

NIGEAC

*Northern Illinois Governmental
Electrical Aggregation Consortium*



Public Hearings
Governmental Electric Aggregation Program
Village of Algonquin

April 1, 2014



Electric Aggregation Process

Overview and Background

Aggregation Programs Across Illinois



Hundreds of Communities in Illinois have active Electric Aggregation Programs that are benefiting their residents and small commercial customers.

Role of Local Government as Aggregator

What they do

- Make a valuable option available to residents and small businesses
- Create bargaining power residents don't have
- Retain professional assistance
- Act as a purchasing agent
- Provide an effective communication channel

What they don't do

- Force anything on any constituent. Issue goes to ballot & members have several opportunities to decline to participate
- Take title to electricity
- Handle billing, credit, utility issues, etc.

Who are the Stakeholders



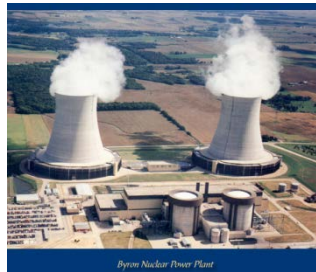
Local Government



Residents



Local Utility
ComEd



New Electric
Supplier (ARES)

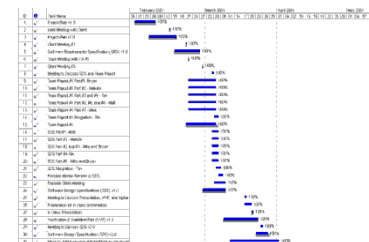


Illinois Commerce
Commission

These are the key stakeholders in the Governmental Aggregation Process

Milestones to Start Program

- March 18, 2014 Referendum
- Public Hearings on Plan of Operations
- Adopt Plan of Operations
- File Plan of Operations with Illinois Power Agency
- Competitive bid and ARES Negotiations
- ARES Award
- Conduct Opt-Out and Rescission periods
- Target Start - Joining NIGEAC July 2014 meter reads



Plan of Operations and Governance

- Plan that outlines how the Program will be administered
- 2 Public Hearings required by Section 1-92 of the Illinois Power Act, Chapter 20, ILCS 3855/1-92
- Prerequisite for starting a Program
- Purpose of our meeting today

Village of Algonquin Plan of Operations and Governance

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Purpose of Aggregation Programs

- Price Discounts
 - Aggregations receive ARES price discounts due to large volume and ease of obtaining customers
- Favorable Terms and Conditions
 - Minimize Early Termination Fees
- Eliminate Price Volatility
 - Utility rates change often
 - If desired you can design a program with fixed rates
- Provides peace of mind to residents - experts working for them
- Gain benefits but your residents still retain the power to choose

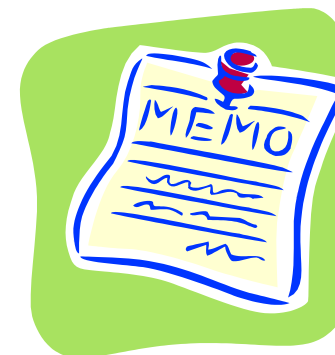


Determining Rates & Other Charges - Electric

- Independent Energy Consultants administers a competitive bid process with ARESs
- Present Bid Analysis and Recommendation to NIGEAC
- NIGEAC enters a Master Service Agreement with ARES
- Rates are likely to be:
 - Discount on the ComEd Price to Compare, or
 - a Fixed Rate
- No Switching Fee or Cost to Enroll
- Early Termination Fee – Minimized or Eliminated

Process for Providing Opt-Out Notices

- Customer List ordered from Utility Company - ComEd
- Scrub list to only include NIGEAC residents and businesses
- ARES pays for all costs
 - Purchasing List (reimburses)
 - Printing notice
 - Mailing notice
- Residents have 21 days to opt out
 - Return opt-out cards to ARES



Determining Eligible Customer Pool

- ComEd queries their customer database and provides list
- ARES and IEC scrub list
 - GPS technology to include only accounts within community boundaries
 - review data to look for missing streets, zips, etc.
- Ineligible accounts screened out
- Accounts that receive an acceptable ARES offer will be included



Opt-Out Process

- IEC and ARES draft Opt-Out Notice
- NIGEAC reviews and approves
- ARES mails to residents and businesses
- 21-days to opt out
 - Reply card sent to ARES
- ARES enrolls customers who did not opt-out
- ComEd sends confirmation letter
 - Can rescind by calling ComEd up to 5 days prior to meter read
- Mandatory free opt-out at least every 3 years

Customer Classes Included

- Programs for Residential and Small Commercial Customers
- Customers who have not opted out
- Customers who have not chosen an ARES
- Customers not in the Real-Time Price Program
- Commercial customers using <15,000 kWh/year

Billing Procedures

- You will continue to receive a single bill from ComEd.
- The ARES supply charges will show up as line item.
- ComEd's distribution charges, meter and monthly service charges still apply.
- Budget billing and billing payment options are controlled by ComEd's procedures.
- ComEd charges and the ARES charges are budget billed if you are in the budget program.
- Late/No payment by some will not impact rates of others



Your Price to Compare (PTC)

Customer Service / Power Outage

English
1-800-EDISON1 (1-800-334-7661)

Español
1-800-95-LUCES (1-800-955-8237)

Hearing/Speech Impaired
1-800-572-5789 (TTY)

Your Usage Profile 13-Month Usage (Total kWh)

Electric Usage

Month	kWh
Nov-10	555
Dec-10	565
Jan-11	505
Feb-11	270
Mar-11	305
Apr-11	425
May-11	850
Jun-11	850
Jul-11	825
Aug-11	830
Sep-11	545
Oct-11	545
Nov-11	375

Amount Due on November 24, 2011 **\$76.99**

Issue Date November 3, 2011

Meter Information

Read Date	Meter Number	Load Type	Reading Type	Previous	Meter Reading Present	Difference	Multiplier X	Usage
11/03	999999999	General Service	Total kWh	Actual 69103	Actual 69478	375	1	375

Service from 10/03/2011 to 11/03/2011 - 31 Days

Residential - Single

Electricity Supply Services

\$29.68

Electricity Supply Charge	375 kWh	X	0.06968	26.13
Transmission Services Charge	375 kWh	X	0.00765	2.87
Purchased Electricity Adjustment				0.68

Delivery Services - ComEd

\$24.89

Customer Charge				14.26
Standard Metering Charge				2.86
Distribution Facilities Charge	375 kWh	X	0.01946	7.30
IL Electricity Distribution Charge	375 kWh	X	0.00126	0.47

Taxes and Other

\$2.42

Smart Meter Program				0.15
Environmental Cost Recovery Adj	375 kWh	X	-0.00003	-0.01

The Electric Supply Charge + Transmission Services Charge + The Purchased Electricity Adjustment Make up your Avoidable costs from ComEd.

Currently 6.005 cents/kWh and predicted to rise to over 7 cents/kWh on June 1, 2014.

Credit/Deposit Requirements

- NIGEAC imposes no credit requirement
- The ARES will impose no credit or deposit requirement
- Late payment or non payment by some do not impact rates of others
- ComEd late fees still apply 1.5%/month



Handling Customer Complaints - Electric

Nature of Complaint	Contact	Phone Number
Service interruptions or emergencies	Commonwealth Edison	1-800-334-7661
Service turn on/off	Commonwealth Edison	1-800-334-7661
Billing disputes – Delivery charges	Commonwealth Edison	1-800-334-7661
Billing disputes – Supplier charges	Direct Energy	1-866-760-6040
Joining/Leaving Program	Direct Energy	1-866-760-6040
Aggregation Program questions	Village of Algonquin	847-658-2700
Unresolved disputes	Illinois Commerce Commission	1-800-524-0795
General information	Illinois Commerce Commission	1-800-524-0795

Moving Into/Within NIGEAC

- Moving into NIGEAC
 - Will not automatically be included
 - Need to contact the ARES to enroll
 - ARES discretion to accept
- Moving within NIGEAC
 - May be able to keep offer going seamlessly - if your account number doesn't change
 - If ComEd changes your account number
 - Revert to their supply for at least 1 billing cycle
 - Contact ARES to re-enroll
 - ARES will accept you back



Joining Aggregation After Opting-Out

- You opted-out when notice arrived but now want to join
- Contact the ARES to enroll
- ARES discretion to accept
- Depend on prevailing market conditions
- Same circumstances as someone new moving into NIGEAC territory



Educational Material Process

- Will use a variety of means to help educate our residents on the Electric Aggregation Program.
- The Opt-Out Notice will be the most important document you receive. It will explain:
 - Rates, terms and conditions and means of opting out if you choose.
- The selected ARES will be responsible for mailing educational material.
- Visit these websites for more information
 - Our community website
 - Illinois Commerce Commission www.icc.illinois.gov
 - Plug in Illinois www.pluginillinois.org
 - Citizens Utility Board www.citizensutilityboard.org

Energy Efficiency and Demand Response

- ComEd has a Real-Time Pricing Program for those interested in monitoring hourly pricing and adjusting their demand accordingly.
- www.comed.com/customer-service/rates-pricing/real-time-pricing/Pages/program-information.aspx
- Information about energy efficiency, rebate and loan programs can be found at 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.
- The Aggregation Program's involvement will be limited to educational material



Reliability of Power Supply

- ARESs Licensed by the Illinois Commerce Commission
 - Demonstrates the Financial, Managerial and Technical competence to provide reliable supply service
- ARESs Registered with the ComEd
 - Maintain sufficient credit based on their book of business
- ComEd always the Provider of Last Resort
- ICC monitors to ensure “Minimum Reliability Standards”



ARES Qualification Selection Criteria

- We will only work with a qualified ARES. That means:
 - They are licensed with the ICC
 - They are registered with ComEd
 - They are financially sound
- Previous experience serving Governmental Aggregators will be considered
- Must have a call center capable of supporting the NIGEAC Program
- Must be able to print, mail and process opt-out notices
- Will have to agree to hold NIGEAC harmless

Miscellaneous

- Community adopts plan and sends to the IPA before the ARES can mail Opt-Out Notices
- NIGEAC's success depends on cooperation from ComEd
- Plan of Operations and Governance will be kept on file for public inspection
- Any material change to the Plan requires
 - Informing residents
 - Providing the right to opt-out free of charge.