



## Agenda Item Summary

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### **Submitted By**

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### **Reviewed By**

CLP

### **Agenda Item Title**

**A Presentation by Mark Pruitt of Illinois Community Choice Aggregation Network (ICCAN) for the Oak Park 'Community Choice Aggregation' (CCA) Program**

### **Overview**

The Village has contracted with the Illinois Community Choice Aggregation Network (ICCAN) Principal, Mark Pruitt, for technical services related to the Village's administration of the Community Choice Electrical Aggregation program.

This presentation is being made in advance of staff seeking Board action on August 2, 2021, to extend the existing contract with MC-Squared (MC2) that expires at the end of October 2021.

### **Staff Recommendation**

Staff recommends extending the contract with MC2 for seven (7) months. Doing so will synchronize the aggregation contract with the ComEd annual pricing cycle (which runs from June through May) allowing for easier comparison of future fixed price offer options.

The alternative option for the Board to consider is issuing a new bid solicitation for the CCA. Direction from the Board on this matter is needed at the August 2, 2021, Regular Board meeting to allow for enough time for contract execution by the end of October 2021.

### **Fiscal Impact**

The potential extension of the MC2 contract will allow residents to remain in the Aggregation program and receive electricity at a rate that is tied to and floats with the ComEd rate, inclusive of the 0.3¢/kWh fee to support sustainability and renewable energy projects within the Village. The MC2 services will be at no cost to the Village and residents currently in the Village's aggregation program who subscribe to community solar will not leave the aggregation program and will continue to pay the ComEd default rate and will continue to pay the 0.3¢/kWh Village aggregation fee.

It is also noted that residents may without penalty, under Illinois Commerce Commission (ICC) regulations which govern community choice aggregation, can opt-out of the Oak Park CCA program and select a retail electricity supplier of their choice and not pay the 0.3¢/kWh the Village aggregation fee.

### **Background**

Staff is seeking direction on either extending the existing contract with the Village's current supplier or issuing a new solicitation for bids to be opened by August 2, 2021. The Village is currently working with consultant Mark Pruitt, Principal of the ICCAN in relation to the CCA program. He will be prepared to present a market overview of the program and recommendations for the Board to consider moving forward.

The 7-month contract extension consideration would be with the Village's current electricity power supplier MC2, who provides a matching ComEd floating rate of 6.776¢ per kWh, this rate is inclusive of the Village fee of 0.3¢/kWh, to support renewable energy initiatives.

Should the Village Board approve extending the existing contract, it is important to note that residents will receive informational mailing via US Mail from an 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 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) <<http://www.pluginillinois.org>>.

These approaches will continue to support the Smart City USA renewable energy projects within the Village.

### **Alternatives**

The Village Board could ask staff to conduct a new solicitation for bids for the CCA program for execution of a new contract by August 2, 2021, in order to meet the transition timing for a new contract after the October 31, 2021, expiration date.

The Village Board may also opt to take "no action" which would effectively revert all residential customers to ComEd's default rate 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 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 0.3¢/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.

Monthly, 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. To date, \$1,665,000 of these funds were appropriated into the amended 2021 Budget for sustainability initiatives.

#### **Citizen Advisory Commission Action**

N/A.

#### **Anticipated Future Actions/Commitments**

Action related to this matter will be presented at the August 2, 2021, Village Board meeting.