



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Resolution Approving an Extension of the Electric Power Supply Contract with Constellation Energy Services, Inc. for the Oak Park Community Choice Aggregation Program at 6.799¢/kWh (Standard Power) for six (6) Months Inclusive of the 0.3¢/kWh Local Fee to Support the Smart City USA or Renewable Energy Projects within the Village and Authorizing its Execution

Overview

The Village is working with Mark Pruitt, Principal of the Illinois Energy Choice Aggregation Network relative to the Community Choice Electrical Aggregation program and on Monday, October 17, 2016, final pricing will be received from Constellation for both a six month and a twelve month time period.

Staff Recommendation

A recommendation will be provided Monday afternoon, October 17, 2016 subject to review of pricing.

Fiscal Impact

To be determined.

Background

The Village is working with Mark Pruitt, Principal of the Illinois Energy Choice Aggregation Network relative to the Community Choice Electrical Aggregation program. The Village's current Electric Power Supply with Constellation, at a rate of 6.75 cents per kWh (standard power and inclusive of the local 0.3 cent fee to support renewable energy) will end December 31, 2016.

In conjunction with Mr. Pruitt, staff recommends the Village extend the Community Choice Aggregation program for a minimum of six months of 2017 to allow for alignment with the ComEd current pricing cycle. Staff also is recommending continuation of the collection of the local fee to support renewable energy. Total revenue from the fee through August 2016 is \$242,577 and revenues are projected for entire year between \$350,000-\$375,000.

It should be noted that ComEd recently announced its October rate at 5.695 cents/kWh. If the Village Board approves an extension with Constellation, the average single family homeowner who elects to opt-out of the Community Choice Aggregation Program in 2017 would save approximately \$18.

Should the Village Board approve a contract extension with Constellation at the October 17, 2016 meeting, it is important to note that residents continue to control their electrical supply by the following actions:

- Do nothing. The electrical supplier will change automatically to the program's new supplier, Constellation

Energy. The new rate will be 7.470 cents per kilowatt hour for June 2014 - June 2015 meter reads.

- Choose an all-green energy supply. By calling Constellation at the toll-free number on the notice from the Village residents can request on the phone the green-energy option. The rate will be fixed at 7.570 cents per kilowatt hour for June 2014 - June 2015 meter reads.
- Opt out of the aggregation program. Residents who do not wish to participate in the aggregation program can opt out by calling the toll-free Constellation telephone number on the notice from the Village. If a resident opts out, their account will be automatically returned to ComEd at its current rate for a period of at least one year.
- Choose an alternative supplier. Residents can choose a 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>>.

Residents may receive solicitation mailings from other suppliers, including ComEd. However, only the letter from Constellation and the Village of Oak Park is official information about the electrical aggregation program.

Alternatives

The Village Board could alternatively approve the extension of Constellation contract for 12 months at a rate of 6.817 cents per kWh (standard power and inclusive of the local 0.3 cent fee to support renewable energy).

The Village Board could take no action which would effectively revert all residential customers to ComEd and pursuant to State Law the Village Board would be able to revisit the Community Choice Electrical Aggregation program as early as March 2017 with any direction effective in July 2017.

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, 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 twelve (12) months which was inclusive of a 0.3¢/kWh local fee to support the Smart City USA renewable energy projects within the Village. In order to affirm total funds available for a renewable energy project, staff has not proceeded with any recommended action to date.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

Staff will be asking the Village Board to review and discuss allocation of the local fee during Q1 2017. Currently, staff is evaluating several options prior to making a recommendation. Option include, but are not limited to:

- Smart City USA start up - consistent with prior Board action in October 2015.
- Earmark the funds for solar installations as a part of the reconstruction of the I-290.
- Earmark the funds to support a solar installation on a public or private facility in Oak Park.

Intergovernmental Cooperation Opportunities

Limited exploration of opportunities for collaboration on electrical aggregation has been explored via the Metropolitan Mayors Caucus but to date there has not been a multi-jurisdiction electrical aggregation program.

Performance Management (MAP) Alignment

N/A.