

# Suggested Minimum Qualifications and Capabilities for RFP / RFQ

Running a large-scale municipal aggregation is a highly-visible process with long-term results. As such, municipal leaders should put “the best team on the field” on behalf of constituents.

## Financial Strength and Resources

- List number of employees for years 2009, 2010 and currently.
- List revenue for years 2009, 2010 and YTD 2011.
- List number of employees serving in the following capacities:
  - o Marketing and Public Relations
  - o Risk Management, Forecasting, Scheduling
  - o Pricing and Load Analysis
  - o Energy Efficiency
  - o Demand Response
  - o Sustainability

## Industry Experience

- Describe management’s experience in the electricity industry in Illinois.
- Describe your experience with the regional transmission operators in Illinois (PJM/MISO).
- Describe your expertise in price discovery in the wholesale electricity market.
- Describe your expertise in load profile risk analysis and pricing.
- Describe your method to ensure accurate consumer switching and billing.
- Describe your experience in retail electricity consumer customer service.

## Independence and Public Perception

- List percentage of total annual revenue from retail energy suppliers.
- List your Better Business Bureau Rating.
- List all relevant licenses issued by any state and/or Federal agencies.

## Systems & Management

- Describe your IT platform capabilities.
- Identify all management involved, including qualifications and roles.

## Energy Efficiency, Demand Response, Sustainability

- Describe your energy efficiency auditing and/or efficiency project management experience.
- Describe your demand response program implementation experience.
- Describe your sustainability and/or “green” program experience.

There is no comparison with BlueStar’s municipal aggregation consulting capabilities. We look forward to creating the largest pool of participating towns, villages, and cities in Illinois with your community’s inclusion.

Please contact Aaron Rasty at 312-628-8600 or Lon Johnson at 312-628-8602 to schedule a meeting, answer any questions you may have, or to get started.



CORPORATE OFFICE  
363 West Erie St., Suite 700  
Chicago, IL 60654  
866-BLUESTAR (258-3782)  
[www.bluestarenergy.com](http://www.bluestarenergy.com)

# Municipal Aggregation Primer



## Table of Contents

Municipal Aggregation	
Definition .....	3
Process .....	4
Benefits .....	5
2011 Illinois Municipal Aggregation Results	
Election Results .....	6
Savings .....	6
Additional Opportunities .....	6
BlueStar Aggregation Consulting Services .....	9-13

# What is Municipal Electric Aggregation?

---

## *Municipal Electric Aggregation*

Municipal Electric Aggregation is the method by which municipal and/or county governments can enter into electricity purchasing agreements on behalf of consumers within their jurisdiction. This primer outlines the potential benefits of municipal aggregation and the methodologies necessary for a successful implementation.

---

## *Illinois Power Agency Act*

Municipal Electric Aggregation is possible in Illinois due to the 2007 passage of the Illinois Power Agency Act (220 ILCS 3855/1) (hereinafter referred to as “the Act”), which authorized municipal and county authorities to negotiate electric power supply arrangements for their residential and small business consumers. Customer choice in electric power supply was first created under Illinois law by the Electric Service Customer Choice and Rate Relief Law of 1997.

---

## *Key Provisions*

The Act allows local municipal or county governments to aggregate the electric loads of the residential and small business consumers within their boundaries, in order to negotiate terms with a power supplier. Benefits may include lower prices, increased energy efficiency measures, and other benefits for the aggregating municipality.

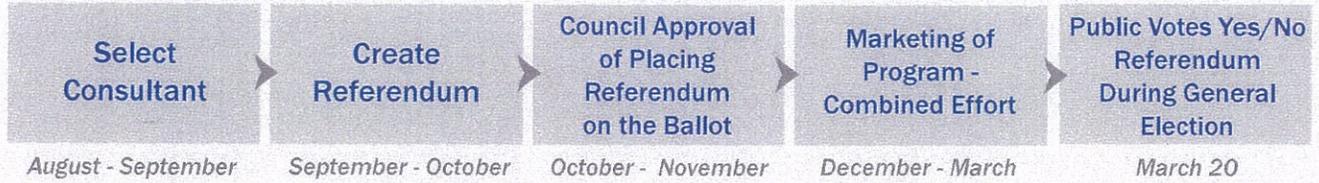
---

## *Consultant Role*

Most communities lack the necessary expertise and staff to handle this process on their own. Given the complexity of this undertaking, and its highly visible nature, most communities would benefit from working with a consultant that is completely neutral in the selection of a supplier. The consultant's primary role is to design an aggregation plan that both complies with applicable law as well as serves the agreed upon needs of the community. The consultant assists in administrative issues, solicits bids, and coordinates the selection of a supplier. After supplier selection and execution of a contract, the consultant's role is monitoring and overseeing the contract. The local electric utility is subject to the same laws, regulations and tariffs as the services used by other retail customers; there is no degradation in utility service or bias against customers or communities utilizing municipal aggregation. In addition, the supplier serving the community is subject to strict oversight by the Illinois Commerce Commission, including licensing, consumer information, and renewable portfolio standards.

# Process for Municipal Aggregation

## Stage 1



## Stage 2 - Assume referendum is approved



## Stage 3



\*Dates are approximate. To be based on 2012 Utility Meter Read Schedule - not yet available.

# Benefits of Load Aggregation for Consumers

---

## *Competitive Opportunity*

Suppliers generally compete harder for a large group of consumers available through a single solicitation (such as municipal aggregation) than when approaching customers one-by-one. Suppliers are willing to provide extremely aggressive pricing in aggregation settings because of the opportunity to acquire a large number of customers quickly and at a relatively low cost per acquisition.

---

## *Greater Buying Power*

Aggregation of demand is a way to obtain services or products at favorable prices and terms. The same is true for the purchase of electricity. Because of economies of scale, load aggregation increases the buying power of participating consumers, particularly if they seek customized services. The competitive pressure created by this increased buying power drives prices lower.

---

## *Environmental Benefits*

Municipal aggregation in Illinois is also an easy way to achieve meaningful environmental benefits. The right consultant will be able to assist a municipality in identifying environmentally-responsible energy sources, such as wind or solar, that will be part of the supply mix for the community. In addition, the correct consultant will help design and implement a meaningful energy efficiency and sustainability program that can be funded exclusive of municipal expenditures. At BlueStar, we believe that the cheapest and cleanest kilowatt hour is the one not used.

# 2011 Illinois Municipal Aggregation Results

## 2011 Referendum Activity:

- 24 towns in the ComEd territory placed referendums on their ballots
- 21 out of 24 were approved (88% approval rate)

## Comparison Chart of Electricity Rate Results

Description of Residential Pricing	Rate \$ / kWh	% Savings
ComEd Summer Rate	\$0.0792	
Average ARES 12 month offer - 8 samples	\$0.0686	13.4%
Average ARES 24 month offer - 10 samples	\$0.0673	15.0%
Average Aggregation 24 month offer - 8 samples	\$0.0590	25.5%

Description of Residential Pricing	Rate \$ / kWh	% Savings
ComEd Non-Summer Rate	\$0.0775	
Average ARES 12 month offer - 8 samples	\$0.0686	11.5%
Average ARES 24 month offer - 10 samples	\$0.0673	13.2%
Average Aggregation 24 month offer - 8 samples	\$0.0590	23.9%

Description of Small Business Pricing	Rate \$ / kWh	% Savings
ComEd Summer Rate	\$0.0797	
Average ARES offer	Offers vary widely	
Average Aggregation 24 month offer - 8 samples	\$0.0591	25.8%

Description of Small Business Pricing	Rate \$ / kWh	% Savings
ComEd Non-Summer Rate	\$0.0782	
Average ARES offer	Offers vary widely	
Average Aggregation 24 month offer - 8 samples	\$0.0591	24.3%

\*Similar results expected in Ameren

# Why BlueStar is Your Best Option

For a large-scale, highly visible program such as municipal aggregation you need a large-scale, highly visible, Illinois-based company at your side – BlueStar Energy. The BlueStar advantages are many – making us the clear choice for municipal leaders.

## *Truly Independent*

- BlueStar is supplier neutral - 0% of BlueStar's revenue comes from other retail electric suppliers.
  - Many consultants earn 80% or more of their revenue from a handful of suppliers.
- BlueStar's independence from potential bidders ensures a clean public perception.
- BlueStar intelligently negotiates with electric suppliers because we are one.
  - BlueStar is uniquely able to leverage expertise and industry knowledge that is unmatched by any consultant.

---

## *BlueStar's Financial Strength, Stability, and Unparalleled Depth of Industry Experience*

- \$225 million in annual revenue, 200 employees total, headquartered in Chicago with an office in Peoria.
- One of Chicago's Largest Privately-Held Companies (*Crain's Chicago Business* – 2008, 2009, 2010, 2011).
- Licensed by the U.S. Federal Energy Regulatory Commission (FERC), Five (5) Regional Transmission Operators (RTOs), and 11 state (including Washington D.C.) regulatory commissions (IL, MI, OH, PA, MD, DC, DE, NJ, MA, CA, TX).
- National energy efficiency project management expertise.
  - #1 participant in the first year of ComEd's Smart Ideas rebate program by obtaining more rebate dollars for our customers than anyone else.
  - Over \$17 million in energy efficiency projects completed.
- A registered Curtailment Service Provider, BlueStar is responsible for over \$6 million dollars of payments to our customers for participating in our demand response program, which pays customers to use less power during peak demand periods.
- Named by Inc. Magazine in its 5000 Fastest Growing Privately-Held Companies list for the past three years running (2008, 2009, and 2010).
- BlueStar's IT platform recognized by InfoWorld as a Top 10 IT Project in North America.
- A+ rating with the Better Business Bureau.



# BlueStar Aggregation Consulting Services

## Deep Energy Industry Experience

- BlueStar has unparalleled experience in both energy efficiency and sustainability programs.
- Co-founder and President, Aaron Rasty, ran an energy consulting business for eight years prior to starting BlueStar. Aaron's deep experience on both sides of the table will uniquely benefit your program.

## A Comprehensive Service Offering

Referendum Drafting	Contract Negotiation	Sustainability Program Services
Plan of Operation and Governance drafting	Supply Negotiation	Demand Response Services
RFP Drafting	Vendor Contracting	Technology Platform
Ballot Passage	Energy Efficiency Services	Matching Funding Opportunities
Community Relations	Clean Power Options	Positive Financial Structuring

## Sustainability & Community Involvement

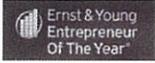
- BlueStar successfully consulted with the City of Aurora, U.S. Environmental Protection Agency (EPA), Sierra Club, and the Conservation Foundation in 2010 to make the City of Aurora the first EPA Green Power Community in Illinois. See [www.greenaurora.com](http://www.greenaurora.com).

The screenshot shows the 'Go Green Aurora' website. At the top, there are logos for 'GO GREEN AURORA', 'SIERRA CLUB', 'AURORA', 'BlueStar energy solutions', 'EPA GREEN POWER PARTNER', and a small environmental logo. Below the logos is a navigation bar with links: Home, What is GGA?, Why Renewable Energy?, For Business, and Sign Up. The main content area features a large banner with the text 'Help Go Green Aurora by Purchasing GREEN ENERGY for Your Home or Business' and a 'Sign Up!' button. To the right of the banner is a testimonial from Tom Weisner, Mayor of Aurora, and another from Jack Darin, Director of the Illinois Sierra Club. At the bottom, there are social media links for Facebook and Twitter, a 'Show Your Support' button for requesting free yard signs and stickers, and a link to news articles about the mayor making Aurora a green-powered city.

# BlueStar Aggregation Consulting Services

## BlueStar's Performance, Strength and Expertise is Widely Recognized

- BlueStar selectively partners with organizations and associations whose members can benefit from enhanced energy management relationships.

Recognition	
Fastest Growing Private Companies in the U.S. Inc. Magazine. Inc. 500, 5000 - 2010, 2009, 2008	
Largest Privately Held Companies in Illinois Crain's Chicago Business - 2011, 2010, 2009, 2008	
Fastest Growing Companies in Chicago Crain's Chicago Business, Fast Fifty - 2011, 2009, 2008	
Entrepreneur of the Year Award Winner, Midwest Region Ernst & Young - 2011	
Preferred Energy Supplier Chicagoland Chamber of Commerce - 2011	
Exclusive Energy Supplier Illinois Automobile Dealers Association - 2011	
Made Aurora the First EPA Green Power Community in Illinois - 2011	
Top 25 CTOs of 2009 InfoWorld CTO 25 Awards. InfoWorld Magazine - 2009	
Winner of SOA Case Study Competition SOA Consortium & CIO Magazine - 2009	
#2 Fastest Growing Company in the Nation Entrepreneur Magazine - 2008	
Featured 40 Under 40 (Aaron Rasty) Crain's Chicago Business - 2008	
Top 10 IT Project in North America InfoWorld 100 Awards - 2008	

Strategic Partnerships	
	
	
	

# BlueStar's Executive Team Brings Decades of Experience to You

The BlueStar workforce includes leading energy industry professionals from utilities, generators, and retail suppliers. BlueStar's Executive Management blends these highly-skilled and varied backgrounds to create a company dedicated to high-quality customer service and innovation.



## **Guy H. Morgan, Chief Executive Officer**

In his capacity as Chief Executive Officer of BlueStar Energy, Guy is responsible for setting the company's course and ensuring that the high standard of service BlueStar Energy customers have come to expect is maintained. Guy has led BlueStar's growth from a small two-person operation in 2002 to the second fastest-growing company in the US in 2008. Today, BlueStar Energy continues its reign as one of the fastest-growing and largest independent energy suppliers in the country. Guy previously served as Chief Executive Officer of UtiliQuote, a successful energy consulting venture he co-founded with Aaron Rasty. He received his introduction to the world of electrical systems as a nuclear reactor operator aboard U.S. Navy submarines. Guy recently received the 2011 Ernst & Young Entrepreneur of the Year® Award for the Midwest Region. He is a disabled veteran and is President of Lima Charlie, Inc., a 501 (c)(19) non-profit organization dedicated to expand business opportunities for Disabled Veterans. He earned a BS in Finance from the University of Maryland and graduated from the U.S. Naval Nuclear Power School. More recently, Guy is a graduate of the Advanced Management Program at Harvard Business School.



## **Aaron D. Rasty, Co-Founder & President, Energy Solutions & Municipal Services**

Aaron is responsible for the growth and profitability of the retail electricity business, including management of a unified electricity and demand side management (DSM) sales force which includes products and services for energy efficiency, demand response and distributed generation. Aaron develops and oversees BlueStar Energy electricity products and maximizes synergy between traditional energy offerings, renewable energy and DSM. A veteran of the deregulated energy industry, Aaron's experience in the competitive electricity markets spans 17 years, including co-founder and Chief Operating Officer of UtiliQuote. Through Aaron's leadership, BlueStar has become one of the fastest-growing retail energy suppliers in the United States as ranked by Inc. Magazine on its annual list of fastest-growing companies in the U.S. in 2008, 2009 and 2010. Aaron was also featured in Crain's Chicago Business 40 Under 40 in 2008.



## **Steven J. Strobel, Executive Vice President & Chief Financial Officer**

Steve leads the financial organization, overseeing the company's finance, risk management and corporate development activities. Steve brings to BlueStar extensive and deep experience in high performance companies. Before joining BlueStar, Steve was President of McGough Road Advisors, a privately held finance consulting firm. Prior to that, from 2003 to 2008, Steve was with Motorola, first as Senior Vice President and Corporate Controller, then as Treasurer. Steve has also held senior financial positions at Owens Corning and Kraft, where he was CFO of Kraft Canada. Steve currently serves as a Director for Newell Rubbermaid, Inc. (NYSE: NWL). Steve holds a BS in Accountancy from the University of Illinois and an MBA from the University of Chicago.



## **James C. Petersen, Chief Operating Officer & President, Retail Electricity**

Jim manages and improves the company's market entry, customer service, billing, reporting and other operational activities. Prior to joining BlueStar, Jim enjoyed an extensive career with Motorola, Inc., first as an Electrical Engineer and ultimately as Senior Director of Sales, where he was responsible for all commercial and operational activities to launch mobile devices with the largest carrier in North America. Jim holds a Six Sigma Master Black Belt certification, a BS in Electrical and Computer Engineering from the University of Illinois, and an MBA from the Kellogg Graduate School of Management at Northwestern University.



# BlueStar's Executive Team Brings Decades of Experience to You



## **Troy D. Hammond, President, Demand Side Management**

Troy leads the company's DSM business which includes energy efficiency, demand response and distributed generation products and services - all of which help customers use less energy. Prior to joining BlueStar, Troy was a senior executive at Pittsburgh, PA based Plextronics, helping to build this start-up into an internationally recognized leader in printed solar cell and lighting technology. Previously, Troy was an Associate Principal at McKinsey & Co. where he served energy industry executives on their strategic and operational challenges. Troy has Bachelor of Science degrees from Milligan College and Georgia Tech and also holds a Ph.D. in Atomic Physics from MIT.



## **Alberto Ruocco, Chief Information Officer**

Alberto leads the information technology team, enabling BlueStar's strategy and growth. With more than 26 years in the IT industry, Alberto's transformational leadership has impacted a wide range of companies in various industries spanning local to global entities and all functional areas. Most recently, Alberto was an EVP for The Revere Group, the Chicago-based business and information technology subsidiary of NTT DATA, a leading global consulting firm. Prior to The Revere Group, he was a Senior Manager in Deloitte Consulting's CIO Advisory practice and VP of Process & Information Technology at Kerry Americas, a wholesale supplier of food ingredients to the global market. Alberto holds a BA from Yale University and an MBA from the Kellogg Graduate School of Management at Northwestern University.



## **Jon M. Casadont, Chief Legal Officer**

As Chief Legal Officer of BlueStar Energy, Jon oversees all regulatory and legal matters for the company. Jon has not only represented BlueStar's interests for over nine years, he also serves as a leading advocate for customer choice in retail electric markets. Prior to leaving private practice, Jon had served as counsel for BlueStar while working for a Chicago law firm. After guiding BlueStar Energy through Federal and State regulatory certification proceedings, he joined the company as General Counsel in 2004. Jon was recently selected as a National First Chair Award recipient for 2011 for Top General Counsel. Jon received his BA from the University of Wisconsin and his JD (High Honors) from the Chicago-Kent College of Law.



## **Joyce Dickerson, Chief Culture Officer**

Joyce is an accomplished human resources executive with 15 years of progressive experience in organizational development, change management, benefits & compensation, mergers & acquisitions, employee communications and cultural initiatives. Complementing this expertise are exceptional inter-personal/relationship-building skills, impassioned leadership, an aptitude for mission-driven communications and proven ability to guide organizations through tremendous change, with an overriding focus on producing results by aligning employee performance to organizational objectives. Joyce holds a Bachelor of Arts degree in Psychology from Millikin University.



## **Dave Daily, Senior Vice President of Corporate Development & Finance**

Dave focuses on the development of BlueStar Energy's growth initiatives as well as financial analysis and planning. Prior to joining BlueStar, Dave was a Vice President at Houlihan Lokey where he managed numerous M&A and financing transactions in the industrial and energy sectors. He started his career as a Naval officer in the U.S. Navy's Nuclear Propulsion Program. Dave holds a BS in Civil Engineering from the University of Notre Dame and an MBA in finance from the Wharton School of the University of Pennsylvania.



# BlueStar's Executive Team Brings Decades of Experience to You



## **Wayne Callham, Vice President of Energy Efficiency**

Wayne leads the Lighting Services team within the Demand Side Management group and has more than 23 years of experience in the lighting industry. His background in applying energy-efficient technologies has evolved from 11 years representing lighting distributors, seven years as an executive of a lighting manufacturer, and four years as director of lighting projects for energy services companies. Wayne's accomplishments include the training of lighting resource centers of Osram Sylvania, General Electric, Philips Lighting, Advance Transformer and Lightolier.



## **Mike Lindert, Vice President of Electric Sales**

Mike manages the electric sales team, which is structured to engage customers across multiple geographies and segments including National Accounts, Direct and Indirect Sales. Responsible for BlueStar's electric sales efforts in all markets. Mike brings more than 10 years of retail energy experience with Direct Energy, Constellation New Energy and Enron Energy Services. In addition, Mike spent 10 years at Motorola with assignments in North America and Asia/Pacific spanning multiple divisions including Cellular Subscriber, Corporate and Cellular Infrastructure Group. Mike holds a Six Sigma Black Belt certification, an APICS CPIM, a BBA in Operations Management from the University of Wisconsin-Whitewater and an MBA from the Graduate School of Management at Loyola University Chicago.



## **Catherine Mason, Vice President of DSM Sales**

Catherine leads the Demand Side Management sales team, which includes sales to local, regional and national accounts across 13 vertical markets. The team focuses primarily on energy efficiency projects supporting the BlueStar goal of encouraging commercial and industrial customers to "Use Less" energy. Prior to joining BlueStar, Catherine was a marketing and customer service consultant to the retail energy services market, in addition to over 20 years leading marketing and operations initiatives in the telecom world with MCI, Teleport Communications Group and ATT. She holds a BA in Marketing from Michigan State University and recently finished her MBA in Marketing from the University of Liverpool in the UK.



## **Graham Leith, Vice President of Energy Management**

Graham has overall accountability for energy supplier management, electricity business risk practices, load forecasting, scheduling and electricity product structuring. Graham brings a depth of energy industry experience to BlueStar, from leadership roles at Centrica plc, Ontario Power Generation, TransaCanada Energy and most recently heading up sales and marketing for the Canadian solar energy company Photowatt Solar. He also held senior positions in Centrica's North American (Direct Energy) and UK (British Gas) operations including credit operations, product structuring, pricing, marketing and sales. Graham holds a BBA from Wilfrid Laurier University's School of Business and an MBA from the Schulich School of Business at York University.



## **Madelon A. Kuchera, Associate General Counsel, Vice President of Regulatory**

Madelon oversees the regulatory affairs for BlueStar Energy. Throughout her career, Madelon has played a leading role in federal and state policy decisions that first introduced competition to local telephone and wireless markets, and most recently to the energy utility markets. As an advocate for customer choice in the traditional utility space, Madelon has worked for both private and government sectors and her span of experience covers policy in 50 states. Madelon holds a BS in Economics and Masters in Economics/Finance from the University of Wyoming and a JD from the John Marshall Law School.

# BlueStar's Executive Team Brings Decades of Experience to You



#### **Kurt Baldassari, Director of eCommerce**

Kurt brings 16 years of expertise in interactive marketing, product marketing and eCommerce to BlueStar Energy. He is responsible for the strategic development of BlueStar Energy websites; ensuring superior online service is delivered to the company's expanding commercial and residential markets. Kurt was most recently director of eCommerce at Sears Holdings and previously was responsible for CDW.com, a top 10 eCommerce website where he oversaw all online marketing and eCommerce activities. He graduated from Northern Illinois University with a BA in Journalism.



#### **Isabelle Ryan, Corporate Controller**

As Controller, Isabelle leads the company's accounting, financial reporting and treasury activities. She has more than 23 years of experience in a variety of accounting and finance related roles including 10 years with a Big Four audit firm, seven years in the leasing and equipment finance industry with the latest position as a divisional CFO and several years in an entrepreneurial company focused in the children's media space. She is a graduate of Indiana University with a BS in Accounting and a CPA.



#### **George Voorhees, Director of National Sales**

George has more than 25 years of energy experience in both the regulated and unregulated utility environments. He has an in-depth market perspective on energy sales, current market conditions and legislative and regulatory issues that impact BlueStar Energy. George's experience has assisted numerous clients over the years with metering and engineering insight not typically found with other deregulated suppliers. He has a proven track record of success with many of the nation's fortune 500 companies. George received his undergraduate degree from Truman University and his graduate degree from Bradley University.



#### **Gib Armstrong, Director of Government Relations**

Gib assists with product development, as well as market development, government, regulatory and sales support in the mid-Atlantic. As a former Pennsylvania State Representative, he served on the Energy Committee and ran the House Clean Energy Caucus. Gib serves on the Pennsylvania Energy Development Authority as part of the Technical Review Committee. During his time in the Marine Corps, Gib was promoted to major and served as an artillery officer and comptroller. He is a graduate of the U.S. Naval Academy and holds a BS in Political Science with minors in Chinese and Engineering.