.00	\$140,664.65	\$20,453.00	\$342,317.65	55.1%
Dec-24	\$181,200.00	\$138,952.74	\$22,423.00	\$342,575.74	44.3%
	\$2,411,085.93	\$1,658,578.25	\$283,711.00	\$4,353,375.18	45.2%

SPP Market Purchases-Net of SPA Credits

	mWh	% of total Resources	Total Cost	% of Total Costs	\$/mWh
Jan-24	2,805.4	17.5%	\$217,793.93	20.2%	\$77.63
Feb-24	(261.3)	-2.2%	\$18,153.76	2.1%	-\$69.48
Mar-24	1,305.1	9.0%	\$60,127.31	6.5%	\$46.07
Apr-24	(1,077.1)	-9.1%	-\$29,265.62	-3.9%	\$27.17
May-24	508.8	3.4%	-\$153,585.64	-23.6%	-\$301.86
Jun-24	5,471.6	27.9%	\$137,508.97	14.6%	\$25.13
Jul-24	6,849.1	33.3%	\$240,540.94	22.9%	\$35.12
Aug-24	7,556.5	35.9%	\$173,423.20	24.8%	\$22.95
Sep-24	3,384.9	21.4%	-\$45,635.50	-6.1%	-\$13.48
Oct-24	457.9	3.4%	-\$248,148.87	-45.8%	-\$541.90
Nov-24	(681.0)	-5.6%	-\$165,482.17	-26.6%	\$242.99
Dec-24	1,208.6	8.6%	-\$19,600.31	-2.5%	-\$16.22
	27,528.5	14.8%	\$185,830.00	1.9%	\$6.75

Nixa YTD Costs



- Energy Energy
- SPA Energy
- Solar Energy
- SPP Energy
- Trans/Mgmt
- Capacity Pmts