

*This meeting is being held via telephonic attendance.*

**AGENDA**  
**SPECIAL PUBLIC WORKS & UTILITIES COMMITTEE**  
**Village of Hoffman Estates**

**June 15, 2020**

**7:00 pm – Helen Wozniak Council Chambers**

Members:	Anna Newell, Chairperson	Gary G. Stanton, Trustee
	Michael Gaeta, Vice Chairperson	Karen J. Arnet, Trustee
	Gary Pilafas, Trustee	William McLeod, Mayor
	Karen V. Mills, Trustee	

**I. Roll Call**

**NEW BUSINESS**

1. Consideration of Approval of a Renewable Energy Aggregation Program.

**II. Adjournment**

*(Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at [www.hoffmanestates.org](http://www.hoffmanestates.org) and/or in person in the Village Clerk's office).*

*The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance call the ADA Coordinator at 847/882-9100.*

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Consideration of Approval of a Renewable Energy Aggregation Program

**MEETING DATE:** June 15, 2020

**COMMITTEE:** Special Public Works and Utilities

**FROM:** Dan O'Malley, Deputy Village Manager  
Suzanne Ostrovsky, Assistant to the Village Manager

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**PURPOSE:** To consider approval of a Renewable Energy Aggregation Program with a third-party supplier.

**BACKGROUND:** The State of Illinois amended the Illinois Power Agency Act (20 ILCS 3855/1-92) in 2011 to deregulate the electric market and provide for the aggregation of municipal electric loads. As you may recall, the Village went through an extensive process to enact its initial Electric Aggregation Program in 2012. State law required a referendum and several public hearings before the Village could approve the Electric Aggregation Plan of Operation and Governance. Once the program was created, bids for aggregated energy supply were solicited through the Village's consultant, Northern Illinois Municipal Electric Collaborative (NIMEC).

The initial Municipal Electric Aggregation Program began in April 2012, and the program continued to generate cost savings for residents through mid-2017. However, due to regulatory changes, Commonwealth Edison ("ComEd") was able to lower its supply rates beginning in 2017. When the Village solicited bids to renew the aggregation program at that time, electric suppliers could not provide a lower electric supply rate than ComEd. Therefore, the Village suspended the aggregation program, and all customers reverted back to ComEd service to take advantage of the lowest rate. Staff has continued to monitor the electric supply market over the past few years, and ComEd has remained the lowest-cost option.

Because cost savings have not been available through traditional aggregation in recent years, a growing number of communities have taken advantage of a new program focused on renewable energy. Renewable energy aggregation programs provide access to renewable energy for residents and businesses, while the municipality receives a monetary "civic contribution" which is often designated to support sustainability efforts. Renewable energy suppliers match the ComEd rate, so there is no savings or incurred

**BACKGROUND continued:**

expense to residents or small businesses with renewable aggregation programs.

**DISCUSSION:**

As directed by the Committee and Board on March 16, 2020, staff engaged NIMEC to issue a bid to test the traditional aggregation market. The results of the traditional aggregation bid did not yield potential savings; as shown in the attached bid matrix, all bids received were higher than the current ComEd rate.

Because traditional aggregation does not provide a savings at this time, NIMEC also issued bids for a Renewable Energy Aggregation Program. Two suppliers submitted bids, as shown below. The civic contribution is scaled based on the amount of renewable energy selected by the Village. Of the two suppliers, Eligo Energy would offer a significantly higher civic contribution at all levels. These numbers are annual; if the Village were to opt for a 50% renewable mix for a 24-month term, the civic contribution would be \$87,496 over the term of the agreement. Again, both suppliers mirror ComEd rates and offer identical pricing to customers.

<b>Bid Matrix: Renewable Aggregation with Annual Civic Contribution (12-36 months)</b>			
	Percentage of Renewable Energy	Eligo Energy Civic Contribution	MC2Energy Civic Contribution
Exactly at ComEd rate, guaranteed	0%	\$83,056	\$50,000
	25%	\$63,402	\$25,000
	50%	\$43,748	n/a
	100%	\$4,441	n/a

The Renewable Energy Aggregation Program offers access to renewable energy, but is seamless for electric customers; customers continue to receive their bill from ComEd and continue to pay the ComEd rate. The supplier purchases Renewable Energy Credits (RECs) from energy supplied by wind farms in the Midwest on the Village's behalf. The supplier creates a "cost profile" of each account based on peak period consumption and other attributes. Customers that fit the necessary thresholds are enrolled in the REC-based program. Customers that do not meet the supplier's requirements remain with ComEd; however, the supplier purchases RECs to offset these accounts as well, so these customers are still considered participants in the program. The supplier provides notice of the program to all customers, using templates approved by the Village. The process is the same as with the traditional aggregation program, where customers may choose to opt out or leave with no early termination fee at any time for any reason. Customers who have already chosen their own individual supply contract would not be eligible for the program.

The Renewable Energy Aggregation Program would further the Village Board's sustainability goals and align with the Metropolitan Mayors Caucus Greenest Region Compact. The Village would be designated as an Environmental Protection Agency "Green Power Partner Community," provided that at least 10% renewable energy is selected. If directed by the Committee and Board, any civic contribution the Village receives through the program could be dedicated to sustainability projects.

**FINANCIAL IMPACT:**

The only expense associated with a Renewable Energy Aggregation Program would be the staff time to manage the program. If a Renewable Energy Aggregation Program contract is approved, the Village will receive a civic contribution as noted above.

**RECOMMENDATION:**

Should the Committee wish to proceed with a Renewable Energy Aggregation Program, Eligo Energy offers the best terms. The Committee would need to decide the level of renewable energy to be included in the program, as well as the desired length of the contract. To proceed, the following motion would be appropriate:

To authorize the Village Manager to enter into a contract for a Renewable Energy Aggregation Program with Eligo Energy for a term of \_\_\_\_ months at \_\_\_\_% renewable energy.

Attachment: Bid Matrix

# Village of Hoffman Estates

June 2020

ComEd rate, June 2020 - May 2021: fluctuates 6.41¢ to 7.41¢

Supplier	Term (months): Price in ¢ per kWh	Ownership	Current IL Programs (# of A/Cs) served
Fixed Rate, 100% Green (12-36 mos)		Indicative Pricing	
<b>Constellation Energy Services</b>	12: 8.318 24: 8.337 36: 8.212	Wholly owned by Exelon (NYSE: EXC)	34 (133,000)
<b>Dynegy Energy</b>	12: 8.215 24: 8.133 36: 7.952	Wholly owned by Vistra Energy Corp (NYSE: VST)	119 (417,000)
<b>Eligo Energy</b>	12: 7.184 24: 7.149 36: 7.031	Privately held by Eligo Energy, LLC, in energy space seven years	18 (100,000)
<b>Energy Harbor</b>	12: 7.180 24: 7.090 36: 6.930	Privately Owned	none
<b>MC Squared Energy Services</b>	12: 7.90 24: 7.90 36: 7.90	Wholly owned subsidiary of Wolverine Holdings	31 (120,000)

Green Aggregation with Annual Civic Contribution (12-36 mos)			
	Green Energy	Eligo Energy Civic Contribution**	MC2Energy Civic Contribution
Exactly at ComEd rate, guaranteed	0%	\$83,056	\$50,000
	25%	\$63,402	\$25,000
	50%	\$43,748	n/a
	100%	\$4,441	n/a

\*\* Supplier can move up to 5% of residents to/from ComEd once/year.

Section 454.90 of the Public Utilities Act (220 ILCS 5/16 – 115C) requires all agents, brokers and consultants to disclose that if one of the above bids is accepted. NIMEC receives compensation from the winning electric supplier.

