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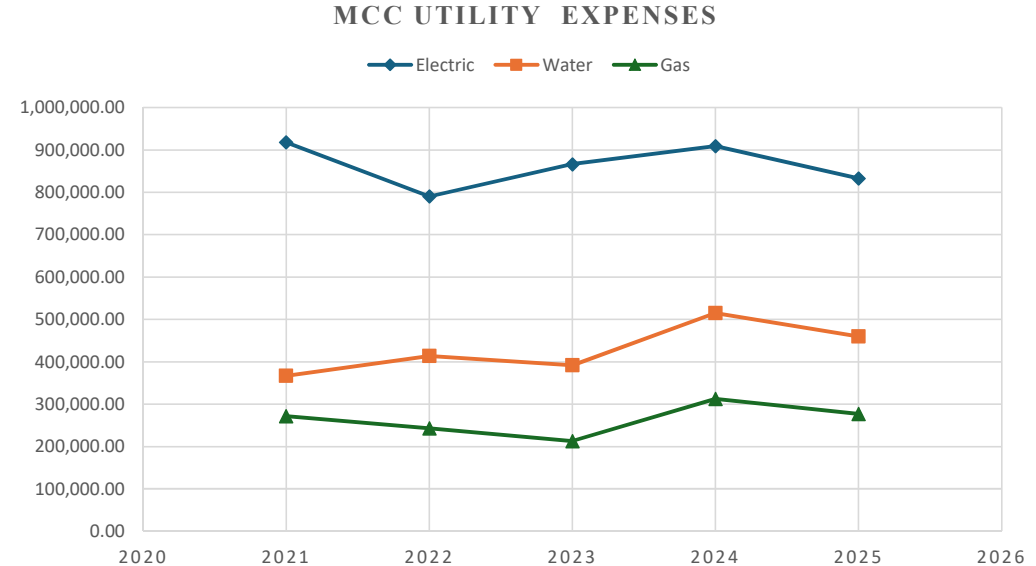
# Electricity Cost Mitigation Strategy

September 30, 2025

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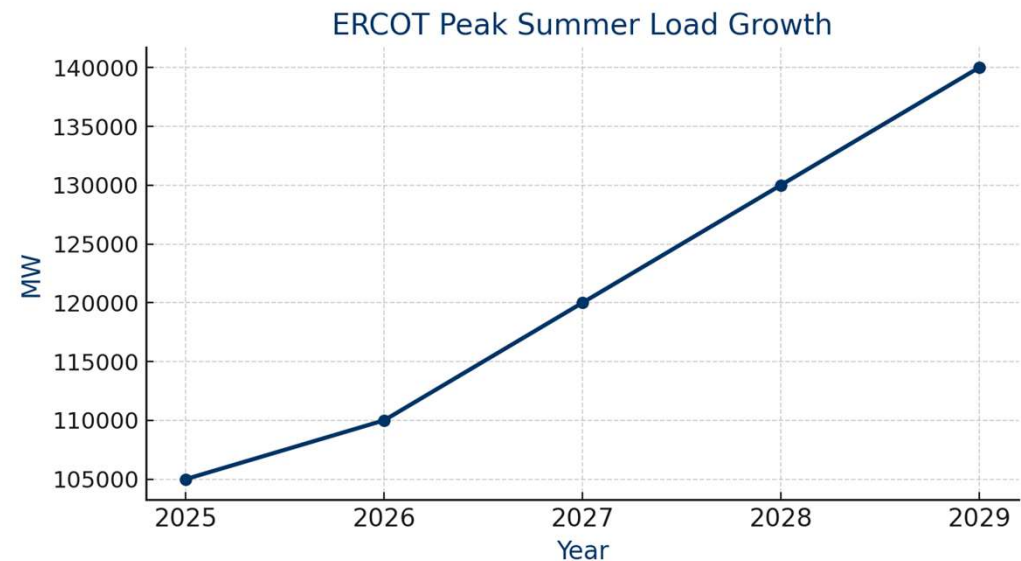
## WHY AN ENERGY STRATEGY IS NEEDED

- Electricity is one of MCC's largest controllable expenses.
- Market forecasts show significant upward pressure by 2028.
- Without a proactive strategy, electricity costs will have a larger impact on future budgets.



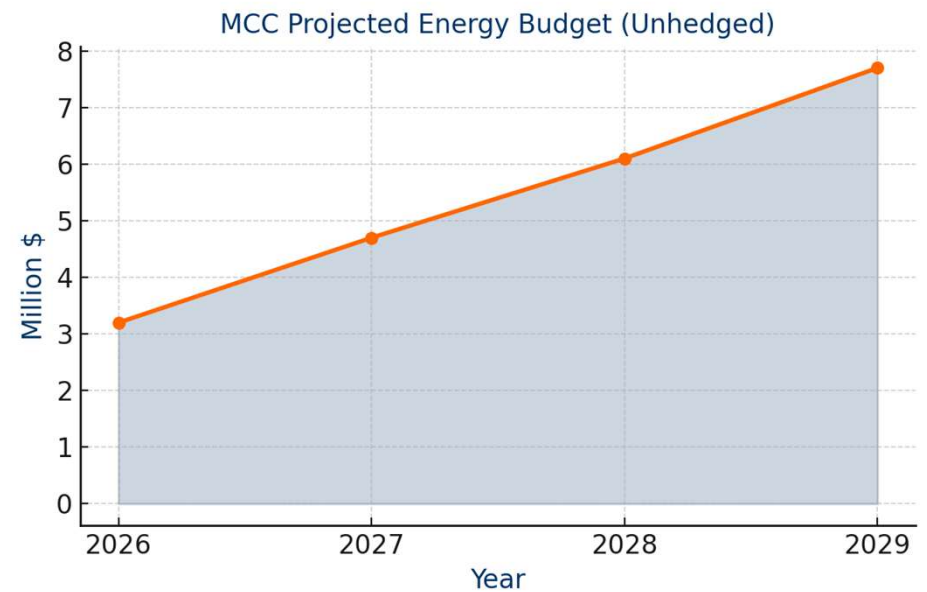
# TEXAS ENERGY MARKET DYNAMICS

- ERCOT elec. demand set records in 4 of the first 5 months of 2025.
- Texas is now #2 in U.S. data center hosting – adding elec. demand.
- Reserve margins shrinking; reliability & price risks are rising.



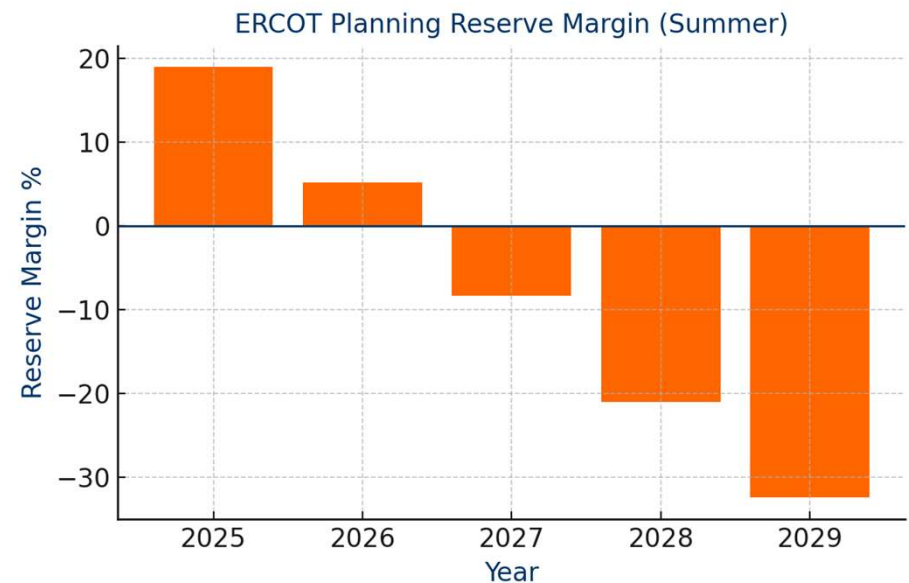
# MCC LOAD & BUDGET FORECAST

- MCC annual usage: ~16.8M kWh across 62 accounts.
- Budgets could rise from \$3.2M → to \$7.9M if unhedged.
- Supplier comparisons show potential cost increase of 50–60%.



# RISK OF DOING NOTHING

- ERCOT North Hub 2026–2028: shrinking reserve margin.
- MCC will face higher electricity rates.
- Delayed purchasing exposes MCC to higher market prices.



# TIME DIVERSIFICATION

## (BLOCK PURCHASING)

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- Lock electricity in phased increments (25% blocks).
- Spreads price risk (like dollar-cost averaging).
- Protects from spikes but captures dips.
- Ensures fixed rate before the start of a new contract in 2028.

*This approach provides both stability and flexibility - protecting against market spikes while allowing you to capture potential price declines.*

# MCC's STRATEGIC PATH FORWARD

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1. Adopt phased block-purchasing strategy.
2. Layer 25–50% load into fixed blocks.
3. Complete hedge before 2028 contract start date.
4. Review market quarterly with advisor.



## BENEFITS TO MCC

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- Predictable energy budgets for financial planning.
- Protection from ERCOT's rising electricity demand and tight margins.
- Leadership confidence through proactive risk management.

| Customer Information  |                                      |
|-----------------------|--------------------------------------|
| Customer Name:        | McLennan Community College           |
| Phone:                | (254) 299-8686                       |
| Contact:              | Ted Gonzalez                         |
| Email:                | tgonzalez@mclellan.edu               |
| Address:              | 1400 College Drive<br>Waco, TX 76708 |
| Account Information   |                                      |
| Utility:              | Oncor                                |
| Estimated Volume:     | 16,843,030                           |
| Pricing Zone:         | ERCOT_NZ_HUB                         |
| Current Rate (CR):    | 0.0350                               |
| Acct #/ESSIFs:        | 62                                   |
| Est. Utility Charges: | 0.02274                              |
| Pricing Type:         | Indicative Refresh                   |
| Est. Bundled Rate:    | 0.05773                              |
| Current Provider:     | MP2                                  |
| Est. Annual Cost:     | \$972,348                            |



Energy Advisor: Jennifer Mayberry  
Direct Line: 214-414-2963  
Email: Jennifer.Mayberry@traditionenergy.com  
Creation Date: September 19, 2025

### Supplier Fixed Price Comparison / Savings and Budget Analysis \*

| Terms      | 12 Months  | 24 Months  | 36 Months  | 48 Months  | 60 Months  |
|------------|------------|------------|------------|------------|------------|
| Start Date | Jun-28     | Jun-28     | Jun-28     | Jun-28     | Jun-28     |
| End Date   | Jun-29     | Jun-30     | Jun-31     | Jun-32     | Jun-33     |
| KWh Usage  | 16,843,030 | 33,686,060 | 60,529,090 | 87,372,120 | 84,215,160 |

| Fixed Price          | 0.07106     | 0.07164       |               |              |  |
|----------------------|-------------|---------------|---------------|--------------|--|
| Savings over CR      | (\$607,528) | (\$1,234,594) |               |              |  |
| Savings %            | -82.5%      | -83.5%        |               |              |  |
| Est. Utility Charges | 0.02274     | 0.02274       |               |              |  |
| Est. Bundled Rate    | 0.0938      | 0.09438       |               |              |  |
| Proj. Energy Budget  | \$1,579,876 | \$3,179,290   |               |              |  |
| CREDIT: Approved     |             |               | SWING %: 100% | PAY TERM: 30 |  |

| TXU                  | 0.06672     | 0.06641       | 0.06631       | 0.06754       | 0.06725       |
|----------------------|-------------|---------------|---------------|---------------|---------------|
| Savings over CR      | (\$534,429) | (\$1,058,416) | (\$1,582,571) | (\$2,102,983) | (\$2,716,781) |
| Savings %            | -55.0%      | -54.4%        | -54.3%        | -56.4%        | -55.9%        |
| Est. Utility Charges | 0.02274     | 0.02274       | 0.02274       | 0.02274       | 0.02274       |
| Est. Bundled Rate    | 0.08946     | 0.08915       | 0.08905       | 0.09028       | 0.08999       |
| Proj. Energy Budget  | \$1,506,777 | \$3,003,112   | \$4,499,615   | \$6,082,356   | \$7,578,521   |
| CREDIT: Approved     |             |               | SWING %: 100% | PAY TERM: 30  |               |

| Reliant              | 0.07150     | 0.07138       | 0.07120       | 0.07111       | 0.07071       |
|----------------------|-------------|---------------|---------------|---------------|---------------|
| Savings over CR      | (\$614,939) | (\$1,225,836) | (\$1,829,658) | (\$2,433,481) | (\$3,008,165) |
| Savings %            | -83.2%      | -83.0%        | -82.7%        | -82.6%        | -81.9%        |
| Est. Utility Charges | 0.02274     | 0.02274       | 0.02274       | 0.02274       | 0.02274       |
| Est. Bundled Rate    | 0.09424     | 0.09412       | 0.09394       | 0.09385       | 0.09345       |
| Proj. Energy Budget  | \$1,587,287 | \$3,170,532   | \$4,748,703   | \$6,322,873   | \$7,899,906   |
| CREDIT: Approved     |             |               | SWING %: 100% | PAY TERM: 20  |               |

| MP2                  | 0.06832     | 0.06808       | 0.06815       | 0.06797       | 0.06762       |
|----------------------|-------------|---------------|---------------|---------------|---------------|
| Savings over CR      | (\$561,378) | (\$1,114,672) | (\$1,675,545) | (\$2,221,933) | (\$2,747,940) |
| Savings %            | -57.7%      | -57.3%        | -57.4%        | -57.1%        | -56.5%        |
| Est. Utility Charges | 0.02274     | 0.02274       | 0.02274       | 0.02274       | 0.02274       |
| Est. Bundled Rate    | 0.09106     | 0.09082       | 0.09089       | 0.09071       | 0.09038       |
| Proj. Energy Budget  | \$1,533,726 | \$3,059,368   | \$4,592,589   | \$6,111,325   | \$7,609,681   |
| CREDIT: Approved     |             |               | SWING %: 100% | PAY TERM: 15  |               |

| bp Reliant           | 0.06927     | 0.06934       | 0.06926       | 0.06884       | 0.06852       |
|----------------------|-------------|---------------|---------------|---------------|---------------|
| Savings over CR      | (\$577,379) | (\$1,157,116) | (\$1,731,632) | (\$2,280,546) | (\$2,823,734) |
| Savings %            | -59.4%      | -59.5%        | -59.4%        | -58.6%        | -58.1%        |
| Est. Utility Charges | 0.02274     | 0.02274       | 0.02274       | 0.02274       | 0.02274       |
| Est. Bundled Rate    | 0.09201     | 0.09208       | 0.092         | 0.09158       | 0.09126       |
| Proj. Energy Budget  | \$1,549,727 | \$3,101,812   | \$4,648,676   | \$6,189,939   | \$7,685,475   |
| CREDIT: Approved     |             |               | SWING %: 100% | PAY TERM: 20  |               |

| Constellation        | 0.06796     | 0.06812       | 0.06834            | 0.06836       |  |
|----------------------|-------------|---------------|--------------------|---------------|--|
| Savings over CR      | (\$555,315) | (\$1,116,019) | (\$1,685,145)      | (\$2,248,208) |  |
| Savings %            | -57.1%      | -57.4%        | -57.8%             | -57.8%        |  |
| Est. Utility Charges | 0.02274     | 0.02274       | 0.02274            | 0.02274       |  |
| Est. Bundled Rate    | 0.0907      | 0.09088       | 0.09108            | 0.0911        |  |
| Proj. Energy Budget  | \$1,527,663 | \$3,060,715   | \$4,602,190        | \$6,137,800   |  |
| CREDIT: Approved     |             |               | SWING %: Unbundled | PAY TERM: 20  |  |

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| End Date   | Jun-29     | Jun-30     | Jun-31     | Jun-32     | Jun-33     |
| KWh Usage  | 16,843,030 | 33,686,060 | 60,529,090 | 87,372,120 | 84,215,160 |

| TXU                  | 0.0093      | 0.0093      | 0.0093             | 0.0103       | 0.0103      |
|----------------------|-------------|-------------|--------------------|--------------|-------------|
| Indicative Index     | 0.0589      | 0.0589      | 0.0589             | 0.0589       | 0.0589      |
| Est. Utility Charges | 0.02274     | 0.02274     | 0.02274            | 0.02274      | 0.02274     |
| Est. Bundled Rate    | 0.08892     | 0.08898     | 0.08900            | 0.09001      | 0.09000     |
| Proj. Energy Budget  | \$1,497,684 | \$2,997,389 | \$4,497,094        | \$6,084,171  | \$7,579,372 |
| CREDIT: Approved     |             |             | SWING %: Unbundled | PAY TERM: 30 |             |

| Reliant              | 0.0095      | 0.0095      | 0.0097        | 0.0100       | 0.0102      |
|----------------------|-------------|-------------|---------------|--------------|-------------|
| Indicative Index     | 0.0589      | 0.0589      | 0.0589        | 0.0589       | 0.0589      |
| Est. Utility Charges | 0.02274     | 0.02274     | 0.02274       | 0.02274      | 0.02274     |
| Est. Bundled Rate    | 0.08916     | 0.08915     | 0.08940       | 0.08971      | 0.08985     |
| Proj. Energy Budget  | \$1,501,726 | \$3,003,116 | \$4,517,306   | \$6,043,960  | \$7,566,740 |
| CREDIT: Approved     |             |             | SWING %: 100% | PAY TERM: 20 |             |

| MP2                  | 0.0097      | 0.0098      | 0.0099        | 0.0100       | 0.0100      |
|----------------------|-------------|-------------|---------------|--------------|-------------|
| Indicative Index     | 0.0589      | 0.0589      | 0.0589        | 0.0589       | 0.0589      |
| Est. Utility Charges | 0.02274     | 0.02274     | 0.02274       | 0.02274      | 0.02274     |
| Est. Bundled Rate    | 0.08940     | 0.08950     | 0.08957       | 0.08962      | 0.08965     |
| Proj. Energy Budget  | \$1,505,769 | \$3,014,906 | \$4,525,896   | \$6,037,896  | \$7,549,897 |
| CREDIT: Approved     |             |             | SWING %: 100% | PAY TERM: 15 |             |

| bp Reliant           | 0.0102      | 0.0104      | 0.0106        | 0.0107       | 0.0108      |
|----------------------|-------------|-------------|---------------|--------------|-------------|
| Indicative Index     | 0.0589      | 0.0589      | 0.0589        | 0.0589       | 0.0589      |
| Est. Utility Charges | 0.02274     | 0.02274     | 0.02274       | 0.02274      | 0.02274     |
| Est. Bundled Rate    | 0.08991     | 0.09009     | 0.09028       | 0.09035      | 0.09042     |
| Proj. Energy Budget  | \$1,514,359 | \$3,034,781 | \$4,560,781   | \$6,087,078  | \$7,614,743 |
| CREDIT: Approved     |             |             | SWING %: 100% | PAY TERM: 20 |             |

| Constellation        | 0.0097      | 0.0099      | 0.0100             | 0.0102       |  |
|----------------------|-------------|-------------|--------------------|--------------|--|
| Indicative Index     | 0.0589      | 0.0589      | 0.0589             | 0.0589       |  |
| Est. Utility Charges | 0.02274     | 0.02274     | 0.02274            | 0.02274      |  |
| Est. Bundled Rate    | 0.08935     | 0.08956     | 0.08970            | 0.08985      |  |
| Proj. Energy Budget  | \$1,504,926 | \$3,018,927 | \$4,532,485        | \$6,053,392  |  |
| CREDIT: Approved     |             |             | SWING %: Unbundled | PAY TERM: 20 |  |

# Questions

