



June 19, 2018

Item No. 6

**AUTHORIZATION TO PARTICIPATE IN THE STATE OF ILLINOIS AGREEMENT WITH CONSTELLATION NEW ENERGY SERVICES – ELECTRICITY DIVISION, LLC FOR THE SUPPLY OF ELECTRICITY**

**Presenters:** Derek Messier, Chief Property Officer  
Ellen M. Sargent, Director, Sustainable Initiatives and Projects

**Recommendation**

It is recommended that the Chicago Housing Authority (CHA) Board of Commissioners (BOC) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to participate in the State of Illinois agreement with Constellation New Energy – Electricity Division for the supply of electricity.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA Board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

**FUNDING:** Property Office Operating Fund for Utilities

**BACKGROUND:**

The State of Illinois' electricity supply contract was competitively bid and includes the ability to lock in wholesale rates instead of retail, and enables the CHA to hedge against potential market price fluctuations through use of multi-tiered price/risk management options. The CHA has utilized this type of contract since Illinois deregulated the energy market, and has consistently locked in rates for electricity which are lower than the local market rate for operational savings.

This contract is for electricity supply only, the CHA will continue to maintain accounts and pay delivery charges to ComEd, which is the only option for electricity delivery in Chicago.

Participating in this contract will also provide the CHA access experienced energy market analysts and trading professionals to track electricity supply market trends and to forecast pricing fluctuation.

**Vendor:** Constellation New Energy Services, Inc.  
1310 Point Street  
Baltimore, MD 21231

**Contract Type:** Electricity Supply

**Contract Amount:** \$ 4,578,035

**Contract Term:** August 1, 2018 – December 31, 2019  
Future renewal terms approved by the State of Illinois up to a total of 3 years with an annual amount not to exceed \$ 3,231,554.

Respectfully Submitted:

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Derek Messier  
Chief Property Officer

**RESOLUTION NO. 2018-CHA-**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated June 9, 2018 – entitled “AUTHORIZATION TO PARTICIPATE IN THE STATE OF ILLINOIS AGREEMENT WITH CONSTELLATION NEW ENERGY SERVICES – ELECTRICITY DIVISION, LLC FOR THE SUPPLY OF ELECTRICITY”

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with Constellation New Energy, Inc. in an amount not to exceed \$ 4,578,035 over the term of the contract, August 1<sup>st</sup>, 2018 until December 31, 2019 and any future renewal terms approved by the State of Illinois up to a total of 3 years with an annual amount not to exceed \$ 3,231,554.

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Eugene E. Jones, Jr.  
Chief Executive Officer  
Chicago Housing Authority