



North Shore Electricity Aggregation Consortium

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

Electrical Aggregation: Frequently Asked Questions

In December 2011, the Park Ridge City Council approved a Resolution 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.

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 Northbrook, Deerfield, Glencoe, Highland Park, Lake*

Bluff, Lake Forest, and Skokie) in an effort to obtain bids that would secure a lower electricity 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 of Park Ridge will not be able to participate in the Consortium's joint purchase.

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 early- to 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 aggregation process. These public hearings will be held at the Park Ridge City Hall on February 20, 2012 at 6:30 p.m. and March 7, 2012 at 6:45 p.m.

5. Are all residential units in the community eligible?

All residential customers would be eligible (except those receiving ComEd's Residential Space Heat Rate – see question 8 below; those participating in hourly pricing programs; and those with existing supply contracts with an Alternative Supplier) unless they choose to opt out of the City's bidding process.

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

It may. The Act designates that residents and small commercial retail customers are eligible for aggregation. Small commercial retail customers have been defined as having a peak demand of less than 100 kW.

7. 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.

8. 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 from the City 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. Additionally, ComEd will also contact residents to ensure that they intend to allow their accounts to be enrolled in 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".

9. I live in a building that currently receives ComEd's Residential Space Heat Rate. Will the Consortium's joint bid process impact me?

No, residents of buildings currently receiving the Residential Space Heat Rate will not participate in the joint bid due to the fact that the Residential Space Heat Rate is heavily subsidized by ComEd and likely lower than the joint bid rate. Check your bill to determine if this impacts you.

10. 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.*

11. 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 and utilize ComEd payment options such as Budget Billing and Automatic Payment. Any outages or requests for service would continue to be directed to ComEd.

12. 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.

13. Will there be a “green energy” component to the newly bid rate?

All bidders will have to provide at least 7% of cleanly produced energy to comply the 2012-2013 Renewable Portfolio Standard. The request for proposals that the North Shore Electricity Consortium communities will use will solicit offers for higher levels of less polluting energy sources, up to 100%, and the cost associated with those higher levels. If the Referendum passes, and a contract is brought to the City Council for approval, the Board will determine what percentage of less polluting energy and the associated rate that will be provided to the community.

14. ComEd has indicated that they will be making system improvements to deal with reliability. Does this change any of those commitments?

No. This process does not impact ComEd’s commitments to the City to improve their system and to deal with reliability issues.

For more information, please contact the City at 847-318-5208