

A RESOLUTION

AMENDING THE CITY COUNCIL POLICY AUTHORIZING THE CITY
MANAGER TO ENTER INTO AN AGREEMENT FOR THE PURCHASE OF
ELECTRICITY FOR THE CITY'S MUNICIPAL ELECTRIC AGGREGATION
PROGRAM AND REPEALING COUNCIL BILL 2024-005
(Public Works Department – Electricity)

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92 permits a municipality, if authorized by referendum, to adopt an ordinance by which it may operate a program to solicit bids and enter into service agreements for the purchase of electricity for residential and small commercial customers who do not opt-out of such a program; and

WHEREAS, the City of Champaign, in a referendum held on March 20, 2012, submitted the public question of whether it should operate the program as an opt-out program; and

WHEREAS, the referendum passed by a majority vote of the qualified electors voting on the question; and

WHEREAS, the City Council finds that the best interests of the City are served by entering into a contract with the lowest responsible bidder, pursuant to 20 ILCS 3855/1-92, to aggregate the residential and small commercial retail electric loads located within the City and to arrange for competitive electric supply to the retail electrical accounts which do not opt-out of said program; and

WHEREAS, the City of Champaign has engaged in a fair and open process to request proposals for supplying electricity for the future from such certified suppliers; and

WHEREAS, to obtain the most competitive price, the process of entering into a contract for the supply of electricity requires the City to accept a proposal within hours after it is submitted, which short time requires delegation of authority to the City Manager to enter into a contract.

WHEREAS, the City Council Policy Authorizing the City Manager to Enter into an Agreement for the Purchase of Electricity for the City’s Municipal Electric Aggregation Program (“Policy”) was approved in Council Bill No. 2024-005 on January 9, 2024; and

WHEREAS, the City Council desires to change the Policy to reflect changes in electricity market conditions that have occurred since the original adoption of the Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHAMPAIGN, ILLINOIS, as follows:

Section 1. That the amended Policy attached hereto is hereby adopted as the “City Council Policy for the Purchase of Electricity for the City of Champaign’s Municipal Aggregation Program.”

Section 2. That the City Clerk is hereby directed to codify the amended Policy as part of Volume II of the Champaign Municipal Code.

Section 3. That Council Bill No. 2024-005 is hereby repealed.

Section 4. That the provisions of this Resolution shall take precedence and be interpreted as superseding any other Resolution in conflict with the provisions of this Resolution.

COUNCIL BILL NO. 2025-027

PASSED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

City Attorney

City of Champaign
City Council Policy for the Purchase of Electricity for the City of Champaign's
Municipal Electric Aggregation Program

- A. The City of Champaign must engage in a fair and open process to request proposals for supplying electricity for the future from certified suppliers.
- B. The City Manager, or City Manager's designee, is authorized to execute contracts for and to take such other steps as necessary for the purchase of electricity from a Retail Electrical Supplier (RES) for the City's Municipal Electric Aggregation (MEA) Program when the following parameters are met:
 - 1. The City's MEA Program shall be budget neutral, i.e., depending on the term, the electricity rate must incorporate a reimbursement from the contracted supplier, if a contract is executed, to the City for MEA expenses. The reimbursement amounts are subject to change based on the City's actual MEA costs. If a contract is not executed with a supplier, MEA expenses could be paid for with City funds, and
 - 2. The City's MEA base rate shall be less than the Ameren Default Rate (as published by Ameren or calculated by the City or its consultant) at the time of service commencement and the City's projection of the Ameren Default Rate during the full term of service, and
 - 3. The City's MEA electricity rate(s) shall be for at least a one-year term, however extenuating circumstances may warrant a shorter minimum duration, and
 - 4. The City's MEA electricity rate(s) may include a fixed charge for energy, or if market conditions require, may allow for adjustments to components of the supply cost that may be outside the control of the RES.
 - 5. The RES must offer a base rate for power supply, which includes the then-applicable amount of renewable power as mandated by Illinois law, plus a 100 percent renewable power option. The 100 percent renewable power offer can be met the Retail Electric Supplier providing enough renewable energy so that the total of Ameren-purchased renewable energy and the Retail Electric Supplier renewable energy will equal 100 percent of the selecting member's energy needs, or by providing renewable energy covering 100 percent of the selecting member's energy needs irrespective of Ameren-purchased renewable energy. City MEA members would have the option to select either the base rate or the 100 percent renewable power option. Members will be automatically enrolled in either the base rate or the 100 percent renewable power rate, depending on whether the 100 percent renewable power rate is less than the projected Ameren supply rate(s) for the term of the contract with an option for the MEA member to contact the Retail Electric Supplier to select the other option, and
 - 6. Any Retail Electric Supplier contracting with the City will be required to comply with the Equal Opportunity in Purchasing Ordinance of the City of Champaign (Section 12.5-65 of the Champaign Municipal Code, 1985, as amended). Pursuant to the Ordinance, a Disclosure Affidavit, Certificate of Approval or an Affirmative Action Form, and an approved Champaign Diversity Advancement Program Good Faith Efforts Narrative/Documentation must be on file before a successful supplier shall be selected.

- C. The City Manager has the authority to execute a power supply agreement when the terms of the extension are consistent with the selection criteria.
- D. Upon execution of the MEA Program power supply agreement, staff is required to notify the City Council within 60 days of actions taken.