

# Municipal Aggregation: Evaluating Opportunities

Village of Franklin Park  
February 24, 2012

# Outline

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- What is municipal aggregation?
- What's in it for the consumer?
- What are voters being asked?
- What are the next steps?
- Q&A

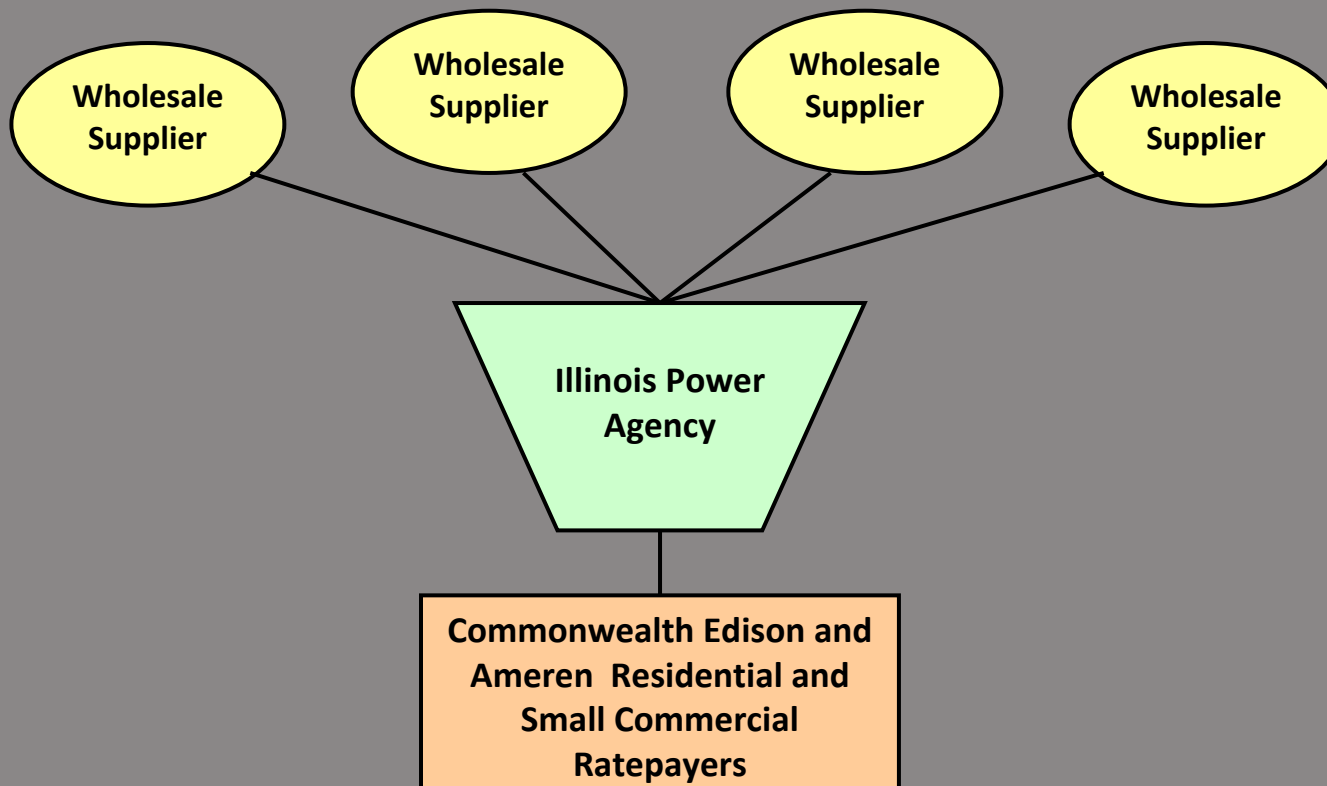
# What is Municipal Aggregation?

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- The authority for Villages to negotiate electricity supply contracts on behalf of their residents and small businesses.
  - Granted by Illinois Power Agency Act (“Act”), 20 ILCS 3855/1-92
- Used in Ohio, California, Massachusetts, New Jersey and Rhode Island
  - 20 Illinois communities in 2011
  - 274 Illinois communities in 2012

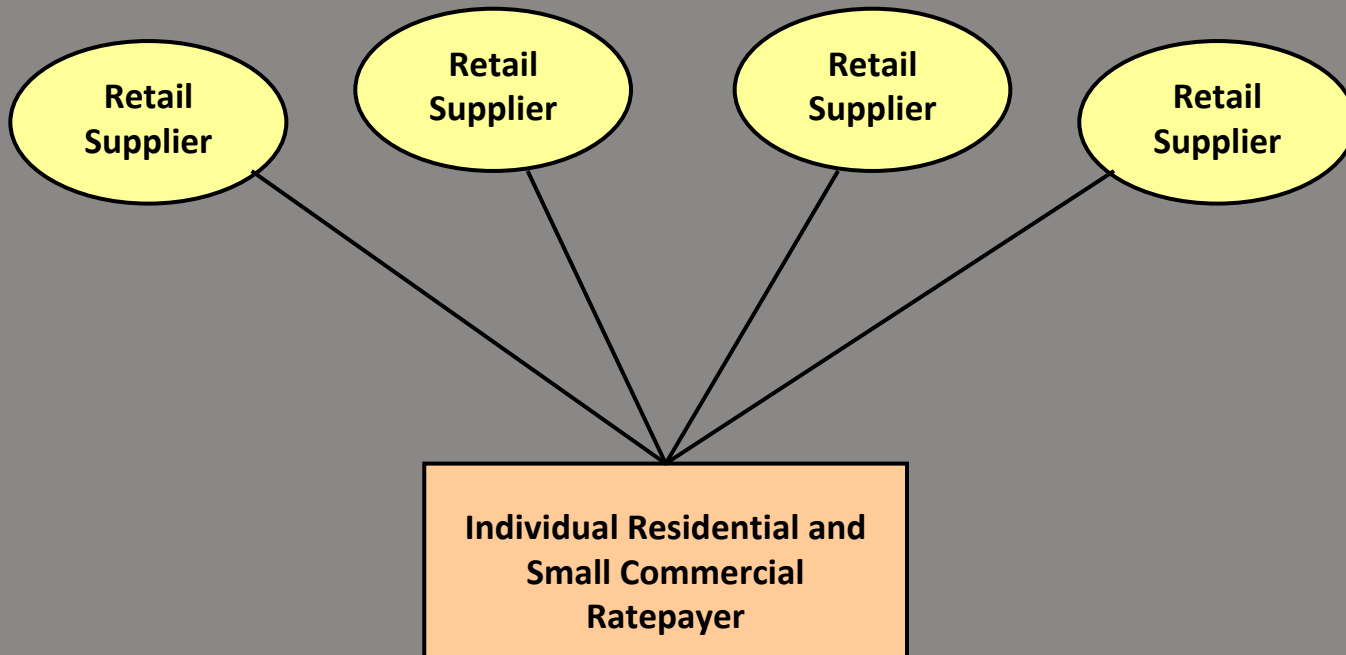
# What is Municipal Aggregation?

## Default Case: IPA Negotiated Supply



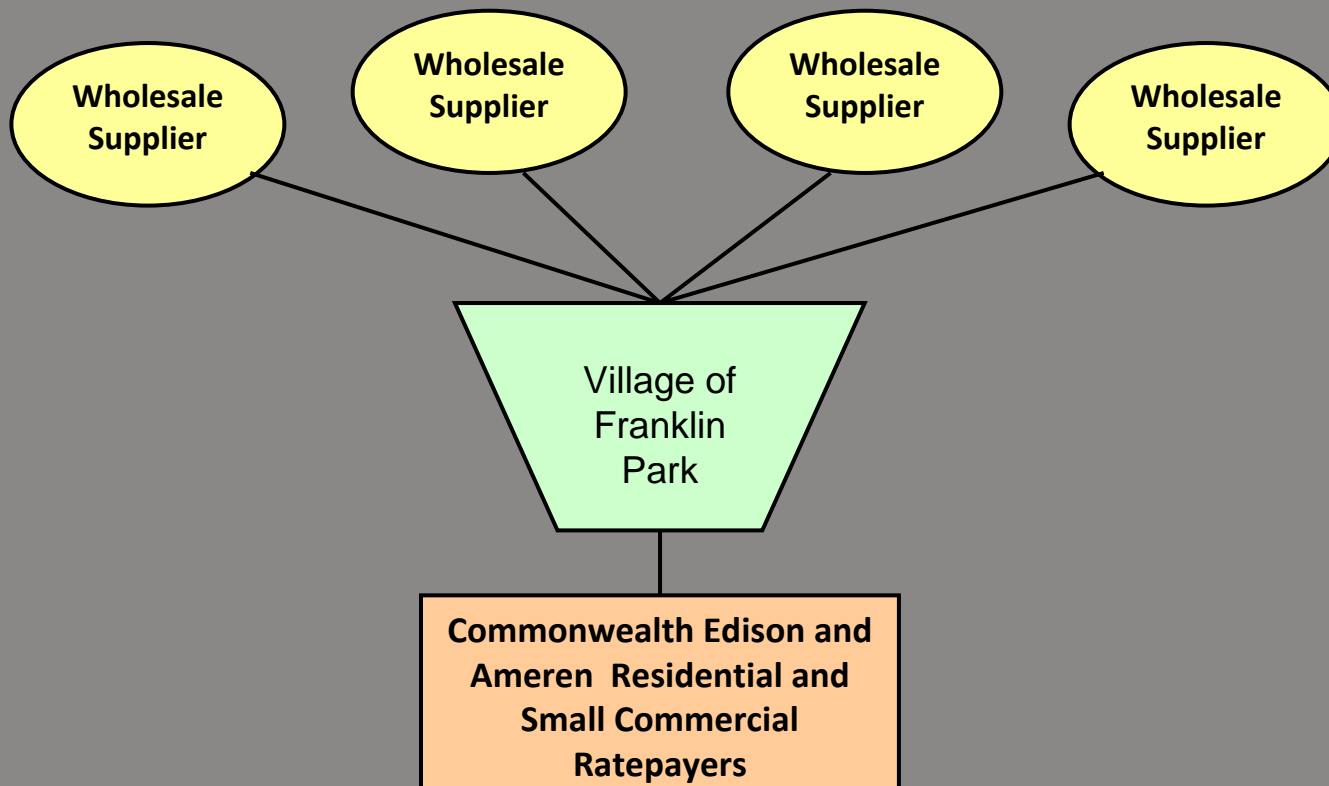
# What is Municipal Aggregation?

## Retail Case: Customer Negotiated Supply



# What is Municipal Aggregation?

## Municipal Aggregation: Village negotiated Supply



# What's in it for consumers?

Community	Supplier	Price (\$/kWh)	% Savings on Energy
Crest Hill	Direct Energy	\$0.0589	25.44%
Elburn	Direct Energy	\$0.0599	24.18%
Erie	Nordic Energy Services	\$0.0547	30.75%
Fox River Grove	Direct Energy	\$0.0599	24.18%
Fulton	FirstEnergy Solutions	\$0.0623	21.14%
Glenwood	Direct Energy	\$0.0599	24.18%
Grayslake	IntegrYS	\$0.0552	30.13%
Harvard	Direct Energy	\$0.0599	24.18%
Lincolnwood	IntegrYS	\$0.0552	30.13%
Milledgeville	FirstEnergy Solutions	\$0.0590	25.32%
Morris	FirstEnergy Solutions	\$0.0543	31.27%
Mount Morris	FirstEnergy Solutions	\$0.0588	25.57%
New Lenox	Direct Energy	\$0.0589	25.44%
North Aurora	IntegrYS	\$0.0575	27.22%
Oak Brook	IntegrYS	\$0.0552	30.13%
Oak Park	IntegrYS	\$0.0578	26.84%
Polo	FirstEnergy Solutions	\$0.0583	26.20%
Sugar Grove	Direct Energy	\$0.0599	24.18%
Wood Dale	FirstEnergy Solutions	\$0.0592	25.06%

# What's in it for consumers?

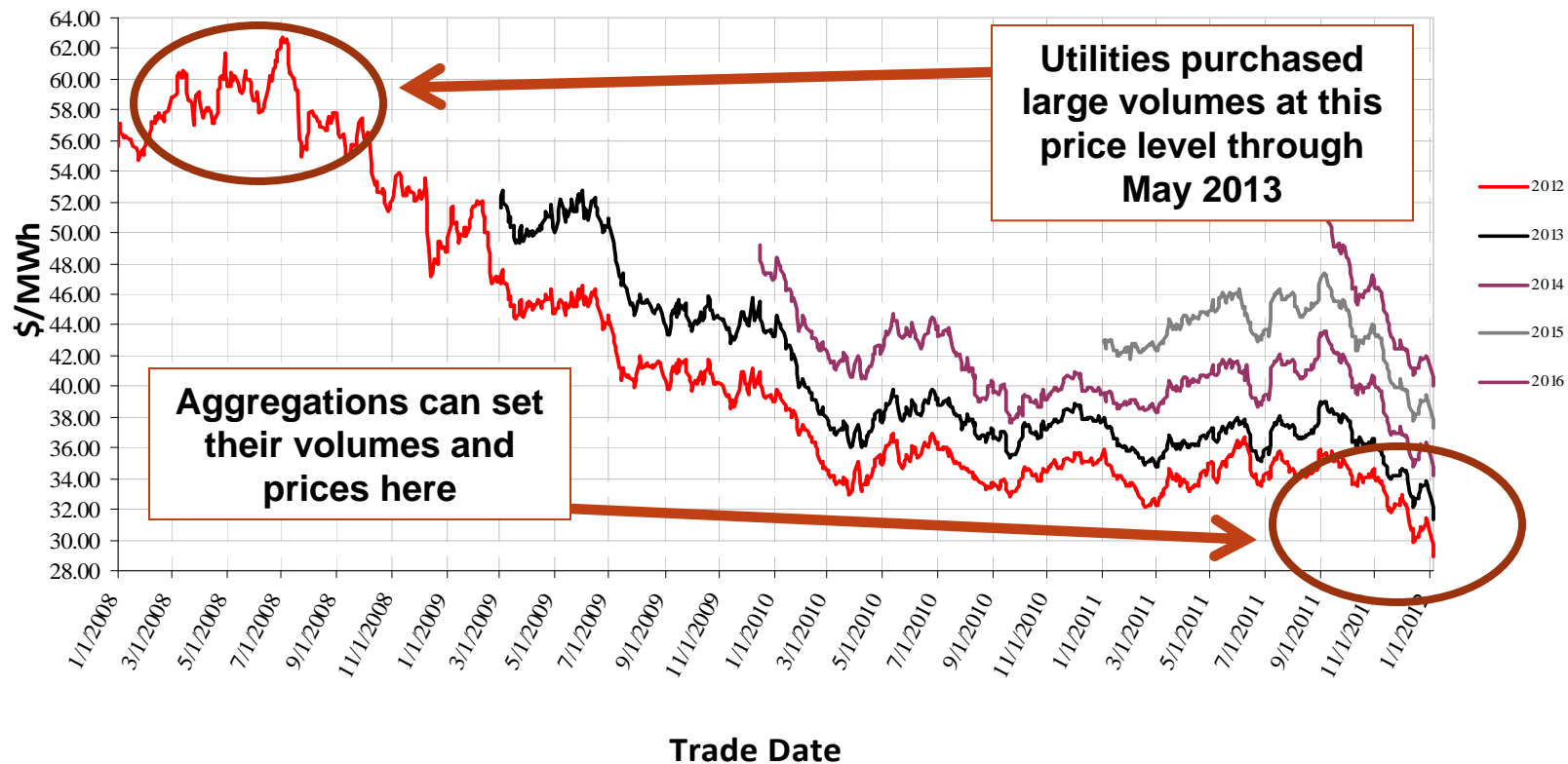
Utility Bill Cost Categories & Items	Total Utility Bill Cost Allocations	Reduction through Aggregation?
<b>Delivery Charges</b>	<b>~ 40%</b>	
Customer		No
Distribution		No
Meter		No
Taxes and Fees		No
<b>Supply Charges</b>	<b>~60%</b>	
Energy		<b>Yes (~25%)</b>
Transmission		No
Capacity		No
Ancillaries		No
Renewable		<b>Maybe</b>



# What's in it for consumers?

## Mid-West Electric Market Trend

Wholesale Round-the-Clock Pricing for Future Years



# What's in it for consumers?

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## ○ Renewable Energy Options

- Village of Oak Park negotiated 100% renewable power in their contract;
- The price premium was approximately \$2/month/account

## ○ Energy Efficiency and SmartGrid Options

- Energy efficiency and demand response options can be part of the municipal aggregation program.

# What's in it for consumers?

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## ○ Reliability

- ComEd will always respond to outages, maintain power lines, and respond to emergencies.

## ○ Billing and Payment

- ComEd will continue to send your bill and process your payments.

## ○ Responsibility

- ComEd will always be responsible for delivering all of the electricity you need.

## ○ Accuracy

- ComEd personnel will continue to read the meters and answer your questions

# What are voters being asked?

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- On March 20, 2012 Village of Franklin Park voters will be asked the following:

*“Shall the Village of Franklin Park have the authority to arrange for the supply of electricity for its residential and small commercial retail customers who have not opted out of such program?”*

# What are voters being asked?

## OPT-OUT

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- All residents are in the pool unless they “opt-out”
- Required actions:
  - Ordinance or Resolution
  - Referendum
  - Ordinance adopting Plan of Governance
  - Procurement Process
  - Contract
- Most Common
  - 85-90% participation

## OPT-IN

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- All residents are out the pool unless they “opt-in”
- Required actions
  - Ordinance
  - Procurement Process
  - Contract
- Most Common
  - 15-20% participation

# Next Steps

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- Public Meetings:
  - Provide information and receive suggestions
- Referendum
  - Voters decide
- Plan of Governance and Operation:
  - Establish how the Program will work
- Vendor Selection
  - Seek competitive bids from suppliers
- Opt-Out notices
  - Ask residents if they want to be in the Program
- Account Enrollment
  - Tell ComEd to change the price on the monthly bill

# Questions and Answers

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# Thank You

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**The Illinois Community Choice Aggregation Network**

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