



CITY OF WASHINGTON, ILLINOIS
City Council Agenda Communication

Meeting Date: March 15, 2024

Prepared By: Joanie Baxter, Finance Director *JFB*

Agenda Item: Electric Energy Bids for City Facilities

Explanation: The contract for electricity for City facilities with AEP Energy has a termination date of December 2024. As such and because prices are trending downward, our energy consultants – Good Energy – provided a bid opportunity with three vendors. The results of the bid are shown on the attached.

Based on a review and discussion with Good Energy of the results, Staff recommends that the City Council approve a 48-month contract with Constellation Energy. The rate changes daily and may be slightly different on the effective date; however, on March 14, 2024, the low bid was \$.08361 per kWh compared to a price to compare of \$.09869, resulting in an estimated savings of \$199,238.24 over the term of the contract.

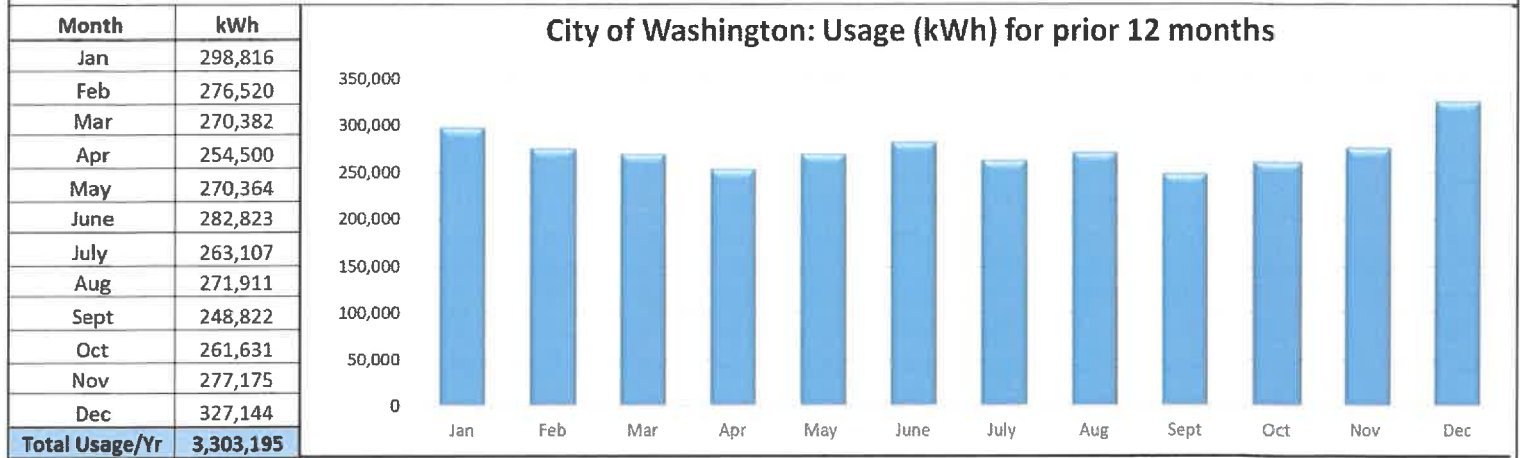
Fiscal Impact: Potential savings estimated at roughly \$50,000 per year for 4 years.

Recommendation/Committee Discussion Summary: Staff recommends approval of contract with Constellation Energy.

Action Requested: Approval as part of the Consent Agenda.

Legal Entity Name:	City of Washington
Market	MISO
Utility - State	Ameren-IL
Number of Accounts:	18
Pricing-Product Type:	INDICATIVE: FIXED Electric

Pricing Date:	March 14, 2024
Good Energy Rep:	Charles de Casteja
Contact Phone:	(212) 691-9467
Contact Email:	charles@goodenergy.com
Prepared by:	Angie Ward



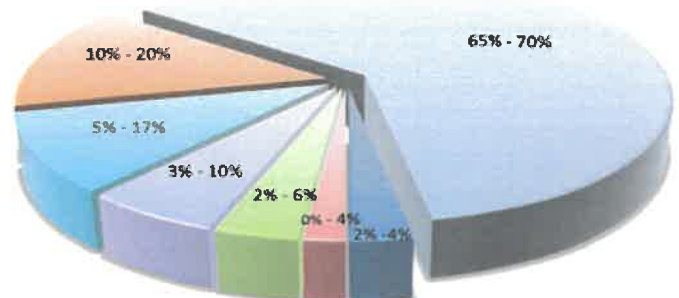
Competitive FIXED Supply Cost per kWh				
Start Date	Nov-24	Nov-24	Nov-24	Nov-24
End Date	Nov-25	Nov-26	Nov-27	Nov-28
Contract Term (Months)	12	24	36	48
Estimated kWhs	3,303,195	6,606,390	9,909,585	13,212,780
Direct Energy/NRG	\$0.07894	\$0.08229	\$0.08454	\$0.08620
Constellation Energy	\$0.07780	\$0.08072	\$0.08242	\$0.08361
Homefield Energy	\$0.08191	\$0.08280	\$0.08463	\$0.08590

Best Supplier Offer Rate - FIXED				
Best Supplier	Constellation Energy	Constellation Energy	Constellation Energy	Constellation Energy
Best Offer Rate (\$/kWh)	\$0.07780	\$0.08072	\$0.08242	\$0.08361
Est. Price to Compare (PTC)*	\$0.09869	\$0.09869	\$0.09869	\$0.09869
Savings per kWh	\$0.02089	\$0.01797	\$0.01627	\$0.01508
% Savings	21%	18%	16%	15%
Est. Annual Savings	\$69,001.12	\$59,355.79	\$53,740.36	\$49,809.56
Est. Term Savings	\$69,001.12	\$118,711.59	\$161,221.09	\$199,238.24

*PTC is based on the weighted average of Ameren BGS-2 Commercial Rate for 2023-2024.

General Summary of Supply Costs

Components of Electricity Cost	
Energy	65% - 70%
Congestion/Basis	10% - 20%
Capacity	5% - 17%
Misc.	3% - 10%
Ancillary Services	2% - 6%
Renewables	0% - 4%
Load Following	2% - 4%



Disclaimer: This proposal is not a binding offer or contract for the sale of electricity and/or natural gas and related services between the Parties. Either Party may terminate discussions regarding this proposal at any time. All costs and prices are indicative and are exclusive of Utility charges and State and Local Taxes. These charges will vary each month based on the usage/load profile and aggregated costs for each account.