



PRESS RELEASE

North Shore Electricity Aggregation Consortium

Deerfield • Glencoe • Highland Park • Lake Bluff • Lake Forest • Northbrook • Park Ridge • Skokie

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Alternative Residential Electricity Supply Services Referendum Question on March 20, 2012, Ballot

Park Ridge, Illinois – On August 10, 2009, Governor Quinn signed into law Public Act 96-176, amending the Illinois Power Agency Act to allow municipalities to arrange for the provision of electricity to residential and small commercial retail customers by alternative electric suppliers (instead of ComEd). Under the new law, a municipality may seek bids for the provision of aggregate electricity supply services to residential and small commercial customers, in hopes that the selected rate will be lower than the standard rate offered by ComEd. The legislation contemplates an “opt-out” program in which all residential and small commercial retail customers would be switched automatically to the alternative supplier selected by the City, unless a customer affirmatively opts out of the program and continues service through ComEd or another provider. However, in order to seek competitive prices for an opt-out electricity aggregation program, the City must first obtain approval from residents through a referendum.

On September 26, the City Council approved a resolution to authorize placement of a referendum regarding an opt-out electricity aggregation program on the March 20, 2012, primary election ballot. Voters will be asked if the City should be given the authority to seek competitive pricing bids for electricity services and to enter into a single contract that would include residents and small businesses if lower electric bills can be realized.

The City is a member of the North Shore Electricity Aggregation Consortium, a group of eight north suburban municipalities working together to identify potential electricity cost savings. The other members of the Consortium are Deerfield, Glencoe, Lake Bluff, Lake Forest, Northbrook, Park Ridge and Skokie. Collectively, the Consortium’s members will collaborate for the duration of the bidding process and seek prices for the aggregated electricity load of the municipalities that approve the referendum. If the referendum is approved in Park Ridge, the City will proceed with the bid solicitation process, even if the referendum is not approved by the voters of any of the other Consortium members.

If the referendum is approved in March, bids will be solicited for the Consortium's aggregated electricity load. The Consortium intends to seek proposed pricing for one-, two- and three-year terms. The bids will be compared to ComEd's current rates, and the City only intends to approve a bid that will result in lower electricity prices than the current ComEd rates. Approval of the referendum does not obligate the City to implement an opt-out electricity aggregation program. If a program is implemented, all residential and small commercial retail customer accounts will automatically be moved to the new supplier; however, information will be provided in advance of the change to residents and commercial retail customers who may choose to opt-out of having their account transferred to another supplier or prefer to remain with ComEd.

Please note that, under an opt-out electricity aggregation program, ComEd will remain the distributor of electricity in the City; the selected alternative supplier will merely generate the electricity provided and deliver it to ComEd for distribution. Additionally, customers will continue to receive electricity bills from ComEd. Likewise, ComEd will remain responsible for all distribution system issues, including power outages.

For more information, please contact 847-318-5208 or www.parkridge.us
Click online services, submit a request, general information.

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ELECTRICAL AGGREGATION: FREQUENTLY ASKED QUESTIONS

In December 2011, the Park Ridge City Council approved Resolution 2011-91 authorizing that a question regarding electrical aggregation be placed on the March 20, 2012 election ballot. This question is as follows:

“Shall the City of Park Ridge 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 a program?”

As a homeowner or small business owner, you may be wondering what this question means, and how it may or may not impact you. Below are several Frequently Asked Questions (FAQs) that will help you better understand electrical aggregation and what it means for consumers.

1. What is electrical aggregation?

On August 10, 2009, Governor Quinn signed into law Public Act 096-0176 which allows municipalities to arrange for the provision of electricity to residential and small commercial retail customers by alternative electric suppliers (i.e. suppliers other than ComEd). Under the new law, the City may seek bids for the provision of aggregate electricity supply services to these customers, in hopes that the selected rate will be lower than the standard rate offered by ComEd.

Electric aggregation combines the retail electric loads of customers, in this case with thousands of customers from eight communities. By combining the electrical loads, the community can leverage the buying power of thousands of residents and small businesses. This combined buying power typically provides lower, more stable rates from suppliers.

2. What is the referendum on the March 20, 2012 election ballot?

As indicated above, voters will be asked whether the City of Park Ridge should 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 a program.

*Should the Referendum pass, the City will then seek competitive bids utilizing the **North Shore Electricity Aggregation Consortium** (a joint purchasing cooperative consisting of eight communities: Park Ridge, along with Deerfield, Glencoe, Highland Park, Lake Bluff, Lake Forest, Northbrook and Skokie) in an effort to obtain bids that would secure a lower electrical rate for residents and small commercial users. Once bids are received and it is determined that savings can be realized for consumers, a contract will be negotiated to lock in the rate. Once the contract is approved, the City will work with ComEd and the new provider to ensure that all individuals eligible for the new rate are automatically transferred to the new supplier unless they have previously opted out.*

If the Referendum does not pass, the City Council will still be able to seek competitive bids under Illinois law, but all of the City's residential and small commercial accounts will not automatically be moved over to the new supplier. Residents and small commercial owners will have to choose to opt in to the program.

3. When would the City seek competitive bids?

If the Referendum passes, the City, along with the North Shore Electricity Aggregation Consortium, will seek competitive bids in spring of 2012. It is expected that the new rate would be effective during mid-summer 2012.

4. Will there be a public information process?

The City will provide information regarding both the referendum and, if the referendum is approved, the bidding process, through its normal communication outlets including the City website (www.parkridge.us), newsletter and Facebook page. In addition, the City will host two public hearings as a component of the bidding process.

5. I have a small business – does this impact me?

It may. The Act designates that residents and small commercial retailers are eligible for aggregation. Small commercial customers have been defined as those which use less than 15,000 kWh of power per year. All residential customers would be eligible unless they choose to opt out of the City's bidding process.

6. What if I have already switched to a new provider prior to the City seeking bids?

A number of electricity providers have been soliciting individual customers regarding opting out of ComEd's rate on an individual basis. If you already have done so, you have likely been locked into a rate and into a contract with that provider. Should the City bidding process realize lower rates than you have through your own provider, you will still be able to opt-in to the City's competitively bid rate, but only within the structure of the existing contract with your provider. In addition, unlike those users who are still receiving their electricity supply from ComEd, you will not be automatically switched over to the new provider. You may also be subject to early termination fees or other restrictions with your current provider. You

should check with your provider to better understand any restrictions or policies that might apply.

7. What if residents / small businesses don't want to participate in the City's rate?

Residents and small businesses may "opt-out" of the program if the referendum is passed. Before the aggregation program begins, all residents and small businesses would receive an opt-out notice in the mail and be given a date by which they must return the opt-out notice or call a number to request to be opted-out of the program. Residents using a third party supplier or residents moving to Park Ridge from outside the community would not be automatically included; they would have to "opt-in".

8. What component of the electrical bill will aggregation effect?

*Aggregation addresses only one of the three components of an electricity bill. The three components are supply (where the power comes from), transmission (getting the supply from its point of origin or from the high voltage grid), and distribution (getting the electricity from the substation to the consumer's meter). **Aggregation concerns only the supply component**, which is typically at least 50% of the electricity bill. The transmission and distribution parts of the bill will be unaffected by aggregation and provided by ComEd.*

9. Will there be any difference or disruption in service because of aggregation?

No, there will be no disruption in service. The only difference will be that the energy received will be from a different supplier at lower, more stable rates. ComEd would continue to deliver energy to homes and businesses. Residents and businesses would also continue to receive a ComEd bill. Any outages or requests for service would continue to be directed to ComEd.

10. What if my power goes out – whom should I call?

ComEd is responsible for ensuring that electricity flows through its distribution network to all homes and businesses in Park Ridge. Aggregation would not change how ComEd responds to outages. Outages should still be reported to 1-800-EDISON-1.