



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: June 8, 2020

Prepared By: Joanie Baxter, Finance Director *Jfb*

Agenda Item: Municipal Aggregation update

Explanation: On March 20, 2012, the City of Washington approved by referendum, participation in a Municipal Aggregation program for electricity. As such, Washington became part of a consortium with other communities throughout the state who act together to bid the electrical commodity and give residents a choice on the provider. Ameren continues to provide the distribution and service and residents only receive one bill. Residents also have the opportunity to opt out of the program and continue to purchase the electricity from Ameren.

Since the passage of the referendum, the City has participated in several bids/contracts as part of the consortium. The current contract expires December 2020 and we have been advised by our energy consultant, Good Energy, that the bid for the new contract will take place on June 25, 2020. They anticipate 3-4 bidders to participate and that an 18-24 month contract will be awarded to the lowest bidder.

The attached resolution was approved December 14, 2015 which gives the City Administrator and/or a designee the ability to *receive and review bids and to accept the bid most beneficial to the City without further action of the City Council*. This is necessary because the bid prices change daily and thus approval would not be possible in time to accept the bid as required.

Fiscal Impact: There is no cost to the City to participate in this program. The rate includes a \$.001/kwH municipal fee (roughly \$.75/mo. per resident) that provides approximately \$50,000 of General Fund revenue for the City.

Recommendation/

Committee Discussion Summary: No action necessary as the Resolution covers this bid as well.

Action Requested: None – informational only.

RESOLUTION NO. R-1173

Synopsis: This resolution will provide authority in selecting a supplier for electric services for the Municipal Aggregate Program should market conditions make a bid for such services favorable ahead of the expiration date of the current contract.

**A RESOLUTION AUTHORIZING THE EXECUTION OF A SERVICE
AGREEMENT FOR THE SUPPLY OF ELECTRICITY FOR
RESIDENTIAL AND SMALL COMMERCIAL RETAIL CUSTOMERS WHO
DO NOT OPT OUT OF SUCH A PROGRAM (Electric Aggregation)**

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1- 92, permits a city, if authorized by referendum, to adopt an ordinance by which it may operate a program to solicit bids and enter into service agreements for the sale and purchase of electricity and related services and equipment to residential and small commercial customers who do not opt-out of such a program; and

WHEREAS, the City of Washington provides an opt-out electric aggregation program for eligible electric accounts within its jurisdiction; and

WHEREAS, such aggregation program was authorized by referendum passed by a majority vote of the qualified electors voting on the question; and

WHEREAS, because electricity is a commodity for which supply bids typically are made each morning and expire the same day at the close of business, the City must act promptly to accept any such desired bid in order to contractually guarantee a per kilowatt hour electric rate for its residential and small commercial customers; and

WHEREAS, the City of Washington City Council finds that the best interests of the City are served by authorizing the City Administrator to receive and review bids and, in consultation with the City's consultant Good Energy, LP, accept the bid most beneficial to the City, pursuant to 20 ILCS 3855/1-92, to aggregate the residential and small commercial retail electric loads located within the City and to arrange for competitive electric supply to these retail electrical accounts; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Washington, Tazewell County, Illinois, as follows:

SECTION 1. The statements set forth in the preamble to this Resolution are hereby found to be true and correct and are hereby incorporated into this Resolution as if set forth in full in Section 1.

SECTION 2. The corporate authorities of the City of Washington hereby authorize and direct the City Administrator or his/her designee to receive and review bids and, in consultation with the City's consultant Good Energy, LP, accept the bid most beneficial to the City without further action of the City Council. The City Administrator or his/her designee is hereby authorized to execute a service agreement with the bidder who submits the bid most beneficial to the City for the supply of electricity for residential and small commercial retail customers who do not opt out of such a program, without further action of the City Council, with said execution and attestation to take place within the applicable time constraints required by the bidder; provided, however, that the energy price to be paid per kilowatt hour pursuant to the service agreement is less than the default rate currently in effect, resulting in savings for the City's residential and small commercial retail customers.

SECTION 3. All prior actions of the City officials, employees, and agents with respect to the subject matter of this Resolution are hereby expressly ratified.

SECTION 4. The provisions of this Resolution are hereby declared to be severable, and should any provision of this Resolution be determined to be in conflict with any law, statute, or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable and as though not provided for herein, and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect.

SECTION 5. All code provisions, ordinances, resolutions, rules and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded.

SECTION 6. This Resolution shall be effective immediately and shall remain in effect until rescinded by City, and shall remain in effect for the current bid and any and all future bids associated with each occasion when the renewal of an electricity supply contract for its Municipal Electricity Opt-Out Aggregation Program exists.

Motion was made by Alderman Brucks, seconded by Alderman J. Gee the Resolution be adopted.

**PASSED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON,
TAZEWELL COUNTY, ILLINOIS, IN REGULAR AND PUBLIC SESSION THIS 14th
OF December, 2015.**


Roll Call Vote: Moss, Dingledine, Maxwell, T. Gee, Brownfield, J. Gee, Brucks

Ayes: 7

Nays: 0

Absent: 1

APPROVED:


Mayor

ATTEST:


City Clerk