

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: January 25, 2022

To: Napoleon Haney, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Electricity Purchase - NIMEC Pool

PURPOSE

The 2007 deregulation legislation opened up the Illinois borders to outside electric generators to compete with Exelon for the sale of power. Any commercial user can purchase its power through any of the 60 Illinois Commerce Commission - approved electric suppliers. The Northern Illinois Municipal Collaborative (NIMEC) was formed in late 2006 to help its members purchase their power as competitively as possible. NIMEC has 165 members. NIMEC first aggregates its members' electric usage, then bids out the combined volume with three of the largest northern Illinois electric suppliers. The lowest bid is then presented to the municipality for its acceptance. The Village of Homewood has been a member of NIMEC since 2007 and desires to continue this relationship. The resolution authorizing the Village Manager or Finance Director to sign the winning bid for the Village requires board approval.

PROCESS

NIMEC's fixed rate bids cover a 12-month, 24-month, or up to a 36-month period. NIMEC's current supplier contract expires in May of 2022. Because electric pricing is currently favorable, NIMEC may go to bid as early as March 3, for the May 2022 to May 2023, or up to the May 2022 to May 2025 period. A time sensitive decision will need to be made by the Village so as to secure the best rate for the Village of Homewood whenever the NIMEC bid is returned and decided upon. Once NIMEC accepts the winning electric bid, NIMEC members have 24-hours to execute the "supplier's agreement."

OUTCOME

Being a member of NIMEC's 165-member pool allows Homewood to capture savings in the purchase of electricity used by Village pump stations, lifts stations and some street lights. The resolution provides staff the flexibility and authority to accept the winning bid for the electric supplier selected and vetted by NIMEC.

FINANCIAL IMPACT

Results of being a member of NIMEC have been excellent with an estimated savings of \$336,000 since 2007, as compared to paying the much higher ComEd rate. Our current NIMEC Pool rate of 4.836 cents per kilowatt (kWh) is well below the current default rate of ComEd's 7.8 cents per kWh.

VILLAGE OF HOMEWOOD



- **Funding Source:** Water/Sewer Fund
- **Budgeted Amount:** \$166,000
- **Cost:**

LEGAL REVIEW

Not required

RECOMMENDED BOARD ACTION

Pass a resolution authorizing the Village Manager or Finance Director to enter into a purchase agreement for electricity through the Northern Illinois Municipal Electric Collaborative (NIMEC) for the period of May 2022 through May 2023 or up to May 2025.

ATTACHMENT(S)

- NIMEC Resolution
- NIMEC Email on the upcoming 3/1/2022 Bid