

Empowering Dover: Our Commitment to Reliable and Affordable Energy

The City of Dover is committed to ensuring a reliable and affordable power supply for its residents. To achieve this, we have developed a thoughtful budget process and risk management strategies that promote long-term energy sustainability while maintaining fiscal responsibility.

Energy prices can be unpredictable, and factors such as changes in supply and demand can create challenges. By preparing for price fluctuations, we protect our budget from unexpected costs that could affect our economy and the residents we serve.

Every year, we work with The Energy Authority to create a wholesale power budget, which is a key part of our financial planning. This budget is based on careful analysis of past energy usage, current market conditions, and future needs. We use advanced forecasting methods to help predict energy demand and price changes. Working with energy management experts allows us to better manage risks associated with energy purchasing, ensuring that we maintain a reliable and cost-effective energy supply for our community.

We recognize the need to be cautious in our energy budgeting due to the market's volatile nature. While we value historical data, we also acknowledge that unpredictable weather and factors such as increased liquefied natural gas exports can impact energy prices. Moreover, issues facing all Delaware ratepayers, like payments related to Indian River retirements, the rising costs of transmission upgrades, and increasing capacity auction costs, can present challenges. By adopting conservative budgeting methods that account for these uncertainties, we can better prepare for potential difficulties and protect the City's financial health.

Our previous successes in managing the energy budget demonstrate the effectiveness of our strategies. We've achieved a positive budget outcome through disciplined approaches, optimized city resources, and the implementation of smart trading strategies. By locking in energy prices ahead of time, we shield ourselves from market volatility and contribute to savings. Additionally, aligning our energy purchasing with actual needs helps minimize waste, further ensuring the efficient use of funds.

Stochastic modeling is an important tool in our planning as it helps us understand different scenarios for future energy prices and demand. This process provides valuable insights, enabling us to make informed decisions that support sustainable energy management.

To further guard our city against the inherent risks in the energy market, the City has put in place a Risk Governing Policy. This framework details our approach to managing energy-related risks, ensuring we maintain financial stability while providing reliable and affordable energy to our residents.

By taking a strategic approach to energy budgeting and risk management and through partnership with The Energy Authority, we can effectively navigate the uncertainties of the energy market, ensuring responsible energy solutions for the City of Dover. We understand the importance of energy in your daily life and are dedicated to safeguarding our city's financial well-being.