

## RESOLUTION 78-12

### 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

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

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

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

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

D. During fiscal year 2010, the State of Illinois created further advantage for individual electric customers: A bill was signed into law enabling municipalities to take steps to negotiate electric contracts (in bulk) on behalf of their entire communities, allowing residents to take advantage of lower rates in the marketplace;

E. Since Commonwealth Edison had prices fixed for the nine (9) years prior to the end of deregulation on January 2, 2007 by the Illinois Commerce Commission (ICC), the cost of electricity rose approximately 25% in 2007, according to information received from Commonwealth Edison;

F. Municipalities across the State looked 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. In March and April of 2012, Village Staff conducted broker interviews and, based on said interviews, Village Staff recommended 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 has the ability to pool 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; NIMEC also served as the Village's broker since that time on several bids for various Village accounts;

H. That the cost to join NIMEC was 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 that was previously paid; 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 aggregation, and Village Staff is hereby directed to take all actions necessary to establish said broker relationship.

Adopted this 12th day of April, 2012.

Ayes; Trustees Gron, Giagnorio, Wilson, Breen, Fitpatrick and Ware


Nays: None

Absent: None

Approved this 12th day of April, 2012.

  
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William J. Mueller, Village President

ATTEST:

  
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Brigitte O'Brien, Village Clerk