



MEETING MINUTES

ELECTRICAL AGGREGATION AD HOC COMMITTEE OF THE VILLAGE BOARD

May 12, 2023

10:00 AM

Committee Meeting Room, Village Hall, Wilmette, IL

Members Present: Trustee Kathy Dodd, Chair
Trustee Justin Sheperd
Trustee Kate Gjaja

Staff Present: Mike Braiman, Village Manager
Sara Phyfer, Assistant to the Village Manager
Lucy Mellen, Sustainability Coordinator

Guests Present: Adam Hoover, NIMEC

I. CALL TO ORDER.

Chair Kathy Dodd called the meeting to order at 10:00 a.m. Trustees Sheperd, Gjaja, and Dodd were present.

II. DISCUSSION OF ELECTRICAL AGGREGATION FOR RESIDENTIAL PROPERTIES.

Village Manager Mike Braiman thanked Adam Hoover, Sara Phyfer and Lucy Mellen for their quick and thorough efforts to prepare the information for the meeting. He said we did not get the result we wanted for green energy, so today's meeting will be to discuss our options moving forward.

Adam Hoover from NIMEC said ComEd released their rate, which was 7.1 cents. While this is lower than the 9.7 cents ComEd customers are currently paying, we will not see great savings, as the cost of delivery will be going up. He said originally, we thought we would be able to reduce

resident costs and obtain a certain amount of green energy; however, it does not look like this will happen. He said the cheapest rate was 7.3 cents so savings could not be guaranteed. He said there is an option to secure a fixed green energy price of 7.8 cents; however, over the course of a year, this would cost residents an additional \$50 to \$60. He said it would make Wilmette a complete green energy community to which residents would have the option to opt out and go with ComEd's 7.1 cents. He said another option is to go with a rate match program where residents pay the ComEd rate through MC Squared. He said MC Squared is offering the purchase of 5% green energy or they will make a \$20,000 contribution to the Village. He said while we wish we could find a fixed rate option with some green energy, ComEd's rate came in too low, which ultimately is a good thing.

Trustee Gjaja asked when the next decision point would be.

Mr. Hoover said there is no decision point currently; however, if the Village wants to move quicker, we can go ahead and decide, but the decision should be made in line with the timing of the ComEd rate announcement. He said NIMEC is hopeful to find savings again next year and believes the program of a fixed rate with a mix of green energy will eventually come back. It is a question of when, as ComEd is purchasing their energy a little differently.

Mr. Braiman agreed in staying on the ComEd cycle to ensure residents are not in a position where they will be paying more.

Trustee Gjaja asked what communities in the area have gone full green energy.

Mr. Hoover said Lake Zurich, Park Forest and Villa Park have made the decision to go 100% green energy, but those communities are being charged a little more for that.

Trustee Sheperd said 50/50 is also an option.

Mr. Hoover agreed and estimated that would cost residents approximately \$30 to \$40 more a year.

Trustee Sheperd asked if the residents could opt in/out for either program.

Mr. Hoover said State law calls for an opt-out program where those in ComEd would be rolled into the program with the option to opt out.

Trustee Sheperd asked how that is done.

Mr. Hoover said MC Squared puts a phone number and email on the letter they send, but the Village could also supply residents with his cell phone to call and opt out. He said we can offer a permanent opt out program whereby we ask if they would like to be permanently removed from the program. He said in the subsequent years, those residents would not receive a letter annually.

Trustee Gjaja asked if every community in Illinois wanted to go with green energy, would there be enough capacity.

Mr. Hoover said some would say yes, there is capacity; however, others would say they do not.

Trustee Gjaja said she has been reading it is more to the latter in that there is no capacity for that.

Mr. Hoover agreed but said the farther you travel from Chicago, the less they are interested in green energy. He said the suppliers at this point do not feel the need to acquire more supply.

Trustee Sheperd asked as we get closer to that number, will prices go up.

Mr. Hoover said he was not sure but in the last 10 years, it has been approximately ½ cent differential.

Trustee Sheperd asked if we are anywhere close to this capacity.

Mr. Hoover said not at this time.

Trustee Dodd asked if we are charging residents a higher water rate because of green energy.

Mr. Braiman said it is part of our overall water operating budget; there is no direct charge for the energy.

Trustee Sheperd asked if for the rate match program, would the Board be choosing between the 5% green energy or \$20,000 contribution.

Mr. Hoover said yes.

Trustee Sheperd said if it costs more, they are matching the rate for a year and making that contribution.

Mr. Hoover concurred.

Trustee Dodd asked how the 7.1 cent new rate translates to the average resident bill.

Mr. Hoover said just on that alone, a resident would see savings of \$250 per year, but the delivery charge is going to rise, which will offset some of that rate reduction.

Trustee Dodd asked if the \$250 reduction with the new ComEd rate is factored into the figures Mr. Hoover quoted earlier about the green energy costing \$50 to \$60 more a year for the average residential bill.

Mr. Hoover said he was not computing his figures factoring in the \$250 savings because beginning June 1, every ComEd customer will have the 7.1 cent rate. He said if we move forward with the program on June 1, the rates would be 7.1 cents for ComEd versus the 7.8 cents for green energy.

Trustee Dodd asked if we went with the 50% green energy, would residents still see a reduction in their bills.

Mr. Hoover said that is a tricky question because the delivery charges are unknown but the assumption is they will be higher by approximately \$18 per month for a single family residence.

Trustee Sheperd said that is for delivery versus the \$250 for the rate reduction.

Mr. Hoover concurred.

Trustee Sheperd said we can still say they bills will be lower.

Trustee Gjaja said we cannot guarantee that.

Mr. Hoover agreed and said some residents may feel "tricked" because that is looking at last year's numbers.

Trustee Sheperd said it seems a little easier to charge more if the total bill is still less than last year.

Mr. Braiman asked when the delivery charge would be determined.

Mr. Hoover said it is out now; however, he did not calculate it.

Trustee Sheperd said it does not sound like it will be an increase of \$200 on the delivery side.

Mr. Hoover said there is also a carbon emission credit from last year that ComEd will now start charging for, so it is not just the delivery fee.

Trustee Gjaja said if it is \$18 a month, that is \$216 more so that is very close.

Mr. Braiman said they are still proposing new tariffs.

Mr. Hoover concurred but said there are groups fighting against that.

Trustee Gjaja said it appears ComEd is going to make their money back. She said they are also charging the Community Solar customers more as well.

Trustee Dodd asked what Mr. Hoover's experience has been with communities that have gone completely green with their energy program with the option to opt out. She also asked what feedback he received.

Mr. Braiman asked how many residents opted out of those programs.

Mr. Hoover said those are very new and NIMEC has only done a couple of them. He said Park Forest has always gone green and has always said they are not comparing themselves to ComEd, as they are offering a different product.

Mr. Braiman asked if their communications to residents were clear.

Mr. Hoover said in the letter that goes out, it cannot say what the current ComEd rate is. Instead, there is a link to the information. He said Park Forest is doing everything according to State law, and they started their program in April when the ComEd rate was 9.7 cents. He said they have also run these programs for years.

He said for a first-time program, there may be some hiccups and push-back because the program would knowingly charge more money. He said 5 to 10 years down the line after Wilmette has run a few programs, people would be more likely to trust the program and understand the opt out process.

Mr. Braiman said we know that other things are increasing like the solid waste collection contract and real estate taxes, so if we choose to go with a program that will increase in cost, we need to be very clear this increase is on top of all the other rising costs our residents will see.

Trustee Sheperd said anyone can opt out.

Mr. Hoover concurred.

Mr. Braiman said while State law has certain requirements for the actual letter, we as a Village can use our own communication tools to be more forthright about the opt out process and how the program will work.

Trustee Gjaja asked how the process went the first time the Village entered into electrical aggregation.

Mr. Braiman said at the time, State law called for a referendum which allows the Village to use aggregation today.

Trustee Gjaja said the referendum is in perpetuity.

Mr. Hoover concurred and said it has made the process much easier.

Trustee Gjaja said for clarification, just aggregating brown energy is not a good option for the community.

Mr. Hoover agreed because the Village would be paying more.

Trustee Gjaja said we either do the match program or 50% or 100% green energy with an opt out program.

Trustee Dodd said there is also the option to do nothing at this point.

Trustee Gjaja asked if there was a staff recommendation.

Mr. Braiman said it is hard for him to recommend choosing a program that will cost the residents more because the opt out process is not something that is easy to explain to people. He said there will be a lot of people that may not get the communications on that. He said if this is a choice between doing nothing and choosing the rate match with RECs, he will choose the rate match because we can communicate that we are meeting the ComEd rate and contributing to the green energy grid.

Trustee Dodd asked if there is any down side to the rate match program.

Mr. Hoover said the downside is the staff burden of answering the calls after the letters go out from residents who may not understand the program.

He went on to say under a guaranteed rate match program, everyone will pay the same rate. He explained how that is done, stating all users have a value that MC Squared can profit from, and they choose 10-20% to enroll and leave the other 80% at the ComEd rate. He said 10-20% of the community would get letters and be enrolled in the program, but everyone

will pay the same amount. He said this results in a smaller number of letters.

Mr. Braiman said it is almost easier to go back to ComEd the next year. He said everyone would get a letter going in and another when we are out. He said under the rate match program, not as many people will receive the communications.

Trustee Dodd asked if we can control the language of the letter that residents receive.

Mr. Hoover said to some extent but, there is some language that the Village would not be able to use such as stating the ComEd rate or saying they are purchasing green energy, as the Village would be purchasing RECs.

Mr. Braiman said it is important to communicate that the Environmental & Energy Commission (EEC) do not like RECs. He asked Sustainability Coordinator Lucy Mellen for clarification on why.

Ms. Mellen said currently, there is no way to ensure people receive direct green energy to their home unless they install renewable energy on their property. She said everyone is serviced from one grid that serves the entire Midwest. She compared the grid to a pool that contains both brown and green energy and said there is no way to determine where the green energy is going. She said the EEC feels RECs are not tangible and would rather invest in things that are more direct that people can feel and see. She said this is a more hypothetical and out-of-touch way to do things, but in a good way. She said there is no better way to support green energy in our current situation than utilizing RECs.

Mr. Braiman said if the EEC were to receive \$20,000 it would not be as impactful as 5% RECs. He said we could use it locally to install a charging station, but the sustainability value of that is less than 5% RECs.

Trustee Gjaja asked if we did 100% green energy, would it still be RECs.

Ms. Mellen said yes.

Mr. Hoover said it is difficult to communicate that because while purchasing all the RECs is a powerful thing, the community is not aware of its value with reference to sustainability.

Trustee Sheperd said Community Solar is the same.

Trustee Dodd agreed and said the EEC recommended Community Solar, which is somewhat contradictory.

Ms. Mellen said the EEC does not necessarily dislike RECs, they just feel stronger about putting the funds toward something more tangible.

Mr. Braiman said if the EEC has a good project, they should present that to staff and money can be allocated; we can do both.

Assistant to the Village Manager Sara Phyfer said that was something the EEC discussed a few months ago but they decided against it; instead going with native habitats.

Trustee Gjaja asked if it would be easier to go to aggregated all green energy in a year. She said if we do the rate match with the 5% RECs this year, it is like a first step to going completely green. She asked what kind of education can we provide the community to continue to propel the program forward.

Mr. Hoover said that is a fair point.

Trustee Gjaja said we could then open the conversation up via the Village Board and gather feedback at the Board meetings.

Trustee Dodd concurred and said we just hired Ms. Mellen which is a starting point for implementation of our sustainability plans. She said gathering input from the community is an important part of the process. She said there are not many residents enrolled in Community Solar, which is telling as to where our residents are at on the issue.

Trustee Sheperd said people expect the Board to do these things and the Board has an opportunity to implement a program which would lead us to the end goal of 100% green energy.

Trustee Dodd agreed but said she does not feel the community is ready as a whole to be charged more for green energy. She said the Board also has an obligation to keep costs as low as possible for the taxpayers. She said we ultimately want to have renewable energy; however, at this point, she does not feel the community is ready to make the leap. She said she is okay with the rate match program with 5% RECs.

Trustee Gjaja agreed but said it is important to send the message to the community that while we are satisfied currently with the rate match and 5% RECs, we are intent on moving forward with increasing the green energy.

Mr. Hoover said if you get any residents who ardently are against the programs, they can be put on a perpetual opt-out list where they will not be rolled into any programs or receive any communications.

Mr. Braiman said he liked that idea and added we could also do a non-binding referendum at the next election.

Trustee Dodd agreed.

Trustee Gjaja said there are other ways to solicit feedback from the community in the 2-years before the next election. She reiterated that she supports the current rate match program with RECs.

Mr. Braiman said we can draft a report from the committee that explains what we are doing and why.

Trustee Dodd asked if the full Village Board would need to vote on this.

Mr. Hoover said technically, no. However, he did recommend drafting a resolution that gives the Village Manager the authority to sign for these programs and present it to the Village Board, especially for the first program.

Trustee Sheperd asked if there was time.

Mr. Hoover said, the only downside would be if something crazy happened in the market.

Trustee Dodd said the Board will support it.

Trustee Sheperd asked as MC Squared brings the program to each resident and some opt out, do they then bring it to more residents.

Mr. Hoover said he did not believe so. He said they have the option to re-enroll residents in 4 to 5 months. He said he does not believe that will happen but there is that option.

Trustee Gjaja asked what decision point the Administration Committee will face in a year.

Mr. Hoover said there would be the same discussions as we have had this round with similar decision points.

Trustee Gjaja said it would be a comparison of the ComEd rate with the available programs with the possibility of increasing the amount of RECs.

Trustee Dodd said it would be great to get to 50% RECs in the next year or two.

Trustee Sheperd said pricing could make 100% a no brainer.

Trustee Dodd said it is important to let the next Administration Committee know we are moving in that direction.

Trustee Gjaja said the entire Board should be notified of the intention as well.

Trustee Dodd agreed and said gathering community feedback would be the next step.

Trustee Gjaja said the message to the community should be that this is a great opportunity to move in the 100% green energy direction.

Trustee Sheperd asked how many years in a row the rate match program has been offered.

Mr. Hoover said it was advantageous 5-6 years ago, but in the last 2 or 3 years only 2 suppliers offered this program.

Trustee Sheperd asked how much has been spent on sustainability to date.

Mr. Braiman said we would need to go back and look but that hiring a Sustainability Coordinator is probably the most expensive cost to date.

Trustee Dodd said we have started making steps through purchasing hybrid vehicles, EV stations and building native habitats.

Trustee Gjaja asked Ms. Mellen if this seems a disappointment that this is as far as we can go today.

Ms. Mellen said no, the fact that the Village is working toward an end goal of 100% green energy is positive. She said making incremental steps is a viable way to get there and allows residents to become comfortable with the program and to see its benefits.

Trustee Sheperd said this per dollar spend is the highest efficacy.

Trustee Dodd agreed but said it is the residents paying and will feel more direct.

Trustee Gjaja moved to recommend a draft resolution to adopt a rate match program with 5% RECs, seconded by Trustee Dodd. All voted aye, the motion carried.

Trustee Gjaja said this should not be on Consent.

Mr. Braiman said we need to share our plans with the community but not necessarily the analysis.

Everyone concurred.

Trustee Dodd said we need to be sensitive to the new Trustees. She then suggested Ms. Mellen attend the meeting.

III. NEW BUSINESS.

There was no new business.

IV. PUBLIC COMMENT.

There was no public comment.

V. ADJOURNMENT.

At 10:44 a.m., Trustee Gjaja moved to adjourn the meeting. The motion was seconded by Trustee Sheperd. No further discussion occurred on the motion. All voted aye. **The Motion carried.** The meeting was thereafter adjourned.

Respectfully Submitted,

Karen Norwood
Deputy Village Clerk