

VILLAGE OF ALGONQUIN ELECTRIC AGGREGATION PROGRAM

Plan of Operations and Governance

Administered by



For additional information contact:
Mark R. Burns, President
Independent Energy Consultants, Inc.
Ph: (888) 862-6060



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1. Purpose of Electric Aggregation Program & Services

This aggregation plan has been developed in compliance with Section 1-92 of the Illinois Power Act (“Act”), Chapter 20, ILCS 3855/1-92. The Act authorizes the corporate authorities of municipalities to establish a program to aggregate the electrical loads of residential and small commercial retail customers and to solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those electrical loads in an Electric Aggregation Program. The Act further allows municipalities to jointly operate an Electric Aggregation Program and allows municipalities to enter into an intergovernmental agreement to aggregate electric loads for those programs.

The Village’s Aggregation Program (“Program”) will be administered by the Northern Illinois Governmental Electric Aggregation Consortium (“Consortium” or “NIGEAC”). The Consortium is an Intergovernmental Agency authorized by the Intergovernmental Cooperation Act 5 ILCS 220/1 and includes the following communities:

1. The following municipalities within McHenry, Kane and DeKalb Counties, that include:
 - a. City of Genoa;
 - b. City of Woodstock;
 - c. Village of Huntley;
 - d. Village of Lakewood;
 - e. Village of Ringwood; and
 - f. Village of Algonquin.

The Consortium seeks to aggregate the retail electric loads of consumers located within the Consortium and to negotiate the best rates for the generation supply of electric power. With a combined population of approximately 90,000 the Program has the potential to combine residential accounts and small commercial accounts into a buying group that will be attractive to an Alternative Retail Electric Supplier (“ARES”). Participation in the Program is voluntary. Any individual customer (“Member”) has the opportunity to decline to be a Member of the Aggregation Program and to return to the local utility (Commonwealth Edison) standard offer of service or to enter into their own power supply contract with any ARES.

The Act defines two different types of aggregation that may be enacted by a governmental entity: Opt-In Aggregation and Opt-Out Aggregation. The Consortium will administer an Opt-Out Aggregation Program that will automatically include all eligible electric accounts receiving a beneficial offer from an ARES. Those customers will be given prior notice entitling them to affirmatively elect not to participate in the Program.

The Village passed the necessary resolution to place the issue of Opt-Out Governmental Aggregation of electricity on the March 18, 2014 ballot. The ballot issue subsequently passed. The Consortium will follow the Plan of Operations and Governance (“Plan”) outlined below. This Plan was adopted after the Village conducted two public hearings on April 1, 2014 in accordance with Section 1-92 of the Illinois Power Act.

Residential and small commercial electric customers often lack the ability to effectively

negotiate the most favorable electric supply services. The NIGEAC Program provides them an opportunity to benefit from professional representation and the bargaining power achieved through an Aggregation Program.

The Aggregation Program is designed to reduce the amount Members pay for electric energy and to gain other favorable terms of service. The Consortium will not buy and resell the power to Program Members. Instead, the Consortium, through the efforts of its Consultant, will competitively bid and negotiate a contract with an ARES to provide firm, full-requirements generation service directly to the Members of the Aggregation Program.

Due to the complexity of deregulation of the electric utility industry, the Consortium has entered into a consulting contract with Independent Energy Consultants, Inc. (Consultant), an Illinois Commerce Commission Licensed Agent/Broker/Consultant of electricity. Among other things, Consultant will provide professional assistance which includes these consulting services:

- Draft and assist in maintaining this Plan of Operations and Governance;
- Assist with the required Public Hearings;
- Assist the NIGEAC in the day-to-day administration of the program (program implementation, problem resolution, press releases, IPA compliance, supplier liaison, contract review, etc.);
- Administer the Request for Proposal process, analyze supplier responses and provide recommendations for the supply agreement;
- Review customer data provided by Commonwealth Edison that would serve as the basis for an Opt-Out Notice; and
- Write/prepare reports on a quarterly/annual basis to the NIGEAC, and State agencies as required.

2. Determination of Rates and Other Charges

2.1. Rates

Through the efforts of its Consultant, the Consortium will seek proposals from ARESs. The request for proposals shall require the ARESs to offer firm, full-requirements generation and transmission supply charges to replace the EDCs shoppable Price to Compare components. ARESs will bid by Commonwealth Edison customer rate classification or customer class. ARESs will be encouraged to bid on as many electric accounts as legally permissible. It is possible that an ARES may not be able to beat Commonwealth Edison's tariff rates for all customer classes and/or rate schedules. The prices to be charged to Members in the Program will be set by the Consortium per the Intergovernmental Agreement. Members will be notified of the rates and terms of the Program through a direct mailing sent to each eligible resident and business within the Consortium boundaries. Once offers are found a table similar to the one shown below will be populated to reflect the offer rates.

Commonwealth Edison Rate Schedule	Supplier Offer July 2014 – To Be Determined
Residential Service	
Small Commercial Service	

2.2 Charges

Neither the Consortium nor the selected ARES will impose any terms, conditions, fees, or charges on any Member served by the Governmental Aggregation unless the particular term, condition, fee, or charge is clearly disclosed to the Member at the time the Member chose not to opt-out of the Program.

Commonwealth Edison will continue to bill for Late Payment, Delivery Charges, Meter Charges and Monthly Service Fee, etc. These charges apply whether or not a Member switches to the Program's ARES. Switching generation suppliers will not result in any new charges billed to the Member.

2.3 Switching Fees

Should Commonwealth Edison assess a switching fee for Members voluntarily remaining in the Aggregation Program, the Request for Proposal will be written to require the selected ARES to pay the switching fee.

2.4 Early Termination Fee

Members may terminate their agreement without penalty if they relocate outside of the Consortium territory. Members that leave for other reasons may be assessed an early termination fee by the ARES. Early termination fees are standard in most electric contracts; should there be any, the Consortium will negotiate with the ARES to ensure that any early termination fee assessed is reasonable and clearly stated in the Opt-Out Disclosure Notice.

3. Process for Providing Opt-Out Disclosure Notices

When a successful supply offer is found, the Consortium shall order the eligible customer list from Commonwealth Edison. Commonwealth Edison shall turn over the list to the Consortium or its Consultant upon request in a manner consistent with State law. Once the list is obtained, it will be shared with the selected ARES and they will use the data to mail the Opt-Out Notices to all eligible Members receiving an offer. The selected ARES will be required to pay for printing and mailing of Opt-Out Disclosure Notices. The notices will be mailed to the owner or occupant residing at the electric account mailing address shown on Commonwealth Edison's customer list. The notice will contain the Consortium's name and logo to clearly indicate to the recipient that it is a notice from the Consortium and that the Village is a participant in the Consortium.

Prior to mailing Opt-Out Notices a thorough review will be performed to see that all eligible Members receiving an offer are sent the notice. The review process will include the efforts

of numerous parties and utilize a number of resources as specified in section four of this Plan.

Following acceptance of an offer by the Consortium, the ARES will mail Opt-Out Notices to eligible Members. Members will have 21 days from the postmark date on the notice to postmark the return opt-out card if they do not wish to participate in the Consortium's Program.

In the event that an eligible Member is inadvertently not sent an Opt-Out Notice and is omitted from the Program, the ARES shall, upon request by the Member, enroll the eligible Member at the group rate for the remaining term.

4. Determination of Eligible Customer Pool

Under the opt-out aggregation provisions, all eligible electric consumers within the Consortium will be automatically included in the Program and will be treated equitably. However, such customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

Prior to mailing Opt-Out Notices a thorough review will be performed to see that all ineligible customers are excluded. The review process will include the efforts of numerous parties and utilize a number of resources:

- Commonwealth Edison will query their customer database using best efforts to capture all accounts within the Consortium boundaries;
- The Consortium's Consultant, working with the ARES, available Consortium resources and publicly available material shall screen out customers who are not located within the Consortium boundaries. Those resources may include any or all of the following: Property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings, Village maps, internet maps, county parcel mapping databases, and geographical information systems (GIS);
- Ineligible accounts will be screened out based on codes provided in the Commonwealth Edison data. Ineligible accounts are identified in section 6 of this Plan;
- The data shall also be reviewed on a best efforts basis to see that all zip codes have been included, all streets included, all customer classes, all customer rate schedules, and finally that an expected total for a community of this population was turned over;
- Any suspected omissions will be reported to Commonwealth Edison along with a request to furnish that data; and
- Eligibility may be limited by an ARES's offer. For example, a fixed rate might not be offered to an account if their Price-to-Compare indicates they would not save.

The Consortium and any consultants retained by it shall comply with any applicable authority related to receipt of and use of customer information under Section 16-122 of the Public Utilities Act and Section 2Hh of the Consumer Fraud and Deceptive Business Practices Act as required under 20 ILCS 3855/1-92(c)(2).

5. Opt-Out Process

The Consortium is using an Opt-Out form of Governmental Aggregation pursuant to section 1-92 of the Illinois Power Agency Act. Any such person that opts-out of the Aggregation Program pursuant to stated procedure will default to the standard service offer provided by Commonwealth Edison until the person chooses an ARES.

When a successful supply offer is found the Consortium shall order the eligible customer list from Commonwealth Edison. Commonwealth Edison shall turn over the list to the Consortium or its Consultant upon request. Once the list is obtained, it will be shared with the selected ARES and they will use the data to mail the Opt-Out Notices to all eligible Members receiving an offer.

The selected ARES and the Consortium will agree upon the format of the Opt-Out Notice prior to the ARES mailing it to eligible Members.

The selected ARES will be required to pay for printing and mailing of the Opt-Out Disclosure Notices. The notices will be mailed to the owner or occupant residing at the electric account mailing address shown on Commonwealth Edison's customer list. A Consortium official will sign the notice and it will contain the Consortium's name and logo on the outside to clearly indicate to the recipient that it is a notice from the Consortium.

Prior to mailing Opt-Out Notices, a thorough review will be performed to see that all eligible Members receiving an offer are sent the notice. The review process will include the efforts of numerous parties and utilize a number of resources as specified in section four of this Plan.

Following acceptance of an offer by the Consortium, the ARES will mail Opt-Out Notices to eligible Members receiving an offer. Members will have 21 days from the postmark date on the notice to postmark the return opt-out card if they do not wish to participate in the Consortium's Program. If available, Members may also call the ARES's toll-free recorded phone number to opt-out. The selected ARES will not enroll those accounts opting-out from the Program.

In the event that an eligible Member is inadvertently not sent an Opt-Out Notice and is omitted from the Program, the ARES shall, upon request by the Member, enroll the eligible Member at the group rate for the remaining term.

All members of the Program will also be given an opportunity to opt-out without penalty at least once every three years.

Procedure Steps:

1. The selected ARES and the Consortium will agree upon the format of the Opt-Out Notice;
2. The selected ARES will distribute an Opt-Out Notice to all eligible Members via U.S. Mail;
3. Recipients will have 21 days from the postmark on the notice to notify the selected ARES if they do not want to be part of the Program;

4. Members will be able to opt-out by returning an opt-out card via U.S. Mail to the selected ARES. The ARES may offer additional means of opting-out, such as, making a toll-free recorded phone call to the ARES, email notification or fax;
5. Additionally, Members who do not opt-out per step 4 above will receive written notification from Commonwealth Edison stating that they are about to be switched. That notice will inform them that they have until 5 days prior to their next meter read date to rescind the contract by contacting Commonwealth Edison; and
6. The selected ARES will not enroll those accounts opting-out from the Program.

The Opt-Out Notice will clearly notify the Program Members of the rates to be charged for electricity and other terms of the contract with the selected ARES. It shall prominently state all charges to be made and shall include full disclosure of the cost to obtain service pursuant to Section 16-103 of the Public Utilities Act, how to access it, and the fact that it is available to them without penalty, if they are currently receiving service under that Section.

The notice and envelope containing the Opt-Out Notice will clearly indicate that the notice pertains to the Consortium's Aggregation Program. The notice will identify all communities contained in the Consortium. The notice will also comply with any additional notification requirements as stated in the Illinois Power Act, now or in the future.

6. Customer Classes Included

All eligible Members are included in the Program and the Program will provide for universal access to all applicable residential and small commercial customers. The Program will ensure equitable treatment of applicable residential customers, but the selected ARES's offer will determine which groups receive an offer and Opt-Out Notice. The specific rate schedules will be identified in Section 2 of this Plan of Operations. In addition to having a rate schedule listed in Section 2, the following eligibility requirements apply.

- Customers must not have opted-out of the Program;
- Customers must not be supplied generation service from another ARES;
- Customers must not be enrolled in the real-time pricing program;
- Commercial customers must not consume more than 15,000 kWh/year;
- Commercial Customers must not have interval metering; and
- Eligibility may be further limited by an ARES's offer. For example, a fixed rate might not be offered to an account if their Price-to-Compare indicates they would not save.

7. Billing Procedures

The Consortium will utilize the coordinated billing services of Commonwealth Edison and the selected ARES. Most customers are expected to receive a single bill from Commonwealth Edison that itemizes among other things, the cost of generation provided by the ARES. In some instances, particularly for commercial accounts, the ARES may request that dual billing be used. In this case the ARES would issue a bill for their supply service and Commonwealth Edison would issue a bill for their delivery services.

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Members currently on budget billing will continue to be budget billed. Commonwealth Edison's process will remain the same. Members wishing to start budget billing should contact Commonwealth Edison. The process will take place in accordance with Commonwealth Edison's policy and is not unique to the Consortium Program. Commonwealth Edison's policies will dictate what portions of a Member's bill are budgeted and how the budget amount is calculated.

Members are required to remit and comply with the payment terms of Commonwealth Edison and/or their ARES if dual billing is used. This Program will not be responsible for late or no payment on the part of any of its members. Furthermore, slow or no payment on the part of some Members will not adversely impact the rates charged to other Members. The selected ARES shall not charge more than 1 ½ percent per month for overdue balances owed to the ARES.

8. Credit/Deposit Requirements

Collection and credit procedures remain the responsibility of Commonwealth Edison, the selected ARES and the individual Member. Members are required to remit and comply with the payment terms of Commonwealth Edison. This Program will not be responsible for late or no payment on the part of any of its Members. The Consortium will have no separate credit or deposit policy.

9. Procedures for Handling Customer Complaints and Dispute Resolution

Members have multiple means of addressing complaints. As a general rule, concerns regarding service reliability should be directed to Commonwealth Edison, questions regarding the Program administration should go to the Consortium, billing questions should be directed to Commonwealth Edison or the selected ARES and any unresolved disputes should be directed to the Illinois Commerce Commission. Listed below is a table of toll-free numbers for members to call for assistance.

Nature of Complaint	Contact	Phone Number
Service interruptions or emergencies	Commonwealth Edison	1-800-3347661
Service turn on/off	Commonwealth Edison	1-800-3347661
Billing disputes – Delivery charges	Commonwealth Edison	1-800-3347661
Billing disputes – Supplier charges	ARES – TBD	TBD
Joining/Leaving Program	ARES - TBD	TBD
Aggregation Program questions	Village of Algonquin	1-847-658-2700
Unresolved disputes	Illinois Commerce Commission	1-800-524-0795
General information	Illinois Commerce Commission	1-800-524-0795

10. Moving Into or Within the Consortium

Moving into the Consortium: Utility rules require that people moving into a different residence, new construction or otherwise, be assigned a new account number and be served for at least one month by the local utility before they can switch to a new supplier. The above-mentioned is an example of utility rules approved by the Illinois Commerce Commission (ICC) that will impact the operation of the Consortium's Aggregation Program.

Residents and businesses that move into the Consortium will not be automatically included in the Consortium's Program. The Consortium cannot guarantee the rates, terms and conditions to Members enrolling after the 21-day opt-out period of the initial enrollees. Members moving into the Consortium and wishing to opt-in to the Program may contact the Consortium or the ARES 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. The selected ARES's decision whether or not to extend an offer will be based, in part, on the market prices at the time of request.

Moving within the Consortium: Members who move within the Consortium boundaries are likely to be assigned a new account number by Commonwealth Edison. When that occurs, they will be removed from Consortium's Program and will revert to ComEd's supply for at least one billing period. Customers moving within the Consortium will be treated in the same manner as a new resident. They will not be automatically re-enrolled, but may contact the ARES concerning re-enrollment. Upon request by the Member, the ARES will be required re-enroll the Member at the same rate for the remaining term of the supply agreement.

11. Joining the Aggregation Group after Opting-Out

Members who have left the aggregation group and wish to rejoin at a later date are treated in the same manner as new residents moving into the Consortium. These customers may contact the Consortium or the ARES 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.

12. Opting-In to the Aggregation Program

The Consortium's Program is an Opt-Out Program but they intend to provide a means for customers to opt-in should they desire. The Consortium will work with the selected ARES to develop a policy whereby residential and small commercial retail customers in the Consortium may request to join the Aggregation Group. The selected ARES's decision whether or not to extend an offer will be based, in part, on the market prices at the time of request. The agreed upon policy shall be consistent with ComEd's supplier enrollment requirements.

13. Educational Material Process

The ARES shall develop the educational program in conjunction with the Consortium. Its purpose will be to explain the Aggregation Program to its Members, provide updates and disclosures as mandated by State law and the rules and

regulations of any applicable Illinois agency, and provide the opportunity for the Members to opt-out of the Aggregation Program. The following are components of the education program:

Each eligible residential and small commercial retail customer of Commonwealth Edison within the Consortium will receive an Opt-Out Notice by U.S. Mail stating: what the Aggregation Program means, the procedure which must be followed to opt-out of the Aggregation Program, the rates for electricity for Members of the Aggregation Program, and the deadline for returning the opt-out form.

The ARES shall cooperate with the Consortium to provide opportunities for educating residential and small commercial retail Members in the Consortium about the Program and their rights under the applicable law and rules and regulations.

The ARES will provide updates and disclosures to the Consortium and Members as mandated by State law and applicable rules and regulations as amended from time to time.

14. Energy Efficiency and Demand Response

The ARES and Consortium will cooperate to provide education about opportunities for energy efficiency measures and demand response programs. The educational material is designed to direct Members toward resources available that might help them reduce their energy consumption and/or peak demand.

The ARES is not likely to offer demand response programs or energy efficiency incentives through the Aggregation Program. Those programs are typically funded through the utility company's regulated rate making process. The selected ARES may offer educational assistance and awareness through various methods including website links and published materials.

Commonwealth Edison currently has a real time pricing program for customers interested in demand response. Those customers, however, are not eligible to participate in a Governmental Aggregation Program. Information about the real-time pricing program can be found here www.comed.com/customer-service/rates-pricing/real-time-pricing/Pages/program-information.aspx

Those seeking more information about energy efficiency, rebate and loan programs can visit this site to learn about:

www.comed.com/home-savings/rebates-incentives/Pages/default.aspx

- Lighting replacements;
- Refrigerator replacements;
- Clothes Washer replacements;
- Central Air-Conditioning cycling;
- Home energy assessments; and
- Energy efficiency loans.

15. Reliability of Power Supply

The Program will only affect the generation source of power. Commonwealth Edison will continue to deliver power through their transmission and distribution systems.

Responsibility for maintaining system reliability continues to rest with Commonwealth Edison. If Members have service reliability problems they should contact Commonwealth Edison for repairs. The ICC monitors all utilities operating distribution systems in Illinois and tracks customer outages, duration of outages, interruptions, etc., to ensure reliability remains at satisfactory levels.

In addition to maintaining the "wires" system, Commonwealth Edison is required to be the "Provider of Last Resort." This means, should the selected ARES fail for any reason to deliver any or all of the electricity needed to serve the Members' needs, Commonwealth Edison will immediately provide for the shortfall. Commonwealth Edison would then bill the ARES for the power provided on their behalf. The Members would incur no additional cost.

16. ARES Qualification Selection Criteria

Only ARESs meeting strict criteria will be considered.

- ARESs will need to be licensed by the Illinois Commerce Commission;
- Registered with Commonwealth Edison to do business in their service territory. Both the license and registration ensure that ARESs possess the managerial, technical, and financial competence to perform the services they offer;
- Successfully completed Electronic Data Interchange (EDI) computer system testing with Commonwealth Edison to support Governmental Aggregation Program transactions;
- Agree to hold harmless the Consortium and its members from any financial obligations arising from the Program;
- The selected ARES will need to agree to notify the Consortium and negotiate with the Consortium at least 60 days in advance of attempting to terminate the agreement for any reasons other than (i) the scheduled end date or (ii) Force Majeure; and
- The selected ARES shall demonstrate its creditworthiness by possessing an investment grade long-term bond rating from at least two major rating agencies.

Should the ARES be unable to demonstrate its creditworthiness, the ARES will be required to provide:

- a Letter of Credit; or
- a Parental Guaranty from a company that is deemed creditworthy; or
- a Surety Bond from a company acceptable to NIGEAC.

Details of the credit type and amount will be subject to negotiation.

17. Miscellaneous

The Village will maintain a copy of this Plan of Operations and Governance on file at its Administrative office. This Plan will be kept available for public inspection. It will, upon request, be copied for any existing or potential Members of the aggregation in accordance with the Village rules for copying public documents.

The Consortium will not materially alter this Plan of Operations and Governance without first notifying its Members.

The Consortium or the selected ARES will not issue an Opt-Out Notice before the Village has passed its authorizing ballot and held its two required Public Hearings and the Consortium has filed this Plan of Operations and Governance with the IPA.

The success of the Consortium's Aggregation Program relies in part on the cooperation it receives from Commonwealth Edison. In addition to other tasks, Commonwealth Edison must turn over accurate customer data and perform the customer switching process in a timely manner. The Consortium will comply with Illinois law, and will hold Commonwealth Edison to its obligations under the same.

The Electric Aggregation Program and/or Consortium may be terminated upon the termination or expiration of the supply contract without any extension, renewal or subsequent supply contract being negotiated. Each individual Member receiving electric supply service under the Program will receive notification prior to termination of the Program. In the event of termination, Members in the Consortium Aggregation Program would either return to Commonwealth Edison supply service or choose an ARES on their own.

If the Consortium is unable to find a satisfactory offer at the end of an existing supply agreement, they maintain their status as a Governmental Aggregator while they continue to seek offers for their Members.