



City of Joliet

150 West Jefferson Street
Joliet, IL 60432

Memo

File #: 129-24

Agenda Date: 3/19/2024

TO: Mayor and City Council

FROM: Beth Beatty, City Manager

SUBJECT:

Request for Authorization to Conduct Electric Auction and Award Electric Supply Agreement

BACKGROUND:

In an effort to obtain the lowest prices on electricity, the City has used the services of Apollo Edison to conduct reverse auctions for its approximately 115 sewer and water electric accounts. The reverse auction firm conducts the bid over the internet giving City personnel the opportunity to monitor the proceedings. The City had previously selected Apollo Edison through a formal request for proposal. The cost for Apollo Edison's services is embedded in the cost of electric at \$0.0010/kWh.

The City's current contracts for electricity expire on May 1, 2024 with a fixed price of \$0.04255/kWh. Staff and its electric consultant have been following prices trends and have timed this year's bid to receive the best price possible. It is our intention to conduct the auction on March 21, 2024. Bids will be solicited for periods of 12 months, 24 months, and 36 months for both regular electricity and 10% green energy supply. At the conclusion of the auction, staff and the consultant will review pricing and select the one that is expected to provide the City with the lowest cost of electric over the long term. This process will look at indicators that impact electric pricing over the long term. Since the procurement of electricity is an open market and bids are only valid for 24 hours, Staff is requesting that the City Manager have the authority execute the agreements to lock in the best pricing.

The City has the right to refuse, at no cost, any and all pricing if it does not feel that the pricing is favorable.

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to conduct and electric auction and award an electric supply agreement with the winning bidder.