

Questions & Answers about Electric Aggregation – How is this possible?

- On August 10, 2009, Public Act 96-0176 amended the Illinois Power Agency Act by providing for the aggregation of electrical load by municipalities and counties. This law authorizes municipalities to develop aggregation programs for the procurement of electricity supply to residential and small business customers. Local governments can now work with community members to purchase lower cost electricity, green or renewable energy, encourage local generation (solar or wind, etc.), and other community initiatives. Municipalities are able to include all residents and small businesses in a Request for Proposal to retail energy suppliers.

Which communities have passed referendums?

- Fulton (first comm. in Illinois)
- Campton Hills
- Crest Hill
- DeKalb
- Dixon
- Elburn
- Erie
- Fox River Grove
- Glenwood
- Grayslake
- Harvard
- Lincolnwood
- Milledgeville
- Morris
- Mt. Morris
- New Lenox
- North Aurora
- Oak Park
- Oakbrook
- Polo
- Sugar Grove
- Wood Dale

Will residents notice a difference in service?

- No, the only difference is the energy received from the selected supplier and lower, more stable prices. ComEd would continue to deliver energy to homes and businesses. Residents and businesses would also continue to receive a ComEd bill. If residents have an outage or need service, they would continue to contact ComEd.

What if my power goes out – will I need to call the company providing the power?

- No. ComEd is responsible for ensuring that electricity flows through its distribution network to all homes and businesses in Long Grove. Aggregation would not change how ComEd responds to outages.

Where does the electricity come from?

- Using forecasting and hedging methods, the selected supplier procures much of the energy supplied on the open market to find the best price for the aggregation group.

Can savings be guaranteed under an aggregation program?

- The Village can structure its request for proposals so that bidders set their rates at a specified percentage under Exelon's established rate. Market fluctuations make it impossible to guarantee that bids will come in under the current energy

rate paid by ComEd customers. However, since that current rate is set every May, the market can react to it, and often provide a lower rate. Currently, residents and small businesses pay a higher rate than most large commercial, industrial and institutional accounts that have sought open market bids.

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 65 to 70% of the electricity bill. The transmission and distribution parts of the bill will be unaffected by aggregation.

What if residents / small businesses don't want to participate?

- 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 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 Long Grove from outside the community would not be automatically included; they would have to "opt-in".

What is considered a "small business" eligible for the aggregation program?

- Small businesses are those which utilize 100 kilowatt of electricity – comparable to a fast-food restaurant. The amount of electricity a property utilizes can be obtained on an electricity bill.

Will customers be able to pursue clean, green or renewable energy?

- Renewable, also known as green or clean energy, is energy which comes from natural resources such as sunlight and geothermal heat. The Village will include in its bid documents options for renewable energy. If residents wish to pursue this energy source, they may specifically request this option.

How does electrical aggregation benefit a resident and small business?

- Electric aggregation combines the retail electric loads of customers in a community. By combining the loads of its residents, the community can leverage the buying power of thousands of residents and small businesses. This combined buying power typically provides lower, more stable rates and improved service from suppliers.

I have received mailings from retail electric suppliers offering lower electricity rates now. What should I do?

- The earliest the community aggregation program is likely to begin is summer 2012. Consumers who decide to switch to a retail electric supplier before the

community program is available should consider several aspects of the retail supplier's offer. Consider the following:

- 1) Length of contract. Many retail suppliers require a minimum 1-year contract, which would prevent a customer from getting the community's aggregation rate until the contract ends.
- 2) Termination fees. Look at the cost of early termination. Some companies charge fees and others do not.

What if customers already have a contract with an electric supplier?

- Residents and small businesses may "opt-in" to the Village's program when their contract expires.

How long with the Village's contract be?

- The Village could enter into a 12-month contract at a fixed rate through May, 2013.

So, what options do residents and small businesses have?

- Subject to approval of the referendum, when the Village selects a supplier, the supplier will contact each resident and small business property regarding the program. Customers thereafter will have the following options:
 1. Opt-out – means the customer is not interested in the program.
 2. Renewable Energy – means the customer wishes to pursue clean or renewable energy; there may be an additional cost for this option.
 3. No action – all customers would automatically be enrolled into the electric supply program if no action is taken.

If voters approve the referendum, how long will it be before the program is implemented?

- State law requires certain steps be followed to approve and implement the Community Choice Aggregation Program. If voters give the Village the authority to pursue aggregation, two public hearings must be held to gather citizen input for an aggregation plan that outlines goals such as savings targets and the mix of energy generation sources. Once the plan is created and adopted, Village staff would seek competitive bids from energy suppliers via a formal Request For Proposals (RFP) process. If a bid is received that meets the goals of the plan, a contract would be negotiated and presented to the Village Board for approval. It is anticipated that the Village would have a program in the summer, 2012.