

Residential Aggregation Program

Public Information Bulletin

Appearing on the March 20th ballot will be a referendum regarding the Village's aggregation of residential Commonwealth Edison accounts. The referendum would allow the Village of Mundelein to seek competitive quotes for its residents' power costs, to see if they can beat the ComEd rate. If a lower rate is available, residents would then purchase their power through a new supplier. The power would continue to be billed and delivered by ComEd.

Q: What is municipal aggregation of electricity?

A: Aggregation in general refers to many customers joining together to form a buying group. Municipal aggregation refers specifically to the situation where a municipality organizes the pooling of its citizens to become the buying group. The municipality then seeks out offers on behalf of its constituents to get better pricing, terms and services than would be available to an individual. Similar to garbage collection contracts, the municipality will have the authority to negotiate on behalf of its entire community.

Q: Why is this possible?

A: The State of Illinois amended the deregulation legislation allowing municipalities to aggregate their residential and small business. Through deregulation, municipalities can seek competitive bids for the energy and move to other suppliers if their pricing is more attractive. ComEd is no longer the only company that supplies electricity, but everyone continues to use ComEd to deliver the power, even if it is purchased by other suppliers.

Q: How does it work?

A: In order for the Village to create a municipal aggregation program, a referendum must be approved by a majority of voters. The Village Board approved a resolution providing for the referendum question to appear on the next ballot on March 20, 2012. The referendum asks:

"Shall the Village 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?"

If the referendum is approved, the Village may create a Plan of Operation and Governance, and hold at least two public hearings to discuss the plan. Once the plan is in place, the Village can solicit proposals and bids from suppliers who are licensed as alternative electric suppliers in the state of Illinois. Bids are reviewed, and the Village determines if and who it will enter into an agreement with for energy supply. If favorable pricing does not exist, the Village will not enter into an agreement, and remain with ComEd.

Based on the timing of the above process, a Village aggregation program would not become effective until late summer or fall of 2012 at the earliest.

Q: How Will this affect ComEd?

A: ComEd will continue to bill you. ComEd will continue to respond in power outages.

Q: How Do I Enroll?

A: You do not have to do anything to enroll. All eligible residents and small businesses will be automatically included in the program unless they choose to “opt-out”. A letter will be sent with details of the price and terms prior to any enrollment. If you do not respond to the letter sent to you, Commonwealth Edison will complete the enrollment process. However, if you do not want to enroll in the program, you have a specific date, to opt-out.

Q: How will this affect me?

A: If an aggregation program is created, all residents and small businesses will be automatically included in the program unless they choose to “opt- out”. Before the aggregation program begins, all residents would receive notice to opt out of the program.

Regardless of whichever option residents and businesses chose, ComEd remains the utility provider delivering electricity to homes and businesses. Residents would continue to receive a ComEd bill and would continue to call ComEd in case of an outage or service need. The only difference would be a change in the supply rate of the electricity bill.

Q: What is the history of aggregation in Illinois?

A: 19 Illinois municipalities passed referenda on the April 2011 ballot to begin the aggregation process. Estimates of 100+ other communities, drawn by lower supplier pricing, are considering putting referenda on the March 2012 ballot to continue in the process of establishing a municipal aggregate program with the hope of providing savings for residential and small business consumers.

Q: Will I get two bills?

A: No, you will continue to get one bill from ComEd. You will continue to send your monthly payment to ComEd.

Q: Will the aggregation program affect the reliability of ComEd service?

A: No. The aggregation program will have no impact upon the reliability of service you receive from ComEd.

Q: Will I still be a ComEd customer?

A: Yes. ComEd still provides the distribution of electricity and will still be responsible for delivery services: reading meters, maintaining equipment, responding to outages, etc.

Q: What if I have already selected another electric supplier?

A: If you have already signed up for another power supplier on your own, you will not be included in the aggregation program. You may, however, opt-out of your current program and then join the Village’s program. You should first determine if your current supplier would charge an early termination fee to move.

Q: If I heat my home with electricity, will I be included in the aggregation program?

A: No. ComEd provides a subsidized rate for homes and businesses with electric heat. These customers will be excluded from the aggregation. For more information on electric heat, visit: www.pluginillinois.org, click on "Utility Space Heating Rate".

Q: What constitutes a small commercial business?

A: Currently "small commercial" is defined as an account having a peak demand of 100 kW. A typical McDonalds is about 50 kW. But this definition is being challenged at the ICC currently and may be re-defined by the ICC at a much smaller level.

Q: Are there any downsides to municipal aggregation?

A: A municipality is not obligated to accept unfavorable bids, and any individual account holder could opt out of the program. If bids do not realize savings, they could be rejected and the residents would remain unchanged at ComEd. There is no obligation for the municipality to accept any bid.

Resources

- <http://www.ilga.gov/legislation/publicacts/96/PDF/096-0176.pdf>
- <http://trib.in/swWiOL>
- Pluginillinois.org
- Citizenutilityboard.org

For more information about electricity aggregation, contact 1-800-856-3404