

Request for City Council Action

Date: December 11, 2012

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| Agenda Section: General Business No. 5 | Originating Department: City Manager |
| Item: Resolution Authorizing the Adoption of an Electricity Aggregation Plan of Operation and Governance and for the Mayor to Execute an Intergovernmental Agreement Between Units of Local government to Purchase Electricity No. 5.4 | Approved: |

Background:

On August 7, 2012, the Carbondale City Council approved Resolution 2012-R-45 authorizing the submission, through referendum, to the residents of Carbondale the question of whether to participate in aggregation of electricity.

On November 6, 2012, the residents of the City of Carbondale voted to authorize the City to act on their behalf to arrange for the supply of electricity for residential and small commercial retail customers who do not opt out of such a program.

The Cities of Carbondale, Chester, Coulterville, Elkhaville, Marion, Sparta, Steepleville, Tamaroa and West Frankfort and Unincorporated Perry County are being represented by Select Energy Partners, LLC.

Select Energy Partners, LLC will:

- Collect and organize historical electrical usage data
- Solicit and analyze supply offers from retail electric suppliers in the marketplace including "green energy" generation processes
- Make a recommendation of retail electric supplier alternatives
- Negotiate offers with retail electric suppliers
- Assist with contract review and contract administration of chosen supplier
- Conduct ongoing energy market monitoring

The next step in the energy aggregation process is for each of these municipal/county entities to approve an Electric Aggregation Plan of Operation and Governance and to enter into an Intergovernmental Agreement for the purchase of electricity. Attached for Council review is a copy of the Agreement.

Recommended Action:

It is recommended that the City Council adopt a resolution authorizing the Mayor to execute an Electric Aggregation Plan of Operation and Governance and an Intergovernmental Agreement between units of local government to purchase electricity.

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| Engineering Approval Obtained | Finance Approval Obtained | Legal Approval Obtained | Approval Obtained | Manager's Approval Obtained |
|-------------------------------------|---------------------------------|-------------------------------|----------------------|-----------------------------------|

Council Action: Motion by _____ 2nd by _____ to _____

RESOLUTION NO. 2012-R-_____

A RESOLUTION AUTHORIZING THE ADOPTION OF AN ELECTRICITY AGGREGATION PLAN OF OPERATION AND GOVERNANCE AND FOR THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN UNITS OF LOCAL GOVERNMENT TO PURCHASE ELECTRICITY

WHEREAS, the City of Carbondale, Illinois, is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a) of the Illinois Constitution, 1970, the City of Carbondale may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public, health, safety, morals and welfare; and

WHEREAS, the City of Carbondale has adopted a resolution initiating the submission to the voters of the City of Carbondale of whether to authorize the City to arrange for the supply of electricity for residential and small commercial retail customers who do not opt out of such a program within the City; and

WHEREAS, the referendum authorizing such program has passed in the City of Carbondale; and

WHEREAS, Section 10 of Article 7 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act (5 ILCS 220/1 et. seq.) authorizes the City to solicit bids and enter into an agreement for the sale and purchase of electricity; and

WHEREAS, other units of local government in southern Illinois have also been authorized to solicit bids and enter into agreements for purchase of electricity; and

WHEREAS, the said local governments in southern Illinois have agreed to an Electricity Aggregation Plan of Operation and Governance, a copy of which is attached hereto and made a part hereof as Exhibit "1"; and

WHEREAS, the City Council finds that it is in the best interest of the City of Carbondale to adopt the said Aggregation Plan (Exhibit “1”) and to enter into an Intergovernmental Agreement with these other units of local government, a copy of which is attached hereto and made a part hereof as Exhibit “2”; and

WHEREAS, the City Council authorizes the Mayor to execute the Intergovernmental Agreement attached hereto as Exhibit “2”.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CARBONDALE, ILLINOIS, AS FOLLOWS:

SECTION 1. That the City Council approves the adoption of the Electricity Aggregation Plan of Operation and Governance, a copy of which is attached hereto and made a part hereof as Exhibit “1” and the further adoption of the Intergovernmental Agreement between the City of Carbondale and the City of Marion, a copy of which is attached hereto as Exhibit “2”.

SECTION 2. That the Mayor is hereby authorized to sign the said Agreement attached hereto as Exhibit “2”.

SECTION 3. The City Manager is hereby authorized to implement the Electricity Aggregation Plan of Operation and Governance, attached hereto as Exhibit “1” and the Intergovernmental Agreement, attached hereto as Exhibit “2”.

SECTION 4. That this Resolution be spread at length upon the minute records of the City Council of the City of Carbondale, Illinois.

This Resolution is adopted at a regular meeting of the City Council of the City of Carbondale, Illinois on the 11th day of December, 2012.

APPROVED: _____
Joel Fritzler, Mayor

FOR: _____
AGAINST: _____
PASSED: _____
APPROVED: _____
RECORDED: _____
PUBLISHED: _____

ATTEST: _____
Jennifer Sorrell, Acting City Clerk

APPROVED AS TO LEGALITY AND FORM:

P. Michael Kimmel, City Attorney

**ELECTRICITY
AGGREGATION:
PLAN OF
OPERATION
AND
GOVERNANCE**

**SI ELECTRICITY
AGGREGATION
CONSORTIUM**

*CARBONDALE, CHESTER,
COULTERVILLE, ELKVILLE, MARION,
UNINCORPORATED PERRY COUNTY,
SPARTA, STEELEVILLE, TAMAROA,
WEST FRANKFORT*

NOVEMBER 7, 2012

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I. INTRODUCTION

Public Act 96-1076 amended the Illinois Power Agreement Act by adding Section 1-92 to Chapter 20, Act 3855 of the Illinois Compiled Statutes (“the Act”) and allowed the Corporate Authorities of a Municipality 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 city on an opt-out or opt-in program. The Act further authorized a Municipality to solicit bids, select suppliers of retail electric supply, and enter into service agreements to facilitate the sale and purchase of electricity and related services. The legislation authorized the Illinois Power Agency (“IPA”) to assist a Municipality in developing a plan of operation and governance.

Additionally, the Act also states:

The corporate authorities or county board may also exercise such authority jointly with other Municipality or county. Two or more municipalities or counties, or a combination of both, may initiate a process jointly to authorize aggregation by a majority vote of each particular Municipality or county as required by this Section.

The municipalities of Carbondale, Chester, Coulterville, Elkhart, Marion, Unincorporated Perry County, Sparta, Steeleville, Tamaroa, and West Frankfort voluntarily and through a formal Intergovernmental Agreement, are cooperating toward obtaining the lowest possible electricity rates for their respective residents and small businesses. This group of communities will also be known as the SI Electricity Aggregation Consortium (“Consortium”) or “Municipalities”. The Municipalities seek to collectively aggregate the retail electric loads of eligible residents and small commercial retail customers and to solicit bids for the purchase of that electricity. The Consortium intends to solicit bids seeking various pricing options, contract terms, and options for increased volumes of renewable energy. Together, with its large quantity of eligible electric accounts, the Municipalities have the potential to attract lower rates than the current tariff service rate, while also acquiring a cleaner power supply.

Large industrial and commercial consumers with sophisticated electronic 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 Municipality, provides the means through which municipal residential and small commercial retail customers may obtain economic benefits of Illinois’ competitive retail electric market. The Consortium’s Aggregation Program combines the electric loads of residential and small commercial retail customers to form a buying group (“Aggregation Group”). Carbondale, Chester, Coulterville, Elkhart, Marion, Unincorporated Perry County, Sparta, Steeleville, Tamaroa, and West Frankfort will act as facilitators for the Aggregation Group. The Municipalities’ electric distribution company is Ameren Illinois, an affiliate of Ameren Corporation (herein referred to as “Ameren”).

II. PROCESS

On November 6, 2012, in accordance with the requirements of the Act, the voters for the following communities approved a referendum to operate an Aggregation Program as an “opt-out program: Carbondale, Chester, Coulterville, Elkhart, Marion, Unincorporated Perry County, Sparta, Steeleville,

Tamaroa, and West Frankfort. Under the opt-out program, all Ameren residential and small commercial retail customers in each community 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 Corporate Authorities of the Municipalities listed below duly passed an Ordinance authorizing the placement of a referendum on the November 6, 2012 ballot, seeking authority to create an opt-out municipal aggregation for its residents and small business customers. The Ordinance numbers are as follows:

| Municipality | Ordinance Number | Municipality | Ordinance Number |
|-------------------------|------------------|-----------------------------|------------------|
| City of Carbondale | | Unincorporated Perry County | |
| City of Chester | | City of Sparta | |
| Village of Coulterville | | Village of Steeleville | |
| Village of Elkhville | | Village of Tamaroa | |
| City of Marion | | City of West Frankfort | |

Prior to the passage of the referendum, the Municipalities retained the services of a Consultant to assist with planning and implementing the Program, bidding and selecting the electricity supplier and advising the Municipalities on public outreach and education related to municipal aggregation.

In addition to passing the required ordinances by the Corporate Authorities, each Municipality may also be required to comply with various rules and regulations established by authorized agencies of the State of Illinois. Each Municipality 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 Corporate Authorities developed and approved this Aggregation Plan of Operation and Governance (“Plan”). Before adopting this Plan and as required by the Act, the Corporate Authorities of each Municipality will duly publish a notice in a newspaper of general circulation in the Municipality, of public hearings held on November 19-20, 2012. The public hearings will be held at the following times at each community’s city hall.

| Municipality | Public Hearing Dates/Times | Municipality | Public Hearing Dates/Times |
|-------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| City of Carbondale | November 19 & 20, 2012 @ 6:00 PM | Unincorporated Perry County | November 19 & 20, 2012 @ 1:30 PM |
| City of Chester | November 19 & 20, 2012 @ 1:30 PM | City of Sparta | November 19 & 20, 2012 @ 10:30 AM |
| Village of Coulterville | November 19 & 20, 2012 @ 9:00 AM | Village of Steeleville | November 19 @ 12:00 PM, 20 @ 6:00 P |
| Village of Elkhville | November 19 & 20, 2012 @ 12:00 PM | Village of Tamaroa | November 19 & 20, 2012 @ 7:00 PM |
| City of Marion | November 19 & 20, 2012 @ 9:00 AM | City of West Frankfort | November 19 & 20, 2012 @ 10:30 AM |

These meetings will provide residential and small commercial retail customers of each Municipality participating in the Aggregation Program, a meaningful opportunity to be heard regarding the Aggregation Program and this Plan. The Corporate Authorities will consider the concerns of the residential and small commercial retail customers and information disclosed at the hearing 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 each of the Municipalities according to the opt-out disclosure program developed by the Municipalities. 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 Corporate Authorities, the Consortium may select an Alternative Retail Electric Supplier (“ARES” or “Provider”) to provide the electric power for the Consortium’s Aggregation Program according to the terms of a written service agreement entered into by and between the Provider and the Municipalities. By majority vote of the Corporate Authorities, the Municipalities may determine not to enter into a service agreement with any Provider, and in such event the Aggregation Group members shall continue to purchase electric power from Ameren. If the Corporate Authorities enter into a service agreement with a Provider, Ameren will continue to provide and service delivery of the electricity

purchased from Provider, and metering, repairs and emergency service will continue to be provided by Ameren.

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 eligible residential and small commercial retail customers of Ameren in the corporate limits of each Municipality that have not opted-out of the Program and are permitted under the terms of the Act to participate in the Program.

“Aggregation Program or “Program” means the program developed and implemented by Carbondale, Chester, Coulterville, Elkhaville, Marion, Unincorporated Perry County, Sparta, Steeleville, Tamaroa, and West Frankfort as Municipal Aggregators under the Act, to provide Ameren residential and small commercial retail customers in each Municipality with retail electric generation services.

“Municipal Aggregator” means the Municipality operating an Aggregation Program under the legislative authority granted to the Municipality to act as an aggregator to provide a competitive retail electric service to eligible residential and small commercial retail customers of Ameren in the Municipality. 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 Consortium’s (Carbondale, Chester, Coulterville, Elkhaville, Marion, Unincorporated Perry County, Sparta, Steeleville, Tamaroa, and West Frankfort) Electricity Aggregation Program for competitive retail electric service 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 Consortium to be the entity responsible to provide the required retail electrical supply service related to an Aggregation Program as defined in the Act, City Ordinances and applicable rules and regulations of any authorized agency of the State of Illinois and has duly executed a Power Supply Agreement with each Municipality.

IV. OPERATIONAL PLAN

A. Aggregation Services

1. Provider: The Consortium 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, conditions where cancellation fees apply, and the conditions under which a Member may opt-out without penalty. The Provider must provide the municipalities, upon request, an electronic file containing the Members’ usage, charges for retail supply service and such other information reasonably requested by Municipalities.
2. Database: The Retail Electric Supplier shall create and maintain a secure database of all Members. The database will include the name, address, Ameren account number, and Retail Electric Supplier’s 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 Municipality or (iv) move into the Municipality 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.

3. Member Education: The Provider shall develop and implement, with the assistance of the Municipalities, as the Municipalities may determine in their sole discretion, an educational program that: generally explains the Aggregation Program to all residential and small commercial retail customers in the Aggregation Group, provides updates and disclosures mandated by the Illinois law and applicable rules and regulations, and implements a process to allow any Member the opportunity to opt-out of the Aggregation Program.
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. The Provider and each Municipality will enter into a separate customer service plan agreement or the terms shall be included in the Power Supply Agreement.
5. Billing: Ameren 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 each Municipality remains in good standing as a Municipal Aggregator and ensure the each Municipality 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 each Municipality, the reports 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 Municipality; (iv) comparison of the Members' charge for the supply of electricity from one designated period to another identified by each Municipality. The Provider shall also develop a process to monitor and shall promptly notify each Municipality in writing of any changes or amendments to the Act or any laws, rules or regulations applicable to the Aggregation Program.
7. Notification to Ameren: The residential and small commercial retail customers of Ameren in each Municipality who 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 Ameren requires notification of participation, the Provider shall provide such notice to Ameren. The Provider will inform Ameren from time to time through electronic means of any new members who are enrolling in the Aggregation Group.
8. Plan Requirements: Pursuant to the Act, the Provider selected by each Municipality and the Consortium shall:
 - 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;
 - C. Meet any requirements established by law concerning aggregated service offered
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 each Municipality, shall be conducted in the following manner:
- A. The Corporate Authorities of each Municipality 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 Businesses Practices Act, an electric utility that provides residential and small commercial retail electric service in each Municipality must, upon request of the Corporate Authorities of each Municipality, submit to the requesting party, in an electronic format, those names and addresses of residential and small commercial retail electric customers in each Municipality that are reflected in the electrical utility's 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. Each Municipality, upon receiving customer information from the 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 Corporate Authorities of each Municipalities and the Provider shall duly execute and enter into a Power Supply Agreement to serve the Aggregation Group.

C. Retail Electric Supplier for the SI Electricity Aggregation Consortium

The Power Supply Agreement shall require the Provider to satisfy each of the following requirements:

1. Have sufficient sources of power to provide retail firm power to the Aggregation Group.
2. Maintain a license as a Federal Power Marketer with the Federal Energy Regulatory Commission.
3. 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.
4. Be registered as a retail electric supplier with Ameren.
5. Maintain a Service Agreement for Network Integration Transmission Service under the Open Access Transmission Tariff.
6. Maintain a service agreement as required under all applicable rate tariffs of the State of Illinois.
7. Maintain the necessary corporate structure to sell retail firm power to the Ameren residential and small commercial retail customers in each Municipality and the Aggregation Group.
8. Maintain an Electronic Data Interchange (EDI) computer network that is fully functional at all times and capable of handling the Ameren residential and small commercial retail electric customers in each Municipality and the Aggregation Group.

9. Maintain the marketing ability to reach all Ameren residential and small commercial retail customers in each Municipality to educate them on the terms of the Aggregation Program and the Act.
10. Maintain a call center capable of handling calls from the Members of the Aggregation Group.
11. Maintain a local or toll-free telephone number for customer service and complaints related to each Municipality's Aggregation Program.
12. Agree in a binding written agreement between each Municipality and the Provider to hold each Municipality financially harmless from any and all financial obligations arising from supplying power to the Aggregation Group.
13. Satisfy the credit requirements of the State of Illinois and the Municipality.
14. Have the binding authority (to the satisfaction of legal counsel for each Municipality) to execute the Power Supply Agreement with each Municipality and be fully bound by all of its terms and conditions.
15. Assist each Municipality in filing all reports required by the Act and any applicable law, rule or regulation, as may be amended from time to time.
16. Assist each Municipality in developing a Consumer Education Plan.
17. Assist each Municipality in developing a smart-meter program, should each Municipality request it.
18. 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 each Municipality 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 Ameren.

E. Changes, Extension, or Renewal of Service

The Power Supply Agreement with the Provider will specify 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 Ameren-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 sixty (60 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 each Municipality 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 Ameren-provided supply service upon termination of the Agreement.

G. Opt-In Procedures

Ameren residential and small commercial retail customers will be automatically enrolled in the Aggregation Program after any opt-out period has expired, unless they provide timely affirmation in writing on a form to be provided, notifying the Provider of their election not to participate in the Aggregation Program. The Provider agrees to provide special notice directly to categories of Ameren customers as each Municipality may direct, and inform such customers of specific potential consequences of their change from existing service from Ameren to the Program, including but not limited to (i) space heating customers, (ii) customers using an electric supplier other than Ameren or the Provider. Ameren residential and small commercial retail customers in each Municipality 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 each Municipality and the Provider in the Power Supply Agreement. The agreed upon policy shall be consistent with Ameren’s supplier enrollment requirements. Members of the Aggregation Group who move from one location to another within the corporate limits of each Municipality shall continue as a Member of the Aggregation Group but may have to contact the Provider to resume service once a new account has been established at the new address.

H. Opt-Out Procedures

Ameren residential and small commercial retail customers in each Municipality may opt-out of the Aggregation Program at any time during the opt-out period without additional fees charged by the Provider or each Municipality. Members of the Aggregation Group will be allowed to switch to a different electric supplier after the expiration of the opt-out period on the terms set forth in the Power Supply Agreement. 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 Ameren Standard Service Offer, until the consumer elects an alternate generation supplier. As required by the Act, it shall be the duty of each Municipality or the Provider if so provided in the Power Supply Agreement, to fully inform residential and small commercial retail customers in each Municipality 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 each Municipality, a list of all supply options available to them in a format that allows comparison of prices and products.

I. Intergovernmental Agreement

The Corporate Authorities of each Municipality by majority vote may exercise its authority under the Act jointly with any other Municipality or County in the State of Illinois or combination thereof in accordance with the requirements of the Act. In such event, the Municipality shall enter into an intergovernmental agreement with such other Municipalities or Counties.

V. MISCELLANEOUS GOVERNANCE GUIDELINES

1. The Corporate Authorities of each Municipality shall approve by an Ordinance passed by majority vote of the Corporate Authorities this Plan of Operation and Governance for the Aggregation Program and any Amendments thereto.
2. The Corporate Authorities of each Municipality shall contract with a Provider certified by the Public Utilities Commission of Illinois for the provision of Competitive Retail Electric Service to the Aggregation Group.
3. The Corporate Authorities of each Municipality will require any Provider to disclose any subcontractors that it uses in fulfillment of the services described above in the Power Supply Agreement.
4. The Corporate Authorities of each Municipality will require the Provider to maintain either a toll-free telephone number, or a telephone number that is local to the Members.

VI. LIABILITY

CARBONDALE, CHESTER, COULTERVILLE, ELKVILLE, MARION, UNICORPORATED PERRY COUNTY, SPARTA, STEELEVILLE, TAMAROA, AND WEST FRANKFORT 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 EACH MUNICIPALITY 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 EXPRESS THIRD-PARTY BENEFICIARIES.

VII. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan shall be available from each Municipality in the Consortium free of charge. Members and residents and small commercial retail customers of Ameren may call:

- Carbondale: 618-549-5302
- Chester: 618-826-2326
- Coulterville: 618-525-9182
- Elkhaville: 618-568-1881
- Marion: 618-997-2612
- Perry County: 618-357-5116
- Sparta: 618-443-2917
- Steeleville: 618-965-3134 Ext. 31
- Tamaroa: 618-357-5116
- West Frankfort: 618-932-3262

APPENDIX A: SAMPLE OPT-OUT LETTER

Month xx, 2012

Dear Residential and Small Business Customer:

During the general election of November 6, 2012, (NAME OF COMMUNITY) voted yes on a referendum question authorizing the community to seek lower electricity rates for eligible residential and small commercial retail customers. City officials are happy to offer eligible resident and small businesses savings over Ameren Illinois (“Ameren”) rates by banding together all eligible electric service classes.

(NAME OF COMMUNITY) ran a competitive bid to select a licensed Retail Electric Supplier to provide savings to residents and small businesses with electric service in the city. After researching competitive electricity pricing options, we have chosen _____, to provide you with savings on your electric generation through (Month) 20__.

As an eligible residential customer, your account will be transitioned to the Electricity Aggregation Program within 30-45 days, unless you opt-out by Month XX, 2012. There are no enrollment or switching fees and your new electricity rate will be **XX.XX% lower** than the current Ameren rate.

No Rate Increase for Term of Contract

While Ameren’s rates will continue to change each June and October, (SELECTED SUPPLIER NAME)’s rates are fixed through (Month) 20__.

No Changes in Billing or Service Delivery

You will continue to receive one monthly bill from Ameren. Other than the price and the supplier, nothing regarding your electricity service will change. Ameren will continue to deliver your electricity, restore power in case of an outage, and to be responsible for maintaining the system that delivers power to your homes and businesses.

Enrollment Information

After your enrollment is finalized, (SELECTED SUPPLIER NAME) will send you a letter confirming your enrollment and welcoming you to the Electricity Aggregation Program. Ameren will also send you a letter confirming your selection of (SELECTED SUPPLIER NAME) as your new electric supplier. As required by law, this letter will inform you of your option to rescind your enrollment with adequate notice prior to the scheduled switch.

How to Opt-Out

If you do not wish to participate in (NAME OF COMMUNITY)’s Electricity Aggregation Program, you must opt-out by Month XX, 2012. If you wish to opt-out, please return the enclosed postcard. You may also opt-out by contacting (SELECTED SUPPLIER NAME) toll-free at XXX-XXX-XXXX or online at (SUPPLIER-PROVIDED CUSTOM WEB ADDRESS).

If you have any questions, please refer to the enclosed Frequently Asked Questions or contact (SELECTED SUPPLIER NAME) toll-free at XXX-XXX-XXXX. Representatives are available 24 hours a day, 7 days a week.

Sincerely,

Mayor, (NAME OF COMMUNITY)

INTERGOVERNMENTAL COOPERATION AGREEMENT

This Intergovernmental Cooperation Agreement made and entered into this ____ day of November, 2012, by and between The City of Marion, Williamson County, Illinois, a municipal corporation, hereinafter for convenience referred to as "Marion," the municipal governments of Carbondale, Chester, Coulterville, Elkhart, Unincorporated Perry County, Sparta, Steeleville, Tamaroa, and West Frankfort, hereinafter for convenience referred to as "governing bodies".

WITNESSETH

WHEREAS, each of the parties to this agreement are units of local government and municipal corporations of the State of Illinois and have adopted resolutions initiating the submission to the voters of their respective cities of the public question of whether to authorize each of the cities to arrange for the supply of electricity for residential and small commercial retail customers who do not opt out of such a program within their respective jurisdictions; and

WHEREAS, the referendum authorizing such program has passed in each of the respective governing bodies jurisdiction; and

WHEREAS, Section 10 of article 7 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act (5 ILCS 220/1 et. seq.) authorizes the respective municipalities to cooperate in soliciting bids and entering into service agreements for the sale and purchase of electricity and related services and equipment within the respective cities; and

WHEREAS, each of the municipalities has determined that it is in the best interest of each city to jointly engage the services of Select Energy Partners, LLC to negotiate jointly for the cooperating cities to solicit and analyze supply offers from retail suppliers of electricity to provide assistance to the cities during contractual review to make strategic market timing recommendations and contract administration services after initial procurement; and

WHEREAS, each of the governing bodies finds and determines that each city will benefit materially by a cooperative effort in retaining Select Energy Partners, LLC to analyze and negotiate for the combined populations of the respective governing bodies.

NOW, THEREFORE, in consideration of the agreements, covenants, representations and undertakings herein contained, Marion and the governing bodies hereby agree as follows:

Section 1: Upon execution of this Agreement, each of the municipalities through their duly authorized officers shall execute the Electric Municipal Aggregation Services Agreement with Select Energy Partners, LLC, a copy of which is attached hereto as Exhibit A and by reference made a part hereof.

Section 2: Each municipality shall designate a responsible representative from each governing body to act as a liaison to coordinate all actions and provide and receive all information to each municipality and to Select Energy Partners, LLC as may be necessary or convenient for Select Energy Partners, LLC to procure the best service agreement available for each of the respective municipalities.

Section 3: This Agreement shall be deemed to be an intergovernmental agreement made under, and shall be construed in accordance with and governed by the laws of the State of Illinois.

Section 4: No modification of this Agreement shall be effective unless in writing signed by the authorized officers of each of the parties hereto.

Section 5: This Agreement may be signed in any number of counterparts, each of which shall be deemed an original.

Section 6: This Agreement shall become effective upon its approval, execution and delivery by both parties.

Section 7: This Agreement constitutes the entire agreement between the parties and the subject matter hereof.

IN WITNESS WHEREOF, each of the parties hereto have caused this instrument to be executed by its proper officers duly authorized to execute the same on the date and year first above written.

CITY OF MARION, WILMAMSON COUNTY, ILLINOIS

BY: _____
ROBERT L. BUTLER, Its Mayor

ATTEST:

ALICE RIX, City Clerk

CITY OF CARBONDALE, JACKSON COUNTY, ILLINOIS

BY: _____
JOEL FRITZLER, Its Mayor

ATTEST:

JENNIFER SORRELL, Acting City Clerk

CITY OF CHESTER, RANDOLPH COUNTY, ILLINOIS

BY: _____
JOE EGGEMEYER, Its Mayor

ATTEST:

NANCY EGGEMEYER, City Clerk

VILLAGE OF COULTERVILLE, RANDOLPH COUNTY,
ILLINOIS

BY: _____
ROBERT SCOTT RUST, Village President

ATTEST:

ROBIN ENGELAGE, Village Clerk

VILLAGE OF ELKVILLE, JACKSON COUNTY, ILLINOIS

BY: _____
LANCE BEDAR, Village President

ATTEST:

LINDA PATE, Village Clerk

UNINCORPORATED PERRY COUNTY, ILLINOIS

BY: _____
BOBBY KELLY, Chairman, Board of Commissioners

ATTEST:

KEVIN KERN, County Clerk

CITY OF SPARTA, RANDOLPH COUNTY, ILLINOIS

BY: _____
CHARLES KELLEY, Its Mayor

ATTEST:

COREY RHEINECKER, City Administrator

VILLAGE OF STEELEVILLE, RANDOLPH COUNTY,
ILLINOIS

BY: _____
MIKE ARMSTRONG, Its Mayor

ATTEST:

DEBBIE THIES, Manager

VILLAGE OF TAMAROA, PERRY COUNTY, ILLINOIS

BY: _____
CURTIS STUBE, Its Mayor

ATTEST:

CERYL PELKER, Secretary

CITY OF WEST FRANKFORT, FRANKLIN COUNTY,
ILLINOIS

BY: _____
TOM JORDAN, Its Mayor

ATTEST:

JANICE BIGGS, City Clerk

EXHIBIT "A"

City Manager Kevin Baity
City of Carbondale
200 S. Illinois Ave
Carbondale, IL 62901

Subject: Electric Municipal Aggregation Services Agreement

This Agreement for Electric Municipal Aggregation Services ("Agreement") is made between Select Energy Partners, LLC ("Select") and the City of Carbondale ("Client"). Select agrees to assist Client in exclusively evaluating electric supply options available in the marketplace with the intent of contracting with a competitive electric supplier if there are savings opportunities available through the procurement process.

I. Scope of Services

During the Term, Select shall provide the following:

1. Collection and organization of historical electrical usage data
2. Solicitation and analysis of supply offers from retail suppliers in the marketplace
3. Recommendations of electric supply alternatives, if any
4. Negotiation of offers with retail suppliers
5. Assistance during contractual review
6. Ongoing market monitoring services
7. Contract administration services
8. Strategic market timing recommendations after initial procurement

II. Termination Provisions

Client has the option to terminate this agreement at anytime with thirty (30) days written notice. Both parties agree that Select will undertake significant time and resources in researching and presenting savings opportunities for Client. If Select has uncovered savings opportunities and Client signs an agreement through a separate channel (not through Select), Client will pay Select a fee of seven-thousand dollars (\$7,000).

III. Confidentiality

Confidential Information Defined

Select acknowledges that it will be receiving from Client information of a non-public nature ("Confidential Information") to be used for the solicitation and delivery of retail electric supply associated with the Electric Municipal Aggregation effort. This information includes the names, addresses and accounts of customers taking electric supply from Ameren Illinois Company. Select acknowledges that any such information shall be considered Confidential Information. Select agrees and acknowledges it and its Representatives (officers, directors, agents, and suppliers) are subject to the limitations described in 220 ILCS 5/6-122 and Section 2HH the Consumer Fraud and Deceptive Business Practices Act now in effect and

may be amended from time to time (see Exhibit A). The identification or description of Confidential Information herein is not to be construed that such information available for disclosure under any terms.

Non-Disclosure Obligation

Select shall maintain the confidentiality of any Confidential Information and shall not disclose such Confidential Information, in whole or in part, to any person other than its Representatives who need to know such Confidential Information. Representatives shall be informed by Select of the confidential nature of the Confidential Information and shall be directed by Select to treat the Confidential Information confidentially. Select agrees to be responsible and liable for any breach of the Agreement by its Representatives.

IV. Indemnification

To the fullest extent permitted by law, Select shall fully indemnify, defend, release, and completely hold harmless Client, its agents, insurers, and/or employees from and against all actions, claims, demands, liabilities, damages, losses, costs and expenses related to this Agreement.

V. General Terms and Conditions

1. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois.
2. This Agreement may be amended from time to time by the Parties. Any amendment to this Agreement shall be made in writing and shall be signed by the Parties or their respective successors and assigns.
3. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Facsimiles and copies of original signature pages will be treated as originals.
4. Notices hereunder may be given by mail or by fax transmission addressed or faxed to the Party to which it is being given at such Party's address or fax number set forth below and shall be effective (a) in the case of mail, 3 days after deposit in the postal system, first class postage pre-paid and (b) in the case of fax notices, when sent. Either Party may change its address and fax number by written notice to the other Party.

Select Energy Partners, LLC
Attn: Anna Baluyot
550 W. Jackson Blvd. Ste. 777
Chicago, IL 60661
P 773-278-6906
F 888-358-2407
pricing@selectenergypartners.com

City of Carbondale
Attn: Kevin Baity
200 S. Illinois Ave
Carbondale, IL 62901
P 618-549-5302

Upon acceptance of the terms of this Agreement, please sign the document where indicated below and return a copy to me either by email or fax 888-358-2407.

Agreed and accepted this _____ day of _____, 2012.

Select Energy Partners, LLC:

By: _____
Anna M. Baluyot, Managing Partner

City of Sparta:

By: _____
Kevin Baity, City Manager

Exhibit A

(220 ILCS 5/16-122) Public Utilities Act

Sec. 16-122. Customer Information.

(a) Upon the request of a retail customer, or a person who presents verifiable authorization and is acting as the customer's agent, and payment of a reasonable fee, electric utilities shall provide to the customer or its authorized agent the customer's billing and usage data.

(b) Upon request from any alternative retail electric supplier and payment of a reasonable fee, an electric utility serving retail customers in its service area shall make available generic information concerning the usage, load shape curve or other general characteristics of customers by rate classification. Provided however, no customer specific billing, usage or load shape data shall be provided under this subsection unless authorization to provide such information is provided by the customer pursuant to subsection (a) of this Section.

(c) Upon request from a unit of local government and payment of a reasonable fee, an electric utility shall make available information concerning the usage, load shape curves, and other characteristics of customers by customer classification and location within the boundaries of the unit of local government, however, no customer specific billing, usage, or load shape data shall be provided under this subsection unless authorization to provide that information is provided by the customer.

(d) All such customer information shall be made available in a timely fashion in an electronic format, if available.

(815 ILCS 505/) Consumer Fraud and Deceptive Business Practices Act.

Sec. 2HH. Billing and collection practices of electric service providers. Each person selling generation, transmission, distribution, metering, or billing of electric service shall display the name, the toll-free telephone number of such service provider, and a description of the services provided on all bills submitted to subscribers of such services. All personal information relating to the subscriber of generation, transmission, distribution, metering, or billing of electric service shall be maintained by the service providers solely for the purpose of generating the bill for such services, and shall not be divulged to any other persons with the exception of credit bureaus, collection agencies, and persons licensed to market electric service in the State of Illinois, without the written consent of the subscriber.

(Source: P.A. 90-561, eff. 12-16-97.)