



Legislation Text

File #: 2016-0406, **Version:** 0

Title

Electric Aggregation Rates with FirstEnergy Solutions - First Amendment

History

The Village has been informed that ComEd has reduced its rate for the June 2016 to May 2017 period. Their rate consists of a summer rate (4 months) and a non-summer rate (8 months). The weighted average of that comes to 6.27 cents/kwh. ComEd's rate represents the "default" rate for this region.

Currently the Village's program rate with FirstEnergy is 6.46¢ through May, 2017.

Our agreement with FirstEnergy Solutions has a Price Guaranty provision that allows them to either reduce its cost to the new ComEd rate for the final year of the agreement, or terminate and allow the village to re-bid the aggregation, or be released back to ComEd.

Since ComEd's rates are below the current aggregation price, FirstEnergy has informed the Village that they will agree to match the original rates set by ComEd. Therefore, the new rate will drop this month from 6.46 cents to the 6.27 cent rate.

Should the ComEd rate be reduced again in September 2016, FirstEnergy will match that rate. If FirstEnergy does not reduce their rate, the Village will be allowed to end their contract with FirstEnergy Solutions.

Since the program started in 2012, residents that have participated in the Electrical Aggregation Program have realized savings of approximately \$439 per household. The overall community savings has been over \$8.3 million. The contract with FirstEnergy Solutions ends May 2017.

The amendment reflecting the rate change by FirstEnergy Solutions is attached for the board's approval.

FirstEnergy Solutions will send out letters to the residents informing of this rate reduction in approximately three weeks.

Financial Impact

None

Recommended Action/Motion

I move to approve authorizing the Village Manager to execute the First Amendment to the Master Power Supply agreement with FirstEnergy Solutions for the supply of electric energy to Village residents pursuant to the Village's electric aggregation program and consistent with the Village's adopted Plan of Operation and Governance, at the amended rate with FirstEnergy Solutions of 6.27 cents/kwh.