



#DemocratizeComEd

A New Franchise Agreement with Commonwealth Edison Requirements for a Just and Fair Franchise

Should the City of Chicago decide to pursue a new franchise agreement with Commonwealth Edison (ComEd), it must meet the highest standards possible for such an agreement while building a pathway towards municipalization. The franchise agreement is the City of Chicago's only mechanism for the regulation of its electric utility and it must be leveraged to its fullest extent to deliver what the people of Chicago deserve for their energy future. To achieve our clean energy future and layout the path to a green tomorrow, the franchise agreement should include the following:

Governance & Transparency

1. The agreement should be **negotiated publicly with regular updates** being provided to City Council and the general public at least monthly with any draft agreement or terms being promulgated to the public within two (2) weeks of being provided to City Council and a minimum of one (1) week notice for any relevant meeting or hearing.
2. The draft franchise agreement should receive at least three (3) public hearings before the City Council, including a technical or subject matter expert hearing.
3. **The length of the franchise agreement should last no longer than five (5) years** and should be aimed to be as short as reasonably possible, ideally one (1) year.
4. **Section 5 of the current Franchise Agreement, Municipal Acquisition, should be maintained** to ensure the City's ability to municipalize in the future.
5. The same section, Section 5, should be amended to **restrict the price of acquiring ComEd's assets** to solely the cost of replacement minus the depreciation reserve of those assets. In addition, the section should also specify that separation costs shall be limited to the minimum level necessary to achieve separation and, furthermore, ComEd will agree to sell any asset outside the city limits under the terms of laid out in the agreement if the inclusion of the asset in the acquisition would lower the overall separation costs to the City.
6. ComEd will comply with any and all requests for documentation or access to its books of account related to the provision of utility services within the city limits from city officials, including the Advisory Board, upon reasonable notice and not more than twenty-one (21) calendar days.
7. All data provided to the City as a requirement of the franchise agreement must be made publicly available and accessible in a human- and machine- readable and viewable digital and hard copy format. Any data request must be fulfilled within a reasonable timeframe.
8. The agreement must include an **amendment process** through which the City can amend the franchise agreement at any time. Any amendment can only be approved by a majority vote of City Council.

9. The agreement must also include remedies in case of legal malfeasance or nonfeasance, including criminal or civil wrongdoing on the part of ComEd, or failure to meet its commitments otherwise outlined in the agreement. These measures must be sufficient to respond to any breach of agreement or conduct, including financial or non-financial remedies up to and including the cancellation of the franchise and municipalization of utility facilities.
10. In order to ensure ethical compliance, ComEd must provide a quarterly report on all of their external expenditures related to political activity, philanthropic donations, consultants, and contractors to the City along with any reports or documentation required of them under their Deferred Prosecution Agreement (DPA). The quarterly report on external expenditures must be released publicly.
11. **The Adjustment Board must be struck from the agreement.** This body is detailed in Section 8.8 of the current franchise. Sole authority for the determination of adherence to the franchise agreement and determination of remedies for violation must lie with the City of Chicago.
12. For all investments in the city of more than \$750,000 in a single location, ComEd must commission and pay for a cost-benefit analysis by an independent consulting group, prior to any outlay. In addition, 1 year after the start of the project ComEd must commission and pay for a post-implementation analysis of actual costs and realized benefits from the same consultants. Both of these reports must be made public.
13. Neither ComEd nor its parent company Exelon will make contributions to Chicago political campaigns or their associated PACs, either directly or indirectly. Any donation will be considered a violation of the agreement and grounds for restitution by the City. (Any political donations beyond Chicago shall be reported by ComEd in their reporting as outlined in item 10 above.)
14. The agreement must **establish a Community Engagement & Advisory Council** composed of Chicago residents who represent the diverse communities of Chicago. This council must have the power to advise the Clean Energy Partnership, requisition documents from the City and ComEd to be delivered within a reasonable timeframe, hold a minimum of four (4) public meetings per year, and demand the appearance of ComEd personnel as required to inform the public. It must also receive an independently managed budget.

Decarbonization & the Clean Energy Transition

1. ComEd should also be required to commit to serving as a just and equitable environmental steward and conservation leader in service to the City of Chicago and its inhabitants. ComEd must pledge to work productively and proactively with the City to achieve its stated environmental and sustainability goals to improve the quality of life of Chicagoans.
2. The agreement should mandate that ComEd **completely and totally decarbonize the supply of electric power to the City of Chicago by 2030**. Any efforts that can be made to accelerate the decarbonization process should be encouraged in balance with the broader equity considerations.
3. The agreement should also **commit ComEd to specific greenhouse gas (GHG) reductions** in line with broader decarbonization goals, including the Future Energy Jobs Act, future state legislation, and any applicable federal legislation or international agreements.

For more information, please contact the campaign at demcomed@gmail.com

4. The agreement should require ComEd to, at a minimum, be legally bound to reach the 21.5% energy efficiency requirements laid out in the RF100 resolution ([R2019-157](#)) and ideally reach a more ambitious target.
5. The agreement must require ComEd to quickly and productively **support renewable interconnection and energy storage solutions** within the City of Chicago, including utility-scale, community, and residential projects.
6. **The City and ComEd will commit to jointly preparing the city's electric grid for climate-related impacts** and develop an actionable plan to address any concerns within five (5) years of discovery. ComEd shall report on progress implementing this actionable plan, and any material changes to it, at the existing preparedness hearings each summer. Any failure of ComEd to protect against climate-related risks should be considered a breach of the franchise and lead to contractual remedies.
7. ComEd must provide an **annual Energy Transition Report**, in addition to its already required Annual Report, that will detail its, and Chicago's, clean energy transition.
8. The agreement must **establish a Clean Energy Partnership between the City of Chicago and Commonwealth Edison** to cooperatively guide the city towards electric decarbonization and proactively govern the city-utility relationship. This partnership will be led by a board composed of the Mayor (or their designee), representatives from City Council, representatives from ComEd, and a representative of the Community Engagement & Advisory Council.

Energy Justice & Accessibility

1. The agreement should **commit ComEd to recognizing electricity as a human right** with universally guaranteed access regardless of income.
2. ComEd and the City of Chicago should conduct a thorough review of all existing low-income assistance programs and create a clearly defined pathway to maximize enrollment and ensure all eligible households are proactively notified of their eligibility.
3. **ComEd should be banned from shutting off power to customers who demonstrate a willingness to pay their electric bills.** They should also be required to proactively offer repayment plans to customers with noticeable payment difficulty and waive any fees, charges, or bill debt upon the completion of their repayment plan which should last no longer than six (6) months.
4. The agreement should include a **public emergency provision** that bans ComEd from shutting off electric service or charging late payment or reconnection fees to any customer during a public emergency and one (1) month after as declared by the City of Chicago or State of Illinois. They should also be required to reconnect any customer who was disconnected within thirty (30) days prior to the declaration of emergency.
5. In an addendum to the primary agreement, **ComEd must commit to proposing a progressive tiered rate structure based on level of use** to the Illinois Commerce Commission for the City of Chicago at their next rate case. The City will pledge to cooperate with ComEd to achieve this change, on the assumption that ComEd abandons its formula rate structure.
6. ComEd must be held to a higher standard for minority and female hiring and employment practices, both internally and of its contractors and vendors.