



## MEMORANDUM

**To:** Mayor Laurel Prussing and City Council members

**From:** Mike Monson, chief of staff

**Date:** March 21, 2012

**Re:** Aggregation Plan of Operation and Governance

**Summary:** Enclosed are an ordinance and two resolutions necessary to implement a municipal electric aggregation program for the city of Urbana.

The documents include an ordinance that establishes an opt-out electricity aggregation program for the city of Urbana. The ordinance allows the city to enter into service agreements for the sale and purchase of electricity to residential and small commercial customers, according to the terms of the Illinois Power Agency Act.

Also included is a resolution approving a Plan of Operation and Governance that outlines how the city plans to operate its aggregation program, along with a copy of the draft plan. On Monday, March 26, and Monday, April 2, the city will hold two public hearings on the plan, as required by state law. The hearings have been advertised in the News-Gazette.

The second resolution gives the mayor authorization to execute a service agreement contract with a retail electric supplier. Giving the mayor such authority to execute an agreement with the lowest responsible bidder will allow the city to lock in an attractive bid price on the same day it is received. Otherwise, the retail electric supplier will have to purchase options to hold the price until the city council can convene, driving up the overall cost of electricity.

**Issues:** The Plan of Operation and Governance is an outline of how the city intends to operate its aggregation program. The plan was drafted by acting City Attorney Curt Borman, who reviewed several such plans from different cities in Illinois and Ohio, which has also deregulated electricity sales.

The plan leaves the length of the contract and the power mix (traditional vs. renewable power) up to the city council for decision. Under the section entitled Power supply Service Agreement,

the plan requires the retail electric supplier to maintain customer confidentiality, and requires the supplier to hold the city harmless for any and all financial obligations arising out of the city's role as facilitator of the aggregation program. The section also allows the city to terminate the agreement early if the supplier commits any act of default, such as failing to perform at a minimal level of customer service.

Under the section Opt-Out Procedures, the plan gives customers three weeks to respond to an opt-out notice, requires the retail electric supplier to pay for the mailing and requires that city name and logo be on the envelope, to better alert customers.

The Changes in Service section of the plan includes an important consumer protection, requiring no exit or termination fees be applied to customers who leave the program beyond the opt-out period, for whatever reason. Many cities charge a \$50 exit fee. The section also requires the supplier to facilitate the addition of new customers into the program, an important local issue given that Urbana is a university town where residents move frequently.

Included in the plan are some key issues the council might want to provide guidance on:

**Length of contract:** The plan leaves that decision up to the city council. Most cities in Illinois appear to have gone with two-year contracts, with the thinking that electricity prices are now at attractive levels and that it would be worthwhile to lock those prices in for an extended period of time. Our consultant will look at pricing models for one, two and three year contracts and make a recommendation. One drawback to a three-year contract is that it would likely entail considerably less savings for the first year than a one- or two-year contract would.

**Require vendor to always match or beat default price:** This is a protection the city can ask for and it is included in the plan of operation and governance. For the first year of any contract, the aggregated price of electricity will almost certainly be well below the current default rate of 6.3 cents per kilowatt hour for the first year. But in 2013, the Ameren default price will likely drop closer to the aggregated price after higher-priced 2007 electricity contracts expire.

Requiring a retail electric supplier to always match or beat default price is a protection for city residents, but it will likely lead to an overall slightly higher price for electricity than without this protection, as the city is pushing some risk onto the electric supplier and reducing the risk for city residents.

**Renewable energy credits:** Council members have indicated they would like to see bid pricing for electricity with 100 percent renewable power, for 75 percent renewable and 25 percent traditional power, and a 50-50 mix of renewable and traditional power. Traditional power contains 7 percent renewable power.

In a recent bid handled by our consultant, Mark Pruitt, the price differential between traditional power mix and 100 percent renewable was 0.12 cents per kilowatt hour. Council members might want to indicate how much extra they would be willing to pay for 100 percent renewable, and at what point they would want the city to drop to 75 percent or 50 percent renewable.

If the city purchases renewable power, electricity provided to city residents from any non-renewable sources of electricity would be offset by up to 100 percent Renewable Energy Credits sourced through hydroelectric, wind, solar, photovoltaic or captured methane-landfill gas.

**Reimbursement for city staff time:** City staff, including the chief of staff, city attorney and the former environmental manager, have spent dozens of hours working on the aggregation issue. And even after the program is implemented, there will be ongoing duties for the next environmental manager.

City staff believes the city should request \$40,000 from the retail electric supplier in return for the work put into the aggregation issue by city staff, with an annual \$40,000 contribution for the life of the contract. If the supplier passes this cost onto the consumer, it is likely to add roughly 0.03 cents per kilowatt hour onto the cost of electricity. City of Champaign officials have also indicated that they intend to seek reimbursement for staff time spent on the issue.

**Discussion/future plans:** The city council needs to approve a plan of operation and governance before the city can move forward with seeking competitive bids for electricity. One of the city's goals is to solicit bids and award a contract ahead of most of the 237 other communities that approved municipal electric aggregation on March 20. Pruitt said he thinks the city will get a better price by conducting early bidding.

The city conducted a request for qualifications from retail electric suppliers in February, received four responses and narrowed the list of finalists to three companies after conducting interviews. The city's tentative plans are to provide a suggested contract, drafted by our consultant, to the three companies this month and try and get concurrence from the companies that the contract is acceptable.

Once that happens, and after we get electric load data for Urbana customers from Ameren, we will be ready to solicit competitive bids from the three finalists, with our consultant conducting the bidding process.

Moving this process along would argue for April 2 city council approval of the resolution approving the aggregation program Plan of Operation and Governance. But council members can opt to delay approval if they believe aspects of the plan need further refinement.

**Fiscal Impact:** City staff have spent dozens of hours working on the aggregation issue, and our consultant has worked about 30 hours for the city, at a cost of \$125 per hour. City staff is recommending that the city seek \$40,000 in annual compensation from the retail electric supplier to help pay for the increased workload by city staff due to aggregation, and will also ask the supplier to pay for the consultant's costs, as well as the \$9,000 cost of the pre-election educational campaign conducted by the city.

**Recommendation:** City staff recommends approval of the two resolutions (one authorizing the mayor to sign a contract with the lowest responsible bidder and the other resolution approving the city's plan of operation and governance) as well as recommending approval of the ordinance amending the city code to establish an electric aggregation program.

ORDINANCE NO. 2012-03-027

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 24 TO ESTABLISH AN  
ELECTRICITY AGGREGATION PROGRAM

**WHEREAS**, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, permits a municipality, if authorized by referendum, to adopt an ordinance by which it may operate an electricity aggregation program to solicit bids and enter into service agreements for the sale and purchase of electricity and related services and equipment to residential and small commercial customers who do not opt-out of such a program; and

**WHEREAS**, the City of Urbana, in a referendum held on March 20, 2012, submitted the public question of whether it should operate the program as an opt-out program; and

**WHEREAS**, the referendum passed by a majority vote of the qualified electors voting on the question; and

**WHEREAS**, electricity aggregation provides an opportunity for electric consumers collectively to realize lower cost electricity and related services, cleaner energy, and other benefits that consumers may not otherwise be able to obtain individually; and

**WHEREAS**, the City Council finds that the best interests of the City are served by amending the Urbana City Code to establish an opt-out electricity aggregation program and to implement the program according to the terms of the Illinois Power Agency Act.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

**Section 1.**

Urbana City Code Chapter 24, "Utilities," is hereby amended by adding the following Article thereto:

Article VII. - Electricity aggregation program.

Sec. 24-161. - Definitions.

Sec. 24-162. - Electric power aggregation.

Sec. 24-163. - Opt-out program.

Sec. 24-164. - Solicitation of bids.

Secs. 24-165 - 24-170. - Reserved.

Sec. 24-161. - Definitions.

For purposes of this article, the following definitions will apply:

*Act* means the Illinois Power Agency Act, 20 ILCS 3855/1-1 *et seq.*, as may be amended from time to time.

*Customer* means a recipient of residential or small commercial retail electric loads as provided in the Act.

*Electricity aggregation program* means a program adopted pursuant to the Act for the aggregation of residential and small commercial retail electric

loads located within the city.

Sec. 24-162. - Electric power aggregation.

(a) The corporate authorities are authorized to operate an electricity aggregation program and for that purpose may solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those loads aggregated pursuant to the Act.

(b) The corporate authorities may operate the electricity aggregation program jointly with any other municipality or county and, in combination with two or more municipalities or counties, may initiate a process to jointly authorize the electricity aggregation program by a majority vote of each particular municipality or county as required by the Act.

Sec. 24-163. - Opt-out program.

(a) The electricity aggregation program will operate as an opt-out program. Customers who do not do not wish to participate in the program may opt out pursuant to the Act.

(b) The public works director shall fully inform customers in advance that they have the right to opt-out of the electricity aggregation program. The disclosure provided to customers shall comply with the requirements of the Act.

(c) The electric aggregation will occur automatically for each customer owning, occupying, controlling, or using an electrical load center proposed to be aggregated in the city, subject to a right to opt-out of the program as provided herein and in the Act.

Sec. 24-164. - Solicitation of bids.

The process for soliciting bids for electricity and other related services and awarding proposed agreements for the purchase of electricity and other related services for the electricity aggregation program will be conducted pursuant to the Act.

Secs. 24-165 - 24-170. - Reserved.

**State law reference** - Aggregation of electrical load by municipalities and counties, 20 ILCS 3855/1-92.

**Section 2.**

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

**Section 3.**

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this

Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

**Section 4.**

This Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSENT:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

RESOLUTION NO. 2012-03-015R

**A RESOLUTION APPROVING THE CITY OF URBANA ELECTRICITY  
AGGREGATION PROGRAM PLAN OF OPERATION AND GOVERNANCE**

**WHEREAS**, the City Council finds that the best interests of the City are served by amending the Urbana City Code to establish an opt-out electricity aggregation program and to implement the program according to the terms of the Illinois Power Agency Act, 20 ILCS 3855/1-1 *et seq.*; and

**WHEREAS**, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, requires the City to develop a plan of operation and governance for the electricity aggregation program.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The City of Urbana Electricity Aggregation Program Plan of Operation and Governance, in substantially the form of the copy of said Plan attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2.

The City's electricity aggregation program shall be operated and governed in accordance with said Electricity Aggregation Program Plan of Operation and Governance, the applicable provisions of the Illinois Power Agency Act, and any applicable rules and regulations that are now or in the future adopted pursuant to the Act.

Motion was made by Alderman \_\_\_\_\_, seconded by Alderman \_\_\_\_\_ that the Resolution be adopted.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

# City of Urbana Electricity Aggregation Program

## PLAN OF OPERATION AND GOVERNANCE

April 2, 2012

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### Purpose of Electricity Aggregation Program

The City of Urbana (“City”) has developed this Plan of Operation and Governance (“Plan”) in compliance with Section 92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92 (the “Act”). The Act authorizes the City to create an electricity aggregation program (“Program”) and to negotiate with an Alternative Retail Electric Supplier (“Supplier”) for the purchase of electricity and related services for its small commercial and retail customers (“aggregation group”).

The Program is designed to reduce the amount consumers pay for electricity and to gain other favorable terms of service, such as the ability to purchase cleaner, renewable energy (e.g., solar or wind). The City will not buy and resell power to the aggregation group. Instead, it will competitively bid and negotiate a contract with a Supplier to provide electricity to the group. This Program does not change the way customers are billed or serviced by Ameren. The cost savings are simply reflected in their bills after a Supplier is selected.

The City will administer an opt-out Program. This means that all eligible customers in the aggregation group will participate in the Program unless they affirmatively elect to opt out. Residential and small commercial electricity users will be given an opportunity to decline to



participate in the Program and to continue to be serviced by Ameren or by a Supplier of their choosing.

## **Bidding and Contract Procedures**

The City may elect to hold an individual bid or participate in a group bid with other municipalities. The bidding process will be conducted in accordance with all applicable state and local laws and City bidding practices and protocols.

The City may elect to retain the services of a consultant, broker, or other expert in the field of electrical aggregation to assist in preparation of bidding documents and in managing the bidding process.

The City will retain the full and absolute right to accept, accept with conditions, or reject any bid. By majority vote, the City Council may select a Supplier to provide electric power to the Program according to the terms of a written power supply service agreement entered into by and between the Supplier and the City. If the bidding process does not result in the identification of an acceptable Supplier, the City may choose to have the aggregation group remain on Ameren's default tariff service or to re-bid the electric service under the same or amended terms of this Plan.

If the City does not award a contract as a result of the bid process, it will notify aggregation group members that their electricity will continue to be provided by Ameren's default service provider.

The City may terminate the Program upon expiration of the power supply service agreement without any extension, renewal, or subsequent power supply service agreement being negotiated.

## **Supplier Qualifications**

Suppliers must have the following minimum qualifications:

1. 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 Illinois Commerce Commission (ICC).
2. Controls to protect the confidentiality of customer information.
3. In accordance with 20 ILCS 3855/1-92, Suppliers must:
  - A. Provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers;
  - B. Describe demand management and energy efficiency services to be provided to each class of customers; and

- C. Meet any requirements established by law concerning aggregated service offered pursuant to the Act and comply with all applicable laws and regulations of the State of Illinois.
4. Capacity to deliver customer service to hearing-impaired customers and to customer requiring non-English verbal and written assistance.
5. Proof of their creditworthiness by having an investment grade long-term bond rating from at least two major rating agencies. Alternatively, if a Supplier is unable to demonstrate its creditworthiness, it will be required to provide a Letter of Credit, Parental Guarantee from a company that is deemed creditworthy, or Surety Bond.
6. Agree in writing to hold the City financially harmless from any and all financial obligations arising from the Program.

## **Energy Mixes**

Suppliers will quote rates for the following energy mixes:

1. **Lowest Price Mix.** The lowest priced electricity supply available from the Supplier using, at a minimum, renewable energy consistent with the State of Illinois Renewable Portfolio Standard. Between comparable offers, the City will give preference to any bidder that provides all of its power from sources other than coal.
2. **Enhanced Renewable Energy Mix.** Electricity where any non-renewable sources of electricity provided to the Aggregation are offset by up to 100% by Renewable Energy Credits (RECs) sourced through hydroelectric, wind, solar, photovoltaic or captured methane-landfill gas.

## **Supplier Selection**

The City will evaluate the bids based on the following criteria:

1. Qualifications of the Supplier;
2. Rates and corresponding power mixes;
3. Compliance with City's requirements;
4. Supplier's experience; and
5. Any other factors deemed to be in the City's best interest.

## Power Supply Service Agreement

The City, at its option, will execute a Power Supply Service Agreement (“Agreement”) with the selected Supplier, in accordance with the following minimum terms and conditions:

1. Term. The City Council will determine the duration of any Agreement.
2. Rate. The Agreement will specify the rates and power mix and any other charges or fees.
3. Change in Ameren tariff service rate. If the Ameren tariff service rate for residential and small business customers is set below the rate established in the Agreement, the Supplier at its option may establish a rate equal to Ameren or terminate the Agreement and return affected customers to Ameren.
4. Compliance with bid requirements. The Supplier must maintain all required qualifications and provide all services required in the bid.
5. Compliance with Plan. The Supplier must provide all services in compliance with this Plan, as it may be amended.
6. Confidentiality of customer database. The Supplier must preserve the confidentiality of all customers’ account information and adopt and follow protocols to preserve that confidentiality. The Supplier must agree not to disclose, use, sell or provide customer account information to any person, firm, or entity for any purpose outside the operation of the Program. This provision will survive the termination of the Agreement.
7. Non-competition. The Supplier must not solicit or contract directly with eligible Program customers for service or rates outside the Program nor use the customer information for any other marketing purposes.
8. Hold harmless. The Supplier must hold the City financially harmless from any and all financial obligations arising out of its role as facilitator of the Program.
9. Insurance. The Supplier must obtain and maintain, for the duration of the Agreement, such proof of insurance and performance security as the City deems necessary.
10. Additional services. The Agreement may require the Supplier to assist the City in developing a customer education plan and an energy efficiency program or provide such other energy efficiency education services as may be mutually agreed upon by the parties.
11. Reporting. The Supplier must provide the City with the following quarterly reports:
  - A. Power Mix Report. A report showing that (1) the Supplier generated or purchased electricity with the claimed attributes in amounts sufficient to match actual consumption by customers; (2) the electricity was supplied to the interconnected grid serving the customers; and (3) 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 federal Clean Air Act regulations and permits.

- B. RECs Report. A report providing competent and reliable evidence to support the fact that the Supplier purchased properly certified RECs in a sufficient quantity to offset the non-renewable energy provided in the mix.
  - C. Aggregation Reports. A report showing the number of customers in the Program and the total cost for energy provided to the Program as compared to the Ameren's default tariff service rates. In addition, the Supplier will report its efforts at customer education.
12. Costs. The Supplier must pay all Program development and administration costs.
13. Customer service. The Supplier must develop and administer customer service procedures to ensure that it is able to (a) accommodate customer inquiries and complaints about energy supply and services; and (b) answer general questions about the Program.
14. Compliance with laws. The Supplier must develop internal controls and processes to ensure that the City remains in good standing as a municipal aggregator and in compliance with all applicable laws, rules, and regulations, as they may be amended from time to time.
15. Subcontractors. The Supplier must employ only those subcontractors that are necessary and approved in advance by the City. Subcontractors will be held to the same strict confidentiality standards applicable to the Supplier and will be required to otherwise comply with the requirements of the Agreement. The use of subcontractors whether approved or unapproved will not relieve the Supplier of the duties, terms, and conditions of the Agreement.
16. Early termination. The City will have the right to terminate the Agreement prior to the expiration of the term in the event the Supplier commits any act of default. Acts of default include but are not limited to the following:
- A. Breach of confidentiality regarding customer information;
  - B. Disqualification of the Supplier from performing services by virtue of the lapse or revocation of any required license or certification required to perform the obligations set forth in this Plan;
  - C. Ameren's termination of its relationship with the Supplier;
  - D. Any act or omission that constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice;
  - E. Billing in excess of the approved kilowatt hour (kWh) rates and stated charges;
  - F. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges; or
  - G. Failure to perform at a minimum level of customer service required by the City.

Upon termination for any reason, the City will notify affected customers of their option to select an alternate Supplier or to return to Ameren's default tariff service.

17. Limitation of liability. The City will not be liable to customers or to aggregation group members for any claims, however styled, arising out of the Program or out of any City act or omission in facilitating the Program. In addition, the Supplier must hold the City harmless from any claim, cause of action, or proceeding of any kind which may be filed against the City arising out of the services provided by the Supplier or any act or omission of the City in obtaining the services of the Supplier. Customers will assert any such claims solely against the Supplier pursuant to the power supply service agreement, under which such customers are express third party beneficiaries.

## **Customers Included in Program**

This Program is intended for the City's small commercial and retail electric customers who choose not to opt out pursuant to the Act. Therefore, all eligible electric consumers within the City will be automatically enrolled in the Program unless they affirmatively decline.

Nevertheless, some customers within the City are ineligible to participate in the Program, including those receiving power from Ameren under particular tariffs, those having current contracts with other Suppliers, and those receiving bill payment assistance such that they will not save money with the City's Program.

Additionally, utility rules approved by the ICC or other regulatory agencies may determine eligibility to enroll in the Program.

## **Opt-Out Procedures**

Any eligible electric customer who opts out of the Program pursuant to the procedures stated below will automatically be placed on the Ameren default tariff service unless the customer chooses another Supplier.

Prior to mailing opt-out notices, the City and the Supplier will review retail customer identification information to verify that ineligible customers are excluded, provided however, that the City will have no responsibility to potential aggregation group members or to the Supplier for the accuracy of the customer account information provided.

After review of the customer account information, the Supplier will mail the opt-out notices described below to all eligible account holders within the City. The Supplier shall treat all customers equally and shall not deny service to any eligible customer.

1. Manner of providing notices and information. The Supplier will be required to pay for printing and mailing of opt-out disclosure notices. The Supplier will mail notices to the owner or occupant residing at the electric account mailing address shown on Ameren's customer list.
2. Contents of notices. The City and the Supplier will agree to the format and contents of the opt-out notice prior to distribution or mailing. The notice will inform the electric account owner of the existence of the Program, the identity of the Supplier, the rates to be charged, and other terms of the Agreement. The notice will provide a method for customers to opt out of the

Program. The notice will indicate that it is from the City and will include the City name and logo on the envelope.

3. Time to Respond. Aggregation group members will have at least twenty-one (21) calendar days to return the opt-out reply to the Supplier stating their intention to opt out of the Program. The time to respond will 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 Supplier 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 the specified time to respond. Upon receipt of the opt-out reply, the Supplier will remove the account from the Program.

4. Final list. After expiration of the opt-out period, the customer list will become final. All customers who have not opted out will be automatically enrolled as participants in the Program. Customers will not need to take any affirmative steps in order to be included in the Program. In the event that an eligible customer is inadvertently not sent an opt-out notice, or is inadvertently omitted from the Program, the Supplier will work with the City and the customer to ensure that the decision to remain in, or opt out, of the Program is properly recorded and implemented by the Supplier.

5. Fees. The Supplier will pay any switching fees that Ameren may assess for customers who choose to join the Program during an opt-out period. The Supplier will not impose a fee for customers who select Ameren or another electricity supplier during the opt-out period.

6. Additional opt-out periods. In addition to the initial opt-out period described above, customers will be allowed to opt out without penalty once every three (3) years or as required by statute. Requirements for notification of intent to opt out of the aggregation group will be set forth in the Agreement.

## **Changes in Service**

1. Joining the Program after the opt-out period. Customers may join the Program after the opt-out period at the service rates and under the same terms and conditions as provided in the Agreement. No entrance or enrollment fees will be applied to customers who join the Program after commencement of the power supply service agreement. However, customers are liable for the previous Supplier's switching fee, if any.

2. Leaving the Program after the opt-out period. Customers may leave the Program at any time. No exit or termination fees will be applied to customers who leave the Program after the opt-out period has concluded.

3. Moving within the City. Customers who move from one location to another within the corporate limits of the City may continue service at the rates and under the same terms and conditions as provided in the Agreement. The Supplier will not impose a fee if the customer gives notice at least thirty (30) calendar days before service at the new address is requested. Otherwise, the Supplier may charge a fee as provided in the Agreement.

4. Moving to the City. The Supplier must facilitate the addition of new customers in the Program during the term of the Agreement. Residents and businesses moving into the City after the opt-out period will **not** automatically be included in the Program. Customers wishing to join the Program may contact the Supplier to obtain enrollment information. New customers will be entitled to the same terms and conditions as provided in the Agreement. The Supplier will not impose a fee for customers who move to the City. However, customers are liable for the previous Supplier's switching fee, if any.

5. Joining Program after opting out. Customers who leave the Program and wish to rejoin at a later date will be treated in the same manner as new customers moving to the City.

## **Billing**

The City will use the coordinated billing services of Ameren and the selected Supplier. Most customers are expected to receive a single bill from Ameren that itemizes all electric charges.

Collection and credit procedures remain the responsibility of Ameren, the selected Supplier, and the individual customer. Customers are required to remit and comply with the payment terms of Ameren or the Supplier. The City will not be responsible for late or no payment on the part of any customers. Neither the City nor the Supplier will have separate credit or deposit policies for customers.

## **Complaints and Dispute Resolution**

Customers have several means of addressing complaints. As a general rule, concerns regarding service reliability should be directed to Ameren, billing questions should be directed to Ameren or the selected Supplier, and any unresolved disputes should be directed to the ICC.

## **Additional Service Terms and Conditions**

The City will maintain the customer information it receives in a confidential manner as required by law and will use that information only for purposes of the Program. Customer account information will be considered confidential and will not be disclosed under the Freedom of Information Act. Upon receiving customer information from Ameren, the City will be subject to the limitations on disclosure of that information as described in Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2HH.

The City, as the facilitator of this Program, is not responsible for providing electricity to the aggregation members or for billing or collecting for electricity provided under any Supplier power supply service agreement and has no responsibility beyond the duties described herein.

The City will place this Plan of Operation and Governance on its website and will maintain a copy at the City Clerk's Office.

RESOLUTION NO. 2012-03-016R

**A RESOLUTION AUTHORIZING EXECUTION OF A SERVICE AGREEMENT WITH THE LOWEST RESPONSIBLE BIDDER FOR THE SUPPLY OF ELECTRICITY FOR RESIDENTIAL AND SMALL COMMERCIAL RETAIL CUSTOMERS WHO DO NOT OPT OUT OF SUCH A PROGRAM**

**(Municipal electric aggregation)**

**WHEREAS**, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92, permits a municipality, if authorized by referendum, to adopt an ordinance by which it may operate a program to solicit bids and enter into service agreements for the sale and purchase of electricity and related services and equipment to residential and small commercial customers who do not opt-out of such a program; and

**WHEREAS**, the City of Urbana ("City"), in a referendum held on March 20, 2012, submitted the public question of whether it should operate the program as an opt-out program; and

**WHEREAS**, the referendum passed by a majority vote of the qualified electors voting on the question; and

**WHEREAS**, the City Council finds that the best interests of the City are served by entering into an agreement with the lowest responsible bidder, pursuant to 20 ILCS 3855/1-92, to aggregate the residential and small commercial retail electric loads located within the City and to arrange for competitive electric supply to these retail electrical accounts; and

**WHEREAS**, because electricity is a commodity for which supply bids typically are made each morning and expire the same day at the close of business, the City must act promptly to accept any such desired bid in order to contractually guarantee a per kilowatt hour electric rate for its residential and small commercial customers; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of a service agreement with the lowest responsible bidder for the supply of electricity for residential and small commercial retail customers who do not opt out of such a program, said execution and attestation to take place within the applicable time constraints required by the bidder; provided, however, that the energy price to be paid per kilowatt hour pursuant to the agreement is less than the default rate currently in effect, resulting in savings for the City's residential and small commercial retail customers.



Section 2.

This Resolution shall be effective immediately and shall remain in effect until such time as the year 2012 electricity aggregation program electric supplier selection process has been completed.

Motion was made by Alderman \_\_\_\_\_, seconded by Alderman \_\_\_\_\_ that the Resolution be adopted.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor