



Office of Mayor Peter Schwartzman

Press Release (12/16/2022)

Galesburg City government saves residents millions of dollars on their electric bills

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According to conservative estimates, Galesburg residences have experienced great personal reductions in their electric bills over the past 10 years, especially in the past six months. Through utilizing their expertise and foresight, savvy government officials saved Galesburg's households over \$1 million dollars from 2012-2021 and an additional \$2.6 million (or \$209 per residence, on average) since July 2022. Residences can expect to save an additional \$2.6 million over the next six months (and will have continued savings through at least the summer of 2024). According to energy data provided by DaCott Energy Services, Ltd.'s, the City's purchasing agent reported in August 2022, "residents [of Galesburg are set to save] a combined total of \$3,937,007 or \$470 per household!," during the period, July 2021-May 2023.

A claim of this magnitude deserves an explanation. In 2011, Mayor Garza and I (serving in my first year as Ward 5 City Councilor) got the City Council to embrace the idea of energy aggregation. The aggregation program which they launched not too long afterwards has allowed the City Council to obtain a very competitive bid for electricity prices for all city residences (and small businesses as well) as they were "opted in" to the City program at its inception. This savings brought \$1.1 million in savings (or \$120 per household) from 2015-2019. This savings has continued till today. But much greater savings have been realized with the recent electricity hikes that were introduced by power providers this summer. These hikes did not hit our city residents that were on the City's plan. And this savings, as I stated earlier is conservatively estimated to be \$2.6 million dollars over the past 6 months (July-December 2022)! And as the City plan will continue till July 2024, it is projected to save each residence at least \$240 a year till then. (To get the \$2.6 million estimate, I multiplied, \$50/month (the average cost of electricity usage of a Galesburg resident's energy bill), by 6 months (the period of savings, July 2022-December 2022), by 12,400 residences in the City, by 0.7 (as 70% of the residences are on the City's plan)). I believe that \$50/month is a



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conservative number to use, and as the other numbers are known, the projected savings are likely larger than I am stating here; note, the portion of a residence's energy bill that pertains to delivery of electricity or the use of natural gas is not included in my calculations as it is only the actual electricity used that is aggregated—currently, municipalities in Illinois cannot aggregate natural gas usage.

Amazing as all that is, it could be even better. The 30% of local residences that have opted out of the City's plan have very likely not seen these past savings and are much more likely to be impacted by the electricity cost spikes that began this summer. So, as mentioned in a City press release, if you are not on the City plan or if you want more information about aggregation, go to the City's webpage dedicated to this wonderful program. It is:

https://www.ci.galesburg.il.us/residents/resident_short_cuts/energy_aggregation.php

Lastly, I provide this information as part of our continuing program to inform our residents of the value of our City governance and all the hard work done by the 250 City employees each and every day. It is a pleasure to work with them and all the City Council members as we strive to make "Galesburg: The Best City in the World".