



CITY OF CHICAGO • OFFICE OF THE MAYOR



**FOR IMMEDIATE RELEASE**

February 1, 2023

**CONTACT:**

Mayor's Press Office

312.744.3334

[press@cityofchicago.org](mailto:press@cityofchicago.org)

**CITY OF CHICAGO ANNOUNCES NEW UTILITY FRANCHISE AGREEMENT AND  
NATION LEADING ENERGY AND EQUITY AGREEMENT WITH COMED**

*Mayor Lightfoot introduced an ordinance that includes two agreements to City Council to strengthen local accountability and transparency with the utility, catalyze up to \$520M in neighborhood climate action projects, and train 10,000+ residents for clean energy careers*

**CHICAGO** — Today, Mayor E. Lightfoot introduced to City Council an ordinance to approve a new electric utility franchise agreement and a parallel, first-of-its-kind "Energy and Equity Agreement" with ComEd. The prior franchise agreement, also held by ComEd, spanned almost a 30-year term. Upon expiration of its original term on December 31, 2020, Mayor Lightfoot committed to delivering a strong new agreement with an electricity utility partner to provide Chicago residents with unparalleled energy and equity commitments.

As part of the ordinance, Mayor Lightfoot joined Department of Assets, Information and Services Commissioner Sandra Blakemore and Chief Sustainability Officer Angela Tovar to propose two companion agreements to City Council: A **Franchise Agreement** that grants ComEd the continued right to provide electricity using the public right of way, and the **Energy and Equity Agreement (EEA)** that establishes environmental, social and economic impact objectives that ComEd and the City will pursue together. The franchise does not and cannot set Chicagoan's electricity rates, which are regulated by the Illinois Commerce Commission. These agreements provide a historic opportunity to modernize Chicago's energy infrastructure, invest in the clean energy economy, advance climate justice goals, and strengthen accountability and coordination with the utility.

"I am proud to announce this nation-leading Franchise Agreement and Energy and Equity Agreement, which will ensure the ongoing reliability of our electricity grid and accelerate an equitable transition to clean, renewable energy in all 77 communities," said **Mayor Lightfoot**. "This is big win for Chicago, as the agreement includes up to \$120M in ComEd shareholder funds to support local climate action projects, a commitment to train more than 10,000 Chicagoans for careers in the



energy sector, and meaningful improvements in coordination and local accountability with the utility."

"These agreements, which will work together, are a win-win for Chicago and its residents, as they will help advance the city's Climate Action Plan and invest in an equitable transition to a cleaner, healthier energy future for Chicago's families and businesses," said **Gil Quiniones, CEO of ComEd**. "ComEd greatly values our century-long partnership with the City of Chicago, and we look forward to continuing to provide Chicago and its residents with record-breaking reliability that supports equitable job creation and economic development."

Some of the benefits to residents within the Franchise Agreement and EEA include:

- **Largest commitment of utility shareholder funds (\$100-12M) in the country to advance local climate action:**
  - Funds will support **hundreds of community benefit projects** aligned with the City's [2022 Climate Action Plan](#) (e.g. retrofiting, weatherizing, and decarbonizing buildings; community solar and projects; bike and other micro-mobility projects; zero-emission transit and fleets; community health and pollution reduction).
  - EEA funds will be administered by **a new third-party nonprofit** that will issue public invitations to organizations (e.g. nonprofit organizations, local businesses, faith-based organizations, labor unions, sister agencies, etc.) to apply for the funding to support eligible neighborhood projects and make project selections.
  - \$100M will be provided by ComEd over the first 15 years of the City's term, with an additional \$20M available if the five-year extension is exercised.
  
- **Commitment for joint pursuit of up to \$400M in state, federal, or other resources to advance:**
  - Energy efficiency and electrification of affordable multifamily, low-to-moderate income housing, and other neighborhood buildings.
  - **Up to 4,000 rooftop solar installations** for low-income residents.
  - **400+ solar education sessions** for residents and businesses.
  - Expanded **CONSTRUCT Program**, a training program for good-paying, entry-level field and office jobs in construction-related fields with a focus on diversifying the industries.



CITY OF CHICAGO • OFFICE OF THE MAYOR



- \$3.2M to enhance the **Chicago Builds Program**, a training program for CPS juniors and seniors interested in pursuing a career in construction.
- Access to **affordable broadband for thousands of residents** from internet service providers using ComEd dark fiber.
- **Significant additional workforce development investments include:**
  - Construction of a **\$32.5M West Side Clean Energy Training Hub** to prepare, **train and re-skill 10,000+ residents** for careers at ComEd or other companies supporting the clean energy transition.
  - **1,000+ south and west side residents to be hired** for new construction worker/overhead helper and customer service roles.
  - **32% MBE and 10% WBE goals** for specified work in the design, construction and/or rehabilitation of utility facilities owned by ComEd in Chicago.
  - First-ever ability for City to impose **requirements for significant worker hours from Chicago residents and residents of disadvantaged communities** for the construction of the Clean Energy Training Hub and other non-grid construction projects over \$50M.

[After a public Request for Inquiry process](#) to evaluate alternative providers in 2021 and a period of intensive discussions in 2022 with ComEd as the incumbent provider, Mayor Lightfoot is now proposing a package to City Council which will:

- Assure and deliver an **adequate, safe, and reliable supply of electricity** to meet the electricity needs of Chicago.
- Ensure that the people of Chicago have an **electric system that is resilient in the face of climate threats** and equitably reduce **energy cost burdens** for residents.
- Promote a **clean energy future for all** by bringing the benefits of energy efficiency, decarbonization of buildings, and access to affordable renewable energy and carbon-free transportation options to all residents.
- **Advance Chicago's 62% carbon emissions reduction goal by 2040** as set out in the 2022 Climate Action Plan.
- **Expand workforce and economic opportunities** for all Chicagoans in the clean energy economy, especially residents on the frontlines of the climate crisis.



CITY OF CHICAGO • OFFICE OF THE MAYOR



The prior franchise agreement had a 28-year minimum term. The new proposed term is 15 years. In the new agreement, the City has the right to terminate the agreement by municipalizing — or acquiring and operating the system — any time after the first five years. The City also has an option, upon mutual agreement, to extend the term by an additional five years. The City will continue to collect an estimated \$90M to 100M annual franchise fee, which is calculated pursuant to the state Electricity Infrastructure Maintenance Fee Law.

The proposed ordinance authorizing the corresponding agreements will be heard in a Joint City Council Committee of Finance and Environmental Protection and Energy.

“Today is a proud day. In our 2022 Climate Action Plan (CAP) we describe a just and equitable climate future for Chicagoans that is rooted in the clean energy economy, provides meaningful benefits for residents, and brings new avenues for participation to all,” said **Angela Tovar, Chief Sustainability Officer** for the City of Chicago. “Using CAP as a roadmap, we present to City Council an agreement that creates the necessary structures for engagement, collaboration, and accountability with our residents and ComEd, while bringing unprecedented financial investments and other resources to catalyze green job opportunities and advance the transition to clean energy technologies needed to realize this future for our city.”

“The newly negotiated Franchise Agreement and Energy and Equity Agreement will set a national precedent for what best-in-class operational coordination looks like within a municipal utility agreement. I am proud of what we have negotiated to benefit the City and Chicago residents and businesses, and I look forward to reviewing the details of the agreements with City Councils” said **Commissioner Blakemore, Assets, Information and Services**

“The \$50M Chicago Connected program was the City's historic investment in eliminating the digital divide and has already provided more than 100,000 Chicago Public Schools students and their families with free broadband access. It is great to see the City continuing to build upon that unprecedented achievement with nearly \$40M in additional investments in neighborhood and Park District broadband, as well as the recent launch of a Digital Equity Plan that was intentional in incorporating the perspectives of those directly impacted by the digital divide. Kids First Chicago's recent [report](#) highlighted the important role utility companies like ComEd could play to expand broadband access. The Energy and Equity Agreement with ComEd contains another important step toward ubiquitous access to broadband for Chicagoans, as it makes targeted ComEd dark fiber available to internet providers who are willing to provide more low-cost and reliable broadband to communities across the city. This element within the agreement would add to the



CITY OF CHICAGO • OFFICE OF THE MAYOR



City's already nation-leading efforts in eliminating the digital divide and serve to connect thousands more," said **Daniel Anello, CEO of Kids First Chicago**

"For the last 16 years, the City Colleges of Chicago has had a partnership with ComEd at Dawson Technical Institute of Kennedy-King College to train diverse residents for careers in the electrical and utility trades. The new Energy and Equity Agreement by Mayor Lightfoot will allow us to build on the success of this partnership and continue removing barriers for Chicagoans interested in this field. City Colleges of Chicago stands ready to partner with the City and ComEd to build an inclusive clean energy workforce of the future," said **Chancellor Juan Salgado, City Colleges of Chicago**

"The new Energy and Equity agreement between the City and ComEd will accelerate CPS's efforts to prepare our students for high-quality careers of the future. The agreement, if approved, will include a significant investment in Chicago Builds, a citywide, two-year off-campus construction training program for CPS juniors and seniors interested in pursuing a career in construction or related fields after graduating high school. We're excited to be able to serve more students with this innovative initiative, in partnership with our governmental, private sector and union partners," said **CEO Pedro Martinez, Chicago Public Schools**

###