

VILLAGE OF LA GRANGE
Administrative Offices

BOARD REPORT

TO: Village President, Village Clerk,
Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager
Andrianna Peterson, Assistant Village Manager

DATE: November 26, 2012

RE: **ORDINANCE – AUTHORIZING AN ELECTRICITY
AGGREGATION PROGRAM PURSUANT TO THE ILLINOIS
POWER AGENCY ACT**

In 2009, the State of Illinois amended the Illinois Power Agency Act with Public Act 96-0176. Termed Community Choice Aggregation (CCA), the amendment deregulates the electric market for residential and small business customers (large industrial and commercial customers already had the authority to seek competitive bids) and provides for the municipal aggregation of electricity.

In order for the Village to create an “opt-out” municipal aggregation program, a binding referendum must be approved by a majority of the voters authorizing the Village to do so. A referendum question was placed on the ballot for the November 6, 2012 general election and was approved by La Grange voters by a margin of 4,301 to 2,276.

Now that the referendum has passed, the following program implementation steps will be required:

1. Adoption of an ordinance authorizing an electrical aggregation program.
2. Send out an RFQ for consultant services and select a consultant
3. Draft a Plan of Operation and Governance which explains to customers and potential bidders how the aggregation program will operate, how customers are enrolled in or out of the program, participation for new / outgoing residents, etc.
4. Hold two public hearings to discuss the Plan of Operation and Governance
5. Adopt Plan of Operation and Governance
6. Solicit bids from electricity providers
7. Negotiate and enter into an agreement with selected provider
8. Public information and implementation of program

A proposed timeline for these various activities is attached.

4-B

Pursuant to previous Village Board direction, staff has prepared for and conducted communications efforts in-house, as well as other required program documents, in order to reduce costs associated with the program. Staff, has solicited proposals from consultants to assist with the components of the program that require technical expertise.

These components include assistance with the bid and selection process for a supplier; preparation of the necessary documents needed to receive and properly handle confidential customer information; monitoring the supplier's compliance with the requirements of the program, as well as providing general advice and counsel as the program is developed and finalized. A recommendation to the Village Board regarding the selection of a consultant will be forthcoming.

Staff recommends that the attached Ordinance authorizing an opt-out electrical aggregation program; authorizing the Village Manager to develop a Plan of Governance for the program; and planning for the necessary public hearings; be approved.

4-B.1

**PROPOSED
ELECTRICITY AGGREGATION TIMELINE
POST - NOVEMBER 2012 ELECTION**

<u>DATE</u>	<u>ACTIVITY</u>
November 6, 2012	Election Day.
November – December 2012	Passage of authorizing ordinance creating the aggregation program and (optional) selection of consultant.
November – December 2012	Development of a Plan of Operation and Governance.
January, 2013	Public hearings and approval of Plan of Governance.
January – February 2013	Municipality solicits bids for electricity and other services.
January – February 2013	Municipality secures customer data from Com Ed.
February – March 2013	Municipality analyzes bids and selects preferred electricity supplier.
February - March 2013	Municipality negotiates and approves final agreement with electricity supplier.
March 2013	Municipality distributes communications and other information to residents regarding options and opt-out instructions.

VILLAGE OF LA GRANGE

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING
AN ELECTRICITY AGGREGATION PROGRAM
PURSUANT TO THE ILLINOIS POWER AGENCY ACT

WHEREAS, the Illinois Power Agency Act, 20 ILCS 3855/1-1 *et seq.* ("**Act**"), authorizes the corporate authorities of a municipality to adopt an ordinance authorizing a program to aggregate electrical loads of residential and small commercial retail customers and to solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those electrical loads ("**Program**"); and

WHEREAS, pursuant to Section 1-92(a) of the Act, the Village may, if authorized by referendum, operate the Program as an "opt-out" program that applies to all residential and small commercial retail electrical customers who do not affirmatively choose not to participate in the Program; and

WHEREAS, on November 6, 2012, the voters of the Village approved a referendum to authorize the operation of a Program as an "opt-out" program; and

WHEREAS, prior to soliciting bids and awarding proposed agreements for the provision of electricity and other related services pursuant to the Program, the Act requires the Village Board to adopt an ordinance authorizing the Program and to develop and approve a plan of operation and governance for the Program ("**Plan of Governance**"); and

WHEREAS, pursuant to Section 1-92(b) of the Act, the Village President and Board of Trustees must conduct two public hearings to consider and develop the Plan of Governance; and

WHEREAS, the Village President and Board of Trustees have determined that it is in the best interests of the Village and its residents to adopt this Ordinance to authorize the Program, to direct the Village Manager to prepare the Plan of Governance and to establish public hearings for the purpose of developing the Plan of Governance, all as provided in this Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange, Cook County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are hereby incorporated into this Ordinance as the findings of the President and Board of Trustees.

4-18-3

Section 2. Authorization of Electricity Aggregation Program. Pursuant to Section 1-92 of the Act, the Village President and Board of Trustees shall, and do hereby, authorize the establishment of the Program as an "opt-out" program for the purpose of aggregating electrical loads of residential and small commercial retail electric customers in the Village.

Section 3. Authorization and Direction to Prepare Plan of Governance and to Schedule Public Hearings. Pursuant to Section 1-92(b) of the Act, the President and Board of Trustees hereby authorize and direct the Village Manager to: (a) develop the Plan of Governance for the Program; and (b) do or cause to be done all things necessary or desirable for purposes of providing the required public notice and the scheduling of two public hearings before the Village President and Board of Trustees regarding the Plan of Governance.

Section 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law

PASSED this ____ day of _____ 2012.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____ 2012.

Elizabeth Asperger, Village President

ATTEST:

Thomas Morsch, Village Clerk

4-B.4