



Agenda Item Summary

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Submitted By

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Reviewed By

CLP

Agenda Item Title

A Resolution Approving an Extension of the Electric Power Supply Contract with Constellation NewEnergy, Inc. for the Oak Park Community Choice Aggregation Program at a Rate of 7.60 cents/kWh for a one (1) year period inclusive of the 0.3 cents/kWh to support the Smart City USA program for 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 competitive pricing will be taken on Monday, August 7, 2017. Based upon pricing received, a recommendation will be provided for review and consideration at the meeting.

Staff Recommendation

Staff supports the Consultant's recommendation to execute a 12-month contract extension through September 2018 with Constellation, and monitor new ComEd pricing when announced in Spring 2018 to determine whether a subsequent competitive solicitation or contract extension with Constellation is economically attractive.

Fiscal Impact

The recommended Electric Power Supply Contract with Constellation for the Oak Park Community Choice Aggregation Program is for 7.6¢/kWh (standard power) inclusive of a 0.3¢/kWh local fee to support the Smart City USA renewable energy projects within the Village.

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 is at a rate of 7.179 cents/kWh inclusive of the local 0.3 cent fee to support renewable energy) will end October 31, 2017.

In conjunction with Mr. Pruitt, staff recommends the Village continue the Community Choice Aggregation program, subject to bid results, along with continuation of the collection of the local fee to support renewable energy.

Should the Village Board approve a new contract at the August 7, 2017 meeting, it is important to note that residents will receive a mailing from via US Mail from the named electrical supplier 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 to-be-named supplier. 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. 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>>.

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

Alternatives

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 later this year.

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 0.3¢/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 0.3¢/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 0.3¢/kWh local fee to support the Smart City USA renewable

energy projects within the Village.

On a monthly basis, the local fee generates approximately \$25,000 - \$30,000. Strategic direction from the Village Board is needed this fiscal year for the use of these funds and to date, the no funds generated from the local fee have been expended.

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 as a part of the Village budget process during 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.