

## Belvidere Township Electric Aggregation Program

Following the passage of a voter referendum in November 2012, Belvidere Township contracted to procure lower-cost electric supply for residents and small businesses (in the Township unincorporated portions) via an opt-out program. The initial program was enormously successful, achieving all goals. The average participating ratepayer saved \$270 in the first 22 months of the program, for a cumulative Township-wide saving over \$450,000.

The Township has accepted a bid from Constellation to renew the program for a three-year term ending January 2018.

### *Belvidere Township Program vs. ComEd rate in cents per kilowatt hour*

	<i>Supply + transmission</i>	<i>PEA fee<sup>1</sup></i>	<i>Effective rate</i>
Belvidere Township rate	7.14¢	None	7.14¢
Com Ed rate <sup>2</sup> Through May 2015; unknown thereafter	7.572¢	+ /- 0.5¢	7.072¢ - 8.072¢

All residents and small commercial retail accounts will automatically be enrolled unless they:

- 1. Choose to opt out as directed in the opt out notice; or**
- 2. Have already switched to another Supplier; or**
- 3. Participate in the Residential Real-Time Pricing (RRTP) hourly-rate program**

If you do not receive an opt out notice, you may enroll by calling Constellation at 800-718-1493. There is no enrollment fee and no early termination fee to vacate the program.

Residents will continue to receive one bill from ComEd to include the electric supply charges from Constellation. ComEd will continue to charge for delivery. The way you pay your bill, such as budget billing or automatic payment will not be affected.

The era of double-digit savings versus the ComEd rate has passed for the time being. This program presents two benefits: ratepayers enjoy continued flexibility to join or leave the program with no termination fee; residents receive a fixed, known rate versus the ComEd PTC which is re-set at least twice annually and can further change with the PEA charge that may vary from month to month.

Please note electricity supply prices are rising for all ratepayers due to:

<sup>1</sup> The Purchased Electricity Adjustment (PEA) is variable and ranges as high as 0.5¢ per kWh. There is no PEA charge from the program's Supplier.

<sup>2</sup> The ComEd Price to Compare is 7.572¢ through May 2015 and will adjust in June 2015 to a new rate yet to be announced; current rates may be found at [www.pluginillinois.org](http://www.pluginillinois.org) by adding the Electric Supply Charge and the Transmission Services Charge.

1. A large increase in capacity charges, which all energy suppliers must pay to power generators to ensure enough power will be produced to meet demand.
2. Prices for the actual commodity that is electricity have soared since January 2014; this past winter's "polar vortex" caused a huge drawdown of the nation's natural gas supplies, a large component of electric generation.

Electric deregulation has been met with great success in the State of Illinois, saving ratepayers billions of dollars: Residents may be reminded they were charged 9¢ per kWh for electric supply in the summer of 2010, and Illinois rates were near the highest levels in the nation in the 1990s and through the early 2000s. However, today Illinois electric rates are among the lowest in the nation, with many Midwestern states such as Michigan and Wisconsin, paying higher rates than in Illinois.

### **Electric Aggregation Program FAQs**

**1. How can I enroll in the program?**

During the initial three-week opt out period, you need do nothing if you have an eligible resident or small commercial electric account; you will automatically be enrolled unless you opt out. After the initial opt out period, any residential or small business ratepayer within the Township limits (unincorporated portions) may enroll by simply calling Constellation at 800-718-1493 and asking for the Belvidere Township rate of 7.14¢.

**2. What is an eligible resident or small commercial account?**

Any resident who is currently with ComEd and has not already switched to an Alternative Retail Electric Supplier (ARES) or who is not enrolled in a special Residential Real-Time Pricing (RRTP) program is eligible, and small commercial accounts are eligible. You must also have a residence or business located in the Belvidere Township, unincorporated portions.

**3. What is a "small commercial account?"**

A small commercial account is a commercial account that consumes less than 15,000 kWh per year.

**4. What if I don't want to be in the program?**

You may opt out before the program begins, for no fee. You may leave the program after it begins, also for no fee. Eligible resident and small commercial accounts will receive an opt out letter to which they must respond by the deadline stated if they do not want to be in the program. Otherwise, they will automatically be enrolled. If you want to leave the program after having been enrolled, simply call Constellation to be moved back to ComEd or another supplier at any time. Again – there is never an early termination fee.

**5. I am located in Belvidere's Township limit, and have already switched to another Supplier, but would like to join the program. Can I do this?**

Yes. Contact Constellation directly at 800-718-1493 for information about how to enroll. We suggest you check your individual contract to review any early termination fees you may be liable for; you may wish to wait for your current contract to expire before enrolling in the aggregation program. You may join the program at any time during the three-year contract, for no fee.

**6. Why is the Township doing this?**

A Municipal Electric Aggregation Program was approved by a simple majority in a voter

referendum allowing the Township to seek pricing from an ARES for residents and small commercial accounts.

**7. Are other municipalities doing this?**

Yes. Over 650 municipalities across the State of Illinois have established an aggregation program. Residents have enjoyed savings, flexibility and fixed rate stability (a guaranteed “cap” rate) versus the ComEd rate, which is re-set once or twice a year, and can be somewhat volatile from month-to-month. Millions of Illinois residents are enrolled in similar programs across the State.

**8. How can Belvidere Township get rates competitive with ComEd rates?**

The State of Illinois has opened energy markets to price competition. Exelon is no longer the sole electric supplier as many new, competing suppliers now offer electricity. Also, new technologies in electricity procurement have driven prices lower over the last decade.

**9. What is the current ComEd rate?**

The effective ComEd rate November 2014 through May 2015 7.572¢ plus or minus 0.5¢ (the PEA) and will be reset in October. It includes two fixed charges (supply and transmission services) plus a variable charge, the Purchase Electricity Adjustment (PEA). For more information, visit [pluginillinois.org](http://pluginillinois.org). The ComEd rate fluctuates from month-to-month, depending upon the variance of the PEA.

**10. How will the new supplier’s rate compare with the ComEd rate under “Electric Supply Services” on my bill?**

You will have one fixed rate that covers both electric supply and transmission services, and no other charge for that portion of your electric bill. You are never charged a Purchase Electricity Adjustment by Constellation.

**11. Will I get two bills, one from ComEd and another from the new supplier?**

No. ComEd will continue to bill you for electric supply, delivery and taxes. ComEd delivers electricity, and will continue to bill you for that, but they no longer supply it. They will pass along the fees you pay for the supply of your energy to the new supplier. ComEd will retain the fees you pay them for delivery.

**12. Will that affect my ComEd electric service?**

No. ComEd has not generated electricity since 2007. A government agency, the Illinois Power Agency (IPA) has contracted your electric supply for you. Now you can choose a new supplier.

**13. Whom do I call if I have service problems?**

Call ComEd with reports of outages or downed power lines at 800-334-7661. For questions about your supply, you can call the customer service number for Constellation. This will be listed under “Electric Supply Services” on your ComEd bill.

**14. Will the new Constellation rate change?**

The rate is set for 36 months at 7.14¢. The contract with Constellation provides for the possibility of a rate adjustment, should a “Regulatory Event” occur. That is defined as a regulating entity changing a generation, energy, or utility tax or charge. These charges would not be unique to Constellation customers, but would apply to all customers in a ComEd rate classification. The imposition of such charge would not be subject to automatic pass-through, but would only constitute a Regulatory Event if the charge materially and adversely affects Constellation’s ability

to perform.

**15. I was on ComEd's special space heating rate. How do I benefit?**

The Residential Electric Space Heat rate ceased to exist in 2013, so your savings and benefits would now equate to that of ratepayers in the non-space heat rate class.

**16. If I am automatically enrolled in the program now, can I leave the program at any time?**

Yes, you can later leave the program and move your account back to ComEd or another ARES. There is no early termination fee to leave the program.

The Constellation rate contracted for residents of the Township is fixed at \$0.0714 (or 7.14¢) per kWh for the three-year term.

**17. What is ComEd's six-month "stay" or "bundled hold" requirement?**

Please note State Regulations that prohibit some switching. If your account was with an alternative supplier and you switch back to ComEd, you have two billing cycles in which you must move to another supplier or be subject to a six-month "bundled hold" status, during which you may not switch back to that *same* supplier. However, you may switch at any time to a *different* supplier (just not back to the same supplier you were previously with until six months have passed.)

**18. Who is the new supplier?**

Constellation's parent company, Exelon, is a FORTUNE 200 company with approximately \$33 billion in annual revenues. Constellation's affiliates are leading suppliers of energy products and services to electric and natural gas customers in 47 states and Washington D.C. Constellation is the supplier for 50 municipal aggregation programs in Illinois, serving over 150,000 electric accounts.

**19. I already have electric service with this supplier at a different rate. How can I join the aggregation program to get this new, lower rate?**

Call Constellation at 800-718-1493 for information about how to switch to the rate negotiated on your behalf by the Belvidere Township.

**20. I am enrolled in a low-income assistance program. Will that be affected?**

No. If you currently receive assistance via PIPP or LIHEAP, that status will not change and you can continue to get these benefits for your ComEd bill.

**21. I'm on ComEd's budget billing plan. Will that change?**

No, you can stay on the budget billing plan.

**22. Can I still have my payment automatically deducted from my checking account as I do now?**

Yes. The way you pay your ComEd bill will not change.

**23. Will someone come to my home or call to sign me up?**

No one from Constellation or the Township will ever visit your home to sign you up, or call you to enroll. If someone calls or visits your home claiming to be the Township's power supplier, please report such activity to Township Center or file a complaint with the ICC at <http://www.icc.illinois.gov/consumer/complaint>.

**24. Will ComEd’s viability be threatened by the loss of all these accounts?**

No. Since 2007, ComEd no longer generates electricity, but is responsible for delivery of electricity. ComEd rates are delivery rates only. Your new supplier rates are for the supply services only.

**25. Will ComEd raise its rates?**

ComEd must request a rate hike from State of Illinois regulators. No matter whom you select as supplier, it won’t affect whether or not ComEd increases its delivery rates.

**26. What happens if I move?**

If you stay within the Township limits, you can remain in the aggregation program but must call Constellation to enroll again at your new address. If you move away, you will not be subject to an early termination fee. Check your new community to find out if they have a municipal electric aggregation program for which you can sign up. New residents moving into the community after the program begins will not be automatically enrolled in the program, but may contact Constellation to enroll, at no fee.

**27. Is my electric supply at greater risk now that deregulation has opened markets to many new suppliers?**

No. By law, ComEd remains the Provider of Last Resort (POLR), so if there is an issue with securing electric supply, ComEd will be required to deliver it, regardless.

**28. Will my utility tax change?**

The aggregation program will not impact your utility tax due. You are taxed on energy usage in kilowatt-hours, not the dollar cost of supply.

**29. Does the energy supply include any renewable “green” energy sources?**

Yes. Your energy supply meets, at minimum, the Illinois Renewable Portfolio Standard, which is nine percent for the Energy Year June 2014 to May 2015. Thus a portion of your electric supply is sourced from renewable resources such as solar and wind and may be represented through the purchase of Renewable Energy Certificates (RECs).

The Illinois Commerce Commission offers more information about energy deregulation in Illinois and energy supply choices at [www.pluginillinois.org](http://www.pluginillinois.org).

For specific questions about your own electric account, do not call Township Hall; call the Belvidere Township aggregation program supplier: Constellation at 800-718-1493.

If you require additional assistance, call NIMEC at 800-727-3820 to leave your question and callback number. You will be contacted within 24 hours regarding the issue.

To report an electrical outage, or for questions pertaining to your ComEd bill, call ComEd at 800-334-7661.

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