



City of Chicago



Or2019-272

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 7/24/2019

Sponsor(s): La Spata (1)
Ramirez-Rosa (35)
Rodriguez Sanchez (33)
Martin (47)
Waguespack (32)
Burnett (27)
Reboyras (30)
Hopkins (2)
Smith (43)
Lopez (15)
Cappleman (46)
King (4)
Dowell (3)
Maldonado (26)
Cardona, Jr. (31)
Rodriguez (22)
Sigcho-Lopez (25)
Vasquez, Jr. (40)
Hadden (49)
Sadlowski Garza (10)
Hairston (5)
Taylor (20)

Type: Order

Title: Call for feasibility study to explore alternative options to existing franchise agreement with Commonwealth Edison Company

Committee(s) Assignment: Committee on Environmental Protection and Energy

Committee on Environmental Protection and Energy
July 24, 2019
City Council Meeting

ORDER

WHEREAS, Ordinance and Agreement Between the City of Chicago and Commonwealth Edison Company ("ComEd") effective January 1, 1992 ("the Franchise Agreement") formally expires on December 31, 2020 thus requiring its extension or renegotiation of the franchise; and,

WHEREAS, the looming expiration of the Franchise Agreement is the first opportunity in 30 years for the City to fundamentally renegotiate the future of its utility services and energy policy; and,

WHEREAS, Section 5 of the Franchise Agreement, and the Illinois Municipal Code (65 Ill. Comp. Stat. 5/11-117-1), permits municipal acquisition of the utility facilities of ComEd at any time during the term of agreement, upon one year's written demand by the City; and,

WHEREAS, the Franchise Agreement stipulates that a municipal acquisition of the utility is subject to a maximum consideration equal to ComEd's investment in Utility Facilities, and a minimum consideration equal to the difference between ComEd's investment in Utility Facilities and depreciation reserve; and,

WHEREAS, the Franchise Agreement provides for right of access to ComEd's books of account, where ComEd shall permit the City to inspect or review its books, accounts, correspondence, documents and data for any proper purpose; and,

WHEREAS, ComEd is the designated utility licensee that operates at the behest and the pleasure of the City of Chicago and its continued franchise is contingent on the approval of this body; and,

WHEREAS, ComEd has not shown a universal commitment to cooperative partnership with the City of Chicago nor taken sufficient action to address environmental, efficiency, and equity concerns; and,

WHEREAS, municipal utilities are a common and successful form of electric power provision across the nation, such as in cities like Austin, TX, Chattanooga, TN, and Omaha, NE, along with numerous communities within the State of Illinois; and,

WHEREAS, the City Council of Chicago has demonstrated its commitment to decisive environmental action, efficient governance, and equitable policies benefiting all Chicagoans; and,

WHEREAS, the City Council of Chicago, on behalf of all its constituents, has an obligation to investigate all possible alternatives to the existing arrangements to provide superior energy delivery while addressing broader equity and environmental concerns; therefore,

NOW BE IT ORDERED, the Department of Fleet & Facilities Management shall commission a municipalization feasibility study to explore alternative options to the existing franchise arrangement. This feasibility study shall include full municipalization of ComEd's utility facilities, as specified by Section 5 of the Franchise Agreement, and an analysis of the socioeconomic, financial, and environmental impacts of each possible alternative. The study shall be conducted by an expert third-party to be completed and delivered to City Council no later than December 1, 2019; and,

NOW BE IT ORDERED, the City of Chicago and its appropriate department(s) shall review ComEd's books, accounts, correspondence, documents and data, as enabled by the Franchise Agreement, to the extent that is necessary to gather any and all necessary information about ComEd, including but not limited to its operations, assets, and finances, that the City may require to inform and conduct the full exploration of options surrounding the succession of the existing Franchise Agreement.

Daniel La Spata

Daniel La Spata
Alderman, 1st Ward

Carlos Ramirez Rosa

Carlos Ramirez Rosa
Alderman, 35th Ward

Rossana Rodriguez Sanchez

Rossana Rodriguez Sanchez
Alderman, 33rd Ward

Matthew J. Martin

Matthew J. Martin
Alderman, 47th Ward

John W. ...

Water ...

30

Bank ...

Michael ...

James ...

James ...

4

Pat ... 3rd

26

26

31st

MON 22

25

A. ... 40th

M ... 49th

Susan ... 10

5

JB 2 (20)