

**A RESOLUTION AUTHORIZING THE
NORTHERN ILLINOIS MUNICIPAL ELECTRIC COOPERATIVE (NIMEC)
TO SERVE AS THE BROKER FOR THE VILLAGE IN REGARD TO
OBTAINING BIDS FROM ELECTRICITY PROVIDERS AND
AUTHORIZING THE VILLAGE MANAGER TO APPROVE
A CONTRACT WITH THE LOWEST COST ELECTRICITY PROVIDER**

WHEREAS, the President and Board of Trustees find as follows:

A. On January 2, 2007 the State of Illinois is implementing a plan to deregulate Commonwealth Edison;

B. Under the aforementioned deregulation plan, Commonwealth Edison will no longer generate electricity for its customers, but will continue to provide electric power through its distribution system;

C. As a result of this deregulation, electricity will be purchased based on market price and Exelon, the parent company of Commonwealth Edison, will no longer be the sole supplier of electricity in Northern Illinois, resulting in new electricity suppliers being able to compete against Exelon, and competitive market forces dictating the price of electricity;

D. During fiscal year 2006, the Village spent just over \$300,000 on electricity, with over 85% of the total being in regard to street lighting, water pumping and water treatment;

E. Since Commonwealth Edison has had prices fixed for the last nine (9) years by the Illinois Commerce Commission (ICC), which will end with deregulation, the cost of electricity is expected to rise 20% to 60% according to information received from Commonwealth Edison;

F. Municipalities across the State are now looking at ways to enter the market to purchase electric power in order to mitigate some of the economic impact of these rising rates, which, on a practical basis, can only be done using a third party who will serve as a broker for the municipalities and has the knowledge and experience to seek bids from the various electricity providers;

G. Village Staff has conducted broker interviews and, based on said interviews, Village Staff is recommending that the Northern Illinois Municipal Electric Cooperative (NIMEC) serve as the Village's broker relative to the acquisition of electrical energy, due to NIMEC's more reasonable pricing structure, municipal experience, and the fact that NIMEC is a municipal cooperative which will be pooling the energy needs of members of the cooperative in order to secure more competitive pricing based on higher volumes than can be provided individually to a single municipality;

H. That the cost to join NIMEC is a one time fee of \$100, with the amount of compensation that NIMEC receives, if the Village chooses the NIMEC electricity supplier, being built into the prices bid by the electricity supplier, so there will be no direct payments made to NIMEC by the Village other than the one time fee;

I. That because of the way the bidding process works, the Village Manager will need to have the authority to sign a contract with the lowest cost electricity provider within hours of the bids being received by NIMEC; and

WHEREAS, it is in the best interest of the Village to use NIMEC as its electricity supply broker;

NOW, THEREFORE, BE IT RESOLVED, by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, that the Northern Illinois Municipal Electric Cooperative (NIMEC) is hereby appointed as the Village's broker for purposes of obtaining a supply of electricity for the Village's municipal needs, and Village Staff is hereby directed to take all actions necessary to establish said broker relationship.

BE IT FURTHER RESOLVED that, in light of the time constraints applicable to the acceptance of a competitive bid for a supply of electricity, once the bids are received by NIMEC, the Village Manager is hereby authorized to sign the contract with the lowest bidder, provided the bid is at a rate that is less than is being offered through Commonwealth Edison, with Village Staff being hereby directed to place said contract on the first available Village Board meeting following the execution thereof by the Village Manager, for ratification by the President and Board of Trustees.

ADOPTED this 7th day of September, 2006, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of September, 2006.

William J. Mueller, Village President

ATTEST:

Brigitte O'Brien, Village Clerk

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