

Item #18:
Village President Rodriguez
B. Electric Aggregation Referendum

INTERGOVERNMENTAL AGREEMENT

BY, BETWEEN AND AMONG THE VILLAGE OF ARLINGTON HEIGHTS, VILLAGE OF BUFFALO GROVE, VILLAGE OF LINCOLNSHIRE, VILLAGE OF LONG GROVE, VILLAGE OF PALATINE, VILLAGE OF VERNON HILLS AND VILLAGE OF WHEELING CONCERNING ELECTRIC AGGREGATION

THIS INTERGOVERNMENTAL AGREEMENT ("*Agreement*") is made and entered into as of the ___ day of _____, 2011, by, between, and among the VILLAGE OF ARLINGTON HEIGHTS, an Illinois municipal corporation ("*Arlington Heights*"), THE VILLAGE OF BUFFALO GROVE, an Illinois home rule municipal corporation ("*Buffalo Grove*"), THE VILLAGE OF LINCOLNSHIRE, an Illinois municipal corporation ("*Lincolnshire*"), THE VILLAGE OF LONG GROVE, an Illinois municipal corporation ("*Long Grove*"), the VILLAGE OF PALATINE, an Illinois municipal corporation ("*Palatine*"), the VILLAGE OF VERNON HILLS, an Illinois municipal corporation ("*Vernon Hills*"), and the VILLAGE OF WHEELING an Illinois municipal corporation ("*Wheeling*"), (collectively, the "*Parties*").

WITNESSETH:

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92 ("*Act*"), authorizes the corporate authorities of a municipality to establish a program to aggregate electrical loads of residential and small commercial retail customers and to solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those electrical loads ("*Electric Aggregation Program*"); and

WHEREAS, pursuant to the Act, municipalities may, if authorized by referendum, operate an Electric Aggregation Program as an "opt-out" program that applies to all residential and small commercial retail electrical customers who do not affirmatively choose not to participate; and

WHEREAS, the Act authorizes municipalities to jointly operate an Electric Aggregation Program and does not prohibit municipalities from entering into an intergovernmental agreement to aggregate electric loads for those programs; and

WHEREAS, on March 20, 2012, Arlington Heights, Buffalo Grove, Lincolnshire, Long Grove, Palatine, Vernon Hills and Wheeling were authorized by referendum to establish "opt-out" Electric Aggregation Programs pursuant to the Act; and

WHEREAS, although each Party will operate a separate Electric Aggregation Program for its residents, the Parties have individually and collectively determined that combining the bidding and contracting process to obtain the supply of electric power for their Electric Aggregation Programs could provide potential savings through a joint project bid ("*Joint Power Supply Bid*"); and

WHEREAS, the Parties desire to establish an Intergovernmental Agreement by, between, and among Arlington Heights, Buffalo Grove, Lincolnshire, Long Grove, Palatine, Vernon Hills and Wheeling to facilitate joint action and intergovernmental cooperation for the Joint Power Supply Bid; and

WHEREAS, to achieve these and other related objectives, the Parties desire to continue to utilize the powers and authority granted to them, individually and collectively, pursuant to Article VII, Section

10 of the Illinois Constitution of 1970; the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, and Section 1-92 of the Act, 20 ILCS 3855/1-92; and

WHEREAS, after full consideration of all planning, fiscal, and other intergovernmental issues affecting this matter, each of the Parties has determined that it is in the best interests of its citizens and of the general public welfare that this Agreement be executed and implemented by the Parties; and

WHEREAS, the Parties have agreed to participate equally in paying for the initial work performed by the Official Coordinator relating to this Agreement, the hiring of a consultant and the Joint Power Supply Bid ; and

WHEREAS, the Parties have each approved this Agreement by an ordinance or resolution duly adopted by the Party's corporate authorities; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein made and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, and pursuant to all applicable statutes and local ordinances, specifically including, but without limitation, Article VII, Section 10 of the Illinois Constitution of 1970; the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, and Section 1-92 of the Act, 20 ILCS 3855/1-92, the Parties do hereby agree as follows:

SECTION 1. RECITALS.

The foregoing recitals are, by this reference, incorporated into and made a part of this Agreement.

SECTION 2. PURPOSE.

This Agreement is made for the purpose of establishing all of the authority, powers, and resources necessary and convenient to allow the Parties to jointly and efficiently address common bidding and contracting for the Joint Power Supply Bid. This Agreement is further intended to allow the Parties to jointly seek available local, state, and federal funds and other resources, if available, to assist in addressing the Joint Power Supply Bid identified by the Parties as necessary, and being appropriate for, the joint action of the Parties.

SECTION 3. TERM; OTHER PARTIES.

- A. **Effective Date.** This Agreement shall take effect as of the date stated in the first paragraph of this Agreement. .

- B. **Term.** The term of this Agreement shall be one (1) year from the effective date of this Agreement (the "***Initial Term***"). Unless this Agreement is terminated as set forth in Section 6 herein, the Agreement shall automatically renew for another one (1) year period (the "***Subsequent Term***"). At the end of any Subsequent Term, the Agreement shall continue to automatically renew for an additional one year period, unless terminated as set forth in Section 6 herein.

- C. **Governance.** The Agreement shall be managed, and the duties under this Agreement performed, by the respective chief administrative officers of each Party, or their respective duly authorized representatives or designees ("***Party Representative***"). Each Party Representative shall operate and act with respect to Agreement affairs and actions only pursuant to action duly authorized by the Party Representative's corporate authorities. Buffalo Grove as Official Coordinator of this Agreement is authorized to take such actions as are necessary to effectuate the purpose of this Agreement.
- D. **Additional Parties.** Additional local government entities may be added as Parties to this Agreement (a) if approved by all existing Parties, and (b) upon the new Party's execution and approval of this Agreement, as may be amended, by an ordinance or resolution duly adopted by the Party's corporate authorities, and delivery of a certified copy of that ordinance or resolution.

SECTION 4. GENERAL COOPERATION.

- A. **Cooperation.** The Parties acknowledge and agree to cooperate with each other in furtherance of the purposes, goals, and objectives of the Agreement. Cooperation required by this Agreement specifically includes, but is not limited to, the sharing and joint utilization by and among the Parties of information and other materials possessed or developed by the Parties, either individually or collectively, and necessary to investigate, identify, and otherwise document the Joint Power Supply Bid.
- B. **Independent Operation.** Notwithstanding the provisions of Section 4.A of this Agreement, the Parties acknowledge and agree that the Parties are operating separate Electric Aggregation Programs for each community pursuant to their own plans of governance, and that the Joint Power Supply Bid does not create any responsibility or obligation for any Party to administer or operate any aspect of the Electric Aggregation Program of any other Party.

SECTION 5. CONTRACTING PROCESS; PAYMENTS AND EXPENSES.

- A. **Official Coordinator.** For the Initial Term of this Agreement Arlington Heights, Lincolnshire, Long Grove, Palatine, Vernon Hills and Wheeling shall prepare and submit contract documents and bid specifications for their portions of the Joint Power Supply Bid to Buffalo Grove, who will serve as the Official Coordinator to bid the Joint Power Supply Bid.
- B. **Procedure for Developing Request for Proposals.** At such time as the Parties desire to solicit competitive sealed bids ("***Sealed Bids***") from contractors for the Joint Power Supply Bid, the Parties shall agree to follow the following process:
 - i. The Parties shall meet and confer and agree upon a set of technical specifications and requirements ("***Technical Requirements***") and bidding and contract documents ("***Contract Package***") for the Joint Power Supply Bid. The contract documents shall include a contract to be executed by and between the contractor and each Party for the provision of electrical power to that Party pursuant to the Joint Power Supply Bid ("***Power Supply Agreement***").

The Contract Package shall, without limitation, require bidders to submit pricing to supply electric power to all Parties jointly, provided that the bidder's pricing structure must allow a Party or Parties to proceed with the Joint Power Supply Bid at the joint price, or a substantially similar price.

- ii. The Contract Package shall provide pricing for a one-year term with extension options for one year, two year and three year terms.
- iii. The Contract Package shall further require the contractor to obtain and maintain, for the duration of the Power Supply Agreement, such proof of insurance and performance security as the Parties deem necessary. .
- iv. The Contract Package shall further require the contractor to whom the Power Supply Agreement is awarded to indemnify each of the Parties pursuant to the terms of the Power Supply Agreement.
- v. All Parties shall have an adequate opportunity to review and comment on the Technical Requirements and Contract Package, and shall provide such comments to the Official Coordinator. Revised drafts of the Technical Requirements and Contract Package shall be prepared and reviewed by the Parties until such time as the Parties have approved these documents.
- vi. When all Parties are satisfied with the Technical Requirements and Contract Package, the Official Coordinator may issue these documents to prospective contractors or suppliers to solicit Sealed Bids, and shall establish a deadline for the submission of Sealed Bids.
- vii. During the time following the issuance of the Technical Requirements and Contract Package, and prior to the deadline for submission of Sealed Bids, the Official Coordinator shall issue such addenda to the prospective contractors as may be necessary to respond to the inquiries of such prospective contractors or to clarify the Technical Requirements and Contract Package. The Official Coordinator shall consult with the other Parties prior to issuing any such addenda. The Parties shall refer any inquiries or issues received or identified regarding the Technical Requirements and Contract Package to the Official Coordinator for possible inclusion in such an addendum.
- viii. Following receipt of the Sealed Bids, the Official Coordinator shall provide copies of the Sealed Bids to each of the Parties. The Party Representatives shall examine and review the Sealed Bids and shall confer to discuss the Sealed Bids and to recommend to the Parties which contractor shall be selected.
- ix. The corporate authorities of each Party shall approve the award of the Power Supply Agreement for that Party by resolution.

- C. **Administration by the Parties.** After the completion of the Joint Power Supply Bid and the award by each Party of its own Power Supply Agreement with the contractor, each

Party shall be responsible to manage its own Power Supply Agreement and Electric Aggregation Program.

- D. **Expenses.** Except as set forth in Section 5.E. herein, the Parties acknowledge and agree to use their respective staffs and resources, at no cost to the other Parties, for actions undertaken by or on behalf of one of the Parties. Each Party shall be responsible for, and each Party agrees to pay, its own expenses incurred for professional services, including legal fees, engineering inspection, quality control, and any and all other expenses incurred by that Party during the implementation of the Joint Supply Bid.
- E. **Costs of this Agreement.** The Parties agree to participate equally in paying for the initial work performed by the Official Coordinator, or its agents, on the Electric Aggregation Program including costs associated with (i) the preparation of this Agreement; (ii) the preparation of a request for proposals for a Consultant; (iii) Consultant's costs; (iv) the preparation of solicitation for bids for the Joint Power Supply Bid; (v) legal services to be provided by Raysa & Zimmermann, LLC which shall not exceed \$7,000.00; and (vi) other actions deemed necessary to effectuate the purpose of this Agreement. Each Party shall pay its share to the Official Coordinator within thirty (30) days of the receipt of an invoice from the Official Coordinator. Each Party shall budget and appropriate sufficient funds to pay its respective share of said costs. A terminating Party shall remain liable and responsible for paying their share of costs incurred prior to termination. If a Party's referendum fails to pass said Party shall remain liable and responsible for paying their share of costs incurred prior to the referendum.
- F. **Approval by Corporate Authorities.** The Parties acknowledge and agree that, although they intend to proceed under a joint bid, the corporate authorities of any Party may fail to approve the Joint Power Supply Bid or the related Power Supply Agreement. In either event, the remaining Party or Parties may either proceed with the Joint Power Supply Bid or proceed individually.

SECTION 6. WITHDRAWAL; TERMINATION.

- A. **Right to Withdraw.** Any Party may withdraw from this Agreement prior to going out to bid on the Joint Power Supply Bid in the Initial Term or any Subsequent Term, provided that the withdrawing Party must provide notice to the other Parties of its withdrawal no later than 48 hours before issuance of the bid.
- B. **Dissolution and Termination.** This Agreement shall be dissolved and terminated (i) upon the written agreement of all the Parties hereto; or (ii) upon the event of only one Party remaining as a party to this Agreement.

SECTION 7. GENERAL PROVISIONS.

- A. **Notices.** All notices and other materials shall be delivered to the Official Coordinator. All notices required to be delivered to any Parties pursuant to this Agreement shall be in writing and shall be deemed delivered to the Party when delivered in person or by express mail or messenger, via facsimile, or three (3) days after deposit thereof in any main or branch United States Post Office, properly addressed to the Party's principal

office and to the attention of the Party's chief administrative official. All notices related to the Technical Requirements of the Joint Power Supply Bid may be coordinated by the Official Coordinator and the Party Representatives by electronic mail or other means of communication, as appropriate.

Notices and communications to each Party shall be addressed to, and delivered at, the following addresses:

Arlington Heights:	Village of Arlington Hts. 33 S. Arlington Heights Rd. Arlington Heights, IL 60005 Attn: Village Manager	With a copy to:	<i>Attorney</i>
Buffalo Grove:	Village of Buffalo Grove 50 Raupp Boulevard Buffalo Grove, IL 60089 Attn: Village Administrator	With a copy to:	William Raysa Raysa & Zimmermann, LLC 22 South Washington Av. Park Ridge, IL 60068
Lincolnshire:	Village of Lincolnshire One Olde Half Day Road Lincolnshire, IL 60069 Attn: Village Manager	With a copy to:	<i>Attorney</i>
Long Grove:	Village of Long Grove 3119 RFD Long Grove, IL 60047 Attn: Village Manager	With a copy to:	<i>Attorney</i>
Palatine:	Village of Palatine 200 East Wood Street Palatine, IL 60067 Attn: Village Manager	With a copy to:	<i>Attorney</i>
Vernon Hills:	Village of Vernon Hills 290 Evergreen Drive Vernon Hills, IL 60061 Attn: Village Manager	With a copy to:	<i>Attorney</i>
Wheeling:	Village of Wheeling 2 Community Blvd. Wheeling, IL 60090 Attn: Village Manager	With a copy to:	<i>Attorney</i>

- B. **Entire Agreement.** There are no representations, covenants, promises, or obligations not contained in this Agreement that form any part of this Agreement or upon which any of the Parties is relying in entering into this Agreement. This Agreement, and all covenants and provisions herein contained shall bind and inure to the benefit of each respective local governmental entity which is a party hereto and their respective successors and assigns.
- C. **Severability.** If any provision of this Agreement is construed or held to be void, invalid, or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby but shall remain in full force and effect.
- D. **Interpretation.** It is the express intent of the Parties that this Agreement shall be construed and interpreted so as to preserve its validity and enforceability as a whole. In case of any conflict among the provisions of this Agreement, the provision that best promotes and reflects the intent of the Parties shall control. The Parties hereto have been represented by counsel and have had full opportunity to discuss this Agreement prior to execution. This Agreement shall be construed without regard to the identity of the Party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement shall be construed as though all Parties to this Agreement participated equally in the drafting thereof. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
- E. **Amendments and Modifications.** This Agreement shall not be modified, changed, altered, or amended without the duly authorized and written consent of each of the Parties by their respective corporate authorities and pursuant to ordinances or resolutions duly adopted and approved by the Party's corporate authorities. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved by the corporate authorities of each Party and properly executed in accordance with all applicable law.
- F. **Authority to Execute.** Each Party hereby warrants and represents to each other Party that the person executing this Agreement on its behalf has been properly authorized to do so by the corporate authorities of the Party.
- G. **No Third Party Beneficiaries.** Nothing in this Agreement shall create, or shall be construed or interpreted to create, any third party beneficiary rights.
- H. **Indemnification.** Each Party hereby agrees to indemnify, hold harmless and defend the other Party from and against any and all losses, claims, expenses and damages (including reasonable attorneys' fees) made against or incurred by the other Party for any actions taken or failures to act by the Party in connection with the Joint Power Supply Bid that arise out of the Joint Power Supply Bid, each Party's Power Supply Agreement, each Party's Electric Aggregation Program, Power Supply Agreement, or this Agreement, to the extent that such claims were not caused by actions, or failures to act, of another Party.

- I. **Execution.** This Agreement shall be executed by all of the Parties in identical original duplicates and each of the duplicates shall, individually and taken together, constitute one and the same Agreement.

- J. **Additional Parties.** Additional governmental entities may become a Party to this Agreement upon the terms and conditions agreed to by all the initial seven Parties to this Agreement.

IN WITNESS WHEREOF, the Parties have by their duly authorized officers and representatives set their hands and affixed their seals to be effective as of the date specified in Subsection 3A of this Agreement.

[SIGNATURES FOLLOW ON SUBSEQUENT PAGE]

ATTEST:

By: _____
Village Clerk

VILLAGE OF ARLINGTON HTS.

By: _____
Mayor

ATTEST:

By: _____
Village Clerk

VILLAGE OF BUFFALO GROVE

By: _____
Village President

ATTEST:

By: _____
Village Clerk

VILLAGE OF LINCOLNSHIRE

By: _____
Village President

ATTEST:

By: _____
Village Clerk

VILLAGE OF LONG GROVE

By: _____
Mayor

ATTEST:

By: _____
Village Clerk

VILLAGE OF PALATINE

By: _____
Mayor

ATTEST:

By: _____
Village Clerk

VILLAGE OF VERNON HILLS

By: _____
Mayor

ATTEST:

By: _____
Village Clerk

VILLAGE OF WHEELING

By: _____
Mayor

COMMUNITY CHOICE AGGREGATION OF ELECTRICITY TIMELINE, 2011-2012

11-8-2011

1. November, 2011. Each municipal board would approve placing a referendum on the ballot concerning electricity aggregation. Monday, December 12, 2011 is the last day for filing petitions for referenda for the submission of questions of public policy (local). 10 ILCS 5/28(a). Not more than 3 public questions may be submitted to referendum with respect to a political subdivision at the same election. The first 3 validly initiated, by the filing of a petition or by the adoption of a resolution or ordinance, as the case may be shall be submitted at that election. The participating municipal boards have approved or are considering said resolutions as noted:

a. Arlington Heights	Board consideration	11-21-2011
b. Buffalo Grove	Approved	11-7-2011
c. Lincolnshire	Board consideration	11-28-2011
d. Long Grove	Approved	
e. Palatine	Approved	11-7-2011
f. Vernon Hills	Board consideration	11-15-2011
g. Wheeling	Board consideration	11-21-2011
2. Tuesday, January 3, 2012. Last day for local governing boards to adopt a resolution or ordinance to allow *binding* public questions to appear on the ballot. This date set forth in the Illinois State Board of Elections "Election and Campaign Finance Calendar 2012." Pursuant to 10 ILCS 5/28-2(c), the governing board must adopt a resolution or ordinance not less than 79 days before a regularly scheduled election for a public question to be eligible for submission on the ballot at such election. Pursuant to 10 ILCS 5/1-6(a), if the last day for any act falls on a Saturday, Sunday or State Holiday it is extended through the first business day following the day otherwise fixed as the last day.
3. December through March. Municipalities would market the program through a combined effort.
4. December 19, 2011. If warranted as determined by the participating communities, Buffalo Grove would issue a Request for Proposals for professional and consulting services.
5. December, 2011 / January, 2012. Each municipal board would approve the Intergovernmental Agreement between the seven participating communities (Arlington Heights, Buffalo Grove, Lincolnshire, Long Grove, Palatine, Vernon Hills, and Wheeling).
6. January/February, 2012. If it is determined that a consultant is warranted, Buffalo Grove would approve a contract with a consultant following review of the proposals in adherence to the evaluation criteria as set forth in the RFP and interviews with prospective consultants. Consultant expenses would be itemized and may be paid for by participating communities, or would be added and paid by the selected electric supplier.
7. Tuesday, March 20, 2012. General Primary Election Day. This date is set forth in the Illinois State Board of Elections "Election and Campaign Finance Calendar 2012."
8. April, 2012. Each municipal board would approve an ordinance allowing for aggregation of electricity within their Municipal Code.

9. April, 2012. Each municipal board would approve a Plan of Operation and Government for the aggregation of electricity.
10. Subject to approval of the referendum, the participating communities would work together and issue one RFP for an electric supplier. Each municipal board or council would approve the RFP.
11. Two public hearings would be held prior to the acceptance of any bids. Public hearings are required by state statute. Communities would partner together to conduct the hearings so they are at locations which are convenient for the general public. The list of all public hearings would be promoted by all participating communities.
12. Bid rates would be compared to ComEd's current rates. The municipalities would only move forward with entering to a contract for electricity supply with an alternative supplier if the rates are lower than those being offered by ComEd. If the rate is higher than the current electrical rate, then each village would reject all bids received and electricity would continue to be supplied by ComEd.
13. If approved, a one year contract at a fixed rate would be executed, with options for two or three year options.
14. Annually, new competitive bids would be sought by the community partnership.

Again, communities would each enter into their own contract for electricity supply based on the joint RFP. Each municipality would have the ability to select options such as green energy, and multiple term agreements.

From the Desk of ...

Ghida S. Neukirch, Deputy Village Manager
Village of Buffalo Grove
50 Raupp Boulevard
Buffalo Grove, Illinois 60089
Tel: 847-459-2525; Fax: 847-459-7906
gneukirch@vbg.org

PRESS RELEASE

December 1, 2011

MARCH 20 REFERENDUM ELECTORS VOTE ON AGGREGATION OF ELECTRICITY

On March 20, 2012, registered voters of Arlington Heights, Buffalo Grove, Lincolnshire, Long Grove, Palatine, Vernon Hills, and Wheeling will have an opportunity to vote on a program called Community Choice Aggregation. Residents will vote if their village may seek competitive pricing bids for electrical services under a single contract that would include residents and small businesses.

In 2010, the Illinois State legislature gave municipalities a tool to help taxpayers save money. Villages are able to seek competitive pricing for the provision of electricity to resident and small businesses. In order to seek competitive prices for electrical services in one contract, village's needs approval from registered voters through a referendum. Area communities have been working together on the Community Choice Aggregation initiative. By working together and leveraging a larger pool under a single contract, it is believed that resident and small business consumers in the participating municipalities will have lower electric bills and save money.

The referendum question on the March 20, 2012 election asks voters if the village should have the authority to seek competitive pricing bids for electric services under a single contract. Specifically it asks:

*Shall the Village of [participating municipality] have the authority
to arrange for the supply of electricity
for its residential and small commercial retail customers
who have not opted out of such program?*

The villages receive no financial benefit from this initiative. The purpose of pursuing this initiative is to lower electricity costs for the benefit of residents and businesses within each participating municipality. If the referendum is approved, the participating municipalities would issue one Request for Proposal for certified wholesale electric suppliers to submit proposals for this initiative. Each municipal board would accept the best bid based on the lowest price, and based on the supplier who best meets the evaluation criteria established by the participating municipalities. Since electric prices would be lower, residents and business electric bills would decrease.

Each electric customer would be contacted by the selected new electricity supplier. If individuals do not want to participate in the program, they may opt out of the program and stay with their current

electric supplier. If residents and small businesses already have a contract with an electric supplier other than ComEd, they could opt-in when their contract expires. Customers could also select if they want to pursue green or renewable energy.

To learn more about this initiative, contact your municipality at the number below:

Arlington Heights	847-xxx-xxxx	Palatine	847-xxx-xxxx
Buffalo Grove	847-459-2525	Vernon Hills	847-xxx-xxxx
Lincolnshire	847-xxx-xxxx	Wheeling	847-xxx-xxxx
Long Grove	847-xxx-xxxx		

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**COMMUNITY CHOICE AGGREGATION (CCA)
Aggregation of Electricity
PUBLIC INFORMATION PLAN**

11-15-2011

The following is a draft public information plan to educate registered voters on the March 20, 2012 referendum regarding the Village's Community Choice Aggregation of electricity program. The information below is provided for use on a variety of communication modalities. If you would like camera-ready artwork to accompany the text, please let me know.

We will set-up an email address for the public to contact us about this initiative. The suggested email is electricityagg@vbg.org. Other municipalities have used sustainability@xxx.xxx. The benefit of having an independent email address is that, 1) it's an address that's easy to memorize, and 2) customers can contact one or more people in your organization about this initiative and emails could be easily sorted and tracked for reference.

Information provided for the following:

- | | |
|--|-------------------|
| 1. Village newsletter | Page 1 |
| 2. Chamber of Commerce newsletter | Page 2 |
| 3. Village web site | Page 3 |
| 4. Electronic newsletter | Page 3 |
| 5. Government Access Channel information | Page 5 |
| 6. Local area marquees | Page 5 |
| 7. Press release | Page 6 |
| 8. Flyer | Not yet available |

Other options to pursue:

1. Chamber of Commerce meeting presentation by staff representatives
2. Community organization presentations (Rotary, Lions Club, etc.)

Ghida S. Neukirch
Deputy Village Manager
Village of Buffalo Grove

VILLAGE NEWSLETTER:

An opportunity to seek lower electric bills

In 2010, the Illinois State legislature gave municipalities a tool to help taxpayers save money. As approved, Villages are able to seek competitive pricing for the provision of electricity to resident and small businesses. In order to seek competitive prices for electrical services in one contract, the Village needs approval from registered voters through a referendum.

VOTE
MARCH 20, 2012

The Buffalo Grove Village Board has approved the placement of a referendum question regarding residential and business electrical services on the March 20, 2012 ballot. The referendum asks citizens if the Village should have the authority to seek competitive pricing bids for electrical services under a single contract that would include residents and small businesses. It is believed that by combining electrical service for all individual customers into a single bid, consumers will have lower electric bills and save money. The Village is partnering with six other municipalities through an inter-governmental agreement. The communities include Arlington Heights, Lincolnshire, Long Grove, Palatine, Vernon Hills, and Wheeling. Collectively, the communities have more than 260,000 residents. By pooling resources, the Village believes that we will be able to leverage greater benefits for the communities we serve.

The referendum question on the March 20, 2012 election asks Buffalo Grove voters if the Village should have the authority to seek competitive pricing bids for electric services under a single contract. Specifically it asks:

*Shall the Village of Buffalo Grove have the authority
to arrange for the supply of electricity
for its residential and small commercial retail customers
who have not opted out of such program?*

The Village receives no financial benefit from this initiative. The purpose of pursuing this initiative is to lower electricity costs for the benefit of residents and businesses. If the referendum is approved, the Village would issue a Request for Proposal from Illinois Commerce Commission certified wholesale electric suppliers to seek proposals for this initiative. If the resulting prices are lower than current prices from ComEd, the Village Board would accept the best bid. Each community working with Buffalo Grove would enter into their own contract for service. Since electric prices would be lower, residents and business electric bills would decrease. If individuals do not want to participate in the program, they don't have to change electric suppliers. Each electric customer would be contacted by the selected new electricity supplier. Any customer may opt out of the program and stay with their current electric supplier. If residents and small businesses already have a contract with an electric supplier other than ComEd, they could opt-in when their contract expires.

To learn more about this initiative, visit the Village's web site at www.vbg.org, or contact the Office of the Village Manager at electricityagg@vbg.org.

CHAMBER NEWSLETTER:

Village of Buffalo Grove pursues Community Choice Aggregation of Electricity

For over a decade, large Illinois businesses have had the opportunity to seek competitive retail electric rates from competing energy suppliers. In 2010, the Illinois State legislature gave municipalities the ability to seek competitive pricing for the provision of electricity to residents and small businesses. As of May 31, 2011 nearly 40% of the electricity used by small businesses at Commonwealth Edison (those under 100 kW) was supplied by a competing electric supplier; this figure is an increase from 32% as of May 31, 2010 (Source: www.saveonenergy.com).

In order to seek competitive prices for electrical services in one contract, the Village needs approval from registered voters through a referendum. The Buffalo Grove Village Board has placed the needed referendum regarding residential and business electrical services on the March 20, 2012 ballot. The referendum asks citizens if the Village should have the authority to seek competitive pricing bids for electrical services under a single contract that would include residents and small businesses. It is believed that by combining electrical service for all individual customers into a single bid, consumers will have lower electric bills and save money. The Village is partnering with six other municipalities through an inter-governmental agreement. The communities include Arlington Heights, Lincolnshire, Long Grove, Palatine, Vernon Hills, and Wheeling. Collectively, the communities have more than 260,000 residents. By pooling resources, the Village believes that we will be able to leverage greater benefits for the communities we serve.

The referendum question on the March 20, 2012 election asks Buffalo Grove voters if the Village should have the authority to seek competitive pricing bids for electric services under a single contract. Specifically it asks:

*Shall the Village of Buffalo Grove have the authority
to arrange for the supply of electricity
for its residential and small commercial retail customers
who have not opted out of such program?*

The other communities working with the Village of Buffalo Grove would likewise have a referendum on this subject matter on the March 20, 2012 election ballot.

The Village receives no financial benefit from the bidding process. The purpose of pursuing this initiative is to lower electricity costs for the benefit of businesses and residents. If the referendum is approved, the Village would issue a Request for Proposal from Illinois Commerce Commission certified wholesale electric suppliers to seek proposals for this initiative. If the resulting prices are lower than current prices from ComEd, the Village Board would accept the best bid. Each community working with Buffalo Grove would enter into their own contract for service. Since electric prices would be lower, residents and business electric bills would decrease. If individuals do not want to participate in the program, they don't have to change electric suppliers. Each electric customer would be contacted by the selected new electricity supplier. Any customer may opt out of the program and stay with their current electric supplier. If residents and small businesses already have a contract with an electric supplier other than ComEd, they could opt-in when their contract expires.

To learn more about this initiative, visit the Village's web site at www.vbg.org, or contact the Office of the Village Manager at electricityagg@vbg.org.

ELECTRONIC NEWSLETTER:

Vote March 20, 2012 – an opportunity to seek lower electric bills

The Buffalo Grove Village Board unanimously approved a resolution authorizing the Village to place a referendum on the March 20, 2012 election ballot. The referendum is a requirement of state law, which if approved, would enable the Village to seek competitive pricing for the provision of electricity to residents and small businesses. In order to seek competitive prices for electrical services in one contract, the Village needs approval from registered voters through a referendum. The purpose of pursuing this initiative is to lower electricity costs for the benefit of residents and businesses. To learn more about this important initiative, go to the Village's web site at www.vbg.org or email electricityagg@vbg.org.

WEB SITE:

Vote March 20, 2012 – an opportunity to seek lower electric bills

On Monday, November 7, 2011, the Village Board unanimously approved a resolution authorizing the Village to place a referendum on the March 20, 2012 election ballot. The referendum is a requirement by state law which, if approved, would allow municipalities the ability to seek competitive pricing for the provision of electricity to residents and small businesses.

The referendum question on the March 20, 2012 election asks Buffalo Grove voters if the Village should have the authority to seek competitive pricing bids for electric services under a single contract. Specifically it asks:

*Shall the Village of Buffalo Grove have the authority
to arrange for the supply of electricity
for its residential and small commercial retail customers
who have not opted out of such program?*

If approved, the Village would work with six other area communities to collectively issue one Request for Proposal for competitive electricity prices. Following are a series of questions and answers on the initiative.

Questions & Answers about Electric Aggregation – How is this possible?

- On August 10, 2009, Public Act 96-0176 amended the Illinois Power Agency Act by providing for the aggregation of electrical load by municipalities and counties. This law authorizes municipalities to develop aggregation programs for the procurement of electricity supply to residential and small business customers. Local governments can now work with community members to purchase lower cost electricity, green or renewable energy, encourage local generation (solar or wind, etc.), and other community initiatives. Municipalities are able to include all residents and small businesses in a Request for Proposal to retail energy suppliers.

Which communities have passed referendums?

- | | | |
|------------------------------------|-------------------|----------------|
| • Fulton (first comm. in Illinois) | • Fox River Grove | • Mt. Morris |
| • Campton Hills | • Glenwood | • New Lenox |
| • Crest Hill | • Grayslake | • North Aurora |
| • DeKalb | • Harvard | • Oak Park |
| • Dixon | • Lincolnwood | • Oakbrook |
| • Elburn | • Milledgeville | • Polo |
| • Erie | • Morris | • Sugar Grove |

- Wood Dale

Will residents notice a difference in service?

- No, the only difference is the energy received from the selected supplier and lower, more stable prices. ComEd would continue to deliver energy to homes and businesses. Residents and businesses would also continue to receive a ComEd bill. If residents have an outage or need service, they would continue to contact ComEd.

What if my power goes out – will I need to call the company providing the power?

- No. ComEd is responsible for ensuring that electricity flows through its distribution network to all homes and businesses in Buffalo Grove. Aggregation would not change how ComEd responds to outages.

Where does the electricity come from?

- Using forecasting and hedging methods, the selected supplier procures much of the energy supplied on the open market to find the best price for the aggregation group.

Can savings be guaranteed under an aggregation program?

- The Village can structure its request for proposals so that bidders set their rates at a specified percentage under Exelon's established rate. Market fluctuations make it impossible to guarantee that bids will come in under the current energy rate paid by ComEd customers. However, since that current rate is set every May, the market can react to it, and often provide a lower rate. Currently, residents and small businesses pay a higher rate than most large commercial, industrial and institutional accounts that have sought open market bids.

What if residents / small businesses don't want to participate?

- Residents and small businesses may "opt-out" of the program if the referendum is passed. Before the aggregation program begins, all residents and small businesses would receive an opt-out notice in the mail and given a date by which they must return the opt-out notice or call a number to request to be opted-out of the program. Residents using a third party supplier or residents moving to Buffalo Grove from outside the community would not be automatically included; they would have to "opt-in".

Will customers be able to pursue clean, green or renewable energy?

- Renewable, also known as green or clean energy, is energy which comes from natural resources such as sunlight and geothermal heat. The Village will include in its Request for Proposal options for renewable energy. If residents wish to pursue this energy source, they may specifically request this option.

How does electrical aggregation benefit a resident and small business?

- Electric aggregation combines the retail electric loads of customers in a community. By combining the loads of its residents, the community can leverage the buying power of thousands of residents and small businesses. This combined buying power typically provides lower, more stable rates and improved service from suppliers.

What if customers already have a contract with an electric supplier?

- Residents and small businesses may "opt-in" to the Village's program when their contract expires.

So, what options do residents and small businesses have?

- Subject to approval of the referendum, when the Village selects a supplier, the supplier will contact each resident and small business property regarding the program. Customers thereafter will have the following options:
 1. Opt-out – means the customer is not interested in the program.
 2. Renewable Energy – means the customer wishes to pursue clean or renewable energy; there may be an additional cost for this option.
 3. No action – all customers would automatically be enrolled into the electric supply program if no action is taken.

If voters approve the referendum, how long will it be before the program is implemented?

- State law requires certain steps be followed to approve and implement the Community Choice Aggregation Program. If voters give the Village the authority to pursue aggregation, two public hearings must be held to gather citizen input for an aggregation plan that outlines goals such as savings targets and the mix of energy generation sources. Once the plan is created and adopted, Village staff would seek competitive bids from energy suppliers via a formal Request For Proposals (RFP) process. If a bid is received that meets the goals of the plan, a contract would be negotiated and presented to the Village Board for approval. It is anticipated that the Village would have a program in the summer, 2012.

How can I learn more?

- Call the Office of the Village Manager at 847-459-2525 or e-mail electricityagg@vbg.org.

GOVERNMENT ACCESS CHANNEL:

March 20, 2012 Election

An opportunity to seek lower electric bills for Buffalo Grove residents and small businesses.
Visit www.vbg.org for more information

MARQUEE NOTICES:

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