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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive the report on the background and operations of the Electric Utility

DEPARTMENT: Electric Utility

SUBMITTED BY: Brian Groth, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

For 125 years, the Electric Utility has provided reliable electric service to Naperville's residential and business communities. As a municipally owned utility, day-to-day operations are overseen by a professional director, with the City Council receiving recommendations from Public Utilities Advisory Board and ultimately serving in a role similar to that of a privately-owned utility's board of directors.

The utility's efforts support the broader mission of the City of Naperville "to provide services that ensure a high quality of life, sound fiscal management, and a dynamic business environment, while creating an inclusive community that values diversity." Providing electric service to Naperville's 62,000 customers is a complex operation and, due to the nature of the energy business, requires numerous operational and capital resources, including contractors.

The utility's current power provider, the Illinois Municipal Electric Agency (IMEA), has been providing services to the City since 2007 and has provided electricity to Naperville since 2011. The IMEA serves 32 municipal electric utilities across the state by securing required capacity and energy for its member communities. In addition to providing power, the IMEA also handles several administrative, legal, and regulatory services for the utility.

DISCUSSION:

Considering several key utility milestones in the coming year, utility staff has prepared a series of educational presentations for the Council. Over the next several months, these presentations will provide relevant information on the rationale behind historical decisions, how the utility operates, how customer energy usage has evolved over the past two decades, and potential options for the utility's long-term energy needs beyond 2035.

The ultimate goal of these briefings is to provide the Council with a shared baseline of knowledge so that it is in the best position to make strategic decisions at the appropriate times. This includes the utility's upcoming rate study to determine rates for 2025-2028 and discussions around IMEA's request for a power provider contract renewal.

The March 19 presentation focuses on how the utility carries out the City's mission and historical decisions that still impact operations today, including deregulation and the decision to contract with IMEA as Naperville's power provider. The accompanying PowerPoint will be included with the Q&A document.

FISCAL IMPACT:

N/A