



# Memorandum

To: Honorable Mayor and Members of the City Council  
Administration and Public Works Committee

From: David Stoneback, Public Works Agency Director

Subject: Community Choice Electricity Aggregation Approval RFP 17-33

Date: June 12, 2017

Recommended Action:

Staff recommends that City Council authorize the City Manager to execute a Master Agreement to Provide Services to an Aggregated Group (RFP 17-33) with Dynegy Energy Services LLC (1500 Eastport Plaza Dr, Collinsville, IL) for a 36-month term with a 100% renewable energy mix for the fixed price of 7.132 Cents per kilowatt hour.

Livability Benefits:

Climate & Energy: Green energy supply

Analysis:

A staff memorandum dated June 2, 2017 indicated that two Alternate Retail Electric Suppliers (ARES) had submitted indicative pricing in response to the City’s Request For Proposal – RFP 17-33. Both ARES have confirmed their willingness to execute the master agreement in a form acceptable to the Legal Department.

Two responses to the request for actionable pricing were received by noon today in response to RFP 17-33 actionable pricing as listed below:

Supplier	Address
Dynegy Energy Services LLC	1500 Eastport Plaza Dr., Collinsville, IL
MC Squared Energy Services LLC	175 West Jackson Blvd, Suite 240, Chicago, IL

Cost Analysis:

The City requested pricing to supply energy for three different terms (12, 24, and 36 months) and two different fixed prices: one where the renewable energy component would be 10 percent (10%) in accordance with Illinois Renewable Energy Portfolio

Standard (IRPS) Illinois Public Act 095-1027, and the other where the renewable energy component being one hundred percent (100%).

Due to the volatile pricing of electricity, which changes hour by hour, suppliers will not hold purchase prices for more than 24 hours without a considerable risk factor markup.

A summary of the prices provided for actionable pricing received today are shown below:

Table 1 – Summary of Actionable Pricing Received

Supplier	Term Duration	IRPS Compliant (10%) (Cents/kWh)	100% Renewable Energy (Cents/kWh)
Dynegy	12-month	6.764	6.955
Dynegy	24-month	6.899	7.129
Dynegy	36-month	6.891	7.132
MC Squared	12-month	6.95	7.03
MC Squared	24-month	7.19	7.27
MC Squared	36-month	7.29	7.37

Dynegy Energy Services, LLC provided the lowest price proposals for all three terms. In 2012, Staff and members of the Utilities Commission established a recommendation that the term of the agreement be as long as possible provided that the increased cost from the shortest duration is less than ten percent (10%).

Table 2 – Dynegy Term Price Difference

Energy Mix	% Difference	
	12-month to 24-month	12-month to 36-month
IL RPS Compliant (10%)	2.00	1.88
100 % Renewable	2.50	2.54

Based on the small percentage of cost increase between the 12-month term and the 36-month term, staff recommends the 36-month term be awarded.

Effective June 1, 2017, the current ComEd price to compare is 6.892 Cents per kWh. In October, the ComEd price to compare will raise to 7.15 Cents per kWh. Since Dynegy will begin to supply energy in August, during the first 2 months of the

agreement the Dynegy price will be above the ComEd price to compare. However, beginning in October, the Dynegy price for 100% renewable energy will be slightly lower than the ComEd price to compare with only 10% renewable energy.

Dynegy Energy Services LLC has agreed to allow anyone that moves into Evanston to join the aggregated group under the same rate terms and conditions upon proper notification from the property owner. Additionally, in order to reinstate lost electric volume within the aggregated group due to residents moving out of Evanston after the program started, Dynegy has agreed to run supplemental opt out periods during the length of the agreement as requested by the City, but no more than on a quarterly basis.