



CITY OF CHICAGO  
OFFICE OF CLIMATE AND ENVIRONMENTAL EQUITY

May 12, 2023

Illinois Power Agency  
105 W. Madison St., Suite 1401  
Chicago, IL 60602

To Whom It May Concern:

The City of Chicago ("City"), through its Office of Climate and Environmental Equity ("OCEE"), appreciates this opportunity to offer comments on the Illinois Power Agency's ("IPA" or "Agency") draft Report on Municipal Load Aggregation and Renewable Resource Development ("Report"). We thank the Agency for its diligence and care in evaluating examples of municipal aggregation for clean energy in other jurisdictions as well as the factors that could facilitate its use for this purpose here in Chicago and Illinois.

As noted in the Report, Chicago is the largest jurisdiction in Illinois, and likely the country, to have run a municipal aggregation program for electricity supply, following referendum approval by Chicago voters. While we ended our municipal aggregation program in 2015, we continue to be open to use of municipal aggregation again in the future to the extent doing so offers benefits for our residents and helps Chicago to achieve our climate and energy equity goals.

The City's above-mentioned goals are memorialized in several key locations. First, the Chicago City Council enacted a resolution in 2019 committing to transition to 100% clean, renewable energy community-wide by 2035.<sup>1</sup> This resolution also committed the City to utilize 100% clean, renewable energy for City municipal operations by 2025 and for the CTA to fully electrify its bus fleet by 2040. In 2022, the City released an ambitious new Climate Action Plan, its first updated CAP in nearly a decade.<sup>2</sup> The CAP incorporates the commitments in the Resolution above and builds out additional strategies and goals centering community needs and achievable, equitable actions. Finally, the Chicago Plan Commission recently adopted the first citywide plan, We Will Chicago, in a half century and the Plan includes clean energy goals.<sup>3</sup>

As a result of these commitments and newly adopted plans, the City is interested in collaborating with the Agency, other State-level stakeholders, our community partners and others in further discussing the

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<sup>1</sup> <https://chicago.legistar.com/LegislationDetail.aspx?ID=3886265&GUID=081AC4BD-E6F4-4789-AD80-53BF25764855&Options=Advanced&Search=>

<sup>2</sup> <https://www.chicago.gov/city/en/sites/climate-action-plan/home.html>

<sup>3</sup> <https://wewillchicago.com/plan>

role municipal aggregation could play in meeting our ambitious climate goals. We look forward to additional dialogue once the Agency finalizes the Report in June. Given the short window offered for stakeholder review of the draft Report, we cannot provide detailed comments. However, in the meantime, we offer a few additional brief comments on the draft Report:

- Section 3(b)(1): While we agree that restructured markets present different challenges than vertically integrated markets when it comes to long-term PPAs for new, in-state renewable development, we also would urge the Agency in its final Report to explore in more detail ways to overcome such challenges. For example, while not an aggregator contract, in 2022 the City successfully utilized a sleeved PPA technique in order to achieve its 100% renewable municipal operations goal described above.<sup>4</sup> Starting in 2025, all City operations usage will be renewable and much of this will be sourced from a new Illinois facility, Double Black Diamond. The City executed a new retail supply agreement and that agreement sleeved the Double Black Diamond project via City off-take commitments. We believe it is worth exploring whether techniques like this could offer an opportunity for a municipal aggregator to consider aggregated community solar, utility-scale renewables or other clean and resilient local supply sources.
- Focus on Utility Cost Burden and Consumer Protections: We share the draft Report's concern regarding a focus on Chicago residents' utility bill costs as well as the need for strong consumer protections. The City has long sought to collaborate with the Agency, the Illinois Commerce Commission, CUB, the Attorney General's Office and community partners regarding necessary consumer protections in a restructured electricity market environment. As we explore whether municipal aggregation could again play a future role in City policy, we would intentionally build in a focus on consumer protection and energy cost burden in any solicitations and in program design. We agree that such considerations should be paramount at the beginning of any new efforts related to municipal aggregation.
- Section 3(a), Ohio, and 3(c), Conclusions: We agree that Cincinnati and Columbus, Ohio both offer valuable examples of relatively large jurisdictions utilizing municipal aggregation in creative ways to further their climate and energy goals for residents. We have in particular dialogued closely with our colleagues in Cincinnati, including during design of the City's 100% municipal supply solicitation described above. Their work has served as inspiration and certainly reinforces another first principle for us here at the City: our role is not just to advance clean energy deployment and purchasing but to do so in a way that advances local and state deployment of clean energy with the workforce development, resiliency and equity benefits that such a strategy brings. We would again bring that first principle to any new program design in Chicago relying on municipal aggregation.
- Explore what can be done now: While the City is open to discussion around any of the Recommendations in Section 3(d), we also believe the draft Report, and any subsequent discussion with the Agency or others, should recognize what municipal aggregators can already do right now to design aggregation programs incorporating community solar, other local distributed energy resources, and new utility-scale renewable development in the state. As the draft Report notes, there is likely no single legislative change that is a condition precedent for

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new programs. The Report can most benefit State leaders and other stakeholders if it also considers ways municipalities can advance their clean energy goals under the existing statutory framework.

Sincerely,

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