

DUNDEE TOWNSHIP

**ELECTRICAL POWER
AGGREGATION
PLAN OF OPERATION
AND GOVERNANCE**

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2015

Dundee Township Electrical Power Aggregation Plan of Operation and Governance

I. INTRODUCTION

Public Act 096-0176 amended the Illinois Power Agreement Act by adding Section 1-92 to Chapter 20, Act 3855 of the Illinois Compiled Statutes (“the Act”), was amended by Public Act 097-0823, and allowed the Corporate Authorities of a township to adopt an ordinance in accordance with the Act to aggregate electrical loads for residential and small commercial retail customers within the corporate limits of the Township on an opt-out or opt-in program. The Act further authorized a township to select suppliers of retail electric supply, solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services. The legislation authorized the Illinois Power Agency to assist a township in developing a plan of operation and governance.

Large industrial and commercial consumers with sophisticated electric operations use their size and expertise to obtain lower electric power rates. Individual residential and small commercial retail consumers are typically unable to obtain significant price reductions since they lack the same bargaining power, expertise and the economies of scale enjoyed by larger consumers. Aggregation, the combining of multiple electric loads, provides the benefits of retail electric competition for consumers with lower electric usage.

Municipal aggregation, the combining of multiple retail electric loads of customers by a township, provides the means through which municipal residential and small commercial retail customers may obtain economic benefits of Illinois’ competitive retail electric market. The Dundee Township Aggregation Program combines the electric loads of residential and small commercial retail customers in unincorporated Dundee Township to form a buying group (“Aggregation Group”). Dundee Township (“Township” or “Dundee Township”) will act as purchasing agent for the Aggregation Group. Therefore, Dundee Township will be a Municipal or Governmental Aggregator, as described by Illinois law and the rules established by authorized agencies, and shall act on behalf of the Members of the Aggregation Group to obtain the best prices for the Aggregation Program.

II. PROCESS

On November 6, 2012, in accordance with the requirements of the Act, Dundee Township voters approved a referendum to operate an Aggregation Program as an "opt-out" program. Under the opt-out program, all residential and small commercial retail customers of Commonwealth Edison Company, an affiliate of Exelon Corporation (herein referred to as “ComEd” or “Commonwealth Edison”) in the Township are automatically included as participants in the Program unless they opt-out of the Program by providing written notice of their intention not to participate as a part of the Aggregation Group. As required by state law, the

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Corporate Authorities (“Township Board”) of Dundee Township, Illinois (“Township or “Dundee Township”) duly passed an Ordinance which authorized submitting to the Township's electorate the determination whether or not the Aggregation Program shall operate as an opt-out program. Following the approval of the referendum by the electorate, the Township passed Ordinance number [REDACTED] on [REDACTED], authorizing the Township to aggregate electric loads for residential and small commercial retail customers in Dundee Township and implement an opt-out program.

In addition to passing the required ordinances by the Township Board, the Township may also be required to comply with various rules and regulations established by authorized agencies of the State of Illinois. The Township will promptly file any application and comply with any applicable rules and regulations that may be required by Illinois law for certification as a Municipal Aggregator and to operate the Aggregation Program under the Act. As required by the Act, the Township Board developed and approved this Aggregation Plan of Operation and Governance (“Plan”). Before adopting this Plan and as required by the Act, the Township Board duly published a notice of two public hearings in a newspaper of general circulation in the Township. The first public hearing was held on [REDACTED], at _____PM at the Dundee Township Administrative Offices, 611 East Main Street, Suite 101, East Dundee, Illinois 60118-2492, and the second public hearing was held on [REDACTED], at _____PM at the Administrative Offices aforesaid. The public hearings were held by the Township Board and provided the residents of the Township a meaningful opportunity to be heard regarding the Aggregation Program and this Plan. The Township Board considered the concerns of the residents and information disclosed at the hearings in the development of this Plan. The opt-out notice for the Aggregation Program shall be provided in advance to all eligible electric customers in the Township upon approval of this Plan according to the opt-out disclosure program developed by the Township. The opt-out notice and disclosures shall comply with the Act and all applicable rules and regulations of any authorized agency in the State of Illinois and shall fully inform such customers in advance that they have the right to opt-out of the Aggregation Program. The opt-out notice shall disclose all required information including but not limited to the rates, terms and conditions of the Program and the specific method to opt-out of the Program.

By majority vote of the Township Board, the Township may select a Retail Electric Supplier (“RES” or “Provider”) to provide the electric power following competitive bidding performed by the Dundee Township or its designee. By majority vote of the Township Board, the Township may determine not to enter into a service agreement with any Provider and in such event the Township’s aggregation group shall continue to purchase electric power through Commonwealth Edison. If the Township Board enters into a service agreement with a Provider, Commonwealth Edison will continue to provide and service delivery of the electricity purchased from the Provider, and metering, repairs and emergency service will continue to be provided by Commonwealth Edison. The Township Board has determined that each participant in the Township aggregation group shall receive a single monthly bill from Commonwealth Edison under applicable tariffs.

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III. DEFINITIONS

In order to clarify certain terminology, the following terms as used in this Plan shall have the meanings set forth below:

“Aggregation Group” shall mean all the residential and small commercial retail customers of ComEd in the corporate limits of unincorporated Dundee Township permitted under the terms of the Act to participate in the Program.

"Aggregation Program" or "Program" means the program developed and implemented by Dundee Township, as a Municipal Aggregator under the Act, to provide ComEd residential and small commercial retail customers with retail electric generation services.

"Municipal Aggregator" means the Township operating an Aggregation Program under the legislative authority granted to act as an aggregator and to provide a competitive retail electric service to residential and small commercial retail customers of ComEd in the Township. Pursuant to the Act, an Aggregator is not a public utility or an alternative retail electric supplier.

"Member" means a person or legal entity enrolled in the Dundee Township Aggregation Program for competitive retail electric services and a member of the Aggregation Group.

"Retail Electric Supplier" ("RES" or "Provider") means an entity certified by all required authorities of the State of Illinois to provide competitive retail electric supply service(s), and which is duly selected by the Township to be the entity responsible to provide the required retail electrical supply service related to an Aggregation Program as defined in the Act, Township Ordinances and applicable rules and regulations of any authorized agency of the State of Illinois and has duly executed a Power Supply Agreement with the Township.

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IV. OPERATIONAL PLAN:

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A. Aggregation Services

1. Provider: Dundee Township will use a competent entity as a Provider to perform and manage aggregation services for Members of the Aggregation Program. The Provider shall provide adequate, accurate, and understandable pricing, terms and conditions of service, including but not limited to no switching fees and the conditions under which a Member may opt-out without penalty. The Provider must provide the Township, upon request, an electronic file containing the Members usage, charges for retail supply service and such other information reasonably requested by the Township.

2. Database: The Retail Electric Supplier shall create and maintain a secure database of all Members. The database will include the name, address, Commonwealth Edison account number, and Retail Electric Suppliers' account number of each active Member, and other pertinent information such as rate code, rider code (if applicable), most recent 12 months of usage and demand, and meter reading cycle. The database will be updated at least quarterly. Accordingly, the Provider will develop and implement a program to accommodate Members who (i) leave the Aggregation Group due to relocation, opting out, etc. (ii) decide to join the Aggregation Group; (iii) relocate anywhere within the corporate limits of the Township, or (iv) move into the Township and elect to join the Aggregation Group. This database shall also be capable of removing a Member from the Aggregation Group who has duly opted out of the Program. The Provider will use this database to perform audits for clerical and mathematical accuracy of Member electric supply bills. The Provider will make the database available to the Township at any time the Township requests it.

3. Member Education: The Provider shall develop and implement, with the assistance of the Township, an educational program that generally explains the Aggregation Program to all residential and small commercial retail customers in the Township and the Aggregation Group, provides updates and disclosures mandated by Illinois law and applicable rules and regulations, and implements a process to allow any Member the opportunity to opt out of the Aggregation Program according to the terms of the Power Supply Agreement. See Appendix A for further details.

4. Customer Service: Provider shall hire and maintain an adequate customer service staff and develop and administer a written customer service process that will accommodate Member inquiries and complaints about billing and answer questions regarding the Aggregation Program in general. This process will include a description of how telephone inquiries will be handled, either internally or externally, how invoices will be prepared, how Members may remit payment, and how collection of delinquent accounts will be addressed.

5. Billing: Commonwealth Edison will provide a monthly billing statement to each Member which shall include the charges of the Provider, and the Provider will not charge any additional administrative fee.

6. Compliance Process: The Provider shall develop internal controls and processes to ensure that the Township remain in good standing as a Municipal Aggregator and ensure that the Township and the Program complies with the Act and all applicable laws, rules and regulations, as they may be amended from time to time. It will be the Provider's responsibility to timely deliver reports at the request of the Township that will include (i) the number of Members participating in the Program; (ii) a savings estimate or increase from the previous year's baseline; (iii) such other information reasonably requested by the Township; (iv) comparison of the Members' charge for the supply of electricity for any designated period to the ComEd Price-to-Compare. The Provider shall also develop a process to monitor and shall promptly notify the Township in writing of any changes or amendments to the Act or any laws, rules or regulations applicable to the Aggregation Program.

7. Notification to Commonwealth Edison: The residential and small commercial retail customers of ComEd in the Township that do not opt-out of the Aggregation Program will be enrolled automatically in the Aggregation Program by a Provider. Members of the Aggregation Group will not be asked to take affirmative steps to be included in the Aggregation Group. To the extent that ComEd requires notification of participation; the Provider shall provide such notice to ComEd. The Provider will inform ComEd from time to time through electronic means any new members that it is enrolling into the Aggregation Group.

8. Plan Requirements: Pursuant to the Act, the Provider selected by the Township shall:

- a. Provide for universal access to all applicable residential and small commercial retail customers and equitable treatment of applicable residential and small commercial retail customers;
- b. Describe demand management and energy efficiency services to be provided to each class of customers;
- c. Meet any requirements established by law concerning aggregated service offered pursuant to the Act.

9. Solicitation of Bids: Pursuant to the requirements of the Act, the process of soliciting bids for electricity and related services and awarding power supply agreements for the purchase of electricity and other related services by the Township, shall be conducted in the following manner:

- a. The Township Board of Dundee Township, or its designee, may solicit bids for electricity and other related services.
- b. Notwithstanding Section 16-122 of the Public Utilities Act and Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, an electric utility that provides residential and small commercial retail electric service in the Township must, upon request of the Corporate Authorities of the Township, submit to the requesting party, in an electronic format, those names and addresses of residential and small commercial retail electrical retail customers in the Township that are reflected

in the electrical utilities records at the time of the request and such other information required by the Act or any applicable rule or regulation of an authorized Illinois agency.

- c. The Township, upon receiving customer information from an electric utility shall be subject to the limitations on the disclosure of that information described in Section 16-122 of the Public Utilities Act and Section 2HH of the Consumer Fraud and Deceptive Practices Act, and an electric utility providing such information shall not be held liable for any claims arising out of the provision of information pursuant to this section and the Act.

B. Power Supply Agreement

The Township Board of Dundee Township and the Provider shall duly execute and enter into a Power Supply Agreement to serve the Township Aggregation Group.

C. Dundee Township's Retail Electric Supplier

The Township may require the Provider to satisfy each of the following requirements in the Power Supply Agreement:

- Have sufficient sources of power to provide retail firm power to the Aggregation Group.
- Maintain a certification from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by Illinois law.
- Register as a retail electric supplier with ComEd.
- Maintain a Service Agreement for Network Integration Transmission Service under the Open Access Transmission Tariff.
- Maintain a Service Agreement as required under all applicable rate tariffs of the State of Illinois.
- Maintain the necessary corporate structure to sell retail firm power to the ComEd residential and small commercial retail customers in the Township and the Township Aggregation Group.
- Maintain a computer network that is fully functional at all times and capable of handling the ComEd residential and small commercial retail electric customers in the Township and the Township Aggregation Group.
- Maintain the marketing ability to reach all ComEd residential and small commercial retail customers in the Township to educate them on the terms of the Aggregation Program and the Act.
- Maintain a local or toll-free telephone number for customer service and complaints from Members of the Aggregation Group related to the Aggregation Program.
- Agree in a binding written agreement to hold the Township financially harmless and fully indemnifying the Township from any and all financial obligations arising from supplying power to the Aggregation Group.
- Have the binding authority (to the satisfaction of legal counsel for the Township) to

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execute the Power Supply Agreement with the Township and be fully bound by all of its terms and conditions.

- Assist the Township in filing all reports required by the Act and any applicable law, rule or regulation, as may be amended from time to time.
- Assist the Township in developing a Consumer Education Plan.
- Comply with all applicable laws and regulations of the State of Illinois

D. Activation of Service

After a notice is mailed to all residential and small commercial retail electric customers in the Township providing an opportunity to opt out of the Program within a specific period of time, all customers who do not opt out in writing will be automatically enrolled in the Program. Customer enrollment with the Provider will occur thereafter without further action by the customer on terms set forth in the Power Supply Agreement and according to the retail tariffs of Commonwealth Edison.

E. Changes, Extension or Renewal of Service

The Power Supply Agreement with the Provider will provide when service shall begin and end. If the Power Supply Agreement is extended or renewed, Members will be notified as to any change in rates or service conditions and other information required by law. The Power Supply Agreement shall describe the terms upon which a Member or non-member will be given an opportunity to opt into or out of the Program, and reasonable notice will be provided as required by the Act or any applicable law. Members who opt-out will also be notified of their right to select an alternate retail electric supplier and of their ability to return to ComEd provided supply service.

F. Termination of Service

In the event that any Power Supply Agreement is terminated for any reason prior to the end of the scheduled term, each Member of the Aggregation Group will receive prompt written notification of termination of the Program at least thirty (30) days prior to termination of service under the Agreement. If the Agreement is not extended or renewed, Members will be notified in a manner determined by the Township and any applicable law, prior to the end of any service. Members will also be notified of their right to select an alternate retail electric supplier and of their ability to return to ComEd provided supply service upon termination of the Agreement.

G. Opt-In Procedures

ComEd residential and small commercial retail customers will be automatically enrolled in the Aggregation Program after any opt-out period has expired, unless they notify the Provider that they do not want to participate in the Aggregation Program by phone, e-mail or Internet. The Provider may provide special notice directly to categories of ComEd customers as the Township may direct, and inform such customers of specific potential consequences of their change from existing service from ComEd to the Program, including but not limited to (i) space

heating customers, (ii) Real Time (Hourly) pricing customers, (iii) customers using an electrical supplier other than ComEd or the Provider. ComEd residential and small commercial retail customers in the Township may request to join the Aggregation Group after the expiration of any enrollment period by contacting the Provider, who shall accept them into the Aggregation Program, subject to written policies mutually agreed upon between the Township and the Provider in the Power Supply Agreement. The agreed upon policy shall be consistent with ComEd's supplier enrollment requirements. Members of the Aggregation Group who move from one location to another within the limits of the Township shall continue as a Member of the Aggregation Group.

H. Opt-out Procedures

ComEd residential and small commercial retail customers in the Township may opt-out of the Aggregation Program at any time during the opt-out period without additional fees charged by the Provider or the Township. The Provider may not charge an early termination fee. Members of the Aggregation Group will be allowed to switch to a different electric supplier after the expiration of the opt-out period. Requirements for notification of intent to opt-out of the Aggregation Group shall be set forth in the Power Supply Agreement. Consumers who opt-out of the Aggregation Group will not be switched from their current supplier or their applicable ComEd Standard Service Offer, until the consumer selects an alternate retail electric supplier. As required by the Act, it shall be the duty of the Township or the Provider if so provided in the Power Supply Agreement, to fully inform residential and small commercial retail customers in the Township in advance that they have the right to opt-out of the Aggregation Program. Such disclosure shall prominently state any charges to be made and shall include full disclosure of the cost to obtain service pursuant to Section 16-103 of the Public Utilities Act, how to access it, and the fact that it is available to them without penalty, if they are currently receiving services under that section. As further required by the Act, the Illinois Power Agency shall furnish, without charge, to any resident of the Township, a list of all supply options available to them in a format that allows comparison of prices and products. Such list may be available on the Internet.

I. Bid Process

The Township may elect to hold an individual bid or participate in a group bid. The Township may use an energy aggregation consultant to assist with the group bid. The Township will not delegate any signing authority to the energy aggregation consultant or other entity but will make its own decision to accept or reject their individual bid resulting from the group bid. In the event the Township participates in a joint bid, suppliers will present individual bids to each Aggregator participating in the bid group. The energy aggregation consultant working with Dundee Township will then recommend accepting or rejecting the bid winner's bid. The Township will then decide to accept or reject their individual bid. Whether or not any other community participating in a joint bid accepts or rejects their individual bid will have no impact upon the individual bids of the other participating communities.

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V. MISCELLANEOUS GOVERNANCE GUIDELINES

- A. The Township Board of Dundee Township shall approve by an Ordinance passed by majority vote of the Township Board this Plan of Operation and Governance for the Aggregation program and any Amendments thereto.
- B. The Township Board of Dundee Township shall contract with a Provider certified by the Illinois Commerce Commission for the provision of Competitive Retail Electric Service to the Aggregation Group.
- C. The Township Board of Dundee Township will require any Provider to disclose any subcontractors that it uses in fulfillment of the services described above in the Power Supply Agreement.
- D. The Township Board of Dundee Township will require the Provider to maintain either a toll-free telephone number, or a telephone number that is local to the Members.

VI. LIABILITY

THE TOWNSHIP SHALL NOT BE LIABLE TO PARTICIPANTS IN OR MEMBERS OF THE AGGREGATION GROUP FOR ANY CLAIMS, HOWEVER STYLED, ARISING OUT OF THE AGGREGATION PROGRAM OR THE PROVISION OF AGGREGATION SERVICES BY THE TOWNSHIP OR THE PROVIDER. PARTICIPANTS OR MEMBERS IN THE AGGREGATION GROUP SHALL ASSERT ANY SUCH CLAIMS SOLELY AGAINST THE PROVIDER PURSUANT TO THE POWER SUPPLY AGREEMENT, UNDER WHICH SUCH PARTICIPANTS ARE THIRD-PARTY BENEFICIARIES.

VII. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan shall be available from Dundee Township free of charge. Members and residential and small commercial retail customers of ComEd may call the Dundee Township Clerk for a copy of the Plan or for more information.

VIII. SEVERABILITY

This Electrical Power Aggregation Plan of Operation and Governance is subject to amendment pursuant to all State and Federal statutes and regulations. If any section or portion of this Electrical Power Aggregation Plan of Operation and Governance shall be held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this agreement. The remaining provisions of this Electrical Power Aggregation Plan of Operation and Governance shall remain in full force and effect

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Appendix A -- Education Process

The Provider shall develop the educational program in conjunction with the Township. Its purpose will be to explain the Aggregation Program to its members, provide updates and disclosures as mandated by State law and the rules and regulations of any applicable Illinois agency, and provide the opportunity for the Members to Opt-out of the Aggregation Program. The following are components of the education program:

1. Each residential and small commercial retail customer of ComEd within the corporate limits of the Township will receive notification by U.S. Mail stating: what the Aggregation Program means, the procedure which must be followed to Opt-out of the Aggregation Program, and the deadline for returning the Opt-out form. See “draft” sample letter attached.
2. The Provider shall cooperate with the Township to provide opportunities for educating residential and small commercial retail CE customers in the Township about the Program and their rights under the applicable law and rules and regulations. In addition, the Provider and Township will cooperate to provide education about opportunities for energy efficiency measures to help Members reduce energy consumption.
3. The Provider will provide updates and disclosures to the Township and Members as mandated by State law and applicable rules and regulations as amended from time to time.

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Dear Unincorporated Dundee Township Resident,

“DRAFT SAMPLE LETTER”

Dundee Township is providing you the opportunity to join other residents to save money on the electricity you use. Savings are possible through governmental aggregation, where Township officials bring together citizens to gain group buying power for the purchase of electricity from a retail electric generation provider certified by the Public Illinois Utilities Commission. Dundee Township voters approved this program in November 6, 2012.

After researching competitive electricity pricing options for you, we have chosen _____ (the “Provider”) , to provide you with savings on your electric generation through _____. There is no cost for enrollment and you will not be charged a switching fee. You do not need to do anything to participate.

Your Price to Compare is essentially the price you pay for electric generation from the utility and consists of generation and transmission related components, which are the costs associated with generating the power and delivering it through the transmission system.

To estimate what your savings per kilowatt-hour (KWH) will be through this program, locate your Price to Compare on your electric bill. Divide your Price to Compare by 100, then multiply by 0.0____ (____%) to determine your savings per KWH. Multiply that number by your total monthly usage. The final number is how much you can expect to save each month you use the same amount of electricity.

You will see your electric savings from Provider after your enrollment has been completed and your switch has been finalized - approximately 30 - 45 days, depending upon your meter read date. Of course, you are not obligated to participate in the Dundee Township's electric aggregation program. If you wish to be excluded from the program and remain a full-service customer of your local electric utility - Commonwealth Edison- or another alternate retail electric supplier, you have until _____, 2015 to return the attached "opt-out" form. If you do not opt out at this time, you will automatically remain in the program. If you leave the program at any other time, you could be subject to a cancellation fee from the Provider - and you might not be served under the same rates, terms and conditions that apply to other customers served by Commonwealth Edison.

After you become a participant in this governmental aggregation program, Commonwealth Edison will send you a letter confirming your selection of the Provider as your electric generation provider. As required by law, this letter will inform you of your option to rescind your enrollment with the Provider with adequate notice prior to the scheduled switch. To remain in the Township's governmental aggregation program, you don't need to take any action when this letter arrives.

Commonwealth Edison will continue to maintain the system that delivers power to your home - no new poles or wires will be built by the Provider. You will continue to receive a single, easy-to-read bill from your local electric utility with your electricity supply charges included.

If you have any questions, please call _____ toll-free at _____, Monday through Friday, 8 a.m. to 5 p.m.

Please do not call the Dundee Township with aggregation program questions.

Sincerely,

Dundee Township

P.S. To receive these savings, you should not respond. Return the opt-out form only if you do not want to participate in the Township's electric governmental aggregation program.

Option 1: Do nothing.
If you want to participate in this program, you do not need to return this form. Your enrollment is automatic.



Option 2: Opt out by returning this form.
If you do not want to participate in this program, you must return this form before the due date.

Service Address (City, State and Zip): _____

Telephone Number: _____

Account Holder's Signature: _____ Date: _____

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