

TO: Village Council and Mayor Brown
FROM: Finance Committee, Rob Bartlett - Chair
RE: Village Contract for Electricity
DATE: October 7, 2021

The Finance Committee met on Thursday, October 7, 2021 at 3:00 pm to discuss the Village's contract to provide electricity for all village owned properties and streetlights. To be clear, this does not involve any residents or businesses in the Village. Present at the meeting were Finance Committee members Rob Bartlett, Kelly Rankin and Joe Stelzer, Assistant Administrator Allison Uhrig and Mayor Bill Brown.

The Village's contract with Muirfield Energy expires on November 30, 2021. The Village has been approached by several aggregators who would like to bid for our business. As part of the process, the Finance Committee has learned that due to energy price volatility, many of the bids will only be good for 24 to 48 hours.

The Finance Committee will be collecting bids from at least two different aggregators. Each aggregator represents 5-10 energy providers. One of the aggregators will be our current provider and one will be the same aggregator that The Center for Local Government (CLG) uses, as eventually we would like to join up with the 15 other municipalities that are using CLG's aggregator to get the benefit of leveraging our combined scale (estimated to be a savings of 5% to 15%). The earliest we could join the CLG energy contract is when it expires in May, 2023, 17 months after Mariemont's contract expires. The Finance Committee will ask for prices over 12 months, 17 months, 24 months, 36 months and 48 months.

The current contract rate (which was for 36 months) is \$0.0443/kilowatt hour. Given our past 12 month usage, that equates to \$20,035 in spending for one year. Initial bids have ranged from \$0.05911/kWh over 12 months to \$0.04951/kWh over 48 months. So costs are going up by 5% to 33% and projections are they will continue to climb over the short term for a multitude of reasons. Fortunately, the total spending involved is not significant. And because of the volatility of energy prices, we have also been advised that we need to ask for bids to all arrive on the same day to ensure we are making an apples to apples comparison.

In order to act on any bids and lock in the price, the Finance Committee is requesting that Council approve the Finance Committee and the Mayor together to act on its behalf in approving a new contract for electricity, and not require the full vote of council. The Mayor will sign the contract for the Village. The Finance Committee has checked with the Village Solicitor, and it is possible for council to delegate its responsibility for approving contracts, particularly in situations like these when the turnaround time between receiving the bid and having to act on the bid is so tight. Also, if the bid were to exceed \$0.062/kWh (a 40% increase), then the Finance Committee would recommend that the decision revert back to the full council.

Respectfully Submitted,

Rob Bartlett, Chairman

Kelly Rankin, Vice-Chairman

Joe Stelzer, Member