

April 21, 2004, 8:07PM

Pasadena to change electricity provider for city-owned buildings

By CAROL CHRISTIAN
Copyright 2004 Houston Chronicle

To save some money on its annual \$1.8 million electric bill, the city of Pasadena has shopped around for a new electricity provider.

This week, Liberty Power Corp., a minority-owned firm headquartered in Houston, won a two-year contract to sell electrical service to the city. The agreement covers buildings owned by the city, but does not affect residents' electrical service at their homes or businesses.

City Council on Tuesday unanimously approved a resolution authorizing the contract with Liberty Power.

The city's previous electricity provider was TXU Energy Services through an agreement with the Houston-Galveston Area Council.

Liberty Power's price was the lowest among five proposals the city received April 7, said Kerry Doucette, the city's purchasing manager.

The city is not required to get bids from electricity providers but wanted to get a good deal, he said.

"We could have chosen anybody, but we were trying to invoke competition," Doucette told the council prior to the meeting, during the regular half-hour discussion that takes place in the mayor's office.

In its literature, Liberty Power touts its ability to "offer lower prices by maintaining lower overhead and implementing cost-saving purchasing strategies."

Based upon the April 7 proposals, the city opted to draw up a contract with Liberty Power. Due to some confusion about what that contract included, the agreement was rescinded last Thursday for what turned out to be a five-day hiatus, said Mike Loftin, the city's budget director and financial planning officer.

On Friday, the city again advertised for proposals by sending faxes and e-mails to potential suppliers, and the same five companies responded by the deadline at 3 p.m. Tuesday, Loftin said.

After further talks with Liberty Power, the decision was again made to sign a contract with that firm, Doucette and Loftin said.

The proposals received Tuesday were not opened since the contract questions had been resolved before the proposal deadline. The proposals were solicited as a backup, since the existing contract expires April 30, Doucette said.

Another contender for Pasadena's electricity contract was Reliant Energy Solutions through the Texas General Land Office. A Reliant representative spoke at last week's Pasadena City Council meeting, urging council to consider the State Land Office as its electricity provider.

The land office has been authorized to supply electricity to public entities since 2000, said the agency's spokesman, Jim Suydam.

Through the State Power Program, entities such as school districts and city and county governments have the option of purchasing electricity through the land office.

The electricity is generated with natural gas produced on state land by private companies. Instead of paying cash to use the land, the companies pay in natural gas, Suydam said.

Any profit that the land office makes through selling electricity goes into the Permanent School Fund, which assists schools statewide.