

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: February 25, 2025**

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**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** Amy Zukowski, Finance Director

**Topic:** Resolution – Electricity Purchase Agreement through NIMEC

## **PURPOSE**

Staff is requesting the passing of 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 2025 through May 2026, or up to May 2028, following the NIMEC group bid which will take place on March 4, 2025.

## **PROCESS**

In 2007, deregulation legislation opened up the Illinois borders to outside electric generators to compete with Exelon for the sale of supplied energy. Energy deregulation introduced competition into the market. Deregulation separates the “delivery” of electricity from the “supply.” This means that utilities are still responsible for the *delivery and maintenance* of electricity to homes and businesses, but the supply of electricity is opened up to competition and can be provided by a local utility or a private REP (Retail Energy/Electricity Provider). Any commercial user can purchase its power through any of the Illinois Commerce Commission (ICC) approved electric providers.

### *About Commonwealth Edison (ComEd)*

ComEd still owns and maintains the electric transmission system and equipment. ComEd’s electric parent company, Exelon, is the largest regulated electricity utility in the U.S. and produces (*electricity generation*), transmits (transmission of that electricity from the generation facility to our local utility), and sells and distributes (*delivery to facilities*) electricity. In the past, before deregulation, a single and powerful utility provided all three parts of your electric service (supply, transmission, and distribution). Electric customers now have the ability to choose who provides the supply portion of their electric service. Electric supply may be sold by either the utility (Exelon/ComEd) or any number of Alternative Retail Electric Suppliers (ARESs).

### *NIMEC*

The Northern Illinois Municipal Electric Collaborative (NIMEC) was formed in late 2006 to help its members purchase their energy as competitively as possible. The Village joined NIMEC in 2007 for the purpose of procuring electricity through a cooperative pool in order to receive a more

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competitive and stable bid price on electricity. NIMEC's current membership consists of more than 186 municipal and non-profit organizations.

NIMEC leverages its \$25,000,000 in purchasing power to bid for energy pricing each spring. The lowest bid is then presented to the municipalities for their acceptance. Each member receives their own rate; therefore, there is no subsidizing of other members.

NIMEC's fixed rate bids are available at a 12-month, 24-month, or up to a 36-month period. NIMEC's existing *supplier contract* expires in May of 2025. NIMEC will be going to bid on March 4, 2025, for the May 2025 to May 2026, or up to May 2028 period.

The Village will need to make a decision on the bid day (12, 24 or 36 month agreement); so, as to secure the best rate and execute the supplier's agreement.

## OUTCOME

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

## FINANCIAL IMPACT

The Village's participation in NIMEC has provided excellent results. We have seen an estimated savings of \$374,000 since 2007. Per NIMEC, they are expecting a 15% increase in the supply cost from ComEd; however there is a hope that delivery costs will decrease in the future.

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Budget Amendment Amount:** N/A

## LEGAL REVIEW

Completed

## RECOMMENDED BOARD ACTION

Pass a resolution authorizing the Village Manager to enter into a purchase agreement for electricity through the Northern Illinois Municipal Electric Collaborative (NIMEC) for the period of May 2025 through May 2026 (12 months) or up to and through May 2028 (24 or 36 months), following the NIMEC group bid which will take place on Tuesday, March 4, 2025.

## ATTACHMENT(S)

- Resolution
- List of NIMEC Members
- Homewood Savings as member of NIMEC