

Staff Responses to Council Questions
May 1, 2012

5. Public Hearing – Electrical Aggregation Program Plan of Operation and Governance

What would the fee for early termination be?

The fee for early termination would be no greater than \$50. This is the amount recommended by the consultant and would be included in the Plan of Operation and Governance that the Council considers for approval on May 15, 2012.

Why would an early termination fee be included?

An early termination fee would be a deterrent to leaving the program outside of the initial opt-out process, which is a benefit to both the supplier and the group as a whole by preserving a predictable load and therefore keeping prices low. Additionally, by describing the amount of a reasonable fee in the Plan of Operation and Governance, the consumer would be protected from arbitrary charges by the supplier. Early termination fees are included in many of the example Plans of Governance reviewed by staff.

If a resident already has a contract with an ARES that expires during the term of the aggregation contract, can they enter into the aggregation contract?

A resident who is under contract with another supplier would have the ability to enter the Village's program under the initial pricing terms if they request admission within 60 days of the program's start. After that, the pricing would be at the supplier's discretion. The resident could join at the supplier's pricing, return to the ComEd supply rate or enter into a contract with another alternative supplier.

Do residents have the ability to choose their own renewable energy mix or purchase Renewable Energy Credits without participating in the aggregation contract?

Residents will not be offered individual renewable energy mixes. There are two options for residents to purchase renewable energy credits: 1) the resident could opt out of the program and enter into a contract for a renewable energy mix with another supplier or 2) the resident could remain in the program and purchase renewable energy credits from an alternative supplier.

Did any other communities offer individual residents the opportunity to select the use of renewable energy as part of the aggregation contract? If so, what was the impact on price and administration?

Yes, the North Shore Electricity Aggregation Consortium, a group of eight communities that is currently conducting its opt-out process, is allowing customers to purchase renewable energy credits. After the opt-out process is complete, each aggregation customer will be mailed a postcard asking if they would like to purchase renewable energy credits. It is difficult to determine whether this additional option affected the base rate obtained by the group, but it is causing additional administrative costs to be borne by the supplier. Staff will follow up with the group as its process continues.

6. Consent Agenda F. Resolution: Authorize an Intergovernmental Agreement with the County of DuPage for CH35/55th Street (Dunham Road to Clarendon Hills Road)

Does this agreement provide for full funding of all aspects of the project? If not, will there be another agreement that addresses any remaining funding responsibilities?

This agreement provides for full funding for all aspects of the project as planned. See the table below:

Funding Source	Funding Amount
Federal Funding for Engineering, Land Acquisition and Construction Costs (Secured by County)	\$2,168,000
Federal Funding for Construction (Secured by Village of Downers Grove)	\$630,000
County Contribution for Engineering, Land Acquisition and Construction Costs	\$2,504,000
Village Contribution for Engineering	\$48,000
TOTAL	\$5,350,000

6. Consent Agenda G. Resolution: Authorize an Intergovernmental Agreement with the Village of Westmont Concerning Electric Aggregation

Will the Village retain full autonomy in decision making for the aggregation program?

Yes, the Village will retain all decision making authority for the aggregation program.

Since Electrical Aggregation was a controversial referendum question not having 100 % approval, why is this item on the Consent Agenda?

This item is on the Consent Agenda because it is reflective of previous discussions by the Council regarding partnerships for aggregation. Further there is no direct cost to the Village and the cost that would be paid to the consultant, \$10,000, is small. Finally, the key components of the program will be presented and discussed during the public hearing, which is prior to the Consent Agenda. The Village Council and residents will have the ability to ask questions and make comments about any aspect of the aggregation program prior to consideration of the Consent Agenda.

Westmont started their process and hired a consultant. How did Downers Grove, and thus our Village Manager become the agreed “Official Coordinator”?

The Village is the official coordinator because it has more knowledge of the process and Downers Grove was further in the process when staff approached Westmont.

How did Westmont choose Belden Energy Services? DO they meet our criteria for consulting in Downers Grove (campaign disclosure form?).

The Village of Westmont had an existing working relationship with Belden Energy Services, having previously used the consultant for energy-related consulting. Because the Village is not entering into a contract with the consultant, a campaign disclosure form is not required; however, staff could request one from the consultant if directed by the Council.

What is the background of the consultant and are there any political connections?

Jim Belden, the principal of Belden Energy Solutions, is experienced in providing consulting services to businesses that are purchasing energy supply (electricity and natural gas) from alternative suppliers. The Village of Westmont has previously worked with him on energy supply and was satisfied with his performance. Please see the attached summary of his qualifications.

7. Active Agenda A. Ordinance: Designate Planned Development #51 and Authorize an Auditorium and Office Building

A resident noted possible discrepancies, please provide answer.

A resident asked for clarification on the inclusion of a parcel in the Planned Development on the far southern end of the Midwestern property. There is a parcel in the southeast corner of the property that extends to 36th St that is not on the Master Site Plan. While this property is included as part of the Planned Development, it is not intended to be developed. It is anticipated to serve only as a buffer to the residences. Staff is working with MWU to get an updated exhibit showing the parcel in question.

8. First Reading A. Ordinance: Authorize a Special Use to Permit the Construction of Three Principal Buildings on the Single Lot at 2300 Wisconsin Avenue

This was the original MacNeal Automotive that moved to Bolingbrook. Are there plans for any specific uses of this property other than sale. It hasn't sold as vacant, why the investment in buildings?

Staff is not aware of any specific users for the site at this time. It is staff's understanding that the spaces are being offered as condominium units for office, light manufacturing and warehousing purposes. The applicant testified that there is a demand for these smaller spaces during the public hearing.



Jim Belden -- Managerial & Technical Qualifications

Jim Belden is an energy industry veteran with over 30 years of professional experience. In 1980, Mr. Belden started his career as an environmental engineer with oil and natural gas companies in Texas and Illinois. For the past 20 years, Mr. Belden has worked with commercial, industrial, governmental and institutional clients to provide solutions for their electric and natural gas needs. Mr. Belden has extensive experience in the area of utility tariff rate analysis, financial risk management for natural gas and electric supply, retail energy sales and marketing, and energy procurement consulting. Specific skills applicable to Energy Consulting managerial and technical qualifications include:

- 1.) MidCon Gas Services and Aquila Gas: Experienced in energy sales to wholesale and retail gas customers in the Nicor Gas and PGLC/NS gas local distribution systems. As Regional Director for Aquila Energy, directly managed sales and sales support professionals (1992-1999)
- 2.) Aquila Power: Experienced in wholesale power markets sales, financial structuring and Power Purchase Agreements in the Illinois market (1999)
- 3.) AES NewEnergy/Constellation NewEnergy, BlueStar Energy Services, and Strategic Energy/Direct Energy: Developed market entry plans for electric supply service offerings to ComEd and Ameren markets. Assisted in the deployment of product development and sales programs for all types of end-use customers. Experienced in implementing customized, structured products to large volume electric accounts. Managed sales and sales support staff at each retail electric supply company (2000 to 2008)
- 4.) Economic Energy Inc. (ABC License 09-0622) and Endurant Energy LLC (ABC License 10-0219) Practiced as a licensed ABC since 2008. Experienced in providing energy procurement to end-use clients in Illinois. Proficient in understanding retail electric supplier offerings including Opt-in and Opt-out aggregation programs for residential customers. Worked with trade associations to educate members on the benefits of electric choice. Also proficient in demand response offering and renewable energy markets.

Mr. Belden attended Lake Forest College and received a B.S. degree from Northern Arizona University and an MBA in Finance and marketing from Northwestern University.