

CITY OF WASHINGTON
Joan E. Baxter, C.P.A. - Controller
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MEMORANDUM

TO: Mayor Manier and City Council
FROM: Joanie Baxter, Controller *JFB*
DATE: November 2, 2018
SUBJECT: Approval of Electric Energy Agreement – Street/Traffic Lights

In August the Committee of the Whole reviewed a request to consider entering into a contract with an alternative supplier for street and traffic light energy. Currently Ameren is the provider and our consultant, Good Energy indicated that other suppliers could offer competitive rates. The Committee agreed to accept the low bid pending review by Staff that this arrangement would not impact unmetered, flat-rate Ameren light installations in the City.

REQUESTED ACTION

Approve a contract with the low bidder, Homefield Energy for a 36-month term at the market rate on November 5, 2018.

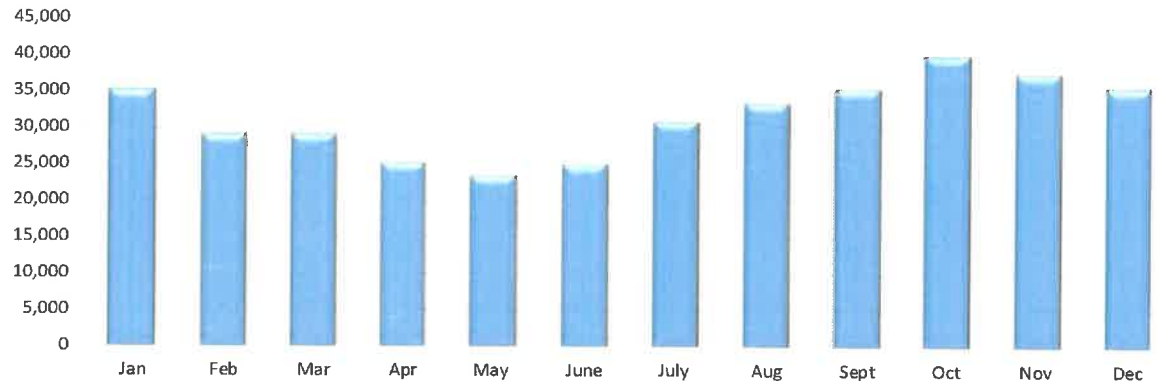
This matter has been placed on the City Council meeting consent agenda of Monday, November 5, 2018 for consideration and approval.

Legal Entity Name:	City of Washington (Lighting Accts)
Market:	MISO
Utility - State:	Ameren - IL
Number of Accounts:	3
Pricing-Product Type:	Indicative - Electric (All-in Fixed)

Pricing Date:	October 22, 2018
Good Energy Rep:	Charles de Casteja
Contact Phone:	(212) 691-9467
Contact Email:	charles@goodenergy.com
Prepared by:	Jean Ketchandji

Month	kWh
Jan	35,231
Feb	29,083
Mar	29,184
Apr	25,360
May	23,492
June	25,164
July	30,797
Aug	33,386
Sept	35,383
Oct	39,913
Nov	37,690
Dec	35,682
Total Usage/Yr	380,365

City of Washington: Usage (kWh) for prior 12 months



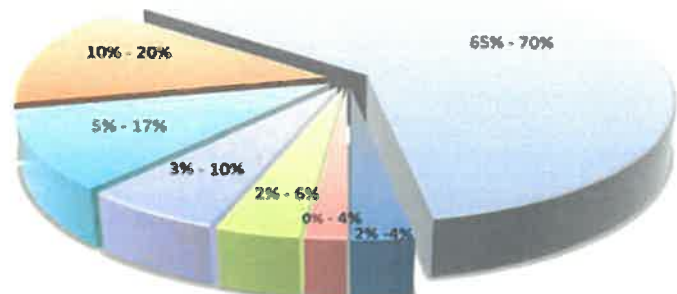
Competitive FIXED Supply Cost per kWh				
Start Date	Nov-18	Nov-18	Nov-18	Nov-18
End Date	Nov-19	Nov-20	Nov-21	Nov-22
Contract Term (Months)	12	24	36	48
Estimated kWhs	380,365	760,730	1,141,095	1,521,460
AEP Energy	\$0.04573	\$0.04519	\$0.04488	\$0.04522
Homefield Energy	\$0.03902	\$0.03858	\$0.03830	\$0.03801
Hudson Energy Services	\$0.03940	\$0.03880	\$0.03880	\$0.03860
Liberty Power	\$0.04890	\$0.04987	\$0.05079	N/A
MidAmerican Energy Services	\$0.04655	\$0.04577	\$0.04526	\$0.04494

Best Supplier Offer Rate - FIXED				
Best Supplier	Homefield Energy	Homefield Energy	Homefield Energy	Homefield Energy
Best Offer Rate (\$/kWh)	\$0.03902	\$0.03858	\$0.03830	\$0.03801
Est. Price to Compare (PTC)*	\$0.04146	\$0.04146	\$0.04146	\$0.04146
Savings per kWh	\$0.00244	\$0.00288	\$0.00316	\$0.00345
% Savings	6%	7%	8%	8%
Annual Savings	\$928.09	\$1,095.45	\$1,201.95	\$1,312.26
Term Savings	\$928.09	\$2,190.90	\$3,605.86	\$5,249.04

*PTC is based on the weighted average of AmerenCILCO (Zone 2) BGS-5 Lighting Rate for 2018-2019.

Summary of Costs

Components of Electricity Cost	
Energy	65% - 70%
Congestion/Basis	10% - 20%
Capacity	5% - 17%
Misc.	3% - 10%
Ancillary Services	2% - 6%
Renewables	0% - 4%
Load Following	2% - 4%



Disclaimer: This proposal is not a binding offer or contract for the sale of electricity and/or natural gas and related services between the Parties. Either Party may terminate discussions regarding this proposal at any time. All costs and prices are indicative and are exclusive of Utility charges and State and Local Taxes. These charges will vary each month based on the usage/load profile and aggregated costs for each account.

INVOICE & CONTACT INFORMATION			
ILLINOIS POWER MARKETING D/B/A HOMEFIELD ENERGY ("Supplier")		CITY OF WASHINGTON ("Customer")	
Attn:	Customer Care	Attn:	Joan E Baxter
Address:	1500 Eastport Plaza Dr Collinsville IL 62234	Address:	115 W JEFFERSON ST WASHINGTON, IL 61571
Telephone:	888-451-3911 Option-3	Telephone:	309-444-3196
E-Mail:	ContractLegal12@vistraenergy.com	Email:	jbaxter@ci.washington.il.us
DUNS #:	157912432	DUNS #:	
Federal Tax ID #:	37-1395583	Federal Tax ID #:	
Utility:	Ameren Illinois		
Regional Transmission Organization (RTO):	MISO		
Broker/Consultant (If blank, N/A):	Good Energy, LP		

Eligibility: This Agreement is only applicable to accounts that are less than 400 kW, and if more than one account less than 2,000 kW in aggregate, as defined by the Utility ("Utility") and as designated at the time of execution of this Agreement. Customer must complete and sign Exhibit A and return all pages of this Agreement to Supplier. Supplier reserves the right to not initiate service under this Agreement if, at Supplier's sole discretion, it is determined Customer is ineligible for this offer.

Net Metering. Customer must enroll, and be accepted in, as applicable by state law, Supplier's net metering program in order to participate in net metering with Supplier.

THIS EXECUTABLE OFFER BECOMES BINDING UPON EXECUTION SUBJECT TO CUSTOMER EXECUTING THE AGREEMENT PRIOR TO MIDNIGHT ON October 24, 2018 CST
THE TERMS AND CONDITIONS HEREIN ARE HIGHLY CONFIDENTIAL AND PROPRIETARY AND SHALL NOT BE RELEASED TO ANY PERSON, FIRM OR ENTITY WITHOUT THE EXPRESSED PERMISSION OF SUPPLIER.

Table 1

Select Term:	Quote #:	Delivery Term Begins:	Delivery Term Ends:	Power Price (/kWh):
	Q-00465049	November 2018	November 2021	\$0.03830

CITY OF WASHINGTON		Customer Notice, if different from above: (Do not use P.O. Box)	
		ATTN:	
Signature:		Address:	
Print Name:			
Print Title:			
Date:		E-mail:	
		Phone:	

☐ Check here if you are a local government entity as defined by 50 ILCS 505/Local Government Prompt Payment Act.

By signing above, you certify that 1) you are authorized to enter into this Agreement with Supplier, 2) you have read the Terms & Conditions of this Agreement and Customer will be bound by such Terms & Conditions, and 3) Customer authorizes Supplier to enroll the Account(s) listed in Table 2 with the Utility which will allow Supplier to provide retail electric services.

Upon execution by Customer and delivery to Supplier, this Agreement is binding. Please retain a copy for your records and send a signed copy to ContractLegal12@vistraenergy.com. Supplier will forward all necessary documents to the Utility.

ELECTRIC SERVICE AGREEMENT – ACCOUNT INFORMATION

**ACCOUNT INFORMATION FOR
CITY OF WASHINGTON AS OF October 24, 2018**

Table 2

Account #	Bill Group	Service Location
1205270579	13	301 Walnut St, Washington, IL 61571
2583100048	15	301 Walnut St, Washington, IL 61571
5528136002	13	301 Walnut St, Washington, IL 61571

ELECTRIC SERVICE AGREEMENT – TERMS AND CONDITIONS

This Electric Service Agreement Terms & Conditions and associated Exhibit A (collectively, the "Agreement"), by and between Supplier and Customer and is dated and effective as of the date the Exhibit A is signed by Customer, applies to, and represents the entirety of, Supplier's and Customer's understandings and agreements regarding Customer's full requirements for electricity to the Account(s) set forth in Table 2 ("Retail Power"). Supplier and Customer may be referred to herein individually as a "Party" and collectively as the "Parties". To the extent there is a conflict in the terms, interpretation or understanding of this Agreement and Exhibit A, the terms of Exhibit A shall supersede the terms of this Agreement.

1. Power Price

Supplier will arrange for delivery of Customer's Retail Power. The Power Price noted in Exhibit A includes charges for energy, capacity, applicable Regional Transmission Operator, ancillary services and other market settlement charges, distribution and transmission energy losses, charges associated with the purchase, acquisition and delivery of renewable energy certificates (RECs) in accordance with the applicable state-mandated Renewable Portfolio Standards ("RPS") requirements, if applicable, plus scheduling and load forecasting associated with the delivery of Customer's Retail Power. Such RPS Charge imposed on alternative retail energy suppliers ("ARES") are due to expire as of June 1, 2019 pursuant to the Future Energy Jobs Bill (SB 2814), as amended. As of June 1, 2019, ILLINOIS POWER MARKETING D/B/A HOMEFIELD ENERGY will no longer charge RPS Charge. It is understood and agreed that any RECs purchased and retired in accordance with the aforesaid state mandate is not the property of Customer and Customer has no claim, interest, or right to said RECs, or any value derived therefrom.

2. Term

Retail Power delivery will begin for each Account, contingent upon confirmation of successfully enrolled Direct Access Service Request from the host Utility, on the first available meter reading date of the month noted under "Delivery Term Begins" in Table 1 or as soon as possible thereafter, and ends on the regularly scheduled meter reading date for the month noted under "Delivery Term Ends" in Table 1 ("Term"). At the end of the Term of this Agreement, Supplier will return Customer to Utility default service unless a written amendment has been executed to renew the Term. Notwithstanding the foregoing, the Term is subject to renewal pursuant to the conditions under Section 3, Annual Renewal.

3. Annual Renewal

This Agreement shall automatically continue on an annual basis ("Renewal Term") at the rates determined by Supplier if, at the end of the Delivery Term, Supplier and Customer have not entered into any written extension, modification, amendment, or renewal of this Agreement (as such is defined in Section 2 above). If Customer has not notified Supplier that Customer has elected to obtain Retail Power from another retail supplier, then Supplier may in its sole discretion place Customer on Renewal

Term service or Supplier may return Customer to Utility default service, thereby terminating this Agreement.

4. Billing and Payment

Customer will receive a single bill from the Utility that contains Supplier charges set forth in this Agreement and Utility charges. Customer will make payments to the Utility according to the Utility's billing rules and schedules. Failure to pay Supplier charges may result in the Account(s) being returned to the Utility's standard service and forfeiture of Customer's right to choose another retail electric service provider until past due amounts are paid. Failure to pay invoice charges may result in the Account(s) being disconnected in accordance with the Utility's business practices. If, due to Utility rules, any Account(s) become ineligible for a single bill from the Utility at any time during contract, then Supplier will issue an invoice for all ineligible Account(s). Supplier's invoice will reflect the Power Price for Retail Power times the kWh each month for those accounts billed by supplier, and Customer will make payments to Supplier within twenty-one (21) days from the invoice date. Late payment charges may be assessed at the rate of 1.5% per month of the outstanding invoice amount if not received by the due date. If specified above that Customer is a local government entity as defined by its local government Prompt Payment Requirements Act as indicated on Exhibit A, then, in such event, said Act shall control with regard to the calculation of payment due dates and late payment charges. All other provisions in this paragraph remain the same and are in effect.

5. Financial Responsibility

If requested, Customer shall provide a payment history record from the Utility to determine Customer's creditworthiness. If Customer's credit becomes unsatisfactory including, but not limited to, a consistent pattern of late payments as determined by Supplier in a commercially reasonable manner during the Term of this Agreement, Supplier may terminate this Agreement by 15 calendar days' notice of cancellation. Customer remains obligated to pay for all Retail Power delivered within ten (10) calendar days following the termination date.

6. Termination

Upon termination of this Agreement by any party for any reason, Customer will return to its Utility for electricity and will remain responsible for all charges for electricity through the date of termination. The effective date of any termination by Customer or Supplier will be the next available meter read date after expiration of any required notice period and processing by Utility and/or Supplier. If the Term or Renewal Term has not been fulfilled by Customer, Customer can be subjected to an Early Termination Fee, by account, calculated by the Power Price times estimated remaining kilowatt-hours (kWh), or the maximum amount allowed by law.

7. Limitation of Liability

UTILITY CONTINUES TO PROVIDE DELIVERY SERVICES UNDER THIS AGREEMENT; THEREFORE, SUPPLIER WILL NOT BE LIABLE FOR ANY INJURY, LOSS, CLAIM, EXPENSE, LIABILITY OR DAMAGE RESULTING FROM FAILURE BY UTILITY OR TRANSMISSION

PROVIDER. SUPPLIER IS ALSO NOT LIABLE FOR ANY INJURY, LOSS OR DAMAGE RESULTING FROM INTERRUPTION, INSUFFICIENCY OR IRREGULARITIES OF SERVICE. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD-PARTY, FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR FOR ANY DAMAGES OF A SIMILAR NATURE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

8. Force Majeure

If a Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement (the "Claiming Party") and gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations under this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. During the period excused by Force Majeure, the non-Claiming Party shall not be required to perform its obligations under this Agreement. "Force Majeure" shall mean an event or circumstance which prevents the Claiming Party from performing its obligations or causes delay in the Claiming Party's performance under this Agreement, which event or circumstance was not anticipated as of the date this Agreement was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence or use of good utility practice, as defined in the applicable transmission tariff, the Claiming Party is unable to overcome or avoid or cause to be avoided, such as, but not limited to: acts of God, fire, flood, earthquake, war, riots, strikes, walkouts, lockouts and other labor disputes that affect Customer or Supplier. Force Majeure shall not be based on 1) Customer's inability to economically use the Retail Power purchased hereunder; or 2) Supplier's ability to sell the Retail Power at a price greater than the price under this Agreement.

9. Change in Law or Regulatory Event

In the event that any change in or enactment of any laws, regulations, administrative ruling, judicial decisions, interpretation, entries, findings, orders, tariffs, or operating procedures under this Agreement by any federal or state government, federal or state agency, regulatory body such as the Federal Energy Regulatory Commission (FERC), Regional Transmission Operator (RTO), UTILITY, or any similar entity relating to the generation, capacity, reliability, transmission, marketing, or sale of electricity or renewable energy resources ("Regulatory Event") results in new or increased costs or tariffs to the Supplier, as determined in its reasonable discretion, Supplier may implement the change in pricing necessary to accommodate the impact of the change, which shall be effective on the invoice for the date that coincides with the next Monthly Billing Cycle. In such event, Customer agrees that it shall be bound by the new pricing set forth in the written notice described in the foregoing provision.

10. Assignment

This Agreement shall be binding on each Party's successors and permitted assigns. Customer shall not assign its rights and/or

obligations under this Agreement without the prior written consent of Supplier. Supplier may assign, subcontract or delegate all or any part of Supplier's rights and/or obligations under this Agreement without consent from Customer.

11. Environmental Disclosure

This Agreement incorporates the information provided to Customer or made available to Customer at Supplier's website (www.Dynegy.com) regarding the approximate generation resource mix and environmental characteristics of electricity supply.

12. Dispute Resolution

In the event of a dispute concerning the observance or performance of any of the terms or conditions herein, and the Parties are not otherwise able to resolve such dispute within thirty (30) days after notice, the Parties agree the dispute shall be resolved by arbitration in accordance with the rules and regulations established by the American Arbitration Association ("AAA"). Any decision rendered by the AAA shall be final and binding, and judgment may be entered by any court of competent jurisdiction.

13. Miscellaneous

The validity, interpretation and performance of this Agreement shall be governed by and performed in accordance with the laws of the state. This Agreement constitutes the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes and extinguishes any and all prior oral or written agreements between the parties concerning the subject matter of this Agreement. This Agreement may only be modified or amended through a written document signed by both parties. Except as otherwise set forth in this Agreement, failure or delay on the part of Supplier to exercise any right, power, or privilege under this Agreement shall not operate as a waiver of such right, power or privilege of this Agreement.

14. Customer Service

For questions about this Agreement, electric supply charges, or a change in Customer name, please contact our Customer Care Department by calling toll-free or by e-mail at the information found on Exhibit A. **IN THE EVENT OF AN EMERGENCY, POWER OUTAGE, OR WIRES AND EQUIPMENT SERVICE NEEDS, CONTACT YOUR UTILITY.**

15. Customer Information

Customer authorizes Supplier to receive current and historical energy billing and usage data from the Utility and such authorization shall remain in effect during the entire Term unless Customer rescinds such authorization in writing. Supplier is prohibited from disclosing Customer's social security number and/or account number(s) without Customer's consent except for Supplier's own collections and credit reporting, participation in programs funded by the universal service fund or assigning a customer contract to another commercial retail electric service provider.