

RESOLUTION NO. 17-01

A RESOLUTION AUTHORIZING THE PARTICIPATION IN THE NORTHERN ILLINOIS MUNICIPAL ELECTRIC COLLABORATIVE (NIMEC) AND AUTHORIZING THE VILLAGE ADMINISTRATOR TO APPROVE A CONTRACT WITH THE LOWEST COST ELECTRICITY PROVIDER FOR A PERIOD UP TO 36 MONTHS.

WHEREAS, the Village of Coal City ("The Village") is a municipality in accordance with the Constitution of the State of Illinois of 1970; and,

WHEREAS, on January 2, 2007, the State of Illinois implemented a plan to deregulate Commonwealth Edison; and,

WHEREAS, as a result of this deregulation, electricity may be purchased based on market price and Commonwealth Edison will no longer be the sole supplier of electricity in northern Illinois, resulting in new electricity suppliers being able to compete against Commonwealth Edison, and competitive market forces dictating the price of electricity; and,

WHEREAS, the Village of Coal City has selected the Northern Illinois Municipal Electric Collaborative (NIMEC) to serve as the Village's broker relative to the acquisition of electrical energy for Village facilities, due to NIMEC's municipal experience and the fact that NIMEC is the largest municipal Collaborative in northern Illinois which will be aggregating the energy needs of 150 government members of the Collaborative in order to secure more competitive pricing based in higher volumes than can be provided individually to a single municipality; and,

WHEREAS, the amount of compensation that NIMEC receives, if the Village chooses the NIMEC electricity supplier, is included in the electricity prices supplied by NIMEC, so there will be no direct payment made to NIMEC by the Village; and,

WHEREAS the Village has been working with NIMEC since 2008, and the Village has enjoyed a good working relationship with NIMEC; and

WHEREAS, Commonwealth Edison will no longer offer a fixed energy rate for large or medium sized commercial accounts and would instead charge based on a floating hourly rate and the Village desires to enter the market to secure a fixed rate, up to 36 months in term.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE VILLAGE OF COAL CITY, GRUNDY & WILL COUNTIES, ILLINOIS, AS FOLLOWS:

- Section 1.** That the Northern Illinois Municipal Electric Collaborative (NIMEC) has been appointed the Village's broker for purposes of obtaining an electricity supply for the Village's municipal needs.
- Section 2.** That the Village Administrator is authorized to negotiate energy rates directly with suppliers in an effort to secure lower energy costs.
- Section 3.** That in light of the time constraints and procedures required, applicable to the acceptance of a competitive bid for a supply of electricity, once the bids are received by NIMEC, the Village Administrator is hereby authorized to sign the contract with the most optimal bidder, with the Mayor being hereby directed to place said contract on the first available Village Board regular meeting following the execution thereof by the Mayor, for ratification by the Village Board.
- Section 4.** That the Village Administrator may name a designee in matters concerning the bid if it should become necessary.
- Section 5:** The Resolution shall be in full force and effect from and after its passage, approval, and publication in pamphlet form, as provided by law.

ADOPTED this 11 day of January 2017, pursuant to a roll call vote as follows:

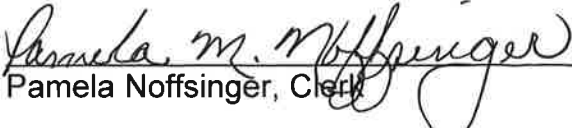
AYES: 4
NAYS: 0
ABSENT: 2
ABSTENTION: 0

APPROVED by me this 11th day of January 2017.

VILLAGE OF COAL CITY


Terry Halliday, Mayor

ATTESTED and filed in my office,
this 11th day of January 2017.


Pamela Noffsinger, Clerk

Resolution appointing NIMEC as the Village's broker to purchase electricity and delegation of signing authority to Village Manager to enter into NIMEC-selected energy provider

Background: In 2007, the State of Illinois deregulated its electric market. Prior to that, ComEd both generated and delivered the power to residential and commercial customers. The legislation required ComEd to transfer ownership of its nuclear reactors to its parent, Exelon. Illinois then opened up its borders for other energy generators to compete with Exelon. ComEd remains a monopoly and delivers the power to commercial and residential users, regardless of who generates the power.

The Village has been using NIMEC as its broker since 2008. NIMEC is paid by the electric supplier for originating the business. The Village does not compensate NIMEC and is not under contract with NIMEC.

NIMEC has extensive expertise in the northern Illinois power market. Also, NIMEC manages a buying collaborative, aggregating the collective power of 123 municipalities, as well as 47 library/park district/water districts. The collective volume of the buying collaborative (\$15 to \$20 million/year) allows NIMEC to negotiate rates that are lower than what an individual municipality could negotiate on their own. The Village has enjoyed a good working relationship with NIMEC since 2008.

This resolution pertains to the purchase of electricity for the village operated water pumping facilities. NIMEC also is the leading consultant in Municipal Aggregation, managing 91 programs in northern Illinois.

Resolution: Prices within the commodity markets (including electricity) are constantly fluctuating. Therefore, NIMEC's bid prices are only good for the day they are provided. As such, the board needs to delegate signing authority to the Village's Manager/Mayor/Director of Finance to accept a bid by entering into a contractual relationship with the winning power supplier.

NIMEC Bullet Points:

- 170 total members, consisting of 123 northern Illinois municipalities, plus 47 park districts, water districts and libraries.
- NIMEC member retention rate since inception: 98-99%
- NIMEC's first annual bid: 2008
- Each member receives its own pricing. No member subsidizes any other member's price.
- NIMEC offers 1, 2 and 3 year pricing. Each member can select its own term.
- Members are under no obligation to accept the bids.
- NIMEC solicits bids from Constellation (owned by Exelon), Dynegy, and MC Squared.
- Bids must be accepted by signing power agreement on the day of the bid.