

WHEREAS, The Chicago Transit Authority ("Authority") collectively utilizes approximately five hundred sixty-seven million kilowatt-hours of electricity per year in the operation of its trains ("Traction Power") and its various facilities ("Non-Traction Power"); and

WHEREAS, The Authority's annual expenditure for electricity is approximately \$54,000,000; and

WHEREAS, As a result of deregulation, Commonwealth Edison customers have the option to purchase electricity from other electricity suppliers that have been certified by the Illinois Commerce Commission as Retail Electric Suppliers ("RES"); and

WHEREAS, The Authority may continue to obtain cost savings and increased budgeting accuracy by entering into an agreement for its electricity requirements; and

WHEREAS, Volatility in the electricity market creates an imperative for the Authority to act in a matter of minutes to enter into an electricity agreement that will service its best interests; and

WHEREAS, The Authority has issued a Request for Proposals ("RFP") to identify a responsible RES that can fulfill the Authority's electricity needs; and

WHEREAS, Sealed proposals in response to the Authority's RFP will be submitted in October 2009 after the October Transit Board meeting; and

WHEREAS, Pursuant to the RFP, the Authority will select one RES to supply its electricity needs for up to a thirty-six month term; and

WHEREAS, The contract will permit the Authority to execute purchase agreements with the selected RES as needed for varying periods of time and for varying pricing structures; and

WHEREAS, Under industry practice, proposals submitted for electricity purchase contracts are valid for very short time periods due to price fluctuations and changes in market conditions; and

WHEREAS, In order for the Authority to enter into an up to three year contract that includes the terms of the initial electricity purchase under such volatile market conditions, it is necessary and desirable to obtain Chicago Transit Board  
ORDINANCE NO. 009-117

(Continued) -2

approval, in advance, to authorize execution of the electricity contract with the selected vendor; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD  
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. Based on the statements set forth in the preamble of this ordinance, the Treasurer, or her designee, with the approval of the Chairman of the Board, shall evaluate opportunities from those responses submitted pursuant to the RFP to enter into an up to three year contract for the purchase of electricity with a suitable supplier that best meets the Authority's electricity service and financial needs based on price and other factors stated in the RFP.

SECTION 2. The Board hereby provides the Treasurer, or her designee, with the approval of the Chairman of the Board, with the authority to execute an up to three year fixed price contract with the selected supplier, or to execute an up to three year contract with the selected supplier, and to further enter into fixed-price, index-price, and/or block-index pricing agreements for the purchase of such electricity for various terms based on the best interests of the Authority.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

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Chairman

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Assistant Secretary

October 21, 2009

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