

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
APRIL 3, 2012 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Municipal Aggregation	Resolution Ordinance Motion ✓ Discussion Only	Allison Deitch Management Analyst

SYNOPSIS

This report provides information on the next steps in the electrical aggregation process.

STRATEGIC PLAN ALIGNMENT

The goals for 2011 to 2018 include *Exceptional Municipal Services. Evaluating Options for Electrical Aggregation* is a High Priority Action Item for 2012.

FISCAL IMPACT

N/A

RECOMMENDATION

Proceed with Electrical Aggregation as described below.

BACKGROUND

On March 20, 2012, voters approved a referendum giving the Village the authority to operate a municipal electricity aggregation program for residents and eligible commercial accounts. The Village now has the authority to seek a competitive bid for the supply of electricity to Downers Grove residents and eligible businesses that do not affirmatively opt out of the program. Passing the referendum was just the first step in the process to secure lower rates for electricity supply. Over the next several months, the Village will continue the process, with major milestones including drafting and adopting a plan of operation and governance, conducting the bid process, and awarding the contract. If the process continues as proposed, the new contract would likely go into effect in late summer or early fall.

Recommendation for Independent Aggregation Program

At the December 6, 2011 Village Council meeting, the Council authorized a Letter of Intent to participate in a joint bidding process sponsored by the Will County Governmental League. At that time, staff informed the Council that there would be additional opportunities to reconsider participation in the joint bid. After reviewing the group's draft plan documents, as well as participating in discussions with the Will County Governmental League and other municipalities that have completed the aggregation process, staff believes there are more benefits to proceeding with a Village initiated process rather than in the group bid process.

The benefits of Village initiated bid process are the following:

- Ability to draft a plan of governance that reflects the feedback received by staff during the past several months, including options for a power mix that includes renewable energy options
- Opportunity to secure a rate that does not include any additional fees above the actual supply rate
- Flexibility in scheduling the public hearings, the bid and the opt out process
- Opportunity for the Village Council to review and award the bids at a Village Council meeting

The Village could partner with other municipalities that choose a plan of governance with the same key terms in the bidding process. Staff would begin to pursue partnership opportunities upon publication of the draft plan of governance.

Proposed Schedule

Staff has prepared a draft schedule of the next steps in the aggregation process. The schedule provides an outline that meets all legal requirements, including public notice requirements, assuming the Village moves forward independently. The schedule also assumes that ComEd is able to provide all the information on accounts necessary to move forward with the bid process. The schedule is subject to change and exact dates will be added to the schedule as soon as possible.

Aggregation Timeline

Major Milestones	Target Date
Publish Draft Plan of Governance	Week of April 9, 2012
Conduct First Public Hearing and First Readings of: <ul style="list-style-type: none"> • Plan of Governance • Ordinance Authorizing the Purchase of Electricity 	May 1, 2012
Conduct Second Public Hearing and Adopt: <ul style="list-style-type: none"> • Plan of Governance • Ordinance Authorizing the Purchase of Electricity 	May 15, 2012
Publish Call for Bids	Week of May 21, 2012
Award Contract for Purchase of Electricity	June 12, 2012
Conduct Opt Out Process	July – August 2012
Implement New Supply Contract	August – September 2012

The proposed schedule, as well as supporting documents, including the draft Plan of Governance and the bid documents, will be published on the Village’s website as they are available.