

# **City of Chicago Franchise for Electricity Delivery**

## **Request for Information**



**Mayor Lori E. Lightfoot**

Issued by:

**City of Chicago Department of Assets, Information and Services  
Commissioner David Reynolds**

Issued on:

**April 30, 2021**

RFI Responses Due:

**No Later Than 4 p.m. CST on May 28, 2021**

All responses must be emailed to:

**[ElectricityFranchise@cityofchicago.org](mailto:ElectricityFranchise@cityofchicago.org)**

# City of Chicago Franchise for Electricity Delivery

## *Request for Information*

---

### **Table of Contents**

#### **Table of Contents**

- 1. Introduction ..... 4**
  - 1.1 City of Chicago Franchise for Electricity Delivery RFI Introduction and Objectives ..... 4
  - 1.2 RFI Benefits ..... 5
  - 1.3 RFI Submission Requirements ..... 5
  - 1.4 RFI Submissions, Questions, and Comments ..... 6
- 2. Chicago Electricity Distribution Context ..... 6**
  - 2.1 Chicago Electricity Delivery Characteristics ..... 6
  - 2.2 Chicago Franchise for Electricity Delivery Oversight ..... 7
  - 2.3 Chicago Renewable Energy, Climate, and Energy Affordability Goals ..... 7
- 3. Chicago Franchise for Electricity Delivery RFI Overview ..... 8**
  - 3.1 Goals and Parameters ..... 8
  - 3.2 Scope of Information Request ..... 8
  - 3.3 Scope of RFI Submissions ..... 8
  - 3.4 Assumptions ..... 9
  - 3.5 Anticipated Process ..... 9
- 4. RFI Submission Conditions ..... 9**
  - 4.1 Inquiry Only – No Franchise or other License ..... 9
  - 4.2 Changes to This RFI ..... 9
  - 4.3 Information Preparation Costs ..... 10
  - 4.4 Submittal of Confidential Information ..... 10
  - 4.5 Ownership of Submitted Materials ..... 10
  - 4.6 Rights of the City ..... 10
  - 4.7 No Personal Liability ..... 11
- APPENDIX A - RFI SUBMISSION GUIDELINES ..... 12**

1.	Electricity Delivery Potential Franchisee Overview – Executive Summary.....	12
2.	Company or Organization Information and Past Experience .....	12
3.	Narrative .....	12
4.	Public Benefits .....	13
5.	Lessons Learned / Next Steps .....	13
	<b>APPENDIX B – CITY OF CHICAGO MUNICIPALIZATION FEASIBILITY REPORT.....</b>	<b>14</b>
	<b>APPENDIX C – CITY OF CHICAGO 1992 ELECTRICITY FRANCHISE WITH COMMONWEALTH EDISON COMPANY.....</b>	<b>15</b>
	<b>APPENDIX D – MAYOR LORI E. LIGHTFOOT’S LETTER OUTLINING ELECTRICITY FRANCHISE POLICY PRIORITIES.....</b>	<b>16</b>

# 1. Introduction

## 1.1 City of Chicago Franchise for Electricity Delivery RFI Introduction and Objectives

The City of Chicago (“City”), through its Department of Assets, Information and Services (“AIS”), invites interested parties to respond to this Request for Information (“RFI”) regarding the City’s Franchise for Electricity Delivery. Under Mayor Lightfoot’s leadership, the City seeks to shape an equitable, affordable and resilient clean energy metropolis for the 21<sup>st</sup> century. One way the City intends to do so is through its electricity delivery franchise authority. Pursuant to Illinois statute and the Municipal Code of Chicago, the City requires a franchise to deliver electricity within the City.

The franchise term of the current franchisee, Commonwealth Edison Company (“ComEd”), ended on December 31, 2020<sup>1</sup> and the City is currently evaluating whether to enter into a new franchise with the incumbent or to explore awarding a franchise to new franchisee(s), all of which is subject to approval of the City Council. The City anticipates moving to the next step of its franchising process later in 2021, which could include proceeding to a request for formal proposals from potential franchisees or presentation to the City Council of a new franchise with the incumbent, ComEd. This timing is subject to change and is in the sole discretion of the City.

This RFI is intended to:

- a) Solicit information, ideas, and expressions of interest to inform the City’s planning and determinations regarding future electricity delivery franchises for the nation’s third largest city and largest urban center between America’s coasts;
- b) Explore new and innovative ways to reliably, equitably, affordably and sustainably strengthen, maintain and operate the electricity grid within the City of Chicago;
- c) Allow the City to gauge interest from both the incumbent franchisee and others regarding new or renewed electric franchise(s); and
- d) Ensure the City receives informed input from a diverse set of interested entities and organizations responding to the RFI.

This franchise has been only been re-evaluated twice in the modern history of Chicago, 1948, 1992, and now today. As the City plans for electrified transportation and building sectors and a decarbonized economy, Chicago’s electric grid is of critical importance. Given this historic moment, the City is committed to full and wide-ranging due diligence prior to any final action. The City is seeking the input of experienced and knowledgeable electric distribution companies, as well as other companies and organizations with relevant information, to help envision, formulate, and assess opportunities to achieve City goals. This RFI is strictly an inquiry. No

---

<sup>1</sup> Per provisions of the City’s existing Franchise Agreement (“Current Franchise”) with ComEd, ComEd continues to operate under a franchise within the City. The existing Franchise Agreement provides that it shall remain in place even upon expiration of the term until one party terminates the agreement, with one year’s notice.

franchise or agreement will be entered into as a result of this RFI. However, the information contained in the RFI responses will help the City advance its franchise process, which may result in a formal RFP or new franchise with the incumbent franchisee.

## 1.2 RFI Benefits

The results of this RFI will be used by the City to inform the City's next franchise(s) for electricity delivery, while furthering the City's environmental, social and economic objectives. The benefits of issuing this RFI and any resulting modernized electric delivery franchise(s) include:

- provide the City and its 77 community areas with a safe, equitable, affordable, and reliable supply of electricity;
- empower City residents and businesses through greater engagement with the electric grid backbone that powers the City's economy;
- advance the City's sustainability goals, including its goal of 100 percent clean, renewable electricity usage inside City limits by 2035;
- explore and pilot greater flexibility in distribution grid services, including microgrids, energy storage and distributed energy resources;
- allow the City to evaluate strengths and weaknesses of its existing franchise.

## 1.3 RFI Submission Requirements

The City welcomes submissions to this RFI from organizations, including businesses and non-governmental organizations, meeting any or all of the following eligibility criteria ("Qualifying Organizations"):

- a) have experience and/or knowledge operating an electric distribution utility, preferably in the United States;
- b) have experience and/or knowledge financing, supporting or enabling the operation of an electric distribution utility;
- c) have other experience and/or knowledge that meets the RFI Objectives and Benefits in Section 1.1 and 1.2 above and would inform the City's electric franchise process, especially by informing the City of innovations and information concerning a clean, distributed electricity grid that serves increasingly electrified transportation and building sectors.

Organizations that do not respond to this RFI may be precluded from participating in future stages of City franchise issuance. The City prefers responses only from entities meeting the Qualifying Organization criteria above. Individuals seeking to provide input to the City may instead submit comments to [FranchiseFeedback@cityofchicago.org](mailto:FranchiseFeedback@cityofchicago.org). The incumbent franchisee, ComEd, is encouraged to respond to this RFI.

RFI Response submissions are required to:

- a) Provide the requested information in the order and format outlined in the Response Guidelines attached hereto as Appendix A
- b) Not exceed 100 pages

Qualifying Organizations responding to this RFI will automatically be notified of any future franchise RFP and/or may also be invited to submit additional information.

RFI Submissions from Qualifying Organizations will be posted publicly on an AIS website. Please see Section 4.4, Submission of Confidential Information, below.

## 1.4 RFI Submissions, Questions, and Comments

RFI Respondents are requested to submit one (1) PDF copy of the requested information via e-mail to: [ElectricityFranchise@cityofchicago.org](mailto:ElectricityFranchise@cityofchicago.org).

The name of your organization and the words “City of Chicago Franchise for Electricity Delivery RFI” should be on the submission cover page and the e-mail subject line. **Submissions shall be delivered no later than 4:00 p.m. CST on Friday, May 28, 2021.** Late submissions may not be reviewed.

All questions concerning this RFI should be directed to: [ElectricityFranchise@cityofchicago.org](mailto:ElectricityFranchise@cityofchicago.org). **Questions shall be submitted no later than 4:00 p.m. CST Friday, May 7, 2021.**

If your organization wishes to be notified of any RFI addendums, please send a primary point of contact’s name, email address, and phone number to [ElectricityFranchise@cityofchicago.org](mailto:ElectricityFranchise@cityofchicago.org) with the words “City of Chicago Franchise for Electricity Delivery RFI” in the email subject line.

The RFI may be updated with all submitted questions and answers. Please review any posted Q&A before asking additional questions. The RFI Q&A will be posted with the RFI on the [AIS web site](#).

## 2. Chicago Electricity Distribution Context

### 2.1 Chicago Electricity Delivery Characteristics

The City of Chicago has a population of approximately 2.7 million residents. There are approximately 1.3 million electricity customers in Chicago. Prior to its 1992 franchise with the City, ComEd previously operated under a franchise issued in 1948.

After a series of laws were enacted in the late 1990s and early 2000s, Illinois now has a deregulated electricity supply market for both residential and commercial customers with default supply provided by electric distribution utilities to those customers not choosing an alternative supplier. Illinois law also allows municipal aggregation of supply, often known as community choice aggregation in other jurisdictions. While the City previously functioned as a municipal aggregator, in 2014 it ended this aggregation arrangement. The City is open to submissions in response to this RFI regarding the potential for renewed municipal aggregation of supply in conjunction with development of a new or renewed franchise(s).

The City possesses a municipal acquisition right as a provision of its franchise with ComEd through which the City may elect to acquire the existing electricity delivery system in the City of Chicago. In 2019 and 2020, AIS engaged NewGen Strategies and Solutions to study the feasibility of municipalizing the delivery system. NewGen delivered its final report to the City in Summer 2020 and testified regarding the report to City Council at that time. The NewGen report is attached hereto as Appendix B and may provide potential RFI respondents with useful information in formulating their submissions.

## 2.2 Chicago Franchise for Electricity Delivery Oversight

The Municipal Code of Chicago designates AIS and its Commissioner as the City department charged with oversight of the City's electricity franchise(s). AIS works closely with the City's Chief Sustainability Officer ("CSO") in implementing Mayor Lightfoot's energy and sustainability goals. Public utilities operating electric distribution systems in Chicago are governed by the state Public Utilities Act and regulated by the Illinois Commerce Commission. Franchisees receive a license to use public ways for electricity delivery infrastructure and equipment and as such work closely with the Chicago Department of Transportation ("CDOT") in its role as manager of the public way for the City.

The City Council's Committee on Environmental Protection and Energy provides legislative oversight of the franchise.

Please note that the City of Chicago only possesses electricity franchise rights within City limits. The City of Chicago is a municipality located in Cook County, Illinois (and a small portion of DuPage County, Illinois) but the City's franchise rights do not cover electricity service in any geographic area beyond City limits.

In reviewing submissions in response to this RFI, AIS will work closely with the CSO, the City Department of Law, the Chicago Department of Aviation, CDOT and other City departments.

## 2.3 Chicago Renewable Energy, Climate, and Energy Affordability Goals

As the third largest city in the U.S., Chicago has an opportunity to demonstrate innovative strategies for responding to the urgent economic and climate challenges of the country.

Building upon the City's [2008 Climate Action Plan](#) and [2015 Climate Agenda](#), the City of Chicago updated its [Greenhouse Gas Inventory in 2017](#) to anchor new policy in the most current data. In February 2020, Chicago City Council formally declared a state of climate emergency that threatens the health and safety of residents and environment.

Given the significant impact of intense energy consumption across the built environment and transportation sectors, the City will need utility partners to support efforts to reach bold climate and energy goals. The City of Chicago has committed to the following:

- Power city-owned buildings by renewable energy by 2025
- Supply renewable energy for all buildings by 2035
- Convert to an all-electric public bus fleet by 2040

- Developing a citywide building decarbonization strategy

In a September 2020 letter to the current franchisee (see Appendix D), Mayor Lightfoot laid out the City's vision for any new franchise as it relates to governance and transparency, energy and electrification and equity and neighborhood development. Past franchise agreements have focused on the need to provide safe, reliable, and affordable electricity to residents. The City expects this commitment to continue but to be implemented in ways that directly benefit residents in ways such as cost savings, community investment and active participation in the growth of the local clean energy economy.

## 3. Chicago Franchise for Electricity Delivery RFI Overview

### 3.1 Goals and Parameters

The goal of this RFI is simply stated: for the first time in almost 30 years, the City must decide how its electricity franchise fits into the City's energy future. The City seeks to inform itself prior to choosing how to proceed regarding this important decision. It also seeks to hear from a varied and diverse set of entities to ensure Chicago is well-positioned to have reliable, equitable, affordable and sustainable electricity into the future.

### 3.2 Scope of Information Request

The City seeks to assess interest from potential franchisees who would operate and maintain an electricity delivery system in all or part of Chicago. In this respect, the City is also interested in information from potential franchisees regarding their potential operation and maintenance of an electricity delivery system at both airports operated by the Chicago Department of Aviation, including O'Hare International, one of the world's busiest airports.

The City is also interested in learning about innovative energy engineering, financial, governance and community partnership models and policies that can inform City decision-making even if the respondent providing such information does not seek or is not capable of holding a City electricity delivery franchise. The City is particularly interested in respondents with relevant experience or information concerning the Chicago electricity market, the Illinois electricity market, and/or the PJM Interconnection wholesale market. Finally, the City is interested in receiving information concerning the relationship between the City's electricity delivery franchise and opportunities to achieve the City's 2035 clean energy goal, such as municipal aggregation of supply.

### 3.3 Scope of RFI Submissions

The City is interested in RFI responses that expand its knowledge about the scope of segments described above and that are responsive to the Objectives and Goals in Section 1.

A primary outcome of this RFI process will be the City, its residents and businesses receiving current, well-informed, well thought-out, and clearly communicated information allowing for thoughtful decisions regarding the City's franchise.



Qualified RFI responses will be thoroughly reviewed and analyzed. Each qualified RFI submission will be considered as a stand-alone item as well as in potential combination with ideas submitted by others.

RFI Submissions should include enough company information to verify that they possess the appropriate experience, resources, and skill sets to be considered a “Qualified Organization” for providing credible information.

### 3.4 Assumptions

The City expects a new franchise, whether with the incumbent and/or new franchisees, that will have a significantly shorter initial term than the current electricity franchise.

The City expects that any new franchise must be accompanied by an agreement between the City and the franchisee that allows and facilitates collaboration around City policy goals, such as climate mitigation and adaptation, energy burden reduction, and economic development in historically disinvested neighborhoods, especially on Chicago’s South and West Sides.

### 3.5 Anticipated Process

At the conclusion of this RFI, the City may choose to pre-qualify potential franchisees through a Request for Qualifications (“RFQ”). The objective of an RFQ would be to pre-qualify franchisees that can demonstrate the financial ability, legal authorities, qualifications and experience necessary to be a franchisee.

The RFQ could be followed by a Request for Proposals (“RFP”). Only those entities pre-qualified by the City through the RFQ process would receive an invitation to submit proposals to a subsequent RFP. However, depending upon the outcome of this RFI process, the City may consider a “one step” process, moving immediately to issuance of an RFP.

Finally, as noted earlier, the City may choose to propose a renewed franchise with ComEd, the incumbent franchisee, at any time during or subsequent to this RFI.

## 4. RFI Submission Conditions

### 4.1 Inquiry Only – No Franchise or other License

This RFI is an inquiry only, and no franchise will be entered into as a result of this RFI.

The City does not guarantee that the RFI will lead to any further action related to an electricity delivery franchise or that subsequent actions, if any, will follow the approach described herein.

### 4.2 Changes to This RFI

At any time, at its sole discretion, the City may, by written addenda to this RFI, modify, amend, cancel and/or reissue this RFI. If your organization wishes to be notified of any RFI changes or future addendum please send primary point of contact’s: name, email address, and phone

number to: ElectricityFranchise@cityofchicago.org with the words “Franchise for Electricity Delivery RFI” in the email subject line.

If an addendum is issued prior to the date information is due, it will be made available on the [AIS website](#).

### 4.3 Information Preparation Costs

The City shall not be liable or responsible for any costs incurred by a Respondent in the preparation, submission, presentation, or revision of its information, or in any other aspect of the Respondent’s pre-information submission activity. No Respondent is entitled to any compensation except under an agreement for performance of services signed by a City-authorized official and the Respondent.

### 4.4 Submittal of Confidential Information

Information submitted to the City in response to this RFI or otherwise, may be subject to the Illinois Freedom of Information Act (“FOIA”), 5 ILCS 140/1 et seq. In addition, the City plans to post submissions publicly on the [AIS website](#).

### 4.5 Ownership of Submitted Materials

All materials submitted in response to or in connection with this RFI shall become the property of the City.

### 4.6 Rights of the City

The City reserves all rights at law and equity with respect to this RFI including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this RFI, to reject any and all information, to waive defects or irregularities in information received, to seek clarification of information, to request additional information, to request any or all Respondents to make a presentation, to undertake discussions and modifications with one or more Respondents, who, at any time, subsequent to the deadline for submissions to this RFI, may express an interest in the subject matter hereof.

No Respondent shall have any rights against the City arising from the contents of this RFI, the receipt of information, or the incorporation in or rejection of information contained in any response or in any other document. The City makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of any subsequent franchise issued from a separate RFQ or RFP. The furnishing of such information by the City shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever; and each Respondent, by submitting its information, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the City liable or responsible therefore in any manner whatsoever.

#### 4.7 No Personal Liability

No City agent or employee shall be charged personally with any liability by a Respondent or another or held liable to a Respondent or another under any term or provision of this RFI or any statements made herein or because of the submission or attempted submission of information or other response hereto or otherwise.

## APPENDIX A - RFI SUBMISSION GUIDELINES

All City of Chicago Electricity Delivery Respondents are asked to submit their firm's pertinent information in the format outlined below. It is worth reiterating that this RFI is not part of a formal procurement; therefore, responses will be carefully reviewed but not evaluated or scored. The intent is to receive informed recommendations on possible approaches for providing adequate, safe, reliable, affordable, and sustainable electricity to the residents and businesses of the City of Chicago.

Respondents are encouraged to answer every applicable section as completely as possible. All responses should, at a minimum, provide enough information to document that Respondent has appropriate capacity and past experience to qualify their answers as credible and enough narrative description and data to be able to assess the feasibility of their proposed scenario. The City reserves the right to ask Respondent for additional information or clarification to assess Respondent's capacity and experience.

Total response page count should not exceed 100 pages.

### 1. Electricity Delivery Potential Franchisee Overview – Executive Summary

Please provide a brief narrative summary overview of your understanding of the City's electricity franchise needs, sustainability and other policy commitments, and the highlights of your information submission.

### 2. Company or Organization Information and Past Experience

Please provide the following descriptive information for the responding company or organization (or if respondents are a team, the overall team and each member):

- Name of company or companies or organization
- Key principals for company or companies and contact information
- Previous experience in electricity distribution utilities and/or other aspects of the energy sector
- Summary description from recent experiences or projects
- Approach to corporate compliance and ethics, including accountability to stakeholders such as ratepayers, regulators, and the general public
- Approach to development of a diverse workforce and diverse supply chain

### 3. Narrative

Please provide a narrative description of your information submission or recommendations with sufficient detail on how the RFI Objectives and Goals will be addressed.

#### 4. Public Benefits

Please detail non-financial public benefits to the City of Chicago and its residents, visitors, and/or businesses for a potential franchise with the Respondent or consideration of the information and/or recommendations submitted by the Respondent.

#### 5. Lessons Learned / Next Steps

Please provide any known examples of other cities or towns where Respondent has experience to achieve goals similar to those that the City expresses in this RFI.

## APPENDIX B – CITY OF CHICAGO MUNICIPALIZATION FEASIBILITY REPORT

In August of 2020, the City released a municipalization feasibility study. The study can be viewed [here](#).

## APPENDIX C – CITY OF CHICAGO 1992 ELECTRICITY FRANCHISE WITH COMMONWEALTH EDISON COMPANY

The 1992 Electricity Franchise with ComEd can be viewed [here](#).

## APPENDIX D – MAYOR LORI E. LIGHTFOOT’S LETTER OUTLINING ELECTRICITY FRANCHISE POLICY PRIORITIES

In September 2020, Mayor Lightfoot released a letter publicly outlining electricity franchise policy priorities. The letter can be viewed [here](#).