



Agenda Item Summary

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Agenda Item Title

A Resolution Authorizing Rejection of all Electricity Aggregation Proposals Due by July 22, 2022 for the Oak Park Community Choice Aggregation Program and Authorizing Re-Issuance of the Request for Proposals

Overview

Staff is seeking approval to formally reject the proposals received for the request for proposals (RFP) "Electricity Aggregation Procurement" that was issued on July 11, 2022 for which proposals were due by July 22, 2022. Two proposals were received by the proposal deadline. Only one proposal was in conformance with the submittal requirements stipulated in the RFP. Neither proposal was responsive to a request for a larger percentage of renewable energy than is provided through the Village's current contract. The current contract expires on December 31, 2022. Staff seeks to re-issue the RFP to seek a more competitive offering for the Village. Staff plans to present a bid recommendation to the Board in early September 2022.

Recommendation

Formally reject the proposals and direct staff to reissue the RFP.

Fiscal Impact

None.

Background

On August 10, 2009, Governor Quinn signed into law Public Act 096-0176, which allows municipalities to arrange for the provision of electric to residential and small commercial retail customers by alternative electric suppliers (i.e. suppliers other than ComEd). Under this law, the municipality may seek bids for the provision of aggregate electric supply services to their residents and small businesses. With voter approval in April 2011, Oak Park adopted its Community Choice Aggregation (CCA) program. All Oak Park residents receiving electric supply service from ComEd are eligible to participate. All Oak Park small businesses receiving electric supply service from ComEd, with an annual usage of 15,000 kWh or less, are eligible to participate.

Community Choice Aggregation is an "opt-out" program, meaning that selected eligible electricity customers are enrolled automatically unless they choose to opt out. Residents may, without penalty, opt-out of the Oak Park CCA program and select a retail electricity supplier of their choice. The Oak Park CCA program has no

fees for enrollment, supplier switching, termination or opting out. There is no disruption in electricity service, or impact to ComEd services such as Budget Billing, Peak Time Savings, or financial assistance. ComEd continues to be responsible for maintaining the electrical grid system that delivers power to Oak Park.

Upon approval of an electricity aggregation procurement contract, residents receive informational mailing via US Mail providing information about opting out of the residential electrical supply program. Residents who do not wish to participate in the aggregation program can opt-out by contacting the supplier. If a resident opts out, their account will be automatically returned to ComEd at its current default rate for at least one year. Residents may alternatively, within the timeframes provided in the notification, choose an alternative supplier from a list of companies approved by the Illinois Commerce Commission to do business in Illinois. Residents can compare rates and terms of service of these companies at www.pluginillinois.org <<http://www.pluginillinois.org>>.

Under the CCA program as it is currently administered, electricity is provided to selected eligible customers at a cost matching ComEd's floating rate. Under the terms of the current contract, the selected power supplier, MC Squared Energy Services, LLC (mc²), provides a civic contribution to the Village, which provides revenue for the Community Choice Aggregation fund. Historically, CCA civic contributions averaged \$37,000 per month. In 2022, due to volatility in wholesale energy supply prices and the projected ComEd rate, the total kWh of electricity that could be supplied through Community Choice Aggregation (CCA) was expected to be significantly reduced. This resulted in a negotiated civic contribution from mc² of \$7,500 per month between May and December 2022.

The current power supplier, mc² provides electricity from a mix of sources in the PJM Interconnection, the regional transmission organization (RTO) for the ComEd service territory. The mc² energy mix contains a limited amount of renewable energy, similar to the amount supplied by ComEd (approximately 5%, excluding nuclear power). MC² offers wind-powered Renewable Energy Credits (RECs). The Board previously incorporated RECs into the Oak Park CCA program. In more recent years directed staff to not include RECs.

Alternatives

The Village Board may also opt to take "no action" or direct Staff to recommend a proposal for acceptance. If the Village takes no action, the supply contract with the current service provider will lapse without replacement in January 2023. All accounts served through the program would be returned to ComEd default supply service. CCA Fund contributions would fall to \$0/month.

Previous Board Action

In January 2011, the Board approved placing a municipal aggregation referendum on the April 5, 2011 ballot; the measure passed with a 66% approval rating. The Board approved the Community Choice Aggregation program on September 26, 2011, and on October 18, 2011, awarded a two-year contract to Integrys Energy Services to supply an energy portfolio comprised of 100% wind renewable energy credit (REC) offset at a rate of 5.79 cents per kilowatt-hour. The new energy supply rate appeared on Oak Park residential and small commercial retail electric accounts in January 2012. In June 2013, the Board approved an extension of the contract with Integrys to June 2014 in order to align with ComEd's spring rate announcements. In November 2013, the Board approved an extension of its contract with Energy Choices, as well as participation in an Intergovernmental Agreement with the Metropolitan Mayors Caucus for an anticipated 2014 reverse auction.

In April 2014, the Village participated in a reverse auction bidding process to obtain bids for the successor contract period. That contract was awarded to Constellation at a rate of 7.47 cents per kilowatt-hour for a standard energy portfolio. Additionally, residents were allowed to opt-in to a program where 100% RECs were purchased as well at a rate of 7.57 cents per kilowatt-hour and approximately 13% of residents participated in this opt-in program.

In June of 2015, the Village extended the Constellation contract at a price of 7.05¢/kWh (standard power) and 7.15¢/kWh (standard power plus Renewable Energy Credits).

On August 13, 2015, the Village Board authorized a short-term contract extension with Constellation in order to reduce residential electric rates months at a price of 6.75¢/kWh (standard power) and 6.85¢/kWh (standard power plus Renewable Energy Credits) beginning with the October meter reads through December 2015.

On October 19, 2015, following a competitive bidding process the Village Board awarded an Electric Power Supply Contract with Constellation for the Oak Park Community Choice Aggregation Program 6.735¢/kWh (standard power) for 2016 which was inclusive of a 3¢/kWh local fee to support the Smart City USA renewable energy projects within the Village.

On October 17, 2016, again following a competitive bidding process the Village Board awarded an Electric Power Supply Contract with Constellation for the Oak Park Community Choice Aggregation Program 6.799¢/kWh (standard power) for six (6) months effective January 1, 2017, which was inclusive of a 3¢/kWh local fee to support the Smart City USA renewable energy projects within the Village.

On April 17, 2017, the Village Board approved a negotiated four-month extension of the Electric Power Supply Contract with Constellation for the Oak Park Community Choice Aggregation Program 7.179¢/kWh (standard power) for four (4) months effective July 1, 2017, which was inclusive of a 3¢/kWh local fee to support the Smart City USA renewable energy projects within the Village.

On August 7, 2017, the Village Board approved a negotiated contract extension of the Electric Power Supply Contract with Constellation for the Oak Park Community Choice Aggregation Program 7.600¢/kWh (standard power) from October 2017 - September 30, 2018, which was inclusive of a 3¢/kWh local fee to support renewable energy projects within the Village.

On July 23, 2018, The Village Board approved an Electric Power Supply Contract with MC-Squared for a 12-month period that matched the ComEd floating rate which was 6.725/kWh.

On July 22, 2019, the Village Board approved extending the MC2 CCA supplier agreement for 24 months with an expiration date of October 31, 2021.

On August 2, 2021, the Village Board approved extending the MC2 CCA supplier agreement for 7 months with an expiration date of May 31, 2022.

On April 11, 2022, the Village Board approved extending the MC2 CCA supplier agreement for an additional 7 months with an expiration date of December 31, 2022 (RES 22-84).

Citizen Advisory Commission Action

- None.

Anticipated Future Actions/Commitments

Upon Board approval, Village staff will re-issue the RFP and subsequently present a bid recommendation to the Board.

Intergovernmental Cooperation Opportunities

N/A