



DEPARTMENT OF PUBLIC WORKS

Environmental Sustainability Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing and Members of the City Council
FROM: Scott R. Tess, Environmental Sustainability Manager
DATE: September 26, 2013
SUBJECT: Municipal Electric Aggregation

Brief Description

On September 25, 2013 the City's municipal electric aggregation consultant, Good Energy, conducted a competitive bid for purchase of electricity. Three responsible bidders provided quotes for electricity at different term lengths. The aggregation group, consisting of many cities throughout Illinois, is required to agree on a single term length and a single bidder. Homefield Energy offered the lowest price, therefore the aggregation group accepted their 24 month bid. Urbana, along with Peoria, Normal, and Pekin chose to purchase 100% Renewable Energy Credits (RECs) to offset greenhouse gas pollution generated by electricity production. Champaign County and Savoy chose to purchase 50% RECs. Homefield Energy is the City's current electricity supplier.

Summary

The municipal electric aggregation price from Homefield Energy is \$0.04746 per kilowatt hour (kwh) including all fees. The price structure is as follows:

Electricity	\$0.04405
Consultant Fee	\$0.00075
City Fee	\$0.00100
100% RECs	\$0.00166
Final Price	\$0.04746

The 24 month term of this contract runs from June 2014 to June 2016. It is not possible to determine with certainty what the savings will be compared to the Ameren utility electricity price because the Ameren utility price is adjusted annually in May. The aggregation consultant expects the Ameren

utility price to adjust upwards in May 2014. The Ameren utility price will adjust again in the middle of our 24 month term in May 2015.

The agreement provides for two separate cost controls. If the Ameren utility price adjusts lower than our aggregation electricity only price, the City may ask the aggregation electricity supplier, Homefield Energy, to lower the aggregation price to meet the Ameren utility price. If the aggregation electricity supplier declines to meet the price, the City may cancel the agreement. Additionally, individual rate payers may opt out of the aggregation program for any reason at any time.

Most Recent Aggregation Price Comparison

Community	Rate	Current contract ends
Dakota Township	5.719	Aug-16
Loran Township	5.917	Aug-16
South Grove Township	5.531	Aug-16
Cambridge	4.383	Jul-16
Ogle County	5.985	Jul-16
Schram City	4.444	Jul-16
Davis	5.585	Jun-16
Roscoe	6.04	Jun-16
Cedarville	5.22	May-16
Tremont	4.348	May-16
Eagle Point Township	5.121	Apr-16

Full list available at <http://www.pluginillinois.org/MunicipalAggregationList.aspx>