

Mayor and Council Communication

DATE: 01/23/24

M&C FILE NUMBER: M&C 24-0025

LOG NAME: 19NS DIRECT ENERGY NEIGHBOR TO NEIGHBOR 2023

SUBJECT

(ALL) Ratify Extension of the 2017-2022 Grant Agreement with NRG Energy, dba Direct Energy LLC, and its Affiliates for their Neighbor to Neighbor Program to Extend the Term to December 31, 2023, Approve Allocation of Interest Earned in the Amount of \$1,287.30, Authorize Acceptance of a Grant from NRG Energy, dba Direct Energy, LLC and their affiliates in an Amount Up to \$50,000.00 for the Neighbor to Neighbor Utility Assistance Program from January 1, 2024 through December 31, 2029, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Ratify the extension of the 2017-2022 Grant Agreement with NRG Energy, dba Direct Energy LLC and its affiliates for their Neighbor-to-Neighbor Utility Assistance Program to extend the term of the agreement to December 31, 2023;
2. Authorize the acceptance of a grant from NRG Energy, dba Direct Energy LLC and their affiliates in an amount up to \$50,000.00 for the Neighbor-to-Neighbor Utility Assistance Program;
3. Authorize the execution of related contracts, including any amendments, renewals and extensions in accordance with City policies and regulations with NRG Energy, dba Direct Energy LLC and their affiliates for the grant funds; and
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Other Fund for (1) in the amount up to \$50,000.00, subject to receipt of the grant, and (2) in the amount of \$1,287.30 for interest earned for a total of \$51,287.30 for the purpose of funding the Neighbor-to-Neighbor Utility Assistance Program.

DISCUSSION:

Direct Energy's Neighbor-to-Neighbor Utility Assistance Program was established in 2003. The goal of the program is to provide funding to social service agencies to use for utility assistance for Direct Energy's low income customers. The program is funded by customer donations and a company contribution. Eligible recipients of the program must be a Direct Energy or its affiliates customer with an active account; and recipients may receive payments not to exceed \$600.00 annually.

City of Fort Worth has been participating in this program since 2016. On February 13, 2018, the City Council authorized an agreement with Direct Energy in an amount up to \$25,000.00, which ended on December 31, 2022 (Mayor and Council Communication C-28581). The Neighbor-to-Neighbor Utility Assistance Program has since been extended through December 31, 2023. Therefore, staff requests approval to extend the term of the City's arrangement with Direct Energy to December 31, 2023 to coincide with the extended term of the program. To avoid untimely agreement renewals, Neighborhood Services Department staff will monitor the terms in PeopleSoft's reporting module. Additionally, staff requests authorization for the execution of a new contract with Direct Energy in the amount up to \$50,000.00 for the program from January 1, 2024 through December 31, 2029. The term of the agreement will begin on the date of execution of the agreement. The agreement will automatically renew on a year-to-year basis until terminated.

The City will assist approximately 100 Fort Worth and Tarrant County families. The Neighborhood Services Department, Community Services Division and Community Action Partners will administer the program, if awarded.

As of September 30, 2023, the City received \$52,500.00 grant funds from Direct Energy LLC. There were 151 clients assisted in the amount of \$43,817.68. Investment income received during this period is \$2,487.30 out of which \$1,200.00 was previously appropriated through Mayor and Council Communication C-28581 and the balance of investment income to be appropriated are \$1,287.30.

The grant does not allow for indirect costs and no additional City funds will be used in the administration of this grant. No matching funds are required.

This program serves ALL COUNCIL DISTRICTS and remaining parts of Tarrant County.

A Form 1295 is not required because: This contract will be with an electric utility: Direct Energy

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating Other Fund. The Neighborhood Services

Department (and Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to any expenditures being incurred, Neighborhood Services Department has the responsibility to validate the availability of funds. This is an advance grant.

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