



Legislation Text

File #: 2021-0458, **Version:** 0

Title

NIMEC 2021 Renewal - Village-owned Accounts

History

In 2007, the State of Illinois deregulated its electricity market. Prior to that, ComEd both generated and delivered electrical power to residential and commercial customers. Upon deregulation, ComEd was required to transfer ownership of its nuclear reactors to its parent company, Exelon, and the State of Illinois began allowing other energy generators to compete with Exelon. Com Ed continues to deliver power to residential and commercial customers, regardless of what supplier generates the power.

Since 2007, the Northern Illinois Municipal Electric Cooperative (NIMEC) has been providing electricity procurement services to the Village of Orland Park. NIMEC is a cooperative of approximately 137 northern Illinois municipalities, plus several park districts, water districts and libraries. The collective volume of the buying collaborative (\$15 - \$20 million/year) allows NIMEC to negotiate rates that are lower than what an individual municipality could negotiate on its own. Currently, NIMEC's member retention rate since inception is almost 99%.

Currently, NIMEC obtains bids for twelve (12) of the Village's largest Com Ed accounts, including the main water pump station, two (2) lift stations, the Sportsplex, CPAC, Civic Center and John Humphrey Complex and five (5) large street light accounts. The current energy provider for the non-street light accounts is Constellation New Energy; the current energy providers for the street light accounts are AEP and Constellation New Energy. The contracts for all five (5) street light accounts expire in July 2021.

On May 17, 2021, the Village Board of Trustee adopted Resolution Number 2117 entitled: "A RESOLUTION AUTHORIZING THE PARTICIPATION IN THE NORTHERN ILLINOIS MUNICIPAL ELECTRIC COLLABORATIVE (NIMEC) AND AUTHORIZING THE VILLAGE MANAGER TO APPROVE CONTRACTS WITH THE LOWEST COST ELECTRICITY PROVIDER BASED ON BIDS RECEIVED DURING 2021 BID PERIODS." In said Resolution, NIMEC was appointed as the Village's broker for purposes of obtaining an electricity supply for the Village's municipal needs. The Village Manager was authorized to negotiate energy rates directly with suppliers. Also, the Village Manager was authorized to sign the contract with the most optimal bidder and directed to place said contract on the first available Village Board regular meeting following the execution, for ratification by the Village Board.

On June 7, 2021, NIMEC held its annual street light bid, and AEP Energy, Inc. (AEP Energy) won the street light bid. On June 8, 2021, the Village Manager executed the contract AEP Energy for a term of twenty-four (24) months.

Financial Impact

The Fiscal Year budget reflects flat electricity costs across all funds.

Recommended Action/Motion

I move to affirm the contract with AEP Energy, Inc. for a term of twenty-four (24) months for electric generation

supply for the Village's street light accounts.