

Illinois Municipal & County Electric Aggregation What Do I Need to Know?

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ICC/IPA/COMED

“OPT OUT” MUNICIPAL & COUNTY
AGGREGATION WEBINAR

MARCH 2012

The Basics

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Q: What exactly does the law say?

A: We recommend reading Section 1-92 of the Illinois Power Agency Act from beginning to end. Most recent amendment was in 2011. The good: It is only a few pages long. The bad: It does not address every question you might have.

Q: Do I have to use a broker / consultant?

A: No, there is no requirement in the law that a community must hire a broker / consultant to implement an aggregation program.

Q: How do I know whether a broker/consultant is licensed by the ICC?

A: The ICC's website contains a list of licensed Agents, Brokers and Consultants (ABCs) at www.icc.illinois.gov/utility/list.aspx?type=abc

Q: How do I find out which IL communities have aggregation programs already in place? How do I find out the specifics of their programs?

A: The ORMD's website contains a list of communities that have implemented aggregation programs. It also shows the selected supplier, rate and term of the aggregation program at www.icc.illinois.gov/ORMD/MunicipalAggregation.aspx

The Basics Continued

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Q: How many other IL communities are considering opt-out aggregation and where are they?

A: The ORMD is maintaining a list of communities pursuing opt-out aggregation programs at www.icc.illinois.gov/ORMD/MunicipalAggregationEx.aspx. The list contains those communities for which the ORMD has been able to find a public link about the aggregation program such as the municipalities website or a newspaper article. Currently, there are 298 communities on the ORMD list. 213 of those are in the ComEd area and 85 are in the Ameren Illinois areas.

Q: Am I required to notify the ICC of our plan to pursue or implement an aggregation program?

A: No, there is no requirement for municipalities to notify the ICC of their intent to pursue or implement an aggregation program. However, the ORMD appreciates assistance from anyone in keeping updated and accurate lists of (a) communities with an existing aggregation program and (b) of communities pursuing an aggregation program.

Q: Does the ICC have statistics about customers participating in aggregation programs or opting out of aggregation programs?

A: No. The utilities currently do not have any way of separating municipal aggregation enrollments from other enrollments. This means that the monthly switching statistics (found at www.icc.illinois.gov/electricity/switchingstatistics.aspx) contain residential and small commercial customers that are part of a municipal aggregation program. Also, municipalities and/or suppliers are not required to report the number or percentage of customers that have opted out of the aggregation program.

What are the minimum requirements regarding notices to residents and public hearings for an **opt-out** aggregation program?

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- The corporate authorities or county board, with assistance from the IPA, must develop a plan of governance for the aggregation program.
- Before the plan can be adopted by the corporate authority or county board, a least two public hearings must be held on the plan.
- Prior to the first public hearing, the corporate authority or county board must publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the jurisdiction.
- The newspaper notice must summarize the plan and states the date, time and location of each hearing.
- It is the duty of the aggregated entity to fully inform residential and small commercial retail customers in advance that they have the right to opt out of the aggregation program. The disclosure shall prominently state all charges to be made and shall include full disclosure of the cost to obtain service pursuant to Section 16-103 of the PUA, how to access it, and the fact that it is available to them without penalty, if they are currently receiving service under that Section.

What are the minimum requirements regarding notices to residents and public hearings for an **opt-in** aggregation program?

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- The corporate authorities or county board, with assistance from the IPA, must develop a plan of governance for the aggregation program.
- Before the plan can be adopted by the corporate authority or county board, a least two public hearings must be held on the plan.
- Prior to the first public hearing, the corporate authority or county board must publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the jurisdiction.
- The newspaper notice must summarize the plan and state the date, time and location of each hearing.
- Within 60 days after receiving the bids, the corporate authorities or county board shall allow residential and small commercial retail customers to commit to the terms and conditions of a bid that has been selected by the corporate authority or county board.

Other Frequently Asked Questions

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Q: Is there a required timeframe by which an opt-out program must be implemented after the referendum passes?

A: No. However, ComEd will talk about the importance of using up-to-date customer lists during the aggregation process.

Q: How do I find out how many suppliers are licensed and registered in Illinois and who they are?

A: The ORMD maintains a list of suppliers that are certified and registered suppliers to serve residential and small commercial customers at www.pluginillinois.org/Suppliers.aspx

Q: If customers opt-out initially can they join the aggregation program later?

A: That is up to the Government Authority to determine in its plan of operation and governance and/or discussions with bidding suppliers.

Q: Will customers receive one bill from the utility, one bill from the supplier or two bills?

A: Currently, almost all suppliers use the utility's consolidated billing option for residential customers, meaning customers receive a single bill that includes both the utility's and the supplier's charges. A couple of suppliers send their own consolidated bill to residential customers. This should be discussed with bidding suppliers and/or specified in the plan of operation and governance.

What about existing RES customers? Space Heat customers? Customers eligible for LIHEAP & PIPP?

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Q: Can an existing RES customer join the aggregation program? How about Residential Real Time Pricing Customers (RRTP)?

A: When it comes to existing RES customers, the Commission is currently being asked to rule on the law's definition of "retail customer", and a decision is expected shortly. See ICC Docket No. 11-0434. Under ComEd's current Rate GAP tariff, you will be getting the names and addresses of all residential and small commercial customers but not the account numbers of existing RES customers or RRTP customers. The question is whether to treat existing RES and RRTP customers in the same manner as fixed-price bundled service customers. That is, whether to automatically include them in the pool of customers that have to opt out if they do not want to be part of the aggregation program. Some RES customers may be subject to an early termination fee and Residential Real Time Pricing Customers may have a minimum stay requirement for the RRTP program.

Q: Will space heating customers be able to save money in an aggregation program?

A: It is not certain that space heat customers will save money in an aggregation program. ComEd's current space heating rate of 5.073 cents per kWh is significantly lower than ComEd's "regular" rate and currently no posted offer on PlugInIllinois.org features a lower rate. However, electricity prices change all the time and you should discuss the inclusion or exclusion of space heat customers with the bidding suppliers.

Q: How about customers on low-income assistance programs such as LIHEAP and PIPP?

A: Short answer: It depends on the supplier's bill option and if the supplier includes its charges on ComEd's bill, there is no change in the status of LIHEAP and PIPP customers. ComEd will discuss in more detail.

Additional Considerations

Q: What are the expectations of other suppliers that are marketing in a community that has implemented an aggregation program?

A: There is nothing that prohibits other suppliers from marketing in communities with an aggregation program. Just as in other areas, those suppliers must abide by Illinois law and rules regarding the marketing and sale of electric supply services. See Section 16-115A of the PUA as well as pending Code Part 412 rules (ICC Docket No. 09-0592). In communities with opt-out programs it is important to educate residents how to opt-out, and to let them know that they do not need to take any further steps to enroll in the aggregation program if that is the choice they have made. By keeping a list of communities with an existing aggregation program, the ORMD can do its part to inform active residential suppliers of those aggregation programs.

Q: How do I respond to inquiries and complaints from residents?

A: Decide as soon as possible how to receive inquiries and complaints at the community level. If you receive complaints about the marketing of suppliers, please encourage residents to log an informal complaint at the ICC by calling 800-524-0795 or visiting www.icc.illinois.gov/consumer/complaint. Directing complaints about a supplier's marketing to ComEd will not have the same effect. Also, some simple inquiries might be answered by directing residents to PlugInIllinois.org, which contains basic information about electric choice.