

# Municipal Aggregation Public Hearing

City of Park Ridge

February 20, 2012

# Review

- Background
  - Municipal Aggregation
  - North Shore Electricity Aggregation Consortium
- Status
  - NSEAC Working Group
  - Plan of Governance and Operation
  - Request for Proposals
- Next Steps

# Background

- Municipal Aggregation
  - Section 1-92 of the Illinois Power Agency Act
  - Municipalities may pool the electric loads of small commercial and residential customers located within their municipal boundaries
  - Once approved by Referendum, municipalities may negotiate electricity supply and service agreements on behalf of its residents and small businesses

# Background

- Multiple municipalities may join together through municipal aggregation
  - North Shore Electricity Aggregation Consortium (NSEAC)
  - Deerfield, Glencoe, Highland Park, Lake Bluff, Lake Forest, Northbrook, Park Ridge, and Skokie
  - Benefits include:
    - Lower consulting costs
    - Uniform contracts
    - Greater bargaining power for contract services and terms

# Status – Working Group

- NSEAC Working Group
  - Intergovernmental agreements executed
  - Technical assistance secured
    - Legal Counsel
    - Consultant
  - Status
    - Regular working sessions are ongoing to create:
      - Plans of Operations and Governance
      - Request for Proposals
      - Supply Contracts

# Status – Plan of Governance

- Plan of Operation and Governance
  - A management plan for the Aggregation
    - Required by Statute
  - Plan inclusions
    - Role of Consortium
    - Role of Villages and Cities
    - Role of the Consultant
    - Supplies and Services to be procured
  - Status
    - Draft Plan is completed and ready for public comment

# Status – Plan of Governance

- Plan of Operation and Governance inclusions
  - Role of Consortium
    - Coordinate Plans, RFP's, and Contracts
    - Recommend a single supplier to Villages and Cities
  - Role of Villages and Cities
    - Facilitate data requests from ComEd and support the Consortium
    - Consider the Consortium contract recommendations
  - Role of the Consultants
    - Support Consortium planning, document preparation, market intelligence, analysis, and account enrollment

# Status – Plan of Governance

- Plan of Operation and Governance inclusions
  - Supplies to be procured
    - Base Unit Price. Meets all statutory requirements
    - Optional Extra Renewables. Elevated levels of renewables that communities can choose for an added premium
  - Services to be provided
    - Initial Enrollment and Opt-Out (no fee)
    - Ownership Change Enrollment and Opt-Out (no fee)
    - Late Enrollment and Opt-Out (\$25 fee)
    - Customer Service i.e. Call in Center

# Status – Request for Proposals

- Request for Proposals
  - The specifications for the Suppliers
    - Reflect the Plan of Operations and Governance
  - Early Selection
    - Consortium making supplier recommendation prior to the Referendum
    - Intent is to get to market ahead of the 200+ other municipal aggregation communities
  - Status
    - Accelerated Implementation Plan

# Status – Contracts

- Supply and Service Contracts
  - Must be executed between supplier and each Consortium member
    - Target is Early April
  - Consortium member communities must select:
    - Base Supply Bid; or,
    - Base Supply Bid PLUS Optional Increased Renewables
  - Status
    - COW action item for March 26th

# Next Steps

- Public Hearings on Plans of Governance and Operation
- Community Education Program
- Request for Proposals Issued
- Consortium Vendor Selection
- Referendum then Council Approvals
- Contract Executions
- Commodity Price Lock
- Account Enrollments