

ORDINANCE NO. 25 - _____

AN ORDINANCE OF THE CITY OF NAPERVILLE, ILLINOIS AUTHORIZING THE EXECUTION OF A NEW POWER SALES CONTRACT WITH THE ILLINOIS MUNICIPAL ELECTRIC AGENCY FOR THE DELIVERY PERIOD COMMENCING OCTOBER 1, 2035

RECITALS

1. **WHEREAS**, the City of Naperville, DuPage and Will Counties, of the State of Illinois is an Illinois municipal corporation and home rule unit of government under the laws and Constitution of the State of Illinois (“City”); and
2. **WHEREAS**, the Illinois Municipal Electric Agency (“IMEA”) is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois organized under the Illinois Joint Municipal Electric Power Act, 65 ILCS 5/11-119.1-1 et seq. (the “Act”) as a municipal power agency, and it provides electric power and energy and related services to its member municipalities that own and operate their own municipal electric utility and electric distribution systems; and
3. **WHEREAS**, the IMEA was created as a means to achieve economy, adequacy and reliability in the supply of electric power and energy by planning, financing, owning and operating facilities for the generation and transmission of electric power and energy and related facilities or other facilities necessary or convenient for the planning and operation of a system for the production and transmission of electric power and energy thus making it possible for its member municipalities to achieve economies and efficiencies not possible for municipalities acting alone; and
4. **WHEREAS**, the City is a municipality owning and operating a municipal electric utility and electric distribution system which furnishes retail electric service to the public in its service area, and the City is a member of the IMEA; and

5. **WHEREAS**, the City Council of the City and the Board of Directors of the IMEA have previously approved, and the City and the IMEA have heretofore entered into a long-term Power Sales Contract pursuant to which the IMEA provides and the City purchases the full requirements of power and energy needed to meet the load obligations of the City's municipal electric utility and electric distribution system; and
6. **WHEREAS**, the existing Power Sales Contract is set to expire on September 30, 2035; and
7. **WHEREAS**, under the Power Sales Contract, the IMEA has full responsibility for planning and obtaining an adequate supply of power and energy for the City and other IMEA members; and
8. **WHEREAS**, in furtherance of its obligation under the Power Sales Contracts, the IMEA plans for and takes all necessary steps to ensure a resource portfolio to meet the long- and short-term power and energy needs of the City and other members ("Participating Members"), including participation in and ownership of baseload generating resources, ownership of and Capacity Purchase Agreements with Participating Members that own behind the meter generating resources, entering into long and short term bilateral contracts with power suppliers for the purchase of capacity and energy from new and existing thermal, renewable and non-carbon generating resources, and participation in and purchases of capacity and energy from markets maintained by the Regional Transmission Organizations that control the regions where the Participating Members are located; and
9. **WHEREAS**, the electric industry in Illinois is undergoing a transition away from traditional thermal resources in favor of renewable and non-carbon generating resources; the Illinois General Assembly has passed new laws encouraging the development of renewable and non-carbon generating resources and restricting emissions from thermal resources; and traditional thermal generating resources have been retired or will be retiring due to age and emissions restrictions; and

10. **WHEREAS**, in light of this changing environment, the resource portfolio to meet the needs of the City and other IMEA Participating Members will likely be primarily through contracting for capacity and energy from new renewable and non-carbon generating resources; developers of new renewable and non-carbon generating resources require long-term commitments for the purchaser of the output from these projects in order to finance and build such resources; typical financing by developers is currently for 20 to 25 years; in the short-term if developers are willing to contract for the shorter period that the IMEA has remaining on its existing Power Sales Contracts, the pricing will necessarily be higher to allow the developer to finance the project and be assured of collecting its development and operational costs over the shorter period; in the long-term, if the IMEA waits to begin supplementing its resource portfolio, it is anticipated that the cost of construction of new projects will increase making even full 20 to 25 year power supply contracts more costly; and

11. **WHEREAS**, in order to plan for and ensure that resources are in place to continue to meet the long- and short-term power and energy needs of its Participating Members, including the City, and to continue providing reliable, affordable, and sustainable power now and in the future, the IMEA needs to provide for the continued contractual relationships with the Participating Members beyond September 30, 2035; without a firm commitment from Participating Members beyond September 30, 2035, the IMEA will not be able to continue to ensure that resources are in place at favorable prices; and

12. **WHEREAS**, the IMEA must also provide for the continued availability of the existing and future behind the meter generating resources owned and operated by its Participating Members as part of its resource portfolio beyond September 30, 2035; and

13. **WHEREAS**, the IMEA Staff, with the input of a working group consisting of members of its Board of Directors, has developed the form of a new Power Sales Contract and

a new Capacity Purchase Agreement, commencing immediately upon the expiration of the existing agreements, the form of which are attached hereto and incorporated herein; and

14. **WHEREAS**, upon approval of this Ordinance by the City, the City and the IMEA are agreeing to the continuation of the full requirements power supply relationship between the City and the IMEA and to the form and terms and conditions of the new Power Sales Contract with IMEA for the delivery period commencing on October 1, 2035; and

15. **WHEREAS**, based upon the foregoing facts, the Corporate Authorities of the City deem it to be in the best interests of the City to approve and enter into the new Power Sales Contract with IMEA; and the City by this Ordinance hereby finds and determines to accept and approve the new Power Sales Contract with IMEA for the delivery period commencing on October 1, 2035; and

16. **WHEREAS**, the City is a home rule municipality in accordance with Article VII Section 6(a) of the Constitution of the State of Illinois of 1970, and has the authority, pursuant to the laws of the State of Illinois and its home rule authority, to promote the health, safety, and welfare of the City and its residents, and to act to achieve such objectives, and is enacting this Ordinance pursuant to its home rule authority.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF NAPERVILLE, DUPAGE AND WILL COUNTIES, ILLINOIS, in exercise of its home rule authority that:

SECTION 1: The findings and determinations set forth in the Recitals to this Ordinance are hereby made findings and determinations of the City Council of the City and are incorporated into the body of this Ordinance as if set forth in full.

SECTION 2: The City Council of the City hereby accepts and approves the new Power Sales Contract with IMEA for the delivery period commencing on October 1, 2035, which commencement date is immediately upon expiration of the existing Power Sales Contract with IMEA in the form presented and agrees to be bound by the terms and conditions thereof. A copy of such new Power Sales Contract is attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3: By this Ordinance, the Mayor of the City is hereby authorized and directed to execute and deliver and the City Clerk is hereby authorized and directed to attest and seal a new Power Sales Contract, substantially in the form of Exhibit A on behalf of the City, subject to such technical and minor substantive revisions thereto as may be deemed acceptable to the City Attorney of the City.

SECTION 4: By this Ordinance, the Mayor of the City is hereby further authorized to take all steps and execute any and all other documents and agreements reasonably necessary or appropriate to implement and administer the new Power Sales Contract approved hereby.

SECTION 5: All Ordinances and parts of Ordinances in conflict herewith are hereby superseded.

SECTION 6: This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED this _____ day of _____, 2025.

AYES:

NAYS:

ABSENT:

APPROVED this ____ day of _____, 2025.

Scott A. Wehrli
Mayor

ATTEST:

Dawn Portner
City Clerk