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District to save millions with new electricity contract

Humble ISD is entering into a new electricity contract that will save the school district almost \$2.4 million per year in utility costs.

“We’re extremely pleased,” Martha Buckner, Humble ISD Assistant Superintendent for Support Services, said. “Money saved on the operational side is money that can be invested into the instructional program.”

District officials began working months ago to get a new contract in place that would offer substantial cost savings in the deregulated Texas energy market.

“We set as a goal to secure a new electricity contract that would be at least two cents less per kilowatt hour,” Buckner said. “We ended up securing a savings of 3.101 cents per kilowatt hour.”

District officials timed the market to take advantage of current conditions, including surplus availability of natural gas. “We locked in our price the day after the market hit a historic low,” Buckner said.

Currently, Humble ISD is paying 8.451 cents per kilowatt hour. Under the new contract, the district will be paying 5.350 cents per kilowatt hour. The new contract takes effect May 1, 2011. The district is under contract with another provider until April 30, 2011.

The new contract will be for 36 months and was awarded to MidAmerican Energy. Amerex Energy Services advised district officials in the evaluation of competitive proposals submitted by retail electricity providers.

School districts across Texas are anticipating budget challenges due to an anticipated \$25 billion budget shortfall at the state level that could seriously harm public education, as well as on-going problems with the state’s system of funding public schools.

“This is some help toward that challenge,” Buckner said.

Source: Humble ISD