

## **MAYOR YUKICH'S BLOG**

**DATE: August 4, 2015**

### **VILLAGE WIDE MOSQUITO CONTROL SPRAYINGS**

This summer's wet weather, coupled with the above 80 degree days, has led to an increase in the mosquito population. Residents have contacted the Village to complain about the number of mosquitoes and to request additional mosquito abatement services from the Village. I will be proposing to add one additional community-wide mosquito spraying this month.

The Village of Homer Glen has a contract with Clarke Environmental Mosquito Management, Inc. and Clarke provides our mosquito abatement services. This contract allows for the treatment of mosquito breeding sites (i.e. drainage ditches, swamps and areas of low or standing water) and for three community-wide adult mosquito control sprayings. Each adult mosquito control spraying involves community wide truck Ultra-Low-Volume cold aerosol misting treatments used to reduce the mosquito population in residential areas. The adult mosquito control spraying covers all streets within the community.

The first and second community wide sprayings took place in early June and July. The third spraying is expected to occur shortly before Labor Day weekend. Since there are several weeks between the second and third sprayings, I will be advocating the addition of one community-wide spraying in August to help address the mosquito problem.

### **MARK YOUR CALENDAR FOR THE FREE HOMER HARVEST DAYS EVENT- VOLUNTEER OPPORTUNITIES STILL EXIST!**

Homer Harvest Days will be held on Saturday, September 12, 11 a.m. to 6 p.m., and Sunday, September 13, 11 a.m. to 5 p.m., 2015. This fun event is held at Trantina Farm, 15744 W. 151<sup>st</sup> Street.

Homer Harvest Days will feature food, live music, old-fashioned entertainment and games, children's activities, living history and pioneer demonstrations, a petting zoo, pony rides, antique tractors, hay rides, artisan & unique craft vendors, and other amusements and diversions from a simpler and more rural era. Please go to [www.homertownship.com/hharvestdays](http://www.homertownship.com/hharvestdays) for more information.

If you are interested in volunteering for the Homer Harvest Day's event, please e-mail [harvestdaysvolunteers@gmail.com](mailto:harvestdaysvolunteers@gmail.com) and you will hear back from a member of the committee. Excellent volunteer opportunities still exist!

## SAVE THE DATE FOR UPCOMING EVENTS

- Prairie Fest (August 8-10, 2015). The upcoming fest is held at the Annunciation Byzantine Catholic Church, 14610 S. Will-Cook Road. For more information go to [www.byzantinecatholic.com/prairie-fest/](http://www.byzantinecatholic.com/prairie-fest/)
- Lemont Classic Car Club Show at Big R (Saturday, August 8, 2015 – 5 to 8 p.m.).
- Vietnam Wall Memorial Opening Ceremony (Thursday, August 20<sup>th</sup> – 6 p.m.) at 15052 Archer Avenue, Lockport. This event is open to the public from August 20 through August 24, 2015.
- Annual Back-To-School Clothing Drive (Running until August 10<sup>th</sup>, Monday through Friday, 8:30a.m. to 4:30p.m.). Representative Jim Durkin is holding this annual event. The drive accepts gently used or new clothing for children ages 4 to 18. Items should be dropped off at 16W281 83rd Street, Burr Ridge, IL 60527. Donated clothing items will be turned over to the People's Resource Center in DuPage County.
- Chamber of Commerce Business Expo and Health Fair (Saturday, August 29, 2015 – 8 a.m. to 1 p.m.). The event is, as usual, at the gym in Hadley Middle School, 15731 S. Bell. For more information go to <http://homerchamber.com> .
- Homer Harvest Days (Saturday, September 12, 11 a.m. to 6 p.m., and Sunday, September 13, 11 a.m. to 5 p.m., 2015). The event is held at Trantina Farm, 15744 W. 151<sup>st</sup> Street. Please go to [www.homertownship.com/hharvestdays](http://www.homertownship.com/hharvestdays) for more information. If you are interested in volunteering for the Homer Harvest Day's event, please e-mail [harvestdaysvolunteers@gmail.com](mailto:harvestdaysvolunteers@gmail.com) and you will hear back from a member of the committee.

## NATIONAL ENERGY REGULATORY COMMISSION APPROVES NEW ELECTRIC GRID RULES THAT WILL RESULT IN HIGHER BILLS

Attached is a Chicago Tribune article reporting on the National Energy Regulatory Commission's recent action to institute a "several dollar a month charge" on the bills of electric customers. This action was taken in an apparent effort to make changes that would address future "power vortex" emergencies like the one that occurred in some areas of the country in the winter of 2013-2014. **Newspaper Article Attached.**

## **TRAFFIC ENFORCEMENT/SPEED CONTROL IS A PRIORITY IN HOMER GLEN**

This is part of a regular update that I will provide regarding miscellaneous traffic enforcement efforts that the Village is doing around the community, through the Sheriff's Office. Traffic enforcement/speed control is a priority in Homer Glen!

The photo below is of an electronic speed sign that was recently installed on Crystal Lake Drive. The Village uses these movable electronic speed signs as one tool to help us control speed limits on neighborhood streets.

The residents of Crystal Lake Drive had expressed a concern about speeding in their neighborhood and the Village has responded with this signage as well as increased attention from Sheriff's Deputies.

The Village is planning to place these movable signs in additional neighborhoods, as well as facilitating new traffic enforcement details. Traffic enforcement/speed control is a priority in Homer Glen and the Village is giving this priority added attention!



## New power rules prompted by polar vortex may hike Chicago-area electricity bills

By Cynthia Dizikes  
Chicago Tribune

JULY 28, 2015, 5:02 AM

**T**hough the polar vortex seems a frost-bound memory, Chicagoans may now feel its bite in a new, unexpected way — higher electricity bills.

Beginning next month, power plants in northern Illinois and other states will be able to make more money from consumers in order to shore up electricity in frigid weather and prevent the scramble to keep the lights on that occurred during the extreme winter of 2013-14.

But critics — including the head of the federal agency that analyzes such moves — argue that the electric grid, while stressed, did not actually fail during the polar vortex and that the approach may be misguided and flawed, potentially ballooning costs by several billion dollars over the next few years without stabilizing the electricity available to consumers in severe weather.

"Despite the potential multibillion dollar burden consumers will be asked to bear, there is no analysis, however rudimentary, indicating whether the benefits are at least roughly commensurate with the costs," Norman Bay, chairman of the Federal Energy Regulatory Commission, wrote in a cutting opinion last month.

The PJM Interconnection, which manages the grid in 13 states, including the Chicago area, anticipates the change could add a couple of dollars a month to residential electricity bills.

The polar vortex brought one of the worst winters in decades to cities across the U.S., rendering nearly a quarter of power producers in Chicago's regional electric grid inoperable on a particularly brutal January day that saw temperatures plummet to negative 12 degrees.

Some coal plants that had promised to provide electricity stopped working because their conveyor belts froze, while some natural gas plants could not obtain enough fuel because of increased demand for heating.

Grid operators raced to keep electricity flowing to millions of people. Electricity prices in the wholesale market spiked, and grid operators contended they came close to using emergency tactics to keep the system from failing.

That spurred PJM to propose a "no excuses" policy that would financially reward power producers that continue to pump electrons onto the grid during such harsh weather while fining those that fail to come through.

The five-member Federal Energy Regulatory Commission approved the controversial new electric grid rules last month over Bay's lone dissent, setting the stage in the coming weeks for prices to potentially be set higher.

"PJM raises serious and legitimate concerns," according to the majority opinion. "Failure to act today ... could cause reliability issues years from now, at realized cost levels potentially significantly higher to customers."

## Capacity boon

PJM's massive system stretches from Chicago to the Atlantic Ocean and covers about 61 million people and 1,400 electric generators.

PJM has predicted the new rules could cost electricity customers up to \$5.4 billion over the next few years after accounting for potential savings that could result from generators performing better in bad weather. The organization has estimated that long-term costs could be up to \$700 million a year, at the same time underscoring that the cost of power interruptions can reach tens of billions of dollars and endanger lives.

The changes will be implemented over the next few years with initial costs being made public in August.

The impact to residential customers, according to PJM, should be "relatively modest," or about \$2 to \$3 more a month, with the possibility for all of that or more to be offset by lower energy prices in extreme weather years.

Using industry consensus estimates, the cost to an average Commonwealth Edison residential customer could be similar, or about \$3.50 more a month in 2018, according to market experts. Some, however, have pointed out that the new rules could allow prices to reach about \$12 more a month in 2018 for the average ComEd residential customer without triggering a review.

"PJM's mission is to ensure reliable service at the lowest possible cost to the end-use customer," said Stu Bresler, PJM's senior vice president of market services, in a conference call with reporters this month. "Those old performance requirements simply were not enough to assure the kind of performance we needed."

PJM is an organization whose members include power generators. Many of them lobbied hard for the new rules, including Chicago-based Exelon, which stands to make more money from the changes at a time when it is threatening to close some of its nuclear plants because of increased competition from wind- and natural gas-generated power.

The new rules specifically apply to PJM's so-called capacity market. Capacity is an industry term that generally refers to a power producer's ability to provide electricity to the grid.

In northern Illinois, power producers make money through energy markets, where they continually sell their electricity to the power grid, and through capacity markets, where they commit to be able to supply a certain amount of electricity to consumers three years in advance if needed.

Capacity markets provide a way for power producers to recover costs beyond the fuel they use, such as for land purchases, construction and maintenance. They also are intended to be a stabilizing force in the system, locking in commitments and prices and encouraging the construction of new plants if more electricity is needed.

Consumer advocates contend that in recent years power generators have pushed to make capacity markets even more lucrative as profits from energy markets have plummeted, driven down by cheap natural gas prices and decreased demand for electricity.

PJM argues that the potentially higher prices are necessary, billing the new capacity rules as an "insurance policy" consumers will be taking out to ward against the disruption and cost that a sudden drop in energy supply might cause. During the polar vortex, for instance, some consumers on variable rates saw prices spike

to 35 cents per kilowatt-hour — more than four times the going utility rate, and six times ComEd's rate during that time.

Others, however, have asserted that the capacity market is not necessarily tied to energy prices and simply serves as a dependable revenue stream from consumers to generators. They point out that even though energy prices jumped in the wholesale market during the polar vortex, most residential customers in northern Illinois did not get dinged because they were on fixed-rate plans.

Cara Hendrickson, chief of the public interest division for Illinois Attorney General Lisa Madigan, said that the rules are likely to cost consumers more, yet "they do not guarantee that the money will be used to make the system more reliable."

### **'Verge of collapse'**

In PJM, capacity prices are established three years in advance through a main annual auction. Power generators bid capacity into the auction at a certain price, and PJM chooses the lowest bids that will meet the demand for electricity it expects in the future. Power generators whose bids get picked are paid for that promised electricity three years later.

The cost is spread out to customers across the system through capacity payments embedded in individual electricity bills.

In exchange, power generators are expected to provide the electricity they promised if PJM determines it is needed.

Traditionally the capacity market was designed to make sure PJM had enough electricity to meet demand during peak summer hours, but the new rules create an additional focus on severe winter weather.

The capacity auction for 2018-19, which will almost fully implement the new rules, will occur next month. The results will be made public Aug. 21. In the weeks that follow, PJM also expects to hold two smaller supplemental auctions for next year and 2017-18.

Under the new rules, power generators will be able to bid higher, but will also face greater fines for not providing their promised electricity to the system if they are called upon. Money from the fines will go to those that do perform.

The thinking, according to PJM, is that the possibility of fines will encourage power plant operators to make investments to prevent weather-related shutdowns. For example, coal plants could choose to cover coal piles so they don't freeze and natural gas plants could buy pipeline capacity in advance.

"Really, for the first time, generators' revenue is more than ever dependent upon how well they perform during system emergencies," Bresler said.

The biggest beneficiaries would be generators like Exelon, whose nuclear plants continued running during the polar vortex. Nuclear plants have fuel on hand and equipment that doesn't need to be weatherized to operate, so they're unlikely to suffer weather-related outages.

Exelon, which operates six nuclear plants in Illinois, is the nation's largest owner of nuclear power plants.

If consensus price estimates hold and all of Exelon's northern Illinois nuclear plants are picked in the main auction, some industry experts predict the new rules could bring the company about \$618 million.

Exelon executive Joseph Dominguez declined to speculate how much Exelon could make but said the company anticipates that the benefits of avoiding price spikes and blackouts will outweigh the increased costs.

Exelon spends about \$1 billion a year on maintaining and upgrading its nuclear plants and anticipates it will spend up to \$360 million more to improve facilities that are picked in the auction, Dominguez said.

"When we saw a system that was on the verge of collapse during the polar vortex, we believed that PJM needed to act," Dominguez said. "Every company, every supplier, is going to have to make changes to their power plants in order to ensure performance."

### **'Serious design flaw'**

But consumer advocates have maintained that the system actually worked during the polar vortex. They have questioned the need for such sweeping changes, arguing that power generators have already begun to make improvements and actually performed better last winter despite increased demand on the system.

Howard Learner, executive director of the Environmental Law & Policy Center in Chicago, said that the old rules also allowed entities to make money by promising to decrease their electricity demand on the system when called upon, which drove down prices and made the grid more efficient.

The new rules will likely make that harder to do, said Learner, adding that smaller tweaks should have been made before PJM attempted to restructure the entire system.

"What they did is like trying to kill a fly with a howitzer rather than a fly swatter," Learner said.

In his terse, six-page dissent, Bay also pointed to a "serious design flaw" in the new rules that could leave the penalties substantively lower than what generators could make with higher prices in the auction, raising the possibility that power producers could still turn a profit without actually performing as promised.

"In short, PJM has purchased little certainty for what may be a lot of money," Bay wrote.

The new rules will fully take effect in 2020.

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