

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**MAY 15, 2012 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Ordinance Authorizing Aggregation and Adopting Plan of Operation and Governance for Aggregation	✓ Resolution Ordinance Motion Discussion Only	Allison Deitch Management Analyst

**SYNOPSIS**

An ordinance has been prepared to authorize the aggregation of residential and small retail electrical loads and to adopt the Plan of Operation and Governance for the Village's Electrical Aggregation program

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011 to 2018 include *Exceptional Municipal Services. Evaluating Options for Electrical Aggregation* is a High Priority Action Item for 2012.

**FISCAL IMPACT**

There is no direct cost to the Village for the electrical aggregation program. The Village will be entering into an Intergovernmental Agreement with the Village of Westmont to achieve an economy of scale in the electrical supply contract and to share in the cost of a consultant to assist in the supplier selection process. Westmont has entered into a professional services agreement with Belden Energy Solutions. The Village will be charged a fee not to exceed \$10,000. This fee will be included in the electrical supply rate and will be equivalent to approximately \$0.60 per customer per year.

**UPDATE & RECOMMENDATION**

The Village Council held a Public Hearing on the Plan of Operation and Governance on May 1, 2012. Staff recommends approval on the May 15, 2012 Active Agenda. Following the public hearing, the following changes were made to the Plan:

- Extension of the required opt-out period from two weeks to three weeks
- Simplified the contract renewal options to enhance the Village's ability to achieve the lowest rate when the contract expires

**BACKGROUND**

On March 20, 2012, the voters of Downers Grove approved a referendum authorizing the Village to operate an opt-out electrical aggregation program. The Village now has the authorization to seek a competitive bid that lowers the price of electricity for residents and qualifying small businesses. Under the aggregation program participating residents and businesses would continue to be billed by ComEd, but the supply of electricity would be provided to the electrical grid by one of 23 electrical suppliers approved by the Illinois Commerce Commission.

*Plan of Operation and Governance*

Under State law, the Village is required to hold two public hearings before adopting its Plan of Operations and Governance (POG). The POG is a document that describes how the program will be operated. The POG includes the following key points:

- Downers Grove will seek competitive proposals and negotiate a contract with a licensed alternative retail electric supplier (ARES) to provide electric supply at contracted rates to all members of the program.

- The initial contract will be for a one-year period. At the end of this period the Village has the right to extend the agreement if the supplier can continue to beat ComEd's price, or the Village may elect to conduct a new contracting process.
- Potential suppliers will be required to present options for renewable energy ranging from the minimum required under state law to 100% renewable energy.
- Residents are eligible unless currently under an alternative ComEd rate plan or contract with a different energy supplier. A complete list of ineligible groups can be found in section IV of the POG.
- Eligible small businesses include those using less than 15,000 kwh per year who are not under contract with a different energy supplier or currently under an alternative ComEd rate plan.
- There will be a two to three week period during which customers may opt out.
- ComEd will continue to provide a single bill to members of the program for all electrical charges.
- The POG also outlines the following conditions for entering and exiting the program:
  - Members opting out of the program shall be readmitted under the initial terms within 60 days of the aggregation
  - Members moving within the Village into a residence or business with an existing meter shall be included under the initial terms of the agreement
  - Members moving into new construction or where there is no meter will not be automatically included but may request admission to the group from the supplier
  - Members moving outside of the Village boundaries will not be assessed a penalty
  - Members leaving the aggregation group for reasons other than moving outside the boundaries of the Village may be assessed an early termination fee

Staff has updated the aggregation task list and schedule based on conversations with the Village of Westmont and the consultant. The updated schedule is as follows:

*Electrical Aggregation Schedule*

<b>Target Date</b>	<b>Actions</b>	<b>Notes</b>
May 1, 2012	Public Hearing #1  Village Council approval of an Intergovernmental Agreement (IGA) with Westmont	The proposed IGA with Westmont appears on the Consent Agenda. The IGA allows the Village to partner with Westmont to achieve an economy of scale in the electrical supply contract and to share in the cost of a consultant to assist in the supplier selection process.
May 15, 2012	Public Hearing #2  Village Council approval of an Ordinance Authorizing Aggregation of Electrical Load and Adopting an Electrical Aggregation Plan of Operation and Governance	The Ordinance Authorizing Aggregation will appear on the Active Agenda
May 16, 2012	Publication of Request for Qualifications and Proposals with Preliminary Pricing	The Village and Westmont will seek qualifications and proposals from all licensed electrical suppliers. Responders will be required to submit preliminary pricing for Downers Grove and Westmont combined and pricing for the municipalities separately. Preliminary pricing for renewable energy options will also be submitted.

<b>Target Date</b>	<b>Actions</b>	<b>Notes</b>
May 29, 2012	Due date for qualifications and proposals with preliminary pricing	
June 5, 2012	Village Council approval of the qualified electrical suppliers  Village Council approval of a motion authorizing the Village Manager to enter into a contract with an electrical supplier subject to certain parameters	Staff and the consultant will present the results of the RFP/Q process including preliminary pricing of the renewable energy options. The Village Council will be asked to approve the list of qualified suppliers that will be permitted to submit a bid and to approve the renewable energy mix to be included in the contract.
June 2012	Call for Bids from qualified electrical suppliers  Village Manager execution of a contract with the lowest bid from the qualified electrical suppliers pursuant to the parameters established by the Council	The date of the bid will be determined after consultation with the consultant
June – July 2012	Conduct opt out process	The selected electrical supplier will be responsible for conducting the opt out process.
July – August 2012	Implement new electrical supply contract	

**ATTACHMENTS**

Ordinance Authorizing the Aggregation of Electrical Load  
Plan of Operation and Governance





# Village of Downers Grove

## Official Village Policy Approved by Village Council

Description:	<b>ELECTRICAL AGGREGATION</b>	
Res. or Ord. #:	<b>Ord. 2012-__</b>	Effective Date: <b>5/15/12</b>
Category:	<b>Legislative and General Management</b>	
	<input checked="" type="checkbox"/> New Council Policy	
	Amends Previous Policy Dated: _____	
	Description of Previous Policy (if different from above): _____	

### ORDINANCE NO.

#### **AN ORDINANCE AUTHORIZING AGGREGATION OF ELECTRICAL LOAD AND ADOPTING AN ELECTRIC AGGREGATION PLAN OF OPERATION AND GOVERNANCE**

WHEREAS, the Illinois Power Agency Act 20 ILCS 3855 was recently amended to add Section 1-92 entitled Aggregation of Electrical Load by Municipalities and Counties (hereinafter referred to as the “Act”); and

WHEREAS, pursuant to the Act, the Village may operate the aggregation program under the Act as an opt-out program for residential and small commercial retail customers, if a referendum is passed by a majority vote of the residents pursuant to the requirements under the Act; and

WHEREAS, the Village submitted the question in a referendum on March 20, 2012, and a majority of the electors voting on the question voted in the affirmative; and

WHEREAS, the Village Council hereby finds that it is in the best interest of the Village to operate the aggregation program under the Act as an opt-out program and to implement the program according to the terms of the Act; and

WHEREAS, the Act requires that prior to the implementation of an opt-out electrical aggregation program by the Village the Village must adopt an electrical power aggregation plan of operation and governance and hold not less than two (2) public hearings; and

WHEREAS, the Village held the required public hearings for the Electric Power Aggregation Plan of Operation and Governance on May 1, 2012 and May 15, 2012 and provided the required public notice.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND VILLAGE COUNCIL OF THE VILLAGE OF DONWERS GROVE, DUPAGE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Incorporation of Recitals. The Village Council finds that the recitals set forth above are true and correct.

Section 2. Finding. The Village Council finds and determines that it is in the best interests of the Village to operate the electric aggregation program under the Act as an opt-out program.

Section 3. Implementation.

- a. The Village Council is hereby authorized to aggregate in accordance with the terms of the Act residential and small commercial retail electrical loads located within the corporate limits of the Village, and for that purpose may solicit proposals and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment.
- b. The Village Council may exercise such authority jointly with any other municipality or county and, in combination with two or more municipalities or counties, may initiate a process jointly to authorize aggregation by a majority vote of each particular municipality or county as required by the Act.
- c. The aggregation program for the Village shall operate as an opt-out program for residential and small commercial retail customers.
- d. The Village Council, consistent with the Act, shall develop a plan operation and governance for the aggregation program and shall conduct public hearings and provide such public notice as required by the Act.
- e. As an opt-out program, the Village shall fully inform residential and small commercial retail customers that they have the right to opt-out of the aggregation program. The disclosure and information provided to the customers shall comply with the requirements of the Act.
- f. The electric aggregation shall occur automatically for each person owning, occupying, controlling, or using an electrical load center proposed to be aggregated in the corporate limits of the Village, subject to a right to opt-out of the program as described under this Ordinance and the Act.

Section 4. Adoption of Plan of Governance. The Village Council hereby adopts the Electrical Power Aggregation Plan of Operation and Governance as set forth in Exhibit "A" attached hereto and made a part hereof as if fully set forth by this reference.

Section 5. That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 6. That this Ordinance shall be in full force and effect from and after its passage as provided by law.

---

Martin T. Tully, Mayor

Passed:

Published:

Attest: April K. Holden, Village Clerk

**Village of  
Downers Grove  
Electrical Aggregation  
Plan of Operation  
and Governance  
May 15, 2012**

**VILLAGE OF DOWNERS GROVE  
ELECTRICAL AGGREGATION PLAN  
OF OPERATION AND GOVERNANCE**

**I. HISTORY AND PURPOSE OF MUNICIPAL AGGREGATION**

Pursuant to the Illinois Power Agency Act, 20 ILCS 3855/1-92, municipalities such as the Village of Downers Grove are authorized to aggregate the electric loads of small commercial and retail customers located within the Village and to then solicit bids, select a retail electric supplier, and enter into a service agreement to facilitate the purchase of electricity and related services and equipment on behalf of its residents and small businesses. The statute is a part of the state's electric deregulation efforts which allow customers access to competitive retail electric markets.

In accordance with that law, in 2011, the Village of Downer Grove Village Council passed a resolution authorizing a referendum on the March 20, 2012 ballot which asked the public for authority to create an Opt-Out aggregation program for its residents and small business customers.

Voters approved the Village of Downers Grove's Electrical Aggregation Referendum on the March 20, 2012 ballot.

The Village also conducted a public outreach campaign to educate Downers Grove residents and small businesses about the aggregation program and to gather input regarding their preferences for the development of this Aggregation Plan of Operation and Governance. Outreach efforts included presentations at a Village Council meeting, publication on the Village website and in social media, and two statutorily required public hearings.

The Village of Downers Grove Aggregation Program seeks to aggregate the retail electric loads of eligible residents and small commercial retail accounts and to solicit bids for the purchase of that electricity. Downers Grove's program will solicit bids for both a lowest rate alternative as well as alternatives for renewable energy. With an estimate of 18,000 eligible electric accounts, the Aggregation Program has the potential to attract lower rates than the current default tariff service rate, while also acquiring a cleaner power supply.

Residential and small commercial retail customers often lack the knowledge, time and awareness to conduct due diligence and negotiate favorable terms with alternate retail electric suppliers on their own. Downers Grove's program not only provides these services, but provides the bargaining power achieved through the size of the Aggregation Program. The Aggregation Program is designed to reduce the amount its Members pay for electric energy power supply and gain other favorable terms of service.

Downers Grove will not buy or resell power, but will competitively bid and negotiate a contract with a competent and licensed alternative retail electric supplier (ARES) to provide electric supply at contracted rates to all members of the Aggregation Program. The ARES shall provide accurate and understandable pricing, ancillary services and an opt-out notification plan. The ARES will also perform and manage ancillary services for the Aggregation Members as described in this document.

Pursuant to the opt-out aggregation program, all customers in the defined aggregation group shall participate in the program unless they affirmatively elect to opt out of the program. By including



procedures by which customers may opt-out, the Aggregation Program ensures that participation is voluntary and individuals have the ability to decline to participate.

As required by law, this Plan of Operation and Governance describes:

1. How the Aggregation Program will provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers;
2. How demand management and energy efficiency services will be provided to each class of customers; and
3. How the Aggregation will meet any other legal requirements concerning aggregated electric service.

Downers Grove and the selected ARES will follow the Plan of Operation and Governance as set forth in this document.

## **II. DEFINITIONS**

In order to clarify certain terminology, the following terms shall have the meanings set forth below:

“Act” shall refer to the Illinois Power Agency Act set forth at 20 ILCS 3855/1-92;

“Aggregation Program” or “Program” shall mean the program developed by the Village of Downers Grove, as a Municipal Aggregator under the Act, to provide residential and small commercial customers in Downers Grove with retail electric supply as described in this document;

“Aggregation Member” or “Member” shall mean a residential or small commercial retail electric account enrolled in the Aggregation Program.

“Alternative Retail Electric Supplier” or “ARES” shall mean an entity certified by the Illinois Commerce Commission to offer electric power or energy for sale, lease or in exchange for other value received to one or more retail customers, or that engages in the delivery or furnishing of electric power or energy to such retail customers, and shall include, without limitation, resellers, aggregators and power marketers but shall not include the Electric Utility or the Village of Downers Grove.

For purposes of this document, the definition of Alternative Retail Electric Supplier is more completely set forth in 220 ILCS 5/16-102.

“Ancillary Services” shall mean the necessary services that must be provided in the generation and delivery of electricity. As defined by the Federal Energy Regulatory Commission, they include: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves);

“Default Tariff Service” shall mean the electricity supply services available to eligible retail customers of the Utility;

“Electric Utility” or “Utilities” shall mean Com Ed as the entity that has a franchise, license, permit or right to distribute, furnish or sell electricity to retail customers within Downers Grove;

“Eligible Retail Customer” shall mean the residential and small commercial retail customers of the Utility;

“IPA” shall mean the Illinois Power Agency established by the Act 9 (20 ILCS 3855/1-1 et.seq.);

“Load” shall mean the total demand for electric energy required to serve the Village of Downers Grove’s residential and small commercial members in the Aggregation;

“Municipal Aggregator” shall mean the Village of Downers Grove acting as facilitator for the process of securing competitive retail electric rates for the Aggregation Members pursuant to the authority conferred by the Act and in accordance with this Aggregation Plan of Operation and Governance;

“Downers Grove” or “The Village” shall mean the Village of Downers Grove, acting by and through its corporate authorities, and authorized Village employees;

“Opt-Out” shall mean the process by which a customer who would be included in the Aggregation Program chooses not to participate in the Aggregation Program and to return to Com Ed’s default tariffed service;

“PIPP” shall mean Percentage of Income Payment Plan (PIPP) created by the Emergency Assistance Act, 305 ILCS 20-18 to provide a bill payment assistance program for low-income residential customers;

“Plan” shall mean this Aggregation Plan of Operation and Governance;

“Power Supply Service Agreement” or “Service Agreement” shall mean the contract between the Village of Downers Grove and the Alternate Retail Electric Supplier;

“Rate to Compare” shall mean the applicable rate for supply of the electricity by the default provider, ComEd

“REC” shall mean duly certified and verified Renewable Energy Credits;

“Small Commercial Retail” shall mean those retail customers with usage of 15,000 kwh or less

### **III. ROLE OF THE VILLAGE**

**A.** Upon receipt of the signed election results the Village Manager shall submit to ComEd, in writing, a request for the identification of retail and small commercial electric customer account information and generic load profiles.

**B.** The Village will maintain the customer information it receives in a confidential manner as required by law and will use that information only for purposes of its Municipal Aggregation Program.

**C.** The Village shall review the customer list to remove ineligible customers, provided however, that the Village shall have no responsibility or liability to potential aggregation members or the ARES for the accuracy of the customer account information provided.

**D.** The Village will develop the Request for Proposals (RFP) in accordance with the terms set forth in this document.

**E.** The Village will inform the potential vendors in the RFP document of the Village's generic load profile information as provided by Com Ed.

**F.** The Village Council shall select the ARES.

**G.** The Village is under no obligation to enter into any service agreement with any ARES and may, in its discretion, chose to have the aggregation members remain on Com Ed's default tariffed service, and to reject any and all proposals. Such action shall not prohibit the Village from re-issuing an RFP in the future.

**H.** The Village, as the facilitator of this bidding process, is not responsible for providing electricity to the Members of the Aggregation Program, or for billing or collecting for electricity provided under any ARES power supply agreement, and has no responsibility beyond the duties described herein. ComEd will continue to provide a single bill to Aggregation Members for all electrical charges.

**I.** The Village may, but is not required to, retain the services of a consultant, broker or other expert in the field of electrical aggregation to assist in the preparation of the RFP documents and in managing the process.

**J.** The Village shall create awareness of how members of the aggregation program can reduce electricity demand through energy efficiency improvements.

#### **IV. ELIGIBILITY**

Membership shall consist of all residential or small commercial businesses located within Downers Grove, exclusive of the following:

1. Customers under an active supply contract with an ARES.
2. Customers on ComEd's real-time pricing program.
3. Customers that are classified under the space heat rate, only if a rate lower than the ComEd rate cannot be guaranteed.
4. Customers that are provided free Com Ed service;
5. Customers on Com Ed bundled hold.

#### **V. REQUEST FOR PROPOSALS (RFP)**

##### **A. Procedures.**

The Village may elect to hold an individual RFP process or participate in a group process with other municipalities. The Village shall develop an RFP document containing the terms and conditions required in this Plan of Operation and Governance. The RFP process, whether by the Village or in concert with other municipalities will be conducted in accordance with all applicable State and local laws and Village procurement policies.

The corporate authorities of the Village will retain the full and absolute right to accept, accept with conditions, or reject any proposal. The Village may, but is not required to, select an ARES to provide an energy power supply for the Aggregation Program according to the terms of the Service Agreement between the Village and the ARES. If the Village does not accept any proposal, it retains the right to revise and reissue the RFP documents as it deems appropriate.

The proposers shall fully comply with the terms of the agreement or shall be excluded from consideration.

## **B. Contents of the RFP.**

1. Term of Agreement: The initial Service Agreement shall be for at least a one-year period, with an option to renew. The Village shall retain the right cancel the contract and seek additional bids. The Village Council will have discretion to determine the length of any contract periods. If at any time, the Rate to Compare falls below the rate offered by the supplier, the supplier shall provide a lower rate or the Village shall have the right to terminate the agreement.

2. Power Mix: ARES will quote rates for the following energy mixes:

a. Lowest Price Mix. The lowest priced electricity supply available from the ARES using, at a minimum, renewable energy consistent with the Renewable Portfolio Standard required by law. Between comparable offers, the Village will give preference to any bidder that provides all its power from sources other than coal.

b. 25% Renewable – REC Supported Mix. Electricity where any non-renewable sources are offset 25% by Renewable Energy Credits sourced through hydro, wind, solar or captured methane-landfill gas.

c. 50% Renewable – REC Supported Mix. Electricity where any non-renewable sources are offset 50% by Renewable Energy Credits sourced through hydro, wind, solar or captured methane-landfill gas.

b. 100% Renewable - REC Supported Mix. Electricity where any non-renewable sources are offset 100% by Renewable Energy Credits sourced through hydro, wind, solar or captured methane-landfill gas.

The Village Council shall determine which rate of RECs to select. The ARES shall then provide the selected rate and power mix for 100% of the load.

3. Other Charges: Neither the Village nor the selected ARES will impose any terms, conditions, fees or charges on any Member served by the Aggregation Program other than the rate quoted above.

4. Additional Payment or Compensation: The selected ARES shall not provide any additional payments to the Village nor its representatives. Any payment to a consultant or legal counsel with which the Village is contracted by the supplier shall be fully disclosed. Any payment to from a supplier to a contractor that is not disclosed may result in termination of the supplier contract.

5. Opt Out Notifications: The selected ARES shall provide an opt out process of no less than three weeks. Proposers shall describe the manner and time in which the Opt Out Notification process will be handled and the manner in which it communicates with ComEd to track customer participation in the Aggregation Program. The supplier will be responsible for the opt out mailer using the official Village logo.
6. Opt Out Regret Period: Members electing to opt out of the Aggregation Program shall be readmitted to the program at the same terms of the agreement, provided they request readmission within 60 days of the aggregation. Additionally, any resident or small commercial business not eligible at the beginning of the contract shall be admitted so long as they request admission within 60 days from the commencement of the Aggregation Program.
7. Qualifications: The selected ARES will demonstrate that they meet all of the qualifications listed in Section C below.
8. PIPP participation: The billing process shall be handled through ComEd; therefore, PIPP participation shall not be affected.
9. Subcontractors: The selected ARES shall not employ any subcontractors other than as necessary for administrative tasks such as notices and printing, without the prior authorization of the Village. All subcontractors will be held to the same strict confidentiality standards applicable to the ARES and will be required to otherwise comply with the requirements of the Service Agreement. The use of subcontractors whether approved or unapproved will not relieve the ARES from the duties, terms and conditions in the Service Agreement. The selected ARES shall be authorized resellers of electricity. As such their relationships with or energy producers shall not be considered subcontracts for purposes of this document.
10. Confidentiality: The selected ARES shall guarantee confidentiality of information.
11. Use of Customer Data: The selected ARES shall not use the customer data provided to solicit members during the program nor after the conclusion of the program.
12. Customer Service. Bidders shall respond with information on how they will provide customer service to the Village.
13. New Accounts. Members moving into the Aggregation Program with a residence or eligible business with an existing meter will be included at the same terms of the original agreement. Members moving into the group in new construction or where there is no existing meter will not be automatically included. They may request admission into the aggregation group at a rate determined by the supplier at that time.
14. Moving Accounts: Members moving out of the group will discontinue service. No fee or penalty shall be assessed by the supplier for termination of supply as a result of moving out of the boundaries of the Aggregation Group. Members moving within the group shall receive the same rate as at their previous location.
15. Early Termination Fee: Members that leave the Aggregation Program for reasons other than moving outside the boundaries of the Village may be assessed an early termination fee by the ARES. The Village will negotiate with the ARES to ensure that any early termination fee assessed is reasonable and clearly stated in the opt-out disclosure notice. This fee will be no higher than \$50 per Member.
16. Billing: The selected ARES shall be responsible for coordination with ComEd for all billing such that the members receive only one bill, issued and payable to ComEd, for both the supply and distribution of electricity.

**C. Qualification of ARES.**

The selected ARES must demonstrate that they satisfy each of the following requirements:

1. Maintain a certificate of serviced authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the ICC;
2. Register as a retail electric supplier with ComEd;
3. Maintain a Service Agreement for Network Integration Transmission Service under Open Access Transmission Tariff;
4. Maintain the necessary corporate structure to sell energy power supplies to the ComEd residential and small commercial retail customers in Downers Grove;
5. Maintain an Electronic Data Interchange computer network that is fully functional at all times and includes back-up file saving systems, and is capable of handling the ComEd residential and small commercial retail electric customers in Downers Grove;
6. Maintain the marketing ability to reach all ComEd residential and small commercial retail customers in Downers Grove to educate them on the terms of the Aggregation Program and the Act, ensuring that marketing materials take into account multiple modes of communication including but not limited to regular mail using the Village's envelopes, email distribution lists, websites, social media and phone contact;
7. Maintain a call center capable of handling calls from Aggregation Members with a minimum number of ten (10) lines and a description of the command of authority to resolve issues;
8. Maintain a local or toll-free telephone number for customer service and complaints related to Aggregation Program with a detailed plan for reaching multi-lingual customers or customers with disabilities;
9. Provide proof of the company's bond posting with the ICC;
10. Comply with all applicable laws and regulations of the State of Illinois.

**D. RFP Evaluation.**

The Village will evaluate the bids on the following criteria:

1. Ability to Meet Qualifications
2. Rates and corresponding power mixes

**E. Acceptance of Proposal.**

The Village will accept a proposal that the Village Council determines to be in the best interests of the Village. The Village reserves the right to reject all proposals.

## **VI. POWER SUPPLY SERVICE AGREEMENT**

The Village will enter into an agreement with a selected ARES which contains the following minimum terms and conditions:

### **A. Term.**

The Village's first Service Agreement shall be for at least one year.

### **B. Rate.**

The agreement shall specify the rates and the power mix as quoted in the proposal.

### **C. Compliance With Requirements in the RFP.**

The agreement shall require the ARES to maintain all required qualifications, and to provide all services required in the RFP.

### **D. Confidentiality of Customer Database.**

The ARES shall preserve the confidentiality of all Aggregation Members' account information and shall agree to adopt and follow protocols to preserve that confidentiality. The ARES, as a material condition of any contract, shall not disclose, use, sell or provide customer account information to any person, firm or entity for any purpose outside the operation of this Municipal Aggregation Program. This provision will survive the termination of the agreement. The Village, upon receiving customer information from ComEd, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act, 815 ILCS 505/2HH.

### **E. Non-Competition.**

The ARES must agree not to solicit or contract directly with eligible Aggregation Program customers for service or rates outside the Aggregation Program, and agrees not to use the customer information for any other marketing purposes.

### **F. Hold Harmless.**

The ARES must agree to indemnify and hold the Village of Downers Grove financially harmless from any and all financial obligations arising out of its role as facilitator of the Municipal Aggregation.

### **G. Additional Services.**

The Agreement may provide that the ARES will assist the Village in developing a Member Education Plan.

### **H. Reporting.**

The agreement will provide that the ARES will provide the Village with such reports and information as required in this Plan.

### **I. Costs.**

All costs of the aggregation program development and administration will be paid by the ARES.

## **VII. IMPLEMENTATION PROCEDURES**

### **A. Development of Customer Database.**

Pursuant to ICC regulations, after this Plan is approved by the Village, the Village Manager or his designee will then submit a Direct Access Request and Government Authority Aggregation Form to ComEd (ILL.C.C. No.10 Rate GAP Government Aggregation Protocols, Sheets 406-411, April 17 2011) requesting that it provide the Village with Retail Customer Identification Information. ComEd will provide the Village with the requested information within ten (10) business days of receiving the request in accordance with those adopted protocols. After selecting and contracting with an ARES, the Village, under confidential agreement with the ARES, will work with the ARES, to remove any customers determined to be ineligible. The ARES and the Village will complete this eligibility review within 5 business days.

The Retail Customer Identification Information will remain the property of the Village of Downers Grove, and the ARES will comply with the confidentiality and non-compete provisions in the Service Agreement.

After the Retail Customer Identification Information is reviewed, the ARES will mail the Opt-Out Notices described below to all eligible account holders within the boundaries of Downers Grove.

The ARES shall treat all customers equally and shall not deny service to any eligible customer in the Aggregation Program.

#### **B. Maintenance of Accurate and Secure Customer Records.**

The ARES will maintain a secure database of Customer Account Information. The database will include the ComEd account number, and ARES account number of each active Member, and other pertinent information such as rate code, rider code (if applicable), and usage and demand history. The database will be updated on an ongoing basis.

The ARES will maintain the database in a secure and confidential manner. The ARES will keep Customer Account Information for a minimum of two years following the termination of the service.

#### **C. Opt-Out Process.**

The Village's Aggregation Program is an Opt-Out program pursuant to 20 ILCS 3855/1-92. Any eligible electric account that opts out of the Aggregation Program pursuant to the procedures stated below will automatically be placed on the ComEd default tariffed service unless and until the account chooses another ARES.

1. Manner of Providing Notices and Information: The ARES will be required to pay for printing and mailing of all Aggregation and Opt-Out Notices. The ARES will mail Aggregation and Opt Out Notices to the eligible account holders within the boundaries of Downers Grove at the address provided with the Retail Customer Identification Information provided by ComEd.

2. Content of Notice: The Village and the ARES will agree to the format and contents of the aggregation and opt-out notice prior to distribution or mailing. The notice will inform the electric account owner of the existence of the Aggregation Program, the identity of the ARES, the rates to be charged. The notice will also inform PIPP customers of the consequences of participating in the Aggregation Program.



The notice will provide a method for customers to opt-out of the Aggregation Program. The notice shall indicate that it is from the Village, and include the Village name and logo on the envelope. The notice shall be signed by the Village Manager or his designee.

3. Time to Respond: Aggregation Members shall have twenty-one (21) calendar days from the postmark date on the notice to mail the opt-out card back to the ARES stating their intention to opt-out of the Village Aggregation Program.

The time to respond shall be calculated based on the post mark date of the notice to the customer and the post mark date of the customer's response. The ARES may offer additional means of opting out, such as a toll-free number, website, smart device quick response code, email address or fax number, each of which must be received within 21 days from the post mark date on the opt-out notice. Upon receipt of the opt-out reply, the ARES will remove the account from the Aggregation Program.

After the expiration of the twenty-one (21) day opt-out period, the customer list shall become final. All customers who have not opted out will be automatically enrolled in the Aggregation Program. Customers will not need to take any affirmative steps in order to be included in the program.

In the event that an eligible Aggregation Member is inadvertently not sent an opt-out notice, or is inadvertently omitted from the Aggregation Program, the ARES will work with the Village and the Member to ensure that the Member's decision to remain in, or opt out, of the Program is properly recorded and implemented by the ARES.

**D. Notification to ComEd.**

Pursuant to ILL.C.C. No.10, Rate GAP, after the opt-out response period has expired, the ARES shall submit the account numbers of participating Aggregation Members to ComEd and the rate to be charged to those customers pursuant to the Service Agreement and the customer's election. The ARES will provide that information to ComEd in the format ComEd requires.

The ARES will establish procedures and protocols to work with ComEd on an ongoing basis to add, delete or change any customer participation or rate information.

Com Ed will then notify customers that they have been switched to the ARES and provide the customer with the name and contact information of the ARES. Customers will have the option to rescind their participation in the program according to time frames and procedures established by ComEd.

**E. Activation of Service.**

Upon notification to Com Ed, the ARES will begin to provide electric power supply to the members of the Aggregation Program without consumer action. The service will begin on the customer's normal meter read date within a month when power deliveries begin under the Aggregation Program.

**F. Billing.**

Collection and credit procedures remain the responsibility of ComEd and the individual Aggregation Member. Members are required to remit and comply with the payment terms of ComEd. The Village will not be responsible for late payment or non-payment of any Member Accounts. Neither the Village nor the ARES shall have separate credit or deposit policies for Members.

## **VIII. ADDITIONAL SERVICE TERMS AND CONDITIONS**

### **A. Member Education.**

At the discretion of the Village, the ARES will develop and implement a program to educate residential and small commercial retail Aggregation Members on the Aggregation Program, as well as energy efficiency and conservation tools. The educational plan shall clearly show the steps of municipal aggregation and the timeline necessary to implement the Program. It will provide detailed information on the impacts of the Program including but not limited to: customer rights, savings analysis, reliability and responsibility of both the ARES and ComEd. The ARES will also provide the Aggregation Members with updates and disclosures mandated by ICC and IPA rules.

### **B. Universal Access.**

The ARES will implement a process to provide universal access including Member Education for multi-lingual members and members with disabilities.

### **C. Customer Service.**

The ARES will develop and administer a customer service process that, at a minimum is able to: (i) accommodate Member inquiries and complaints about energy supply and services; and (ii) answer questions regarding the Program in general. This process will include a local telephone number for customer inquiries; a description of how telephone inquiries will be handled; a description of how communications between the Village, the ARES and ComEd will be reviewed for quality and timeliness; and a process by which the ARES can demonstrate meeting minimum customer service standards.

### **D. Compliance with Laws.**

The ARES will develop internal controls and processes to ensure that the Village remains in good standing as a Municipal Aggregator that complies with all laws, rules and regulations surrounding the same, as they may be amended from time to time.

### **E. Reporting.**

1. Power Mix Reporting: The ARES's will deliver quarterly reports to the Village which substantiate that: (a) it generated or purchased electricity with the claimed attributes in amounts sufficient to match actual consumption by the Aggregation Members; (b) the electricity was supplied to the interconnected grid serving the Aggregation Members; and (c) the same generated electricity was not sold to more than one consumer.

The report will show the source of the power and demonstrate that the power was provided in accordance with Renewable Portfolio Standards and the federal Clean Air Act regulations and permits.

2. REC Reporting: The ARES will deliver reports that provide competent and reliable evidence to support the fact that it purchased properly certified RECS in a sufficient quantity to offset the non-renewable energy provided in the mix.

3. Aggregation Reports: The ARES will provide the Village with quarterly reports showing the number of Members participating in the Aggregation Program and the total cost for energy provided to the Aggregation Program as compared to the ComEd's default tariffed service rates. In addition, the ARES will report its efforts at member education.

**F. Termination of Service.**

1. End of Term: The Village’s service agreement with the ARES will terminate upon its expiration, provided that the ARES will continue to provide service at their best rate on a month to month basis after the expiration of the contract term until the Village provides it with 60 day written notice to discontinue providing service.

2. Early Termination: The Village will have the right to terminate the agreement prior to the expiration of the term in the event the ARES commits any act of default. Acts of default include but are not limited to the following:

- a. Breach of Confidentiality regarding Customer information.
- b. The ARES becoming disqualified to perform the services by virtue of the lapse or revocation of any required license or certification listed as a qualification in the RFP.
- c. Com Ed’s termination of its relationship with the ARES.
- d. Any act or omission which constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice.
- e. Billing in excess of the approved kWh rates and stated charges.
- f. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges.
- g. Failure to perform at a minimum level of customer service required by the Village.
- h. The Village determines that the creditworthiness of the ARES has diminished.

The Village will provide the ARES with written notice of immediate termination in the event that any of the defaults listed above under subsections a. through d. exist.

The Village will provide the ARES with written notice of default in the event of any default listed under subsections e. through g., or any other event of default not listed above. The ARES and the Village will attempt to resolve any issues cooperatively within 7 business days. If the issue is not resolved, the Village will again notify the ARES in writing of its intention to terminate the agreement within 30 days if the issue is not resolved to the Village’s satisfaction.

Upon termination for any reason, the Village will notify Com Ed to return the Aggregation Members to the default tariffed electric service. Upon termination, each individual Member will receive written notification from the Village of the termination of the Program. Such notice will also inform Members of their electric supply options.

**G. Jurisdiction.**

Any disputes between the ARES and the Village will be resolved in the courts or before state agencies in the State of Illinois regardless of any conflicts laws to the contrary.

**H. Limitation of Liability.**

The Village shall not be liable to Aggregation Members for any claims, however styled, arising out of the Aggregation Program or out of any Village act or omission in facilitating the Municipal Aggregation program.

In addition, the ARES agrees to hold the Village harmless from any claim, cause of action, or proceeding of any kind which may be filed against the Village arising out of the services provided by the ARES or any act or omission of the Village in obtaining the services of the ARES. Participants in the aggregation program shall assert any such claims solely against the

ARES pursuant to the power supply agreement, under which such participants are express third party beneficiaries.

## **IX. RELIABILITY OF POWER SUPPLY**

The Aggregation Program will only affect the generation source of power. ComEd will continue to deliver power through their transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with ComEd. If Members have service reliability problems, they should contact ComEd for repairs.

## **X. INFORMATION AND COMPLAINT NUMBERS**

Any electric customer, including any participant in the program, may contact the Illinois Commerce Commission for information, or to make a complaint against the Program, the ARES or ComEd. The ICC may be reached toll free at 217-782-5793.

## **XI. MISCELLANEOUS**

The operation of the Village's Aggregation Program may be impacted by the following:

- ? The Act as it may be amended from time to time;
- ? Federal Energy Regulatory Commission (FERC) tariffs as may be enacted or amended from time to time;
- ? Illinois Commerce Commission (ICC) rules and regulations as may be enacted or amended from time to time;
- ? ComEd tariffs as approved or amended from time to time by the ICC;
- ? Federal, State and local laws;
- ? Rules, regulations, and orders approved or enacted by federal, state or local regulatory agencies

The Village reserves the right to modify or amend any of the provisions of this Plan consistent with any laws or regulations governing the Aggregation Program. Copies of this Plan will be available for inspection at the Village Hall or on the Village's website at [www.downers.us](http://www.downers.us)

**Campaign Disclosure Certificate**

Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate.

The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid or proposal documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Proposer/vendor has not contributed to any elected Village position within the last five (5) years.

*JBelden*  
Signature

James Belden  
Print Name

Proposer/vendor has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: \_\_\_\_\_  
(company or individual)

To whom contribution was made: \_\_\_\_\_

Year contribution made: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name