



Agenda Memo

Crest Hill, IL

Meeting Date:	May 15, 2023
Submitter:	Jim Marino, City Administrator
Department:	Administration
Agenda Item:	Approve a resolution authorizing the mayor to enter into a contract for the purchase of electricity from the lowest cost electricity provider for the purposes of street lighting through the Northern Illinois Municipal Electric Collaborative bid process

Summary: In past years, the city council approved a resolution authorizing the Mayor or his designee to execute an agreement for the purchase of electric utility service for streetlights based on the low bid received by our consultant Northern Illinois Municipal Electric Cooperative (NIMEC).

On December 16, 1997, the State of Illinois implemented a plan to deregulate Commonwealth Edison. Under this plan, ComEd no longer generates electricity for its customers but continues to provide power through its distribution system. Alternatively, power can be purchased through any of the ICC-approved power suppliers.

NIMEC is a municipal electric purchasing collaborative of some 140 local government members, established to achieve economies of scale in securing low-cost energy supply for infrastructure operated by municipal entities. NIMEC provides competitive bidding and consulting services at no charge to the City as NIMEC is compensated by the electric suppliers.

The City has worked with the (NIMEC) since 2008, when NIMEC began managing the group purchasing of power for our water facilities. In 2010, NIMEC partnered with two other consultants to devise a methodology by which non-ComEd suppliers could begin to provide pricing for non-metered street lighting. NIMEC began purchasing power for our street lighting in 2010. We have had a good working relationship with NIMEC.

NIMEC will price out the combined street light load (with other municipalities) with four suppliers - AEP, Constellation (owned by Exelon), Dynegy and MC Squared. These are the same suppliers as NIMEC's other group bid for water pumping facilities. The City has one street light account. For medium/large commercial accounts the only pricing option through ComEd is a floating market rate that fluctuates on an hourly basis. A fixed rate is desirable as it protects against rate fluctuations during peak demand and is also helpful for budget forecasting.

Because of the way the bidding process works, the Mayor or his designee will need to have the authority to sign a contract with the lowest cost electricity provider on the same day that the bid is received by NIMEC. To accept the quoted rates from the low bidder the city council needs to approve a contract with the lowest bidder.

Recommended Council Action: Approve a Resolution Authorizing Participation in the Northern Illinois Municipal Electric Cooperative and Approving a Contract with the Lowest Cost Electricity Provider.

Financial Impact:

Funding Source: General Fund Balance

Budgeted Amount:

Cost: Unknown

Attachments: Resolution