AGENDA
President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Board Room
33 S. Arlington Heights Road, Arligton Heights, IL 60005
August 13, 2019
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

A. Discussion of Renewable Energy Municipal Aggregation

B. Discussion of Adult-Use Cannabis

V. OTHER BUSINESS

VI. ADJOURNMENT

Any member of the public wishing to speak will be given the opportunity to do so. If the item is on the Agenda, that opportunity will be while that Agenda item is being discussed. Any member of the public wishing to speak on an item not on the Agenda will be given the opportunity during the Other Business portion of the meeting. Please limit comments to three minutes.

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Committee-of-the-Whole
8/13/2019

Item: Discussion of Renewable Energy Municipal Aggregation

Department: Village Manager's Office

The Environmental Commission has recommended that the Village Board consider entering a Renewable Energy Municipal Aggregation Program where the Village residents would be getting a higher percentage of their energy from renewable sources and the Village would receive a civic contribution to fund "green" projects. Energy rates for customers would remain the same under this proposal.

ATTACHMENTS:

Description	**Type**
Memo to Mayor and VB	Memorandum

DATE: August 2, 2019

TO: Mayor and Village Board

FROM: Randy Recklaus, Village Manager

SUBJECT: Green Electric Aggregation

Background:

Following a referendum in 2012, the Village implemented a municipal aggregation program that allowed residents to benefit from savings derived from bulk purchased electricity at a lower cost than what ComEd could offer. The program allowed residents to save money for several years. In addition, Renewable Energy Certificates (RECs) were purchased for all participants, meaning that the residents' rate revenue was helping to reduce carbon emissions.

As the electric market evolved over the past few years, ComEd's rates are now more competitive and the financial benefits of Municipal Aggregation have diminished. The Village no longer participates in municipal aggregation. Staff continues to examine rates on a periodic basis to determine if another aggregation opportunity should be pursued.

Earlier this year, the Village's Aggregation Consultant, NIMEC, made Staff aware of a new program called Renewable Energy Municipal Aggregation. Under this program, rates would remain the same, but the residents would be purchasing RECs to purchase "green" or renewable power. In addition, there could direct financial community benefit that would result from the program. The Arlington Heights Environmental Commission discussed this issue at their May 5th and June 6th meetings and recommended that the Village pursue it for a 12 month term.

Program Description:

Every electric account establishes unique consumption patterns. Factors such as volume, time of day, single vs. multi-family, and usage during peak periods combine to create a complex power usage profile. However, the cost to produce electricity is highly variable. Generators are required, by law, to ensure it is perpetually available in full, and on demand.

Under Renewable Energy Municipal Aggregation, the supplier (in this case MC Squared) analyzes the variable costs to serve each account and prices each account's individual rate. Costlier accounts to serve remain on ComEd supply; lower cost accounts (about 50% of ratepayers) are served by the supplier. Regardless of which supplier would provide power to a resident, their bill would look the same and would still come from ComEd.

The supplier would purchase RECs to represent historical power consumption for the entire Arlington Heights aggregation community—that is, for all ratepayers enrolled with the supplier and all ratepayers that remain with ComEd. The profitable margin on the lower cost accounts enables the supplier to purchase RECs for all ratepayers in the MA program—including those served by ComEd. All residents and small businesses receive notice of the program, with the explanation their power consumption is offset by RECs derived from Wind generators located in the Midwest.

Regardless of whether supplied by ComEd or MC Squared, the entire Arlington Heights MA will be priced at exactly the ComEd rate (including ComEd's monthly variable Purchased Electricity Adjustment) and the Village can claim power consumed came from a renewable resource with low or zero emissions.

The program has zero added costs to the residents and to the Village. NIMEC continues to monitor the market for any potential future cost savings, should rates once again enable such for residents and small businesses.

As with regular Municipal Aggregation ratepayers may opt out and leave the program at any time and will never be charged a termination fee. Ratepayers who have privately contracted with another supplier are not included, but per regulation, they will receive a notice about the program and may choose to enroll.

Communities that have established such a program include Clarendon Hills, Crest Hill, Elmhurst, Gurnee, La Grange Park, Oak Lawn, Oak Park, Orland Park, Oswego, Palos Park, Round Lake Beach, South Barrington, South Elgin, Tinley Park, and Wood Dale.

Civic Contribution:

As noted above, this program can provide a "Civic Contribution" to the Village if structured in that manner. If the Village chooses to go with 100% Renewable Energy, then no civic contribution will be realized. If 75% Renewable Energy is chosen, the Village would receive an estimated contribution of $37,000 for each year of the program. If a 50% Renewal Energy is chosen, the civic contribution coming back to the Village would be $75,000.

Environmental Commission Recommendation:

At their May 5th and June 6th meetings, the Commission discussed this concept and recommended that the Village enter into a 12 month agreement at the 75% level and that the Civic Contribution revenue be earmarked towards green projects within the Village such as electric car charging stations. The minutes of those meetings are attached.

Staff Analysis:

Staff has researched the concept with NIMEC and has called a number of the communities that have enrolled in the program. Unlike the regular Municipal Aggregation process, our colleagues told us that this program did not result in an administrative burden for municipal staff. Staff believes that, if the Board desires to pursue the program, it can be easily managed and will be cost neutral to residents, while providing a community benefit.

Staff Recommendation:

Staff would like to discuss this program at the August 13th COW meeting. Representatives of NIMEC will be presenting the concept and will be available to answer questions. Staff believes that there is little downside to the program and the Civic Contribution could provide seed money for green initiatives for programs such as electric car chargers. Therefore Staff recommends discussion and pursuit of the program at the August 13th meeting.

CC: Scott Shirley, James McCalister, Diana Mikula, Charles Perkins, Jeff Bohner, Environmental Commission

Attachments

Committee-of-the-Whole
8/13/2019

Item: Discussion of Adult-Use Cannabis

Department: Legal

As you know, Governor Pritzker recently signed a law legalizing adult-use cannabis. It becomes effective January 1, 2020. The law permits the possession and use of cannabis for adults over 21 years old. The law also permits municipalities to regulate possession and public consumption of cannabis in a manner consistent with the State law.

General Facts about the Law

Municipalities can completely prohibit any adult-use cannabis businesses. This includes dispensaries and production facilities. Alternatively, municipalities can impose zoning regulations for businesses they choose to permit. If permitted, municipalities can require a business license for all adult-use cannabis facilities. Municipalities that permit adult-use cannabis businesses can also determine whether to permit or prohibit on-premises consumption.

Municipalities that choose to permit adult-use cannabis to be sold have the ability to impose a local excise tax up to 3%.

Participants in the medical cannabis program are authorized to grow up to five plants in their own homes, subject to specific restrictions. The law does not permit adult-use users to grow cannabis at their homes.

Options

At this time, Staff is looking for direction from the Village Board as to what it wants to do with regard to cannabis. At least three towns – Naperville, Lake Barrington, and Bloomingdale - have already publicly announced plans to ban adult-use cannabis. South Elgin and Elburn have publicly announced plans to permit one adult-use retail dispensary in their communities. Buffalo Grove is moving towards permitting the sale. Staff is not aware of any specific plans for any of the remaining neighboring communities.

<u>Option A</u>

One option is for the Village to completely prohibit adult-use cannabis. This would require the Village Board to adopt an ordinance prohibiting all adult-use cannabis businesses.

<u>Option B</u>
The Village has an existing medical cannabis dispensary. If there is interest in permitting limited sale of adult-use cannabis, an option is for the Village to permit only one cannabis business in the Village and limit it to being located with a medical cannabis dispensary. This would require the Village Board to adopt an ordinance setting forth the specific limitations on the business that would be permitted and set forth the prohibition on all other businesses. As part of this option, the Board can decide, among other things, whether to require a special use for the dispensary and whether to prohibit on-premises consumption at the adult-use cannabis dispensary.

<u>Option C</u>
The Village Board can opt to permit any number of cannabis businesses. This would require the Board to determine what sorts of restrictions – number of businesses, locations of such businesses, whether to require special uses, minimum distances between cannabis businesses, whether to permit on-premises consumption, etc. – the Board wants to put in place. The Planning Department received a letter from a law firm on behalf of a company that was looking to open a dispensary on Dundee Road. The lawyer was advised that the Village Board would be discussing this subject on August 13.

Direction
At this time, Staff is looking for direction from the Committee-of-the-Whole as to the next steps with regard to the business of adult-use cannabis in the Village.

ATTACHMENTS:

Description	**Type**
No Attachments Available	