

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1: Article XII of Chapter 11-4 of the Municipal Code of Chicago is hereby repealed in its entirety and replaced with a new Article XII, as follows:

ARTICLE XII. ELECTRIC UTILITY FRANCHISE CONTROL AND ENFORCEMENT (11-4-1680 et seq.)

11-4-1680 Definitions.

(a) “Annual basis” means July 1, 2023 and every year thereafter until the termination or expiration of the agreement.

(b) “Board” means the Board of Directors for the Clean Energy and Equity Collaborative NFP.

(c) “Chief Sustainability Officer” means the head or acting head of the Chicago Office of Climate and Environmental Equity, or its successor office or department, or such Chief Sustainability Officer’s designee.

(d) “City” means the City of Chicago, a municipality of the State of Illinois and a home rule unit of government pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and where consistent with the context, its offices, departments, agencies, divisions, boards, bureaus, officers and employees.

(e) “Climate Action Plan” means a document of the same name published most recently in 2022 by the Chicago Office of the Mayor, and which may be updated from time to time and republished by the Chicago Office of Climate and Environmental Equity.

(f) “Committee” means the City Council Committee on Environmental Protection and Energy or that committee designated by the City Council as having jurisdiction over the Franchise Agreement and the EEA.

(g) “Commissioner” means the Commissioner of Assets, Information, and Services or its successor agency, or such Commissioner’s designee.

(h) “Energy and Equity Agreement” or “EEA” means the agreement of the same title between the City and the Licensee entered into pursuant to SECTION 3 of this ordinance.

(i) “Franchise Agreement” means the electric utility license agreement between the City and the Licensee entered into pursuant to SECTION 2 of this ordinance.

(j) “Licensee” means Commonwealth Edison Company, its successors, assignees and all other persons controlled by Commonwealth Edison Company.

Capitalized terms otherwise not defined have the same meaning as those same terms in the Franchise Agreement.

11-4-1690 Modification or termination of agreement.

(a) *Modification.* Any modification to the Franchise Agreement shall: (i) be in writing; (ii) establish the factual background relating to such modification; (iii) set forth the terms and conditions of such modification; and (iv) be duly executed by both the City, acting through the Commissioner, and the Licensee. Any modification to the EEA shall be in writing and agreed to by an authorized representative of each party; for the City this authorized representative must be the Mayor or the Chief Sustainability Officer or their respective duly authorized designee. Any modification to the Franchise Agreement or EEA shall take effect only upon execution and delivery thereof by both the City and Licensee. Upon such execution and delivery, the modifications shall become a part of the Franchise Agreement or the EEA, as applicable, and all other provisions of the Franchise Agreement or the EEA shall otherwise remain in full force and effect. In the case of material modifications, as defined in Section 12.3 of the Franchise Agreement, the modifications shall take effect upon the adoption of an ordinance by the City Council of the City of Chicago.

(b) *Periodic Reporting.* By July 1, 2036, based on consultation with the ComEd-City Coordination Council provided in accordance with Paragraph 3.4.2 of the Franchise Agreement, the Commissioner and the Chief Sustainability Officer shall provide a report to the Committee on the advisability of modifying or terminating the Franchise Agreement. The report shall contain two sections. The first section shall recite relevant facts, including without limitation changes in laws, public regulations, economic conditions, or in the art or methods of providing electric energy and shall conclude with a recommendation to the Committee on the advisability of transmitting a written demand for an arbitration board to consider the need for modification of the Franchise Agreement as to any issue other than term, municipal compensation, or municipal acquisition, as per Section 8.9.4 of the Franchise Agreement. The second section of the report shall recite current conditions in the financial markets, electric service rate levels and structures in comparable cities, the equitable advancement of a clean energy transition through the EEA, and other factors that assist the Commissioner in estimating the effect on ratepayers and on the City of terminating the Franchise Agreement pursuant to its terms, and shall conclude with a recommendation as to the advisability of terminating the Franchise Agreement, including a recommendation of the advisability of municipalization pursuant to Section 5 of the Franchise Agreement. The Committee shall vote on a motion to accept this report.

(c) *Termination.* The Franchise Agreement may be terminated by the City during the term of the Franchise Agreement, upon giving of a one-year written notice to the Licensee, if a Material Licensee Breach as defined in Section 3.3.1 of the Franchise Agreement has occurred. If no Material Licensee Breach occurs, the Franchise Agreement shall remain in force until at least December 31, 2037 unless there occurs an earlier municipal acquisition pursuant to Section 5 of the Franchise Agreement. If the parties by mutual agreement by December 31, 2036 exercise an option to extend the Franchise Agreement through the Extension Term, as defined in Section 1.18 of the Franchise Agreement, the Franchise Agreement shall continue in full effect until December 31, 2042 unless there occurs an earlier municipal acquisition pursuant to Section 5 of the Franchise Agreement. Beginning December 31, 2037, or, if the option to extend the Franchise Agreement is exercised, beginning December 31, 2042, either the City or the Licensee must give at least one year of written notice as described in Section 3.4 of the Franchise Agreement that it intends to terminate the Franchise Agreement. The EEA shall terminate at the earlier of December 31, 2042 or concurrently with any prior termination of the Franchise Agreement.

11-4-1700 Clean Energy and Equity Collaborative Not-for-Profit.

The Mayor, with advice and consent of the City Council, shall appoint five representatives to the Board of the Clean Energy and Equity Collaborative NFP ("Entity") as detailed in Section 3 of the EEA, including at least one member of the Energy and Equity Advisory Panel. The function of the Entity shall be to consider, discuss and determine the projects that will receive funding to achieve the goals within the Climate Action Plan, and subsequent or supplementary climate initiatives, pertaining to the development of a more equitable energy system by way of increased access to programs and technologies that improve energy efficiency, electrification, and access to clean energy. In accordance with the EEA, the Board will consider projects to fund from contributions by Licensee or from other sources. Also in accordance with the terms of the EEA, the Entity will to share information with the City and the public through a publicly available website or similar public communications system about the funded projects, including, but not limited to, selection criteria, granted organizations, outcomes of grantees, distributed and remaining funds, any external funds secured for distribution, and impacts of grant-funded projects on the Climate Action Plan.

11-4-1710 ComEd-City Coordination Council.

On an annual basis, the Chief Sustainability Officer shall name, consistent with the EEA, three City employees to act on the ComEd-City Coordination Council. Once named, the Chief Sustainability Officer shall report the names of the staff representatives to the Committee. The ComEd-City Coordination Council shall, among other duties listed in Section 4 of the EEA, coordinate on providing regular updates to the Committee on progress in achieving the energy and decarbonization goals of the City and the State, including goals listed in the Climate Action Plan, and other climate initiatives.

11-4-1720 Energy and Equity Advisory Panel.

The Chief Sustainability Officer shall, pursuant to a process which is mutually agreed to with the Licensee, establish an Energy and Equity Advisory Panel in accordance with Section 5 of the EEA, including naming six to twelve representatives from community organizations, not-for-profit organizations, local businesses, faith-based organizations, schools, and other stakeholders, plus one representative from the Committee and designated staff representatives from the Parties. Once named, the Chief Sustainability Officer shall report the names of the representatives to the Committee. The Energy and Equity Advisory Panel will meet at least quarterly to make recommendations to the Clean Energy and Equity Collaborative Not-for-Profit and the ComEd-City Coordination Council, as well as to the Committee to call hearings to discuss any relevant topics related to the Energy and Equity Agreement.

11-4-1730 Annual reporting to City Council.

(a) On an annual basis, the Licensee shall provide the Commissioner with an annual report, which shall contain the following information (capitalized terms used in this list have the meanings set forth in the Franchise Agreement):

- (1) an updated year-end Plant Report for the previous year;
- (2) an overview of the Licensee's construction activities in Public Ways or Property during the previous year;
- (3) an overview of the Licensee's plans for major construction projects in Public Ways or Property during the succeeding twelve months;

(4) an overview of substation inspections described in Section 8.4 of the Franchise Agreement;

(5) an overview on the Licensee's activities and initiatives regarding equal opportunity participation goals, including with respect to MBEs, WBEs, and City residents from EIEC or SEDA communities, as described in Section 7.1.3.1 of the Franchise Agreement;

(6) annual data on zip code-level arrearages, shutoffs and customer assistance distribution, as well as its specific investments and activities designed to increase utilization and awareness of assistance programs in zip codes with high arrearages and shutoffs; and

(7) any available annual reporting information as prescribed by the EEA.

(b) The Commissioner shall share this report with the Committee not more than 15 days after such information is received.

(c) The Chief Sustainability Officer, in consultation with the ComEd-City Coordination Council, shall report to the Committee, on an annual basis, an update on the goals, commitments, objectives and areas of mutual interest set forth in the EEA.

11-4-1740 Other reporting.

(a) Any report, document, record or other relevant information provided to the City pursuant to the Franchise Agreement or the EEA, including but not limited to, the annual report required pursuant to Section 8.1.1 of the Franchise Agreement, substation inspections required pursuant to Section 8.4 of the Franchise Agreement, all filings provided pursuant to Section 8.5 of the Franchise Agreement, and other enforcement information required under Section 8.7 of the Franchise Agreement, shall be provided by the Commissioner to the Committee not more than 15 days after such information is received.

(b) The Commissioner shall file a report with the Committee summarizing the biannual meeting conducted pursuant to Section 8.1.3 of the Franchise Agreement. The report shall be filed within 15 days after such meeting.

(c) The Commissioner shall file status reports with the Committee on active dockets before the Illinois Commerce Commission as well as reports on the status of pending state and federal legislation affecting the relationship between the City and the Licensee, specifically regarding rates, rate structures, conservation, energy efficiency, open access, ratepayer rights, municipal acquisition, and any further subject discussed in the EEA or any other issue that the Commissioner believes relevant to an ongoing understanding of the relationship between the City and the Licensee. These reports shall be filed with the Committee quarterly, beginning July 1, 2023.

SECTION 2. The Mayor is authorized to negotiate and enter into a Franchise Agreement with the Licensee, as these terms are defined in Section 11-4-1680 of the Municipal Code, substantially in the form attached hereto as Exhibit A (the "Franchise Agreement").

SECTION 3. The Mayor is authorized to negotiate and enter into an Energy and Equity Agreement with the Licensee, as these terms are defined in Section 11-4-1680 of the Municipal Code, substantially in the form attached hereto as Exhibit B (the "Energy and Equity Agreement").

SECTION 4. This ordinance shall be in full force and effect upon its passage and approval.