

ORDINANCE NO. 6010

AN ORDINANCE AUTHORIZING
AGGREGATION OF ELECTRICAL LOAD AND ADOPTING AN
ELECTRIC AGGREGATION PLAN OF OPERATION AND GOVERNANCE

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, entitled “Aggregation of Electrical Load by Municipalities and Counties” (the “Act”), authorizes the Village of Mount Prospect (the “Village”) to adopt and operate an electrical aggregation program as an opt-out program for residential and small commercial retail customers, if a referendum is passed by a majority vote of the residents pursuant to the requirements of the Act; and

WHEREAS, the Village submitted the question in a referendum on March 20, 2012, and a majority of the electors voting on the question voted in the affirmative; and

WHEREAS, the Village President and Board of Trustees hereby find that it is in the best interest of the Village to operate an electric aggregation program (the “Electric Aggregation Program”) under the Act as an opt-out program and to implement the Program according to the terms of the Act; and

WHEREAS, the Act requires that prior to the implementation of an opt-out electrical aggregation program by the Village, the Village must adopt an electrical power aggregation plan of operation and governance (the “Plan of Governance”) and hold not less than two (2) public hearings; and

WHEREAS, the Village held the required public hearings on May 8, 2012 and May 9, 2012 after providing the required public notice.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MOUNT PROSPECT, COOK COUNTY, ILLINOIS, ACTING IN THE EXERCISE OF THEIR HOME RULE POWERS:

SECTION ONE: The Village President and Board of Trustees find that the recitals set forth above are true and correct.

SECTION TWO: The Village President and Board of Trustees find and determine that it is in the best interests of the Village to operate the Electric Aggregation Program under the Act as an opt-out program.

SECTION THREE: The Electric Aggregation Program shall be administered as follows:

A. The Village is hereby authorized to aggregate, in accordance with the terms of the Act, all residential and small commercial retail electrical loads located within the corporate limits of the Village, and for that purpose may solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those loads.

B. The Village President and Board of Trustees are granted the authority to exercise such authority jointly with any other municipality or county and, in combination with two or more municipalities or counties, may initiate a process jointly to authorize aggregation by a majority vote of each particular municipality or county as required by the Act.

C. The Electric Aggregation Program for the Village shall operate as an opt-out program for residential and small commercial retail customers.

D. The Village President and Board of Trustees with the assistance of the Illinois Power Agency shall develop a Plan of Governance for the Electric Aggregation Program. The Plan of Governance shall provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers, shall describe demand management and energy efficiency services to be provided to each class of customers and shall meet any requirements established by law concerning aggregated service offered pursuant to the Act.

E. As an opt-out program, the Village President and Board of Trustees shall inform residential and small commercial retail customers in advance that they have the right to opt-out of the Electric Aggregation Program.

F. The electric aggregation shall occur automatically for each person owning, occupying, controlling, or using an electrical load center proposed to be aggregated in the corporate limits of the Village, subject to a right to opt-out of the program as described under this ordinance and the Act.

SECTION FOUR: The Village President and Board of Trustees hereby adopt the Plan of Governance, as set forth in Exhibit "A" attached hereto and made a part hereof as if fully set forth by this reference.

SECTION FIVE: This ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

AYES: Hoefert, Korn, Matuszak, Polit, Zadel


NAYS: None

ABSENT: Juracek

PASSED and APPROVED this 15th day of May, 2012.


Mayor

ATTEST:


Village Clerk

**Village
Of
Mount Prospect
Electricity Aggregation:
Plan of Operation & Governance**

May 15, 2012

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- Attachment A: VILLAGE of Mount Prospect Ordinance and Clerk's Certification
- Attachment B: VILLAGE of Mount Prospect Referendum Voting Results

I. HISTORY AND PURPOSE OF MUNICIPAL AGGREGATION

Pursuant to the Illinois Power Agency Act ("Act"), 20 ILCS 3855/1-92, the **VILLAGE** of **MOUNT PROSPECT ("VILLAGE" or "The VILLAGE")** is authorized to aggregate the electric loads of for residents and small commercial retail accounts located within its municipal boundaries (herein referred to as "Municipal Aggregation"). As part of the municipal aggregation, the **VILLAGE** may select a retail electric supplier, and enter into an agreement to facilitate the purchase of electricity and related services and equipment on behalf of the **VILLAGE's** residents and small businesses.

Additionally, the Act also states:

The corporate authorities or county board may also exercise such authority jointly with any other municipality or county. Two or more municipalities or counties, or a combination of both, may initiate a process jointly to authorize aggregation by a majority vote of each particular municipality or county as required by this Section.

The **VILLAGE** may join with other municipal bidders to exercise its authority depending on pricing responses to obtain the most favorable rate. If such a joint pricing option is deemed advantageous to the pricing for residents the joint pricing option may be considered as part of the acceptable of the electrical pricing bid.

The **VILLAGE** seeks to collectively aggregate the retail electric loads of eligible residents and small commercial retail accounts and to solicit bids for the purchase of that electricity. The **VILLAGE** intends to solicit bids seeking various pricing options, contract terms, and options for increased volumes of renewable energy. Residential and small commercial retail customers often lack the resources to conduct due diligence and negotiate favorable terms with alternate retail electric suppliers on their own. With its large quantity of eligible electric accounts, the **VILLAGE** has the potential to attract lower rates than the current default tariff service rate, while also acquiring a cleaner power supply.

In accordance with the Act, the **VILLAGE** passed Ordinance #5886 dated the 6th day of December, 2011 authorizing a referendum in the community on the March 20, 2012 ballot which asks the public for authority to create an Opt-Out Aggregation Program ("Program") for its residents and small business customers. A copy of the Ordinance and Clerk's Certification is included in Attachment A to this Plan of Operation and Governance.

The **VILLAGE's** voters approved the Municipal Aggregation Referendum at the March 20, 2012 primary election (a record of the vote in included in Attachment B to this document). Following the referendum, the **VILLAGE** retained the services of a Consultant to assist with planning and implementing the program, bidding and selecting the electricity supplier, and advising the **VILLAGE** on public outreach and education related to municipal aggregation.

The **VILLAGE** conducted a public outreach campaign to educate **VILLAGE** residents and small businesses about the Program, and to gather input regarding their preferences for the development of this Aggregation Plan of Operation and Governance. Outreach efforts included public meetings, two (2) statutorily required public hearings, press releases, news articles in local and regional media and discussions with organizations and residents with a background in energy matters.

The **VILLAGE** will not buy or resell power, but will select through a competitive process, and negotiate a contract with a competent and licensed alternative retail electric supplier (ARES) to provide electric supply at contracted rates to all members of the Aggregation Program. The ARES shall provide accurate and understandable pricing and facilitate opt-out notifications. The ARES will also perform ancillary services for the Aggregation Members as described in this Plan.

Because the **VILLAGE** adopted an opt-out aggregation program, all eligible customers located within the **VILLAGE** will participate in the Program unless they affirmatively elect to opt out of the Program. By identifying the procedures by which customers may opt-out of the Program, the **VILLAGE** ensures that participation is voluntary and individuals have the ability to decline to participate.

As required by law, this Plan of Operation and Governance describes the **VILLAGE's** plan for:

- 1) Providing universal access to all applicable residential customers and equitable treatment of applicable residential customers;
- 2) Providing demand management and energy efficiency services to each class of customers and,
- 3) Meeting any other legal requirements concerning aggregated electric service.

The **VILLAGE** and the Consultant, and the selected ARES will follow the Plan of Operation and Governance set forth in this document. Amendments to this Plan of Operation and Governance may be adopted in accordance with the Act at the option of the **VILLAGE**.

II. DEFINITIONS

In order to clarify certain terminology, the following terms shall have the meanings set forth below:

“Act” shall refer to the Illinois Power Agency Act as set forth at 20 ILCS 3855/1-92 *et seq.*

“Aggregation” or **“Municipal Aggregation”** shall mean the pooling of residential and small commercial retail electrical loads located within the municipality for the purpose of

soliciting bids and entering into service agreements to facilitate for those loads the purchase of electricity, related services and equipment in accordance with Section 1-92 of the Act.

“Aggregation Consultant” or **“Consultant”** shall refer to **Northern Illinois Electric Collaborative (NIMEC)**, the independent consultant with demonstrated expertise in electric supply contracting that has been retained by the **VILLAGE** to assist with the implementation of each member municipality's Program.

“Aggregation Member” or **“Member”** shall mean a residential or small commercial retail electric account enrolled in the **VILLAGE’s** Municipal Aggregation Program.

“Aggregation Program” or **“Program”** shall mean the program developed by the **VILLAGE** of Mount Prospect, as a Municipal Aggregator under the Act, to provide residential and small commercial customers in the **VILLAGE** with retail electric supply as described in this document.

“Aggregation Program Agreement” or **“Agreement”** shall mean the agreement between the **VILLAGE** and the Supplier whom will supply electricity and related services to Aggregation Members.

“Alternative Retail Electric Supplier” or **“ARES”** shall mean an entity certified by the Illinois Commerce Commission to offer electric power or energy for sale, lease or in exchange for other value received to one or more retail customers, or that engages in the delivery or furnishing of electric power or energy to such retail customers, and shall include, without limitation, resellers, aggregators and power marketers but shall not include the Electric Utility or the **VILLAGE’s** Aggregation Members. For purposes of this document, the definition of Alternative Retail Electric Supplier is more completely set forth in 220 ILCS 5/16-102.

“Ancillary Services” shall mean the necessary services that must be provided in the generation and delivery of electricity. As defined by the Federal Energy Regulatory Commission, they include: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves).

“Bidder” shall mean an Alternative Retail Electric Supplier that responds to a Request for Proposals from the **VILLAGE**.

“Commonwealth Edison” or **“ComEd”** or **“Utility”** shall mean the Commonwealth Edison Company, as the entity that has a franchise, license, permit or right to distribute furnish or sell electricity to retail customers within the **VILLAGE**.

“Default Tariff Service” or **“Default Rate”** shall mean the electricity supply services available to eligible retail customers of the Utility.

“Eligible Retail Customer” shall mean the residential and small commercial retail customers of the Utility located within the municipal boundaries of the **VILLAGE** of Mount Prospect and eligible to participate in the Aggregation.

“Energy Supply Price” shall mean the unit price (\$/kWh) charged by the Supplier to cover the full costs associated with supplying electricity and related services to the Members.

“ICC” shall mean the Illinois Commerce Commission as described in 220 ILCS 5/2-101.

“IPA” shall mean the Illinois Power Agency established by Public Act 95-0481, (20 ILCS 3855/1-1 et.seq.);

“Ineligible Retail Customer” shall mean residential and small commercial retail customers who are not eligible to participate in the Aggregation Program and are not required to opt out during the Opt-Out Period.

“kWh” shall mean kilowatt-hour, which is the standard unit of measure of electricity consumed.

“LIHEAP” shall mean the Low Income Home Energy Assistance Program funded either jointly or singly by the Federal government or the state of Illinois to provide bill payment assistance program for low-income residential customers.

“Load” shall mean the total demand for electric energy required to serve the **VILLAGE’s** residential and small commercial members in the Aggregation.

“PJM” shall mean the Regional Transmission Organization PJM Interconnection, a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia, including the ComEd region.

“Municipal Aggregator” shall mean the **VILLAGE** acting as facilitator for the process of securing competitive retail electric rates for the Aggregation Members pursuant to the authority conferred by the Act and in accordance with this Aggregation Plan of Operation and Governance.

“Opt-Out” shall mean the process by which a customer who would be included in the Aggregation chooses not to participate in the Aggregation and to remain on or return to ComEd’s default tariff service or choose another ARES.

“Opt-Out Notice” or **“Notice”** shall mean the letter mailed to Eligible Retail Customers informing them of the prices, terms and conditions of the Program and containing instructions regarding how to Opt Out of the Program.

“Opt-Out Period” shall mean the time period during which eligible residents and small commercial retail customers are notified of their eligibility to participate in the Aggregation Program and provided instructions for opting out or in.

“PIPP” shall mean Percentage of Income Payment Plan (PIPP) created by the Emergency Assistance Act, 305 ILCS 20-18 to provide a bill payment assistance program for low- income residential customers.

“Plan of Operation and Governance” or **“Plan”** shall mean this Aggregation Plan of Operation and Governance.

“Qualified Bidder” shall mean a Bidder that meets the minimum criteria set by the first stage of the **VILLAGE**'s RFP process.

“REC” shall mean duly certified and verified Renewable Energy Credits.

“Request for Proposals” or **“RFP”** shall mean a formal written invitation to responsible Bidders to submit qualifications and pricing methods for electricity supply, services, and equipment to the Aggregation.

“Small Commercial Retail Customer” shall mean those retail customers with an annual consumption of less than 15,000 kWh per 220 ILCS 5/16-102, provided, however, that the definition of Small Commercial Retail Customer will include such other definition or description as may become required by law or tariff.

“Supplier” shall mean an Alternative Retail Electric Supplier selected by the **VILLAGE** to supply electricity and related services to Aggregation Members under an Aggregation Program Agreement.

“Switching Process” shall mean the process after the Opt-Out Period has expired when Aggregation Members are switched to the selected Supplier's electric supply.

“VILLAGE” or **“The VILLAGE”** shall mean the **VILLAGE** of **Mount Prospect**, acting by and through its corporate authorities, and authorized **VILLAGE** employees.

“VILLAGE Designee” shall mean the person (or persons) empowered by the **VILLAGE** through Ordinance to authorize and execute a contract price lock for electricity supply on behalf of the Village Board.

III. ROLE OF THE VILLAGE

A. Adopt Ordinances. The **VILLAGE** shall adopt: (1) an ordinance authorizing an opt-out electric aggregation program; and (2) this Plan of Operation and Governance.

B. Provide Notice. The **VILLAGE** shall be responsible for issuing all required public notices and conducting all required public hearings concerning this Plan, and any amendments thereto, in accordance with Section 1-92 of the Act.

C. Request Data. The **VILLAGE** with the assistance of the Consultant shall submit to ComEd, in writing, a warrant demonstrating the passage of the **VILLAGE's** municipal aggregation ordinance, the adoption of this Plan by the corporate authorities, and requesting the identification of retail and small commercial electric customer account information and generic load profiles.

D. Maintain Confidentiality. The **VILLAGE** will maintain the account information it receives in a confidential manner as required by law and will use that information only for purposes of its Municipal Aggregation. The **VILLAGE** may assign access to the account information to the Consultant for the purposes of soliciting supply and service bids on behalf of the **VILLAGE**. The Consultant is bound by confidentiality requirements in this regard, and shall only access and utilize consumer data at the direction of the **VILLAGE** alone. Account information will be considered confidential and will not be disclosed under the Freedom of Information Act.

E. Review Accounts. The **VILLAGE** and Consultant will review the account list to remove ineligible accounts, provided however, that the **VILLAGE** and Consultant shall have no responsibility to potential aggregation members or the ARES for the accuracy of the account information provided.

F. Provide Information. The **VILLAGE** shall be responsible for providing the Consultant and ARES with resources and publicly available material to screen out customers who are not located within the municipal boundaries.

G. Develop Request for Proposal. The **VILLAGE** and Consultant will develop a Request for Proposals (RFP) for Electricity Services process in cooperation with the Aggregation Consultant in accordance with the terms set forth in this document. The **VILLAGE** will inform the potential bidders in the RFP document of the **VILLAGE's** generic load profile information as provided by ComEd.

H. Evaluate Proposals. The **VILLAGE** will receive and evaluate proposals and select any Supplier the **VILLAGE** finds to be in the best interest of the **VILLAGE's** residential and small commercial. The **VILLAGE** is under no obligation to enter into any service agreement with any Bidder and may, in its

discretion, choose to reject all bids, or to re-bid the electric service under the same or amended terms of this Plan.

I. Authorize Notifications. The **VILLAGE** shall assist the Supplier in drafting customer notification materials during the switching and opt-out process. The **VILLAGE** shall specify the form and content of such materials, and all communications disseminated by the Supplier to residents and small businesses during the opt-out process must be approved by the Supplier.

J. Responsibility. The **VILLAGE** and Consultant, as the facilitators of this bidding process, are not responsible for providing electricity to the members of the Aggregation, or for billing or collecting for electricity provided under any Aggregation Program Agreement, and have no responsibility beyond the duties described herein. ComEd will continue to provide a single bill to Aggregation Members for all electrical charges.

K. Cost Reimbursement. The **VILLAGE** shall implement and offer the Aggregation Program as a service to its residents and small businesses. The Program shall be revenue-neutral. Any **VILLAGE** expenditure related to the Aggregation Program shall be recouped by the **VILLAGE** through a per kWh charge, determined in the Agreement with the Supplier, which shall be collected by the Supplier and remitted to the **VILLAGE**. All fees paid or collected by the **VILLAGE** in conjunction with the Aggregation Program shall be disclosed to aggregation members.

L. Energy Efficiency and Demand Response. The **VILLAGE** and Consultant shall seek to develop effective energy efficiency and demand response programs within six (6) months of the commencement of the Aggregation Program. To the greatest extent possible, the **VILLAGE** will seek initial input concerning energy efficiency and demand response programs from unbiased and publicly available resources such as the Illinois Green Economy Network (IGEN) through the Illinois Community College network.

IV. ROLE OF THE AGGREGATION CONSULTANT

A. Enter into a Written Contract. The Aggregation Consultant will enter into a formal written contract with the **VILLAGE**. The contract will specify terms, duties and maximum compensation due to the Consultant from the Village.

B. Fulfill Assigned Duties. The Aggregation Consultant shall advise and assist the **VILLAGE** with the development and implementation of its Municipal Aggregation Program, including advising staff and upon request elected officials (at the request of the **VILLAGE**) on all aspects of the program; developing all necessary documents, soliciting and reviewing bids received, making recommendations as appropriate and monitoring the Supplier's compliance with the requirements of the Agreement.

C. Maintain Independence and Disclosures. As required by the Electric Service Customer Choice Act, the Consultant will be in a fiduciary relationship with the **VILLAGE** and owes the **VILLAGE** and its Aggregation Members the duty of loyalty and independent judgment. The Consultant will be disqualified and dismissed if it (1) acts directly as the agent for any ARES; (2) does not disclose any shared revenue arrangement(s) with another party originating from a specific ARES that has responded to the Village's request for pricing; or, (3) limits the pool of ARES in a manner that reduces the options of the **VILLAGE**. It is the duty of the Consultant to disclose any such relationships and activities and to terminate the agreement in the event they occur. Breach of these terms will result in the **VILLAGE** terminating the Consultant Agreement.

D. Arrange for Fees. The Consultant shall be paid directly by the **Supplier**. The **VILLAGE** may reimburse itself for Consultant expenses through the addition of a fee to the supply or service contract costs negotiated with suppliers. If the **VILLAGE** chooses not to contract with a supplier, the **VILLAGE** will not be responsible to pay the Consultant any fee or compensation. The consultant shall disclose the fee arrangement between the supplier and the consultant based on the intended rate agreed to by the Village and the consultant.

E. Maintain Confidentiality. The **VILLAGE**, upon receiving confidential customer information from ComEd, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act, 815 ILCS 505/2HH. If the Consultant has access to confidential customer account information at any time, the Consultant agrees not to use that information for any purposes outside the scope of the services provided by this Agreement. The Consultant specifically agrees not to use for itself, or to sell, trade, disseminate or otherwise transfer that information to any other party for any purpose other than this Aggregation Program. The **VILLAGE** will not be liable for any use of confidential information by the Consultant that violates the law or this agreement. The consultant agrees to indemnify the Village.

F. Notify and Inform VILLAGE. The Consultant shall advise the **VILLAGE** on any changes in laws, rules, tariffs or any other regulatory matter that impacts the Aggregation during the term of the Service Agreement.

V. SUPPLIER SELECTION

A. Competitive Sourcing. The **VILLAGE** will select a Supplier for the Aggregation through a competitive solicitation process. The selection will be based on the best value to the Aggregation and not simply best price.

B. Bidding Process Structure. The **VILLAGE**, working in cooperation with the Consultant, shall develop a Request for Proposals containing the terms and

conditions required in this Plan of Operation and Governance. The solicitation process will be conducted in accordance with all applicable state and local laws and **VILLAGE** bidding practices and protocols.

C. Local Authority. The corporate authorities of the **VILLAGE** will retain the full and absolute right to accept, accept with conditions, or reject any proposal. The **VILLAGE** may, but is not required to, select a supplier to provide an electricity supply for the Aggregation Program according to the terms of this Plan. If the **VILLAGE** does not select a Supplier, the **VILLAGE** will notify the Aggregation Members that their electricity will continue to be provided through the ComEd default tariff service.

D. Pricing. Bidders will submit fixed rate bids (\$/kWh) to be charged to provide full-requirements electricity supply, including capacity, transmission, and ancillary services to Aggregation Members. The **VILLAGE's** intent in soliciting the proposals is to provide residents with delivered electricity prices that are always less than ComEd's applicable rates.

E. Supply Options. Pricing options for at least the following supply options will be sought through the solicitation:

1. Standard Community Energy Mix. Electricity supply that includes the minimum level of renewable energy resources for the entire Aggregation Portfolio as required by the State of Illinois Renewable Portfolio Standard.

2. Enhanced Community Renewable Energy Mix. Electricity supply that includes volumes of Renewable Energy Credits (RECs) in excess of the minimum level of renewable energy resources required for the entire Aggregation Portfolio by the State of Illinois Renewable Portfolio Standard. The excess REC volumes are to be sourced from biomass, hydro, wind, solar photovoltaic, or landfill gas and certified by a reliable authority. Supplying the elevated number of RECs to the Aggregation will be a pricing option in the solicitation process. Costs associated with securing the excess RECs will be applied to all Members if the option is accepted by the **VILLAGE**.

3. Enhanced Individual Renewable Energy Mix. Electricity supply that includes the minimum level of renewable energy resources for the entire Aggregation Portfolio as required by the State of Illinois Renewable Portfolio Standard. Excess REC volumes are offered to individual Members seeking to increase their renewable energy mix for their own accounts. RECs are to be sourced from biomass, hydro, wind, solar photovoltaic, or landfill gas and certified by a reliable authority. Supplying the elevated number of RECs to Members on an individual basis will be a pricing option in the solicitation process. Costs associated with securing

the excess RECs will be applied only to those Members that choose to secure the added RECs at their own option.

The **VILLAGE** will determine whether any option beyond the Lowest Price Mix will be accepted.

F. Qualification of Bidders. Bidders must demonstrate that they satisfy each of the following requirements:

1. State and Utility Certifications and Licenses.

- i. A certificate of service authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the ICC;
- ii. Current registration as a retail electric supplier with ComEd;
- iii. Proof of the company's bond posting with the ICC;
- iv. Commitment to comply with all applicable laws and regulations of the State of Illinois.

2. Transmission Agreements. A Service Agreement for Network Integration Transmission Service under the PJM Open Access Transmission Tariff;

3. Data Systems.

- i. Electronic Data Interchange computer network that is fully functional at all times and includes back-up file saving systems, and is capable of handling the ComEd residential and small commercial retail electric customers in the **VILLAGE**;
- ii. A secure database of Customer Account Information that will include the ComEd account number, and Supplier account number of each active Member, and other pertinent information such as rate code, rider code (if applicable), and usage and demand history. The database will be updated on an ongoing basis. The data contained in the database will be held strictly confidential. Customer Account Information for a minimum of two years following the termination of the Agreement and may not be re-sold or used for future marketing purposes. Any breaches in data confidentiality must be promptly reported to the Village.

4. Corporate Capacity. The internal resources to meet the needs of the Aggregation Program.

- i. Maintain the necessary corporate structure to sell electricity supply to the ComEd residential and small commercial retail customers in **VILLAGE**;
- ii. Proof of company's (or parent company affiliate's) credit rating as reported in the most recent company annual or quarterly reports.

5. Customer Service – Supplier's Responsibility.

- i. The ability to reach all ComEd residential and small commercial retail customers in the **VILLAGE** to educate them on the terms of the Aggregation Program and the Act, ensuring that marketing materials take into account multiple modes of communication including but not limited to regular mail using the **VILLAGE**'s envelopes, email distribution lists, websites, social media and phone contact;
- ii. A local or toll-free telephone access line which will be available to Aggregation Members 24 hours a day, seven days a week. Trained company representatives will be available to respond to customer telephone inquiries during normal business hours. After normal business hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Under normal operating conditions, telephone answer times by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) thirty seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis;
- iii. The capacity to deliver customer service for Members requiring non-English verbal and written assistance;
- iv. The capacity to deliver customer service for hearing impaired Members;
- v. Accommodate Member inquiries and complaints about energy supply and services;
- vi. Answer questions regarding the Program in general.

G. Evaluation of Qualifications. The **VILLAGE** and Consultant will evaluate and assign scores to each Bidder based on the following criteria in order to establish a Qualified Bidder Pool.

1. Financial strength of the Bidder;
2. Quality of the Response to the Aggregation Plan and RFP;
3. Quality of the Opt-Out Plan and Account Enrollment Timeline;
4. Experience as a supplier in the local market;
5. Any other factors deemed to be in the **VILLAGE**'s best interest.
6. Quality of customer services and education program.

H. Award. The **VILLAGE** will select the Bidder which the **VILLAGE** determines to be in the best interests of the **VILLAGE**. The **VILLAGE** will not be required to award any Agreement that is not deemed by the **VILLAGE** to be in the best interests of the **VILLAGE**.

I. Insurance. Suppliers responding to the Village's RFP shall provide a statement indicating, if selected, their ability to provide the required insurance certificate naming the Village of Mount Prospect as an additional insured and that their insurance coverage levels are equal or greater than what is required. The surety and their insurance company must have not less than an A rating from the Alfred M. Best Co., Inc. and be approved by the Village of Mount Prospect, such approval shall not be unreasonably withheld. Only selected ARES will be required to provide the insurance certificate.

VI. AGGREGATION PROGRAM AGREEMENT

The **VILLAGE** will enter into an agreement with a selected ARES which contains the following minimum terms and conditions:

A. Compliance with Requirements of the Bid and Plan. The Agreement shall require the Supplier to maintain all required qualifications, and to provide all services specified in the RFP and this Plan.

B. Term. The **VILLAGE**'s first Agreement shall be for period of not less than a one year period. Through the RFP process the Village will obtain different timeframes as part of the evaluation for the most favorable pricing agreement. Following the expiration of the initial term, the Supplier will continue to provide electric service on a month to month basis at its then best rate until provided with 30 day written notice to discontinue providing service. If the Agreement is extended or renewed, Members will be notified by the **VILLAGE** as required by

law and the rules of the ICC and IPA as to any change in rates or service conditions. The **VILLAGE** will have the discretion to set the length of any subsequent contract term.

C. Charges and Fees. Neither the **VILLAGE** nor the supplier will unilaterally impose any terms, conditions, fees or charges on any Member served by the Aggregation Program other than the rate quoted in the Fixed Price component of the RFP and a reasonable administrative fee to the **VILLAGE** for expenses incurred to establish and administrate the Aggregation. Changes in tariffs, taxes, obligations, and licensure enforced by either federal or state regulatory bodies may be passed through to Members provided that the Supplier provides sufficient advanced written notice of such changes to the **VILLAGE** and receives the written permission of the **VILLAGE** at least 60 days before a change is implemented, unless the period is specifically waived by the Village.

1. Opt-Out Fees. No exit fees will be applied to Aggregation Members who seek to opt-out of the Aggregation after the initial opt-out process has concluded.

2. Opt-In Fees. No entrance fees will be applied to accounts who seek to join the aggregation after the commencement of the Aggregation supply contract.

3. Account Transfer Fees. No fees will be applied to Aggregation Members who relocate within the **VILLAGE** and new customers who establish new electric service.

D. Billing. Collection and credit procedures remain the responsibility of the Utility and the individual Aggregation Member. ComEd will continue to provide a single bill to Aggregation Members. Members will continue to remit and comply with the credit/payment terms of ComEd including the option to opt for a budget bill through ComEd. The **VILLAGE** will not be responsible for late payment or non-payment of any Member Accounts. Neither the **VILLAGE** nor the Supplier shall have separate credit or deposit policies for Members.

E. Supply Mix. The Agreement shall specify the supply mix as quoted in the proposal.

F. Supply Pricing. The Agreement shall specify the rates due from eligible retail customers that join the Program. Pricing will be established on a fixed rate basis for the following Member groupings:

1. Standard. Those accounts enrolled through the standard Opt-Out process.

2. Off-Cycle. Those accounts seeking enrollment at times other than the Standard Opt-Out process. The Agreement will require that the Supplier use all commercially reasonable efforts to provide accounts seeking entry to the Aggregation after the initial Opt-Out period with the same electricity supply pricing as that provided the entire Aggregation. Accounts enrolled after the initial Opt-Out period will be included in any Standard pricing offers presented to the Aggregation after the account is initially enrolled.

G. Confidentiality of Customer Database. The Agreement shall require the Supplier to preserve the confidentiality of all Aggregation Members' account information and shall agree to adopt and follow protocols to preserve that confidentiality. The Supplier, as a material condition of any contract, shall not disclose, use, sell or provide customer account information to any person, firm or entity for any purpose outside the operation of this Municipal Aggregation Program. This provision will survive the termination of the agreement. The **VILLAGE**, upon receiving customer information from ComEd, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act, 815 ILCS 505/2HH.

H. Non-Competition. The Supplier must agree not to solicit or contract directly with Aggregation Program customers for service or rates outside the Aggregation Program, and agrees not to use the Customer information for any other marketing purposes.

I. Hold Harmless. The Supplier must agree to hold **VILLAGE** financially harmless from any and all financial obligations arising out of its role as facilitator of the Municipal Aggregation.

J. Reporting. The Agreement will provide that the Supplier will provide the **VILLAGE** with such reports and information as required in this Plan.

K. Reimbursement. All costs incurred by the Village associated with the development and management of the Aggregation Program shall be reimbursed by the Supplier and facilitated through the application of a cost addition embedded in the Energy Supply Price charged to Members.

L. Subcontractors. Subcontractors will be held to the same strict confidentiality standards applicable to the Supplier and will be required to otherwise comply with the requirements of the Agreement. The use of subcontractors whether approved or unapproved will not relieve the Supplier from the duties, terms and conditions in the Agreement. The Supplier shall be an authorized reseller of electricity; as such their relationships with PJM or energy producers shall not be considered subcontracts for purposes of the Agreement.

M. Additional Services. The Agreement may provide that the Supplier will assist the **VILLAGE** in developing a Member Education Plan. The Agreement may

provide that the Supplier will assist the **VILLAGE** in developing an Energy Efficiency and or a Demand Response program.

The Agreement will not preclude the **VILLAGE** from developing its own Member Education, Energy Efficiency, and Demand Response programs.

VII. IMPLEMENTATION PROCEDURES

A. Initial Enrollment Process. After selecting a Supplier, the **VILLAGE** and the Consultant, under confidential agreement with the Supplier, will work with the Supplier to notify eligible retail customers of the Program. The **VILLAGE's** Aggregation is an Opt-Out program pursuant to 20 ILCS 3855/1-92. Any eligible electric account that opts out of the Program pursuant to the procedures stated below will automatically be placed on the ComEd default tariff service unless and until the account chooses another Supplier.

1. Eligible Retail Customer List. After selecting a Supplier, the **VILLAGE** and the Consultant will request from ComEd the full listing of residential and small commercial accounts located within the boundaries of the **VILLAGE**. Under confidential agreement with the Supplier, the **VILLAGE** and Consultant will work with the Supplier to remove any customers determined to be ineligible due to one or more of the following:

- i. The customer is not located within the **VILLAGE**;
- ii. The customer has a pre-existing agreement with another Supplier;
- iii. The customer has free ComEd service;
- iv. The customer has hourly rate ComEd customer (real time pricing);
- v. The customer is on ComEd's electric heat rate (depending on the rate results);
- vi. The customer is on a ComEd bundled hold.

2. Initial Opt-Out Process. After the Eligible Retail Customer List is reviewed, the Supplier will mail the Opt-Out Notices described below to all eligible account holders within the boundaries of **VILLAGE**.

i. Manner of Providing Notices and Information. The Supplier will be required to pay for printing and mailing of all Aggregation and Opt-Out Notices on the **VILLAGE** envelope and letterhead. The Supplier will mail Aggregation and Opt-Out Notices to the

eligible account holders within the boundaries of **VILLAGE** at the address provided with the Retail Customer Identification Information provided by ComEd. The Notice shall indicate that it is from the **VILLAGE**, and include the **VILLAGE NAME** and logo on the envelope. The Notice shall be signed by the **VILLAGE** executive or Designee.

ii. Content of Notice. The **VILLAGE** and the Supplier will agree to the format and contents of the Aggregation and Opt-Out Notice prior to distribution or mailing. The Notice will inform the electric account owner of the existence of the Aggregation Program, the identity of the Supplier, the rates to be charged. The Notice will also inform PIPP or LIHEAP customers of the consequences of participating in the Aggregation.

iii. Opt-Out Methods. The Notice may provide for a variety of methods for customers to Opt-Out of the Aggregation Program including: return mail, toll-free or local telephone number, email, secure website, smart device quick response code, or fax number.

iv. Time to Respond. Aggregation Members shall have fourteen (14) calendar days from the postmark date on the Notice to indicate their decision to Opt-Out of the **VILLAGE** Aggregation Program. The time to respond shall be calculated based on the post mark date of the Notice to the customer and the post mark date of the customer's response. Upon receipt of the opt-out reply, the Supplier will remove the account from the Aggregation Program.

v. Final List. After the expiration of the Opt-Out Period, a final enrollment list shall be created. All customers who have not opted out will be automatically enrolled in the Program. Customers will not need to take any affirmative steps in order to be included in the Program.

1) Missed Accounts. In the event that an eligible Aggregation Member is inadvertently not sent an Opt-Out Notice or otherwise omitted from the Program, the Supplier will work with the **VILLAGE** and the Member to ensure that the Member's decision to remain in or opt out of the Program is properly recorded and implemented by the Supplier.

vi. Notification to ComEd. After the Opt-Out Period has expired, the Supplier shall submit the account numbers of participating Aggregation Members to ComEd and the rate to be charged to those customers pursuant to the Service Agreement and the

customer's election. The Supplier will provide that information to ComEd in the format ComEd requires.

vii. Notification by ComEd. ComEd will then notify customers that they have been switched to the Supplier and provide the customer with the **NAME** and contact information of the Supplier. Customers will have the option to rescind their participation in the program according to time frames and procedures established by ComEd.

viii. Activation of Service. Upon notification to ComEd, the Supplier will begin to provide electric power supply to the members of the Aggregation Program without consumer action. The service will begin on the customer's normal meter read date within a month when power deliveries begin under the Aggregation Program.

B. Development of Customer Database. The Supplier will maintain a secure database of Customer Account Information. The database will include the ComEd account number, and Supplier account number of each active Member, and other pertinent information such as rate code, rider code (if applicable), and usage and demand history. The database will be updated on an ongoing basis

C. Subsequent Opt-Out Process.

1. Account Enrollment. After the initial Opt-Out Process is completed, the **VILLAGE** and Supplier will establish procedures and protocols to work with ComEd on an ongoing basis to add, delete or change any customer participation or rate information.

i. Off-Cycle Account Additions.

1) New Accounts. The **VILLAGE** will request from ComEd on a periodic basis a listing of all active accounts located within the **VILLAGE** boundaries. The **VILLAGE** and the Consultant will identify the accounts on that list that have been added since prior Opt-Out Notifications were issued. The Supplier will mail information to any new accounts upon the request of the Village to determine interest in participating in the aggregate pricing. The process described in Section VIII A of this Plan will be followed to facilitate enrollment or exclusion from the Program.

2) Opt-In Accounts. Customers may join the Program after initially Opting Out by contacting the **VILLAGE** or the Supplier.

3) Moving Into the Village. Residents and small commercial retail accounts that move into the Village to existing structures/buildings will be included in the Village's program upon enrollment. Any new accounts shall be able to enroll under the same terms, conditions, and pricing as accounts that were initially enrolled. However, any subsequent enrollees will only have the availability to participate in the aggregation program for as long as the term of the agreement is in place. Customers will be provided information as to how to consider enrollment from the Village.

4) Moving Within the Village and Maintaining the Same Account Number. The selected supplier shall continue service at the same rate and under the same terms and conditions for any Member who relocates within the Village prior to the expiration of the contract term, providing that member notifies the supplier of their desire to do so with thirty (30) days notice of the move. Moving within the Village may cause the member to be served for a brief period of time by ComEd. The supplier shall not have the right to bill the Member for any associated switching fee imposed by ComEd. Members may also opt-out without penalty under these circumstances.

5) Joining the Aggregation Group after Opting Out. Members who have left or chose not to join the aggregation group after the conclusion of the initial opt-out period and wish to join at a later date may do so by contacting the supplier at any time to obtain enrollment information. There is, however, no guarantee that customers opting-in at a later date will receive the same price, terms, and conditions as did the initial participants.

6) Open Enrollment Period. Once every three (3) years Members who are not already enrolled in the aggregation program shall have the opportunity to join the aggregation group utilizing the existing rates, terms, and conditions in place at the time of the open enrollment period. The open enrollment period shall be coordinated between the supplier and the Village with all associated costs the responsibility of the supplier.

VIII. ADDITIONAL SERVICE TERMS AND CONDITIONS

A. Member Education. At the discretion of the **VILLAGE**, the Supplier will assist **VILLAGE** in developing and implementing a program to educate residential and small commercial retail Aggregation members on the Aggregation Program, as well as energy efficiency and conservation tools. The Supplier will also provide the Aggregation Members with updates and disclosures mandated by ICC and IPA rules.

B. Universal Access. The Supplier will implement a process to provide universal access including Member Education for multi-lingual members and members with disabilities.

C. Reporting. The Supplier will provide to the Consultant the following reports:

1. REC Reporting. The Supplier will deliver reports that provide competent and reliable evidence to support the fact that it purchased properly certified RECs in a sufficient quantity to offset the non-renewable energy provided in the mix.

2. Aggregation Reports. The Supplier will provide the **VILLAGE** with quarterly reports showing the number of Members participating in the Aggregation Program and the total cost for energy provided to the Aggregation as compared to the ComEd's default tariff service rates. In addition, the Supplier will report its efforts at member education.

D. Cause for Termination of Agreement. The Agreement may be terminated for any of the following:

1. End of Term. The **VILLAGE**'s service Agreement with the Supplier will terminate upon its expiration.

2. Early Termination. The **VILLAGE** will have the right to terminate the Agreement prior to the expiration of the term in the event the Supplier commits any act of default. Acts of default include but are not limited to the following:

i. Breach of Confidentiality regarding Customer information.

ii. Lapse or revocation of any required license or certification listed as a qualification in the RFP.

iii. ComEd's termination of its relationship with the Supplier.

iv. Any act or omission which constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice.

v. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges.

vi. Failure to perform at a minimum level of customer service required by the **VILLAGE**.

3. Program Termination. The **VILLAGE** has the sole authority to terminate the Program by Ordinance. The Village does not waive any of its or its residents' legal rights related to any breaches by terminating the agreement.

E. Termination Process.

1. Notice. The **VILLAGE** will provide the Supplier with written notice of default.

2. Cure Period. The Supplier and the **VILLAGE** will attempt to resolve any issues cooperatively within seven (7) business days. If the issue is not resolved, the **VILLAGE** will again notify the Supplier in writing of its intention to terminate the agreement within thirty (30) days if the issue is not resolved to the **VILLAGE's** sole discretion and satisfaction.

3. Account Management. Upon Notice of termination of the Agreement, the **VILLAGE** will direct the Supplier to prepare to either (1) return all Member accounts to the ComEd default rate, (2) transfer all Member accounts to another Supplier, or (3) continue to provide service at their best rate to Member accounts on a month to month basis until the **VILLAGE** provides it with 30 day written notice to discontinue providing service.

F. Jurisdiction. Any disputes between the Supplier and the **VILLAGE** will be resolved in the circuit court of which has jurisdiction over the geographic area in which the Village is located or before state agencies in the State of Illinois regardless of any conflicts laws to the contrary.

G. Limitation of Liability. The **VILLAGE** shall not be liable to Aggregation Members for any claims, however styled, arising out of the aggregation program or out of any **VILLAGE** act or omission in facilitating the Municipal Aggregation program.

1. In addition, the Supplier agrees to hold the **VILLAGE** harmless from any claim, cause of action, or proceeding of any kind which may be filed against the **VILLAGE** arising out of the services provided by the Supplier

or any act or omission of the **VILLAGE** in obtaining the services of the Supplier. Participants in the aggregation program shall assert any such claims solely against the Supplier pursuant to the Agreement, under which such participants are express third party beneficiaries.

IX. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan will be available from the **VILLAGE** free of charge. Call 847-392-6000 for a copy or for more information. Any electric customer, including any participant in the **VILLAGE's** Aggregation Program, may contact the Illinois Commerce Commission for information, or to make a complaint against the Supplier or ComEd. The ICC may be reached toll free at 217-782-5793.