

## **Electric Aggregation Program – FAQs June 2014**

### **Supplier – Direct Energy 1-866-760-6040**

#### **Member Communities**

*City of Genoa*

*City of Woodstock*

*Village of Algonquin*

*Village of Huntley*

*Village of Lakewood*

*Village of Ringwood*

*Ex-Officio Member*

*Lori Ciezak*

*Interim Executive Director  
McHenry County Council  
of Governments*

*NIGEAC Consultant*

*Mark Burns*

*Independent Energy  
Consultants, Inc.*

#### **Who is this NIGEAC Group I've been hearing about?**

Illinois law allows communities to band together through an Intergovernmental Agency process to help achieve efficiencies amongst the participating communities. Six cities/villages within McHenry, Kane and DeKalb Counties have come together to form the Northern Illinois Governmental Electric Aggregation Consortium (NIGEAC). The NIGEAC is comprised of the Cities and Villages shown to the left.

#### **What is an "opt-out electric aggregation program"?**

Electric aggregation is a process which allows governments to pool, or aggregate, the electric usage needs of residents and small businesses. This combining of electric usage opens the opportunity for the community to get competitive bids to seek lower pricing for its residents and small businesses. Opt-out programs allow individuals and businesses to choose to not participate. Opt-out programs generally have high participation rates and thereby have increased bargaining power to negotiate lower electric rates from Alternative Retail Electric Suppliers (ARES) for residents and small businesses than would an individual purchaser acting alone. The process is being modeled after successful programs in other states that have over 10-years experience with Governmental Aggregation programs.

#### **What is an Alternative Retail Electric Supplier (ARES)?**

An Alternative Retail Electric Supplier (ARES) is a company that supplies electric energy and operates as an alternative electric supplier to your current local electric supplier. They supply the electric energy that is to be consumed or used.

#### **How is the group able to choose an Alternative Retail Electric Supplier (ARES) on my behalf?**

In March 2012 NIGEAC community residents voted to allow the group to contract for an electric generation supplier on their behalf. Algonquin joined the group following a successful ballot in March 2014.

#### **Who will be the supplier for the electric program?**

Direct Energy is the supplier until July 31, 2015.

#### **Who do I call if I have a problem with my electric service?**

The local utility, Commonwealth Edison (ComEd), will continue to deliver your purchased electricity through their wires, read your meters, and issue your monthly bills. You will continue to call ComEd at 800-334-7661 for emergency repairs, downed power lines, leaks, billing questions, etc.

#### **Is our price for power fixed or does it vary?**

In this program, the price you will receive for the generation related charges is fixed at 7.2 cents/kWh for all the electricity flowing from your August 2014 through July 2015 bill cycles.

#### **Why does my service at the new rate begin a month late?**

The start of your service is subject to the timing of your enrollment under ComEd's meter reading schedule. If your enrollment was not accepted by ComEd by the applicable meter reading date for your particular billing cycle, your service will not start until the following billing cycle.

#### **How do I know if I'm saving?**

Your Price to Compare (PTC) is shown on page 1 of your ComEd bill. The PTC is the rate that ComEd will take off your bill and replace it with the rate you've received from an ARES. Your new rate must be lower than your PTC for you to save. To calculate the actual savings amount simply subtract your ARES rate from your PTC rate and multiple that by the kilo-watt hours of energy you consume in a month.

#### **Will I get two bills?**

No. You will continue to receive one bill from ComEd that shows their distribution charges and the supply and transmission charge from Direct Energy.

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#### **Will I still receive a delivery charge from my local utility – ComEd?**

Yes. Even though you have chosen a new supplier of electricity, ComEd continues to deliver the electricity to our homes and businesses. Distribution charges, a meter charge and a monthly customer charge apply whether you choose a supplier on your own, join a Governmental Aggregation Program, or remain supplied by ComEd.

#### **Can I remain on budget billing?**

Yes. If you are on budget billing you will remain on budget billing. If you would like to switch to budget billing, call ComEd at 800-334-7661. Budget billing, automatic payment, online billing, etc., are all controlled by ComEd's policies and are subject to change.

#### **What if I'm with another supplier and would like to join the NIGEAC program?**

If you have already chosen an ARES you will not receive an opt-out notice and are not eligible to be automatically included. NIGEAC cannot interfere with a contract you freely entered into with an ARES. You will need to contact the Program's ARES seeking enrollment information. You will need to be aware of any obligations in your current agreement; many include an early termination fee.

#### **Can I exit this program without penalty?**

You will be given an initial 21-day period to opt-out free of charge. As soon as you are enrolled by the Alternative Retail Electric Supplier (ARES) ComEd will send you a notice reminding you that your electric supply service is about to be switched and you have 10 days after the utility accepts your enrollment to rescind the transfer. Finally, once you are enrolled in the program, you can leave free of charge at any time for any reason.

#### **Who is eligible for the program?**

Your local utility company must be ComEd;  
You must be a resident or small business owner located within the NIGEAC territory;  
You must not have already chosen an ARES;  
You must not be participating in ComEd's Real-Time Pricing Program; and  
You must not be a commercial customer using over 15,000 kWh/year.

#### **How will I sign up for the program? Do I Have to Participate?**

If you are already in the program or newly eligible to participate, you will receive an opt-out letter from Direct Energy that explains the program rates, terms and conditions. The notice will also provide instructions on how to remove yourself from the program, if you think it is not right for you or your family. Residents will have 21 days to make that decision. If you would like to remain in the program, **simply do nothing** and you will be automatically enrolled.

#### **I've already opted-out of the Program. Why do I need to opt-out again?**

Under Illinois rules and our Plan of Operation governing the Program, all eligible customers must be included in the new offer. Although you may have opted out of a previous offer for the NIGEAC program, ComEd's rates and the rates of competing offers have changed. We have negotiated a new rate and realize that some customers may change their minds regarding their inclusion in the Program.

#### **How did the NIGEAC develop such a program?**

The NIGEAC is using the services of Independent Energy Consultants, Inc. (IEC,) an Illinois Commerce Commission (ICC) licensed Agent/Broker/Consultant of electricity, without using any taxpayer money. IEC has designed, implemented, and administered many successful aggregation programs and has over 150 community relationships through their electric and natural gas aggregation programs.

#### **Will small businesses, schools and churches be eligible?**

Only commercial accounts using less than 15,000 kWh/year are eligible for automatic aggregation. Accounts

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using more than this amount would need to contact our ARES supplier to seek enrollment.

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#### ***Does this affect my distribution charges or the wires coming to my home or business?***

No. The Customer Choice program in Illinois provides residents the ability to choose an ARES to replace the generation and transmission charges from ComEd. ComEd continues to maintain and bill for the distribution charges to your home or business.

#### ***Will ComEd simply increase distribution charges to protect their profit?***

No. Illinois Commerce Commission (ICC) regulations prohibit ComEd from charging special or separate distribution fees in municipalities that form a program. ComEd does not make a profit on the generation or purchase of electricity. They simply pass on the cost of purchasing electricity to their customers. Since ComEd simply passes on the cost of purchasing electricity to their customers, they are indifferent about your choice of electric supplier. The utility companies make their profit on the delivery of the electricity through their distribution network. They will not treat you any differently from a customer that does not switch to a different electric supplier.

#### ***How much of the bill can I expect to be affected by the program?***

Aggregation affects only the electric supply and transmission portions of the bill which amount to approximately 65%-70% of the total bill amount. The distribution portion of the bill remains regulated and that 30-35% of a typical bill goes to ComEd for maintaining the distribution network that brings power to our homes and businesses.

#### ***Where can I learn more about electric deregulation and assistance programs?***

The Illinois Commerce Commission has approved a number of additional assistance programs to help customers with their energy bills. Eligibility and enrollment information can be found on the ICC's website at [www.icc.illinois.gov/electricity](http://www.icc.illinois.gov/electricity). The "Plug In Illinois" website is a good source to learn about electric competition in Illinois and find out how to choose a supplier. [www.pluginillinois.org](http://www.pluginillinois.org).