



Municipal Electricity Aggregation

FACT SHEET

January 2020

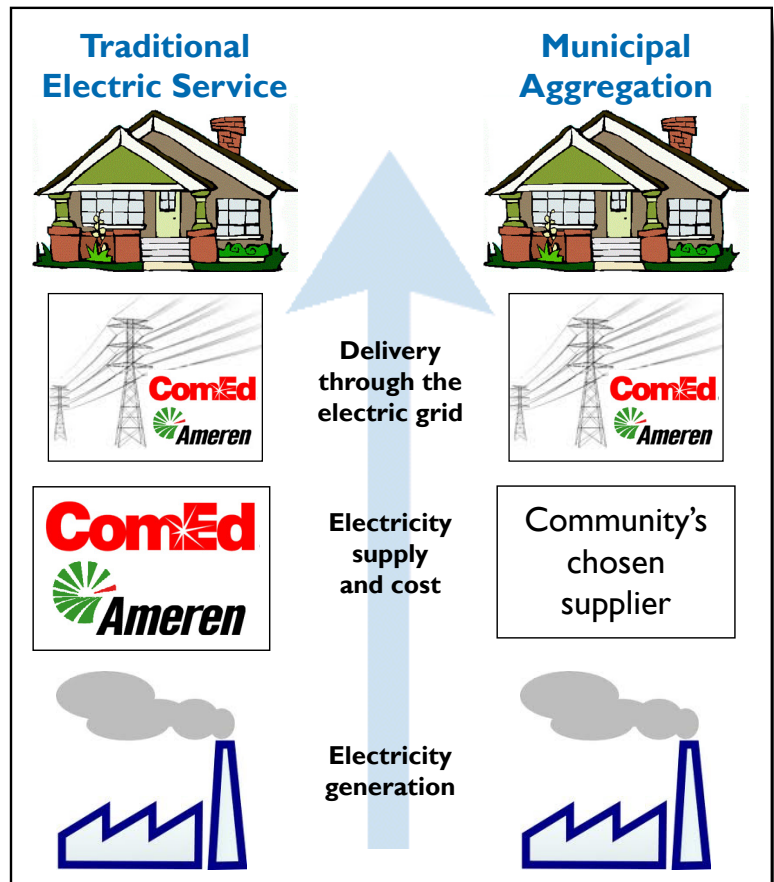
What is municipal (or community) aggregation?

Illinois law allows municipalities and counties to purchase electricity on behalf of residential and small-business utility customers (businesses using no more than 15,000 kilowatt-hours of electricity a year) living within their borders.

Normally, customers get their electricity supplied by a utility — ComEd or Ameren. But with aggregation, communities are responsible for negotiating the price of power from a supplier other than the traditional utility. Remember, if you are part of a community power deal, ComEd or Ameren would still be responsible for delivering that electricity to your home and billing you for it.

In theory, municipal aggregation allows communities to use the collective bargaining power of their residents to negotiate for lower power prices from suppliers. However, savings aren't guaranteed. See the list of communities that have moved forward with municipal aggregation at PlugInIllinois.org.

(Note: Individual ComEd and Ameren customers can also choose an alternative electricity supplier on their own. However, CUB has heard many complaints from people who have signed up for offers that turned out to be bad deals. Beware of bad deals peddled door-to-door, over the phone or via mail. See CUB's fact sheets on our Electric page, at CitizensUtilityBoard.org.)



Will I be automatically billed at my community's rates?

Yes, unless you opt out of the program. If a community passes a referendum approving electricity aggregation, local officials will then put out a request for proposals (RFP) and select a winning bid. Then, officials may hold a community hearing to get feedback and input from residents.

If a community fails to pass a referendum but still chooses to move forward, the program would be "opt in," where residents are not enrolled until they sign up. In any case, consumers always have the option of paying their utility's default supply price.

Do I have to participate in community aggregation?

No. Residents who don't wish to participate have multiple opportunities to "opt out" of the program:

1. When the community sends out an initial letter notifying residents that their electricity supplier will change, and;
2. When the utility sends customers a letter notifying them that their electricity supplier has changed. After receiving the utility notification, residents generally have 10 days to opt out. So, even if your community passes a referendum, you don't have to participate in municipal aggregation if you don't want to.

Even if you miss these two opportunities, you can get out of a community power deal at any time, and thanks to new consumer protections passed in Illinois, you shouldn't have to pay an exit fee. If you want to exit a community power deal, call the company listed on the supply section of your ComEd or Ameren bill.

Note: Because residents are automatically switched (unless they opt out), beware if a sales rep for an alternative supplier comes to your door and claims to want to sign you up for your community's power deal. Don't sign anything or give out your power bill or account number. This could be a dishonest representative for another alternative supplier trying to lure you away from the community power deal. Municipal aggregation deals aren't sold door-to-door.

Price to Compare

When considering a municipal aggregation deal, compare it to your utility's price. Visit CUB's electric page to view up-to-date prices, or call CUB at 1-800-669-5556.

Who do I call if the power goes out?

Even if you choose to participate in municipal aggregation, your utility—ComEd or Ameren—is still responsible for delivering the electricity you purchase to your doorstep. So if the power goes out in your home, you should call your utility.

Will I get two bills?

With most community power deals, if not all, consumers will continue to get a single bill from their utility. Ask your local leaders for more details.

Will aggregation lower my electric bill?

Whether or not residents get lower electricity rates depends on the contract their community negotiates. If not, residents can exit the program.

What happens if I'm already enrolled with an alternative electricity supplier?

So far, most communities have separated out individuals who are already under contract with an alternative supplier. It's wise to check with local officials to learn what the process will be. The rate you're offered through municipal aggregation may be better than what your current supplier is offering. If you switch, however, you may have to pay an exit fee.

If I participate in Hourly Pricing or Power Smart Pricing, will I be able to stay with the program if I opt for municipal aggregation?

ComEd's Hourly Pricing and Ameren's Power Smart Pricing programs allow customers to pay hourly market electricity prices, rather than the utilities' fixed rates. Consumers who can shift high-energy usage activities like laundry or running the dishwasher to off-peak hours benefit the most. In fact, participants have lowered the supply portion of their power bills by an average of about 15 percent.

To date, no municipal power agreements or individual alternative supplier plans offer hourly pricing options, so if you would like to enroll or stay enrolled in hourly pricing, you'll have to stick with your utility.

Just like customers who are already enrolled with alternative suppliers, Hourly Pricing and Power Smart Pricing customers will likely be filtered out when residents are switched over to the community's negotiated power supplier. Still, it's an important detail to check.

Checklist: What You Should Know About Aggregation

- What price is the supplier offering and how does it compare with the utility's price?**

While it is a basic question, it is the key question for consumers: Will I save money with municipal aggregation? Ask community leaders to be clear about the price being offered and compare it with your utility's "price to compare." Also, find out if the alternative supplier promises to meet or beat the utility's price over the course of the contract, as some have.
- Do I have to pay a monthly fee?**

Most community power deals do not charge a monthly fee, but that's always a good question to ask, because a monthly fee can inflate the electricity rate you pay.
- What happens when my community's power contract ends?**

After your municipality's agreement with an alternative supplier runs its course, will you automatically return to your utility's rates, or will you become a customer of the alternative supplier your community contracted with? Check with your community leaders to find out.
- Will my community factor energy efficiency into its power contract?**

Reducing power usage, especially during peak hours, reduces electricity costs for everyone. Find out what energy efficiency and demand-response measures, if any, your community plans to include in its contract with an alternative supplier.
- Is the community power deal a "green" plan?**

Many alternative power suppliers offer "green" plans. That means the company will take some of your money to buy Renewable Energy Certificates, or RECs, which ensure that a certain percentage of the power consumed will be put back onto the grid by renewable energy sources, like wind and solar power. Find out if your community power deal is a green plan and if it will cost you extra. Green plans are a legitimate choice. Just remember, even if you purchase "green energy" from an alternative power supplier, it doesn't mean the actual electricity you consume is from a renewable energy source—it just means that clean energy is added somewhere to the power grid.
- Are consultants advising my community, and if so, what fee(s) are they charging?**

Many communities obtain a consultant to seek out and negotiate power prices on behalf of residents. These consultants charge fees—taxpayer dollars—for their services. Make sure your municipality's consulting fees, if any, won't eat up your electric bill savings.
- Does my community plan to accept fees from the alternative supplier it chooses?**

Some communities take fees from alternative suppliers. If your community is considering such a move, ask local leaders how that impacts the price offered and what they plan to do with the extra money.