

Illinois Municipal & County Electric Aggregation What Do I Need to Know?



ICC/IPA/COMED/ AMEREN ILLINOIS
“OPT OUT” MUNICIPAL AND COUNTY AGGREGATION
WEBINAR
MARCH 2012

THE MUNICIPALITY/ILLINOIS POWER
AGENCY INTERFACE

What Does the Law Require of a Plan of Operation and Governance?



Upon the applicable requisite authority under this section, the corporate authorities or the county board, with assistance from the Illinois Power Agency, shall develop a plan of operation and governance for the aggregation program so authorized.

Before adopting a plan must hold at least 2 public hearings on the plan.

Before the first hearing, must publish notice of the hearings once a week for 2 consecutive weeks in a newspaper of general circulation in the jurisdiction. The notice shall summarize the plan and state the date, time, and location of each hearing.

What Does the Law Require of a Plan of Operation and Governance?



ANY LOAD AGGREGATION PLAN ESTABLISHED PURSUANT TO THIS SECTION SHALL:

- 1. provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers;**
- 2. describe demand management and energy efficiency services to be provided to each class of customers; and**
- 3. meet any requirements established by law concerning aggregated service offered pursuant to this section.**

What Does the Law Require of a Plan of Operation and Governance?



For an opt-out program, it is the duty of the aggregated entity to fully inform residential and small commercial retail customers in advance that they have the right to opt out of the aggregation program.

The disclosure shall prominently state all charges to be made and shall include full disclosure of the cost to obtain service under the utility's bundled rate, how to access it, and the fact that it is available to them without penalty, if they are currently receiving such service

How Do I Seek Assistance from the IPA?



CALL

312-814-8106

E-MAIL

arlene.juracek@illinois.gov

michael.strong@illinois.gov

“CONTACT US” FEATURE ON THE WEB SITE

www.illinois.gov/ipa

What Information Will the IPA Provide?



THE IPA CAN NOT ACT AS YOUR ATTORNEY

We are happy to meet with you and/or your attorneys to assist with review of processes and documents, including materials you prepare for your web sites, newsletters and public hearings
(subject to schedules and availability)

IPA'S WEB SITE PROVIDES LINKS TO:

- **Municipal Aggregation legislation**
- **Lists of communities who have enacted aggregation or have placed it on the ballot**
- **Residential prices to compare (utility and ARES prices)**
- **Ameren Illinois and ComEd rates**
- **Sample plans of operation and governance**

The Illinois Power Agency will furnish, without charge, to any citizen a list of all supply options available to them in a format that allows comparison of prices and products.

www.pluginillinois.org

Does the Law Place Any Limits on the Municipality / Supplier Deal?



NO

HOWEVER

Notice, opt-out provisions and treatment of confidential data and customer privacy issues must be handled in accordance with the law and any applicable utility tariffs and ICC rules.

AND

This is a multi-million dollar contract on behalf of constituents: protections for you (the municipality) and residents beyond the minimum in the law are desirable – and potentially necessary

What Do I Need To Know About Electricity Bids?



**ELECTRICITY MARKET PRICES ARE VOLATILE
BID PREMIUM TO HOLD PRICES OPEN**
(the longer the approval process the greater the premium)
NEGOTIATE PRICE LAST

USE AN RFQ PROCESS TO CREATE A SHORT LIST
Get Supplier Credentials, Experience and Credit Rating
Review Supplier Published Prices
Assess Commercial Terms and Conditions of Program Offers

NEGOTIATE PRICE WITH SHORT LIST

**PROVIDE APPROPRIATE EXPEDITED AUTHORITY TO ALLOW
BID APPROVAL**

What's the Price to Beat?



COMED

**7.773 cents/kwh until 6/1/12
(5.073 cents for space heaters)**

CURRENT SUPPLIER OFFERS

5.52 - 6.23 cents/kwh

Likely to see lower utility “prices to beat” over the next two years

Consumer savings still possible, as utility supply prices reflect a portfolio of purchases made over several years when supply prices were higher

Also: Suppliers may offer products or services different from default service

see www.pluginillinois.org

What's the Price to Beat?



**AMEREN ILLINOIS
PLEASE SEE THE “PLUGINILLINOIS” WEBSITE**

**CURRENT SUPPLIER OFFERS
5.100 – 5.794 cents/kwh**

Similar to ComEd, Ameren Illinois prices likely to be lower over next two years, but still offer “headroom” over competitive suppliers

see www.pluginillinois.org

Questions?



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