

Village of Antioch  
Electricity Aggregation Program

**Plan of Operation and Governance**



## **1. Purpose of Electricity Aggregation Program & Services**

This Plan of Operation and Governance has been developed in compliance with 20 ILCS 3855/1-92 regarding governmental aggregation of electric service. The statute defines two types of aggregation programs that may be enacted by a governmental entity; opt-in aggregation and opt-out aggregation. The Village of Antioch ("Village") will administer an opt-out aggregation program that will automatically include all eligible electric accounts receiving a lower rate than the prevailing ComEd rate from an Alternative Retail Electric Supplier ("Supplier"). Those customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

The Village passed the necessary resolution to place the issue of Opt-Out Governmental Aggregation of Electricity on the March 20, 2012 ballot. The ballot issue subsequently passed. The Village will follow the Plan of Operation and Governance ("Plan") outlined below. This Plan was adopted after two public hearings were held in accordance with 20 ILCS 3855/1-92.

The Village's Aggregation Program ("Program") seeks to aggregate the retail electric loads of eligible customers located within the Village to negotiate the best rates for the generation supply of electric power. With a Village population of approximately 14,000 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 ("Supplier"). Participation in the Program is voluntary. Any individual customer ("Member") has the opportunity to decline to be a Member of the Program and return to the local utility (ComEd) standard offer of service or to enter into a power supply contract with any Alternative Retail Electric Supplier.

Residential and small commercial electric customers often lack the ability to effectively negotiate electric supply services. The Village's Program provides them an opportunity to benefit from professional representation and bargaining power achieved through an aggregation program.

The Program is designed to reduce the amount Members pay for electric energy and to gain other favorable terms of service. The Village will not buy and resell the power to the Program Members. Instead, the Village will negotiate a contract with a Supplier to provide firm, full-requirements generation service to the Members of the Program.

## **2. Bidding / Contract Procedures**

The Village may elect to hold an individual Bid/RFP/RFQ or participate in a group Bid/RFP/RFQ with other municipalities. The contract process, whether by the Village or in concert with other municipalities, must be conducted in compliance with all applicable Village Codes concerning the procurement process. The Village may, but is not required to, retain the services of a consultant, broker, or other expert in the field of electrical aggregation to assist in the preparation of the bidding documents and in managing the bidding process. The Village will retain the full and absolute right to accept, accept with conditions, or reject any bid. If this process does not result in the identification of an acceptable supplier, the Village will conclude the process and not proceed with the Aggregation Program at this time.

By majority vote of the Corporate Authorities, the Village may select an Alternative Retail Electric Supplier to provide electric power to the Program according to the terms of a written power supply agreement entered into by and between the Supplier and the Village. By majority vote of the Corporate Authorities, the Village may determine not to enter into a power supply agreement with any Supplier and in such event eligible customers shall continue to purchase electric power through ComEd. If the Corporate Authorities enter into a power supply agreement with a Supplier, ComEd will continue to provide and service delivery of the electricity purchased from the Supplier, and metering, repairs and emergency service will continue to be provided by ComEd.

The Program may be terminated upon the termination or expiration of the power supply agreement without any extension, renewal, or subsequent power supply agreement being negotiated. Each individual Member receiving electric supply service under the Program will receive notification 45-90 days prior to termination of the Program. In the event of termination, Members in the Program would either return to ComEd supply service or chose another supplier on their own.

## **3. Determination of Rates and Other Charges**

### **3.1 Rates**

The Village will secure pricing from Alternative Retail Electric Suppliers certified by the Illinois Commerce Commission to provide electricity to aggregation programs. The contract documents shall require the suppliers to offer a generation charge for firm, full-requirements supply. The prices to be charged to Members in the Program will be those of the Supplier determined to be

the lowest responsive, responsible bidder meeting all requirements put forth by the Village. 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 Village limits.

### 3.2 Charges

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

ComEd will continue to bill for Late Payments, Delivery Charges and Monthly Service Fee, etc. These charges apply whether or not a Member switches to the Program's Supplier. Switching generation suppliers will not result in any new charges billed to the Member originating from the supplier.

### 3.3 Switching Fees

Should ComEd assess a switching fee for Members voluntarily remaining in the aggregation program; the Bid will be written to require the selected supplier to pay the switching fee without assessing a fee to the Members.

### 3.4 Early Termination Fee

Members may terminate their agreement without penalty if they relocate outside of the Village. Members that leave the Program for other reasons may be assessed an early termination fee by the Supplier. The Village will negotiate with the Supplier to ensure that any early termination fee assessed is reasonable and clearly stated in the opt-out disclosure notice.

## 4. Determination of Eligible Customer Pool

Under the opt-out aggregation provisions, all eligible electric consumers within the Village will be automatically included in the Program. However, such customers will be given prior notice entitling them to affirmatively elect not to be part of the Program. The Village reserves the right to make any customer ineligible if it is determined that the customer does not benefit from the aggregation.

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:

- ComEd will query their customer database using best efforts to capture all accounts within the Village limits.
- The Supplier, with assistance from the Village, using available Village resources and publicly available material shall screen out customers who are not located within the Village limits. 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 ComEd data.
- The data shall be reviewed 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 ComEd along with a request to furnish that data.

## 5. Opt-Out Process

The Village is using an Opt-Out form of Governmental Aggregation pursuant to 20 ILCS 3855/1-92. Any such person that opts-out of the aggregation program pursuant to stated procedure will default to the standard service offer provided by ComEd until the person chooses an alternative supplier.

When a successful supply offer is found the Village shall order the eligible customer list from ComEd. ComEd shall turn over the list to the Village upon request. Once the list is obtained, it will be shared with the selected Supplier and jointly determined to be accurate. Once a final list is approved by both parties, the supplier will have thirty (30) days from the approval date of the data to mail the opt-out notices to all eligible Members receiving an offer.

The selected Supplier 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 ComEd's customer list. The selected Supplier and the

Village will agree upon the format of the opt-out notice prior to mailing it to eligible Members. A Village official will sign the notice and it will contain the Village's name and logo on the outside to clearly indicate to the recipient that it is a notice from the Village.

Prior to mailing opt-out notices, a thorough review will be performed to see that all eligible Member receiving and 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 4 of this Plan.

Following acceptance of an offer by the Village, the Supplier will mail opt-out notices to eligible Members receiving an offer. Members will have at least twenty-one (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 Village's program. The supplier may offer additional means of opting out, such as, a toll-free phone number, website, email address, or fax number. The selected supplier 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 Supplier shall, upon request, 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 five (5) years.

#### Procedure Steps:

1. The selected Supplier and the Village will agree upon the format of the opt-out notice prior to mailing it to eligible Members.
2. The selected supplier will distribute and Opt-Out Form to all eligible Members via first-class U.S. Mail;
3. Recipients will have at least twenty-one (21) days from the postmark on the notice to notify the selected Supplier 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 Supplier. The supplier may offer additional means of opting out, such as a toll-free phone number, website, email address, or fax number.
5. Additionally, Members who do not opt-out per step 4 above will receive written notification from ComEd stating that they are about to be switched. That notice will inform them that they have seven (7) days to rescind the contract by contacting ComEd; and
6. The selected Supplier 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 supplier.

## 6. Customer Classes Included

All eligible Members are included in the Program but the selected Supplier's pricing will determine which groups receive an offer and opt-out notice. It is envisioned that most residential and small commercial customers supplied by ComEd within the Village limits are likely to receive an offer. The following eligibility requirements apply:

- Customers must not have opted-out of the Program
- Customers must not be supplied generation service from another supplier
- Commercial customers must have a Peak Demand of  $\leq 100\text{kW}$

Customers receiving power from ComEd under particular tariffs as they may be approved and/or amended by the Illinois Commerce Commission from time to time may not be eligible to enroll in the aggregation program.

Utility rules approved by the Illinois Commerce Commission (ICC) or other regulatory agencies may determine eligibility to enroll in the aggregation program.

Eligibility may be limited by a Supplier's offer. For example, a fixed rate might not be offered to an account if they would not save when compared to the supplier's offer.

## 7. Billing Procedures

The Village will utilize the coordinated billing services of ComEd and the selected Supplier. Most customers are expected to receive a single bill from ComEd that itemizes among other things, the cost of generation provided by the Supplier. In some instances, particularly for commercial accounts, the Supplier may request that dual billing be used. In this case the supplier would issue a bill

for their supply service and ComEd would issue a bill for their delivery services. A single bill may also be issued by the Supplier at the sole discretion of the Village.

Members are required to remit and comply with the payment terms of ComEd and/or the Supplier if dual billing or single billing by the Supplier 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 Supplier shall not charge more than 1% percent per month for overdue balances owed the selected Supplier.

## **8. Credit / Deposit Requirements**

Collection and credit procedures remain the responsibility of ComEd, the selected Supplier, and the individual Member. Members are required to remit and comply with the payment terms of ComEd and/or the Supplier. This Program will not be responsible for late or no payment on the part of any of its Members. The Village 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 ComEd, billing questions should be directed to ComEd or the selected Supplier, and any unresolved disputes should be directed to the ICC.

## **10. Moving Into the Village**

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

## **11. 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 the Member notifies the Supplier of their desire to do so with thirty (30) days notice. Moving within the Village may cause the Member to be served for a brief period of time by ComEd. The Supplier shall have the right to bill the participant for any associated switching fee imposed by ComEd. Members may also opt-out without penalty under these circumstances.

## **12. 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 Village. These customers may contact the Supplier at any time to obtain enrollment information. There is, however, not guarantee that customers opting-in at a later date will receive the same price, terms and conditions as did the initial participants.

## **13. Reliability of Power Supply**

The Program will only affect the generation source of power. ComEd will continue to deliver power through their transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with ComEd. If members have service reliability problems, they should contact ComEd for repairs. The ICC has established "Minimum Reliability Standards" for all utilities operating distribution systems in Illinois. Customer outages, duration of outages, interruptions, etc., are monitored to ensure reliability remains at satisfactory levels.

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

## 14. Supplier Qualification Selection Criteria

Only Suppliers meeting strict criteria will be considered:

- Suppliers will need to be certified by the Illinois Commerce Commission.
- Registered with ComEd to do business in their service territory. Both the certification and registration ensure that Suppliers possess the managerial, technical, and financial competence to perform the services they offer.
- Agree to hold harmless the Village from any financial obligations arising from the Program.
- The selected Supplier will need to agree to notify the Village and negotiate with the Village at least sixty (60) days in advance of attempting to terminate the agreement for any reasons other than (i) the scheduled end date or (ii) Force Majeure.
- The selected Supplier shall demonstrate its creditworthiness by possessing an investment grade long-term bond rating from at least two major rating agencies:

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

- A Letter of Credit; or
- A Parental Guarantee from a company that is deemed creditworthy; or
- A Surety Bond.

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

Pursuant to 20 ILCS 3855/1-92, Supplier shall:

- Provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers.
- Describe demand management and energy efficiency services to be provided to each class of customers.
- Meet any requirements established by law concerning aggregated service offered pursuant to the 20 ILCS 3855/1-92.

## 15. Miscellaneous

The operation of the Village's Program may be impacted by any of the following:

- 20 ILCS 3855/1-92 as it may be amended from time to time.
- Federal Energy Regulatory Commission (FERC) tariffs as may be enacted or amended from time to time.
- Illinois Commerce Commission (ICC) rules and regulation as may be enacted or amended from time to time.
- ComEd tariffs as approved or amended from time to time by the ICC.
- Federal, state, and local laws.
- Rules, regulations, and orders approved or enacted by federal, state, or local regulatory agencies.

The Village will maintain a copy of this Plan of Operation 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 Member of the aggregation in accordance with the Village rules for copying public documents.