



AGENDA ITEM # 7

**AGENDA ITEM EXECUTIVE SUMMARY
Committee of the Whole Meeting
June 24, 2019**

Item Title: Electricity Supply Contract

Staff Contact: Jason M. Bielawski, Assistant Village Administrator

COMMITTEE OF THE WHOLE ACTION

Direction authorizing the Village Administrator to obtain bids and approve contracts for electricity supply for streetlights and various Village facilities with the lowest provider(s) subject to Village attorney review.

Executive Summary:

The Village’s existing electricity supply agreements with Constellation expire in December, 2019. One agreement is for street lighting and the other is for various Village facilities including two wastewater treatment plants, various water and wastewater pumping locations, and the train station. Staff has been in contact with the Village’s energy consultant, Satori Energy, about the timing for receiving competitive bids for new agreements. Satori Energy provided quotes from energy suppliers that show savings of about 20% for street lighting and 10% for various Village facilities. Therefore, current pricing is at a very low point, which Satori Energy recommends we lock in the lower pricing now to defend against adverse market conditions.

Because bids submitted by electricity suppliers are only secured for 24 hours, it limits obtaining bids only on the day of a Village Board meeting. Therefore, the Village’s pricing is subject to the market conditions on that day, which might not be favorable to the Village. Therefore, staff recommends that the Village Board authorize the Village Administrator to work with its energy consultant to obtain bids and execute contracts when it’s most favorable to the Village. Based on preliminary pricing obtained by the Village’s energy consultant, the Village expects to spend about \$40,000 less in both 2020 and 2021 when compared to 2019 for the cost of electricity supply.

Implications:

Is this item budgeted? Yes, the 2019 Budget includes \$313,660 for electricity in the general fund, water and sewer operating fund, and the parking lots fund.

Any other implications to be considered?

Attachments: