

Item #7A:

Village President Underwood

Village Electric Aggregation Program - \$1.4M Savings - Update

Long Grove Electric Aggregation Program Savings to date: \$1.4 million

Following the passage of a voter referendum in March 2012, the Village of Long Grove established an electric aggregation savings program to procure lower-cost electric supply for residents and small businesses via an opt-out program. The program has succeeded: average participating households have saved \$647 to date, for a cumulative Village-wide savings approaching \$1.4 million.

The Village renewed the program in May 2014 via a competitive bid process. Constellation, an Exelon Company, offered the lowest pricing at a fixed rate of 6.529¢ per kWh for three years ending May 2017.

A new ComEd Price to Compare (PTC) was just released: The October rate is 7.487¢, and for the period November 2014 through May 2015, is 7.43¢. This compares with last summer's rate of 7.6¢. In addition to the PTC, one must add a Purchased Electricity Adjustment (PEA) that floats monthly—to discover the actual, effective ComEd rate. For October, the PEA is a half-cent *credit* to ratepayers, bringing the effective rate down to 6.987¢. The PEA can be a credit or a charge of one half cent and adjusts monthly. This means the PTC will be priced in a range of 6.93¢ to 7.93¢ for the period November 2014 through May 2015.

The fixed Long Grove rate of 6.529¢ never has a PEA charge and therefore presents savings between 6 and 18 percent. There is no early termination fee to leave the program, nor any fee to enroll. Any resident or eligible small business may call Constellation at 800-718-1493 to enroll at the Village's contracted rate and terms: fixed at 6.529¢ per kWh through May 2017.

Electric aggregation programs have been established by hundreds of communities across the State of Illinois, with 80 percent of the state participating. ComEd ratepayers were paying 9¢ per kWh for electric supply in the summer of 2010 but ratepayers are today enjoying much lower prices.

Prior to the legislation allowing the switch to competitive markets in 1999, Illinois ratepayers were charged one cent per kWh *above* the national average. Illinois electric prices are now two cents below the national average kWh cost. Competitive markets (and municipal aggregation) have resulted in substantial savings for Illinois residents.

Long Grove vs ComEd Rate,* 2014

(Since inception)

Resident Savings: \$647

*ComEd rate includes supply, transmission, PEA

Community savings: \$1,387,915



Month	ComEd Rate	Aggregation Rate	Resident savings per month
January	\$7.85	\$6.87	\$0.98
February	\$6.87	\$6.87	\$0.00
March	\$7.16	\$6.87	\$0.29
April	\$5.02	\$5.965	\$0.055
May	\$7.23	\$6.023	\$1.207
June	\$9.56	\$6.592	\$2.968
July	\$9.59	\$6.592	\$2.998
August	\$8.90	\$6.592	\$2.308
September	\$13.50	\$6.592	\$6.908
October	\$4.75	\$6.592	\$1.842
November	\$6.592	\$6.592	\$0.00
December	\$6.592	\$6.592	\$0.00



**PURCHASED ELECTRICITY ADJUSTMENT (PEA)
AS CHARGED TO COMED RATEPAYERS
HISTORICAL MONTHLY CHARGE (CREDIT)
JUNE 2011 THROUGH OCTOBER 2014**



