

MEMORANDUM

To: Mayor and City Council Members
Steve Parker, City Manager

From: Timothy Howe, Director of Utilities

Through: Rick Cortes, Deputy City Manager

Subject: Resolution authorizing the City Manager to enter into a Professional Services Agreement between the City of Seguin and Guidepost Energy LLC related to Electric Demand Response Facilitation services

Date: February 3, 2026

Historical Background

ERCOT's Emergency Response Service (ERS) program was developed to allow electricity customers to voluntarily support grid reliability during emergency conditions. ERS enables participating customers to play an active role in grid reliability by reducing electricity use during extreme events, such as heat waves or winter storms. Customers enroll through contracts that specify response times and availability, and they are compensated for both readiness and performance. This approach allows ERCOT to rely on pre-arranged customer participation as an emergency tool, helping reduce the likelihood or severity of widespread power outages.

Guidepost Energy LLC provided a proposal to function as a Qualified Scheduling Entity (QSE) and facilitate the program for customers who elect to participate. This agreement establishes Guidepost as the QSE for the City of Seguin for all facilities who may elect to participate in ERCOT's ERS program

Action Requested

Authorize the City Manager to execute the Professional Services Agreement between the City of Seguin and Guidepost Energy LLC.

Procurement Methodology and Funding Source

The City solicited the proposed Professional Services Agreement based on recommendation from SEnergy, the City's long standing electric rate and electric system consultant.

Staff Recommendation

Staff recommends the agreement be executed with Guidepost Energy LLC.