

ELECTRIC AGGREGATION STEPS

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VILLAGE OF GRAYSLAKE

RESOLUTION NO. 793

**A RESOLUTION INITIATING THE SUBMISSION OF A PUBLIC QUESTION
TO AUTHORIZE THE VILLAGE TO ADOPT AN "OPT-OUT" PROGRAM
FOR THE SUPPLY OF ELECTRICITY TO
RESIDENTIAL AND SMALL COMMERCIAL RETAIL CUSTOMERS**

WHEREAS, Section 1-92 of the Illinois Power Agency Act, 20 ILCS 3855/1-92 ("*Act*"), permits the corporate authorities of the Village, if authorized by referendum, to adopt an ordinance creating a program to allow the Village to solicit bids and enter into service agreements for the sale and purchase of electricity and related services and equipment to residential and small commercial retail customers in the Village who do not chose to opt-out ("*Program*"); and

WHEREAS, pursuant to the requirements of Illinois law, the corporate authorities of the Village of Grayslake hereby desire to place on the April 5, 2011 ballot a public question to be considered by the voters in the Village regarding the authorization of the Village to pursue the implementation of the Program;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF GRAYSLAKE, LAKE COUNTY, ILLINOIS, as follows:

SECTION ONE. RECITALS. The foregoing recitals are incorporated as if fully set forth in this Resolution.

SECTION TWO. PUBLIC QUESTION ON PROGRAM FOR AGGREGATION OF ELECTRICITY. A public question shall be submitted to the voters of the Village of Grayslake, County of Lake, State of Illinois, at the April 5, 2011 general election (or at the next available election permitted by the general election law), as follows:

Shall the Village of Grayslake 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?	YES —	NO —
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SECTION THREE. FILING. The Village Clerk is hereby authorized and directed to file this authorizing Resolution and other related matters with the appropriate election officials in accordance with applicable law.

SECTION FOUR. EFFECTIVE DATE. This Resolution shall become effective following its passage and approval in the manner provided by law.

PASSED this 21st day of December 2010.

AYES: Bassett, Weyel, Edwards, Voxl, Jarvis, Waldenström

NAYS: —

ABSENT & NOT VOTING: —

APPROVED this 21st day of December 2010.

VILLAGE OF GRAYSLAKE

By: *[Signature]*
President

ATTEST:

[Signature]
Deputy Village Clerk



VILLAGE OF GRAYSLAKE

ORDINANCE NO. 2011-0-14

**AN ORDINANCE AMENDING TITLE 13 OF THE VILLAGE CODE
AND AUTHORIZING AN ELECTRICITY AGGREGATION PROGRAM**

Published in Pamphlet Form: May 3, 2011

VILLAGE OF GRAYSLAKE

ORDINANCE NO. 2011-0-14

**AN ORDINANCE AMENDING TITLE 13 OF THE VILLAGE CODE
AND AUTHORIZING AN ELECTRICITY AGGREGATION PROGRAM**

WHEREAS, the Illinois Power Agency Act, 20 ILCS 3855/1-92 (the "Act"), authorizes municipalities to adopt programs for the aggregation of residential and small commercial retail electrical loads located within the municipality ("Electricity Aggregation Program") and to solicit bids and enter into service agreements to facilitate for those loads the sale and purchase of electricity and related services and equipment pursuant to the Act; and

WHEREAS, under the Act, the Village may operate an Electricity Aggregation Program under the Act as an "opt-out" program, whereby residential and small commercial retail customers may choose not to participate in the program, if authorized by referendum pursuant to the requirements of the Act; and

WHEREAS, the Village submitted the public question of whether the Village should operate the Electricity Aggregation Program as an opt-out program in a referendum on April 5, 2011, and the referendum passed by a majority vote of the electors voting on the public question; and

WHEREAS, the Village Board hereby finds that it is in the best interest of the Village to authorize the operation of the Electricity Aggregation Program as an opt-out program and to amend Title 13 of the Village Code to provide for the implementation of the Electricity Aggregation Program according to the terms of the Act;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND THE BOARD OF TRUSTEE OF THE VILLAGE OF GRAYSLAKE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section One. Recitals. The foregoing recitals are incorporated and made a part of this Ordinance as if fully set forth in this Section.

Section Two. Findings and Determinations. The Village Board finds and determines that it is in the best interests of the Village of Grayslake to implement the Electricity Aggregation Program as an opt-out program pursuant to the terms of the Act and this Ordinance.

Section Three. Amendment to Title 13 of the Village Code to Authorize the Electricity Aggregation Program. Title 13, entitled, "Public Services" of the Village of Grayslake Municipal Code shall be and is hereby amended to adopt a new Chapter 13.28, which new Chapter 13.28 shall be and read as follows:

Chapter 13.28

ELECTRICITY AGGREGATION PROGRAM

13.28.10 Definitions.

For the purposes of this Chapter 13.28, the following terms shall have the following definitions:

“Act” shall mean the Illinois Power Agency Act, 20 ILCS 3855/1-92, as may be amended from time to time.

“Customer” shall mean recipients of residential and small commercial retail electric loads as provided in the Act.

“Electricity Aggregation Program” shall mean a program pursuant to the Act for the aggregation of residential and small commercial retail electric loads located within the corporate limits of the Village that provides customers with the opportunity to opt out of participating in that program as provided in the Act.

13.28.20 Aggregation of Electrical Load

A. The Corporate Authorities of the Village are authorized to operate an Electricity Aggregation Program pursuant to the Act and for that purpose may solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services and equipment for those loads aggregated pursuant to the Electricity Aggregation Program as provided in the Act.

B. The Corporate Authorities of the Village may exercise the authority to operate the Electricity Aggregation Program jointly with any other municipality or county and, in combination with two or more municipalities or counties, may initiate a process to jointly authorize the Electricity Aggregation Program by a majority vote of each particular municipality or county as required by the Act.

13.28.30 Opt-Out Program

A. The Electricity Aggregation Program shall operate as an opt-out program whereby Customers who do not wish to participate in the Electricity Aggregation Program may opt out pursuant to the Act.

B. The Village Manager or his designee, on behalf of the Village, shall fully inform customers in advance, as provided in the Act, that Customers have the right to opt-out of the Electricity Aggregation Program. The disclosure provided to the Customers shall comply with the requirements of the Act and shall prominently state all

charges to be made and shall include full disclosure of the cost to obtain service pursuant to Section 16-103 of the Act, how to access service, and the fact that service under Section 16-103 of the Act is available to Customers without penalty if they are currently receiving service under Section 16-103 of the Act.

C. Upon notification from any Customer that the Customer wishes to opt out of the Electricity Aggregation Program, that Customer shall be excluded from the Electricity Aggregation Program.

D. Except for those Customers who opt out of the Electricity Aggregation Program pursuant to this Section 13.28.30 and the Act, the Electricity Aggregation Program shall automatically apply for each person owning, occupying, controlling, or using an electrical load center proposed to be aggregated in the corporate limits of the Village.

13.28.40 Adoption of Plan of Operation and Governance for the Electricity Aggregation Program

A. The Corporate Authorities of the Village, with the assistance from the Illinois Power Agency as required pursuant to the Act, shall develop and approve a plan of operation and governance for the Electricity Aggregation Program.

B. Before adopting the plan of operation required under Section 13.28.40A and the Act, the corporate authorities shall hold at least two public hearings on the proposed plan. Before the first public hearing, the corporate authorities shall publish notice of the hearings once a week for two consecutive weeks in a newspaper of general circulation in the Village. The notice shall summarize the plan of operation and state the date, time, and location of each hearing.

C. The plan of operation and governance for the Electricity Aggregation Program shall:

1. Provide for universal access to all applicable residential Customers and equitable treatment of applicable residential Customers,
2. describe demand management and energy efficiency services to be provided to each class of Customers, and
3. meet any requirements established by law concerning aggregated service offered pursuant to the Act.”

13.28.050 Solicitation of Bids

The process for soliciting bids for electricity and other related services and awarding proposed agreements for the purchase of electricity and other related services for the Electricity Aggregation Program shall be conducted pursuant to the Act.

Section Four. Severability. If any provision of this Ordinance, or the applications of any provision of this Ordinance, is held unconstitutional or otherwise invalid, such occurrence shall not affect other provisions of this Ordinance, or their application, that can be given effect without the unconstitutional or invalid provision or its application. Each unconstitutional or invalid provision, or application of such provision, is severable, unless otherwise provided by this Ordinance.

Section Five. Effective Date. This ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

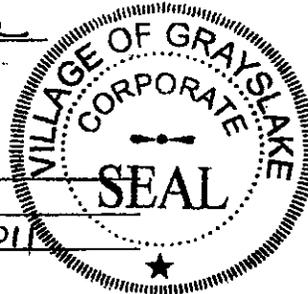
This Ordinance was passed by this 3rd day of May, 2011, by a vote as follows:

Ayes: Bassett, Wertel, Edwards, Vogel, Jarvis, Waldenstrom
Nays: _____
Absent and Not Voting: _____

Approved: *Paul Taylor*
President

Attest: *Doreen Van Steenkuppe*
Deputy Village Clerk

Passed: May 3, 2011
Approved: May 3, 2011
Published in Pamphlet Form: May 3, 2011



From the Mayor...

For several years the Village of Grayslake has endeavored to be a good steward of taxpayer dollars. The Village has done this by adopting policies that keep operating costs down and limit spending. These policies were designed to limit, as much as possible, the amount of money the Village must charge for its services and infrastructure. For example, since 2003, through attrition, outsourcing and enhanced use of technology, the Village has reduced its non-police officer/sergeant staffing levels by 40%. Policies like this ultimately save the taxpayer money.

In 2010, the Illinois state legislature gave villages a tool to help tax payers save money. The state has given villages the ability to seek competitive pricing for the provision of electricity to residents and some businesses. Additionally, the state created the Illinois Power Agency. This agency has significant responsibilities to provide guidance to participating municipalities who are negotiating for electrical services village-wide.

In order to seek competitive prices for village-wide electrical services, the Village Board needs approval from the residents. Approval is granted through a referendum. The Village Board recently approved placing a referendum regarding residential and business electrical services on the April 5th ballot. The referendum will ask our 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 some businesses. It is hoped that by combining electrical service for all individual customers into a single bid, consumers will have lower electric bills and save money.

The referendum will read:

“Shall the Village of Grayslake 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?”

Voter approval of the referendum is the first step in the process of trying to achieve better consumer pricing for businesses and

residences. If voters approve the referendum, then the Village must take the following steps: (1) the Village must hold two public meetings, (2) it must develop a plan, (3) it must solicit competitive pricing bids, and (4) if favorable pricing is available, the Village Board would have to approve agreements that would initiate the program for residents and some businesses.

Please note, if the voters approve the referendum, then residents will still have a choice to “opt-out” of any negotiated program the Village establishes. In other words, an approval vote does not require voters to make any changes in their electrical service provider. If you are happy with your current service and do not want to change, you will not have to.

If the competitive bid process does not benefit residents and businesses through reduced electric bills, then the Village would not enter into the arrangement.

It should be noted that this is new. This type of program has never been established by an Illinois community. There are still aspects in this type of arrangement that are unclear and may cause delays in moving forward should the voters approve the referendum.

In late February the Village's website (www.villageofgrayslake.com) will have more information on this important referendum.

Please feel free to contact the Village Hall or the Mayor's office directly if you have any questions.

Sincerely,



Rhett Taylor