

Plan of Operation and Governance for  
Municipal Opt-Out Electricity Aggregation  
Village of Dunlap, Peoria County, Illinois



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## 1) Purpose of Municipal Opt-Out Aggregation

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In compliance with 20 ILCS 3855/1 - 92 being part of the Illinois Power Agency Act (“Act” or “20 ILCS 3855/1-92”) regarding aggregation of electrical loads by municipalities, the Village of Dunlap (“Dunlap”) has developed this Plan of Operation and Governance (“Plan”) explaining the process and procedures of Dunlap’s Municipal Electricity Aggregation Program (“Program”). According to the Act, Dunlap will serve as governmental aggregator authorized to collect all residential and small business electricity load within Dunlap’s municipal boundaries and seek bids from Alternative Retail Electric Suppliers (“ARES” or “Supplier”).

This Plan has been prepared by Dunlap officials in cooperation with Good Energy, L.P., the “Consultant”, to provide an understanding of structure, governance, operations, management, and policies of the Program to be utilized for residents and small businesses participating in the Program. The purpose in developing this Plan is to describe the uniform approach to the Program undertaken by municipal officials and Pursuant to 20 ILCS 3855/1-92. The load aggregation plan shall:

- Provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers.
- Describe demand management and energy efficiency services to be provided to each class of customers.
- Meet any requirements established by law concerning aggregated service offered pursuant to statute 20 ILCS 3855/1-92.

The Program is designed to reduce the amount Dunlap residents and small businesses pay for electricity, and to gain favorable economic and non-economic terms in power supply contracts with ARES. Dunlap shall seek fixed electricity prices for each eligible class of customers that may be lower than the comparable price available from the local distribution company, in this case Ameren (“Ameren”). Individual residential and small business retail consumers are unable to obtain significant price discounts since they lack the bargaining power, expertise and the economies of scale enjoyed by larger industrial consumers. The Program will band together numerous electric accounts, providing the benefits of competitive energy markets that work to benefit the smaller consumer.

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Dunlap does not own electric generation assets and will not purchase and resell electricity, but represents consumer interests as a governmental aggregator to set the terms for electricity supply and service from competing ARES licensed with the State. Through a competitive bid process operated and managed by Consultant, Dunlap will enter into a contract with an ARES for full-requirements retail electricity supply service. The contract is expected to be for a fixed price for a specified term. Dunlap may contract with one or more ARES if necessary to meet the needs of participating residents and small businesses.

## 2) Background – Illinois Power Agency Act

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On August 10, 2009, Public Act 96-0176 amended the Illinois Power Agency Act authorizing municipalities and counties to form electrical aggregations of residents and small businesses. The Act allows for authorization to be given to municipalities only after the passage of a referendum, after which the utilization of an Opt-Out form of aggregation would comply with the statute. Once the referendum is passed, the municipality can develop an aggregation program for the procurement of electricity supply to residential and small business customers.

Since the Act was amended, over 250 communities in both Ameren and Commonwealth Edison utility territories have passed referenda and will be going out to bid for electricity in this government purchasing arrangement. Municipalities are combining the electrical loads of their residents and small businesses in a Request for Proposal to ARES.

In accordance with the requirements of the Act, the corporate authorities of the Village of Dunlap approved an ordinance allowing a referendum question to be placed on the primary general election ballot to operate an Aggregation Program as an "Opt-Out" program. Under the Opt-Out program, all Ameren residential and small commercial retail customers in Dunlap 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 in the Municipal Aggregation buying group. On March 20, 2012, the day of the primary election, a majority of citizens voted YES to the referendum question, allowing corporate authorities to form a Municipal Opt-Out Electricity Aggregation.

In addition to passing the required ordinances by the Corporate Authorities, Dunlap may also be required to comply with various rules and regulations established by authorized agencies of the State of Illinois. Dunlap 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 duly published a notice in the local newspaper of general circulation, informing the public of two public hearings to raise questions or concerns about this Plan. The public hearings were held by the Corporate Authorities at Village Hall and provided the residents of Dunlap a meaningful opportunity to be heard regarding the Program and this Plan. The Opt-Out notice for the Program shall be provided in advance to all eligible electric customers in the municipality upon approval of this Plan according to the Opt-Out disclosure program developed by the Dunlap officials. The Opt-Out notice and disclosures shall

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comply with the Act and all rules and regulations of the State of Illinois, and shall fully inform such electric customers in advance that they have the right to Opt-Out of the Program. The Opt-Out notice shall disclose all required information including, but not limited to, rates, terms and conditions of the Program, and the specific method of how to Opt-Out of the Program.

Dunlap has retained Good Energy, LP (“Consultant”) to assist with administering the Program, the Opt-Out process, managing the competitive bidding process, and writing the Request for Proposal (“RFP”) to help Dunlap officials select the most suitable ARES and commodity product for participating residents and small businesses wanting to participate in the Program.

### 3) Opt-Out Process

Dunlap will allow residents and small businesses an opportunity to Opt-Out of the Program in accordance with 20 ILCS 3855/1-92. Any resident or small business that follows the specified procedures to Opt-Out of the Program will remain on Ameren’s standard service offer listed on the Ameren website. A listing of the Ameren customer rates may be found for homes at <http://www.ameren.com/sites/aiu/Rates/Pages/ResidentialRates.aspx> and <http://www.ameren.com/sites/aiu/Rates/Pages/NonResidentialRates.aspx> for businesses.

Following completion of the RFP, and after Dunlap has selected the ARES and has successfully locked in a fixed supply rate, Dunlap will share the eligible customer list with the selected ARES. Customers will have thirty (30) days from the receipt of the data to mail the opt-out notices to all eligible residential and small businesses included in the Program. This list will include all residential, and small commercial accounts that will realize savings through the accepted bid price. Furthermore, the Village will not include residential customers receiving service through the space-heat, Power Smart Pricing, Hourly Supply Service, Real Time Pricing, RES Service, and/or net metering programs. During the Opt-Out notification period, the winning ARES will operate an Opt-In for customers who are currently on Power Smart Pricing, Hourly Supply Service, and Real Time Pricing. This will ensure the maximum amount of participation for all customers under the program.

**Opt-Out Notices:** A notice will be sent to all residential and small business accounts that are deemed eligible by Dunlap. See “Eligible Customer Service Classes” section. A sample of the notice is provided in Schedule A of this Plan. The contents of the notice will be on Dunlap’s municipal letterhead so as to avoid confusion with any other offers by licensed ARES in the state.

**Distribution of Opt-Out Notices:** The selected ARES will be required to pay for the cost of printing and mailing of Opt-Out notices. The notices will be mailed to the owner or occupant residing at the electric account mailing address shown on Ameren’s customer list. The selected ARES and Dunlap

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will agree upon the format of the Opt-Out notice prior to mailing it to the eligible service classes. The selected ARES will mail Opt-Out notices to eligible residential and small business accounts.

**Opt-Out Period:** After the mailing, there will be an Opt-Out Period of at least 15 days from the postmark date on the notice to postmark the return Opt-Out notice if they do not wish to participate in the Program. The Opt-Out notice will clearly notify the Resident and Small Business of the rates to be charged for electricity and other terms of the contract with the selected supplier.

**Customer support during Opt-Out Period:** The selected ARES will have a toll-free phone number and website explaining the steps for Opting-Out of the Program. If necessary the selected ARES will provide bilingual or multilingual customer support to explain the Opt-Out procedure to non-English speaking residents. During this period and through the initial procurement term, the Consultant will provide a savings calculator ([www.munienergychoice.com](http://www.munienergychoice.com)) as well as customer support for any and all issues not satisfied by ARES customer support.

**Enrollment:** Once the Opt-Out Period has passed, the selected ARES will not enroll those Ameren customers Opting-Out from Dunlap's Program. In the event that an eligible resident or small business is inadvertently omitted from the Program, the selected ARES shall use its best efforts to enroll that customer at the Program rate for the remaining term.

**Early Cancellation Charges:** During the RFP process, Dunlap will negotiate the penalties associated with customer leaving the Program before the expiration date of the ARES Power Supply Contract. Typically, leaving the program will precipitate an Early Cancellation Charge (ECC). Ordinarily this is a one-time charge not to exceed \$25.00.

### **Opt-Out Steps Overview:**

- 1-The selected ARES and Dunlap will agree upon the format of the Opt-Out notice prior to mailing residential and small business customers.
- 2-The selected ARES will mail Opt-Out notices to all eligible customer service classes.
- 3-Recipients will have at least **fifteen (15)** days from the postmark on the notice to return notice to selected ARES if they want to be removed from the Program.
- 4-Recipients will be able to Opt-Out by returning an Opt-Out card via U.S. Mail to the selected ARES. -The ARES will offer a toll-free phone number and website to aid recipients with the notice and the Opt-Out procedure. Further support will be provided by the Consultant through a link on the Village's website [www.dunlap-illinois.com](http://www.dunlap-illinois.com).
- 5-Additionally, residential and small businesses that do not Opt-Out, per step 4 above, will receive written notification from Ameren stating that they are about to be switched.

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6-The Opt-Out notice will inform the participant that they have **five (5)** days to rescind the contract by contacting Ameren. The selected Supplier will not enroll those accounts Opting-Out of Program.

## 4) Request for Proposal-Summary

With the assistance of the Consultant, Dunlap will issue a Request for Proposals (“RFP”), utilizing predetermined criteria based on technical specifications, bidder requirements, bidding processes, and contract documents, to select a single Alternative Retail Electric Supplier (ARES). The Consultant will evaluate the bids received and will recommend a single ARES to serve as the electricity supplier to all eligible residents and small businesses within the municipal limits.

## 5) Consolidated Billing Procedures

On January 20, 2010, Ameren filed with the Illinois Commerce Commission a revised tariff in order to implement a purchase of receivables (“POR”) with consolidated billing (“CB”) service (“POR-CB Program”) for the benefit of retail customers and ARES, pursuant to Section 16-118 of the Illinois Public Utilities Act. This allows for a single bill, administered solely by Ameren, where Ameren will invoice the Ameren regulated delivery charges and supply rate provided by the selected ARES contained in the Power Supply Agreement. Dunlap will utilize the POR-CB Program with its Municipal Aggregation to permit billing services of Ameren and the selected Supplier. Customers are expected to receive a single bill from Ameren that itemizes among other things, the cost of generation provided by the Supplier.

## 6) Credit Requirement and Default Procedures

Credit policies and procedures continue to be the responsibility of Ameren. Dunlap will not be responsible for late or non-payments on the parts of any of its residents or small businesses. Dunlap will have no separate policy with regard to Collection, Security Deposits, Application of Late Charges, Default, and Bankruptcy. Ameren follows the requirements of Title 83 of the Illinois Administrative Code Part 280. If there is a delinquent account, Ameren will send collection notices to the customer’s mailing address of record for service charges rendered by Ameren, following established collection policies regardless of whether the customer participates in the Program or not. In the case of a POR-CB Program, the billing method the Program will utilize, the ARES’ receivable becomes Ameren’s receivable and Ameren will be responsible for those collection efforts under Ameren’s policy and requirements.

**CUSTOMER INQUIRIES:** Ameren operates a call center to assist customers with inquiries and resolve billing issues. Ameren has toll-free numbers to contact the call centers printed on electric



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account holders' bills. For residential customers, the toll-free number is 1-800-755-5000. For business customers, the toll-free number is 1-800-232-2477.

## 7) Program Move-in and Move-outs

**Moving to Dunlap from another municipality:** Residents and businesses that move into Dunlap will NOT be automatically included in the Program. Residents that want to Opt-In to the Program may contact the ARES to obtain enrollment information which will be provided on the municipal website [www.dunlap-illinois.com](http://www.dunlap-illinois.com). It is likely that residents Opting-In at a later date will receive the same price, terms, and conditions. However, due to energy markets and economic forces, there is no guarantee that a resident can Opt-In under the same terms and conditions. Dunlap will seek to negotiate a favorable Opt-In program with the selected ARES that will be cost beneficial to the Program overall. Residents and small businesses that have left the Program and wish to return are handled the same way - as a resident or small business moving into Dunlap, aforementioned in this section.

## 8) Opt-In Program

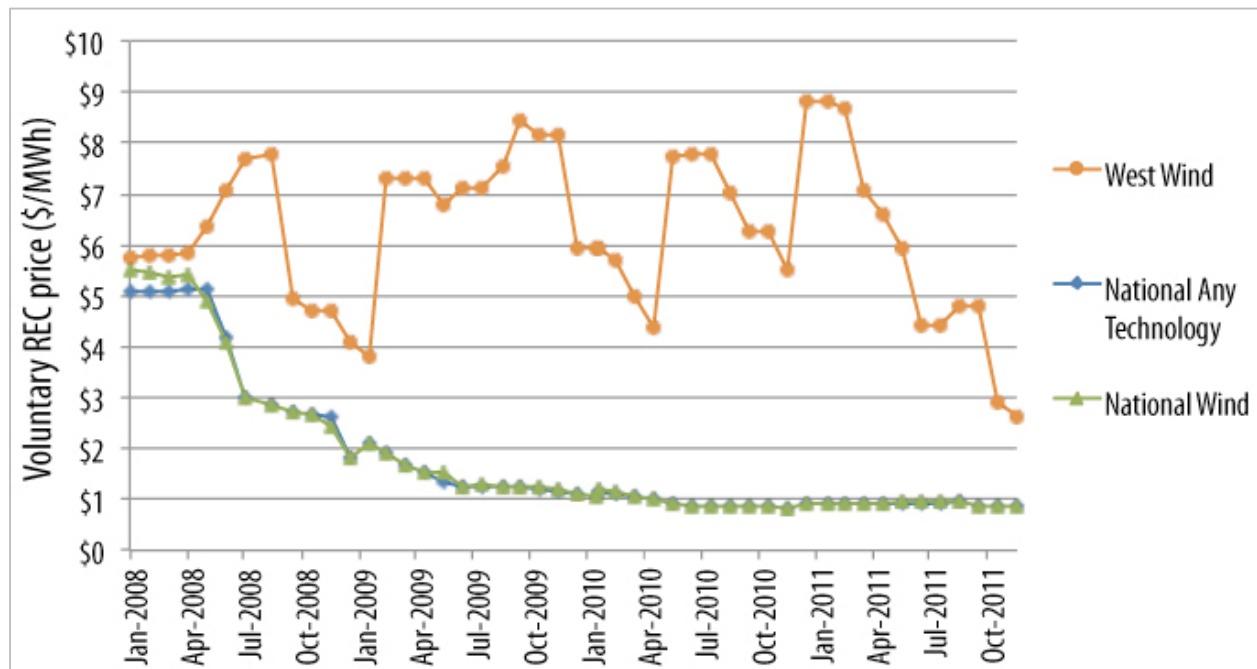
An "Opt-In customer" is a resident and/or small business in Dunlap that may request to join the Program after the expiration of any Opt-Out period or enrollment period. To Opt-In, the Opt-In customer must contact the selected ARES or the Consultant to join. The acceptance of an Opt-In customer to the Program is subject to written policies mutually agreed upon between Dunlap and the selected ARES in the Power Supply Agreement.

## 9) Green Power – Renewable Energy

Electricity will come from 100% renewable solar and/or wind power and will be provided in the form of a fully-bundled electricity product, presumably satisfied by using Renewable Energy Certificates (RECs). Each REC represents the attributes of 1000 kWh (1 MWh) of electricity generated by said renewable generating technologies. Both the REC and the winning supplier will be Green-e certified and/or the RECs will be sourced through MISO-registered renewable sources in order to satisfy the precise mix of green power necessary to achieve the goal of environmental steward in the community.

Though there is a preference for Illinois-generated renewable electricity, this electricity may come from other U.S. States. With approximately three billion kWh at stake, this renewable requirement is forecasted to provide avoidance of more than 4.2 billion lbs of carbon dioxide (CO<sub>2</sub>) emissions from conventional power plants using non-renewable fossil fuels. The annual cost of renewable power in the voluntary market has tumbled by more than 500% for National Wind RECs since 2008 (see graph below), providing enormous value and buying opportunity.

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## U.S. Department of Energy

### Voluntary REC prices, January 2008 to December 2011

Sources: [Spectron Group](#) (2012)

Additional benefits of requiring renewable power include the following:

- Incentive for local business development;
- Foundation for new/enhanced curricula for Illinois students:
  - <http://www1.eere.energy.gov/education/lessonplans/default.aspx>
  - <http://www.eia.gov/kids/>
  - <http://www.epa.gov/students/>
  - <http://www.fsec.ucf.edu/en/education/index.htm>
  - <http://www.nesea.org/k-12/cleanenergyforacleanenvironment/>
  - <http://www.nrel.gov/learning/>
  - <http://www.need.org/>
- Potential to add to economic development for the State with regard to new renewable generation investment.

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## 10) Program Education Initiative

The ARES shall develop the educational program in conjunction with Dunlap officials. Its purpose will be to explain the Program to eligible residents and small businesses, provide updates, offer customer support during the term of the agreement, and provide the opportunity for participants to Opt-Out of the Program.

Each residential and small business customer of Ameren within the corporate limits of Dunlap will receive a notification by mail explaining the Program, the procedure which must be followed to Opt-Out of the Program, the fixed electricity rate the municipality contracted for on behalf of participants in the Program, termination policies, and the deadline to return the Opt-Out letter.

Dunlap, along with the selected ARES, will develop an education initiative that will inform residents of the specifics of the program. The education initiative may contain, but is not limited to the following:

- Mailings
- Community Meetings
- Advertisements
- Program Website
- Toll-Free Information Line
- Informational Videos
- Calculators (web-based)

## 11) Demand Management and Energy Efficiency Initiative

Reduced energy costs should in no way be considered a license for increased usage. For that reason, no energy plan is complete without balancing reduced supply cost for end-users with some method(s) for demand side management and reduction. Online calculators serve as a simple and effective tool for increasing awareness on the topic. For the purposes of this program, an online calculator will be built and may be hosted on both the municipal website and [www.munienergychoice.com](http://www.munienergychoice.com). This online calculator would have two stages, accomplishing the following:

- Provide overall savings using existing utility rate vs. new supplier offer;
- Lighting is often considered the “low-hanging fruit” for demand reduction. It represents approximately 14% of all residential electricity consumption in the U.S. Switching from incandescent light bulbs to Compact Fluorescent Lights (CFLs) or Light Emitting Diodes (LEDs) can lower usage in the average home by 75%, to as much as

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85% respectively. The calculator function would build on the stage above by calculating the approximate reduction in usage and cost from switching to these newer lighting technologies, both in terms of a dollar amount and percentage of cost.

Additionally, utilities very often provide incentives to customers in the form of rebates for making lighting and/or other appliance improvements. These efficiency rebates are published on both of Illinois' primary utility websites and should be included on both the municipal website, in addition to [www.munienergychoice.com](http://www.munienergychoice.com).

**Ameren:** <http://www.actonenergy.com/for-my-home/residential-incentive-programs>

**ComEd:** <https://www.comed.com/home-savings/pages/default.aspx>

The municipality will work with the selected ARES and Consultant to develop “Dunlap’s Energy Efficiency Program”. This initiative will provide a resource where residential consumers can find information about home energy efficiency measures. Education about demand management can be provided to homeowners such as identifying the newest lighting technology or the latest efficiency rebate information. A call center can be established to answer questions on retrofitting home heating and lighting systems. A page on the city website can be offered. The city will work with Ameren to provide specific information about utility rebate programs.

- Ameren programs include: Lighting Discounts
- Refrigerator Recycling
- Clothes Washer Rebates
- Central AC Cycling
- System Replacement
- Home Energy Assessment
- Multi-Family Efficiency

## 12) Power Supply Agreement – General Terms

After the RFP process, Dunlap will have the option to execute a Power Supply Agreement (“Agreement”) with the selected ARES.

Bids by prospective ARES shall provide 12 month, 18 month, 24 month and 36 month terms. Dunlap will select the length of term that offers the most protection against future increases in energy prices. At its discretion, Dunlap will set the time duration of any subsequent contract term.

The agreement shall specify the approved rates and the power mix for the Program, and shall disclose all additional or ancillary fees.

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The agreement shall require the ARES to maintain all required licenses and qualifications, and to provide all services required by the RFP.

The agreement shall require the ARES to provide all services in compliance with this Plan, as may be amended.

The ARES must agree not to solicit or contract directly with eligible residents or small businesses in the Program for service or rates outside the aggregation, and agrees not to use the customer data and information for any other marketing purposes.

The ARES must agree to indemnify and hold Dunlap harmless from any claims, causes of action, damages, judgments, and financial obligations arising from the Program.

The ARES shall obtain and maintain, for the duration of the Power Supply Agreement, such proof of insurance and performance security as the municipality deems necessary.

The Agreement may provide that the ARES will assist Dunlap in developing a Program Education Initiative.

## **Termination of Service**

End of Term: the Power Supply Agreement with the ARES will terminate upon its expiration.

Early Termination: Dunlap will have the right to terminate the Power Supply Agreement prior to the expiration of the term in the event the ARES commits any act of default. Acts of default include, but are not limited to the following:

Breach of confidentiality regarding customer information;

The disqualification of the ARES to perform the services due to the lapse or revocation of any required license or certification;

The Utility's (Ameren) termination of its relationship with the ARES;

Any act or omission that constitutes deception by affirmative statement or practice, omission, fraud, misrepresentation, or bad faith practice;

Billing in excess of the approved rates and charges;

Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges;

Failure to perform at a minimum level of customer service required by Dunlap;

Upon termination for any reason, Dunlap will notify the Utility to return the residents and small business accounts to the Default Tariff Service. Upon termination, each account holder

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participating in the Program will receive written notice from Dunlap of the termination of the Program.

## 13) Pricing Methodology

**Pricing Methodology:** Dunlap intends to establish a price for the purchase of electricity for the Program. This will be the Program Rate measured in price per kilowatt-hour. The rate will include traditionally bundled renewable power components in the form of Renewable Energy Certificates (RECs) and will reflect various lengths of terms, contractual benefits, and possible hold premiums.

**Commodity Price:** Dunlap and the Consultant will request and receive from the selected ARES consistent market price quotes. The daily market price quotes will detail the line item costs of energy supply, capacity, transmission, ancillary services, and additional margin available to Dunlap and the Consultant that day. The market price quotes will be reviewed by the Consultant to establish that the specific pricing details are consistent with market prices and tariffs and are consistent with the terms of the Power Supply Agreement. If the daily market price quote is deemed acceptable by the Consultant, the Consultant will inform Dunlap officials of the price and pricing components and recommend acceptance. If accepted, Dunlap will affirm acceptance of the commodity price verbally and in writing to the selected ARES.

The ARES invited to bid will quote rates for the following energy mixes and terms:

- **Lowest Traditional Power Price** – The lowest priced electricity supply available from an ARES using, at a minimum, 100% renewable energy consistent with the Illinois Renewable Portfolio Standard (RPS) or similar Renewable Purchase Obligations (RPO) required by law.
- **Price Match** – The lowest price that supports a “Utility Price Match” meaning the ARES will be required to match future Ameren tariff rates in the event the Ameren tariff rates decrease in price below the Program price per kilowatt-hour.
- **100% Renewable** - Electricity where 100% of the energy used by the aggregated accounts will be offset by Renewable Energy Credits. Renewable Energy Credits shall be Green-e certified and/or the RECs will be sourced through MISO-registered renewable sources.

## 14) Eligible Customer Service Classes

After selecting and contracting with an ARES, Dunlap will work with the ARES to remove any customers determined to be ineligible due to one or more of the following:

- Customer is not located within the municipal territory limits;

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- Customers is locked into a power supply agreement with an ARES;
- Customer receiving Ameren “FREE” service;
- Customer has hourly rate (real time pricing);
- Customer is on Ameren’s all-electric heating rate or space heating rate;
- Customer on Ameren bundled hold;
- Business accounts using more than 15,000 kWh annually.

The Retail Customer Identification Information will remain the property of the municipality, and the ARES will comply with the confidentiality and non-compete provisions in the Supply Agreement.

After the Retail Customer identification Information is reviewed, the ARES will mail the Opt-Out Notices described below to all eligible account holders within the boundaries of the municipality.

The ARES shall treat all customers equally and shall not deny service to any customer in the Program, or alter rates for different classes of customers unless authorized by Illinois state law or administrative code.

## 15) Supplier (ARES) Selection Criteria

ARES responding to the RFP will be measured on the basis of Illinois licensing and certification standards, Price, Program marketing, experience, and quality of the response. The ARES will also hold Dunlap harmless of any financial obligations or liability that may arise as a result of the Program.

ARES Selection Criteria

- Price per kWh and corresponding terms;
- Power Supply Contract flexibility;
- Proof of financial solvency and investment grade credit rating;
- Quality of response to Request for Proposal;
- Program Marketing Plan and Informational outreach;
- Municipal Aggregation Experience;
- Municipal Opt-Out Experience;
- Certified as an Alternative Retail Electricity Supplier in the State of Illinois;
- Compliant to Purchase of Receivables-Consolidated Billing (“POR-CB Program”) facilitating Ameren single billing to participants in the Program.

## 16) Selected Supplier Responsibilities

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Dunlap will use a competent entity as an ARES to perform and manage aggregation services for the Program. The ARES shall provide adequate, accurate, and understandable pricing, terms and conditions of service, including, but not limited to, no switching fees and the conditions under which Program participant may Opt-Out without penalty.

The ARES must provide Dunlap and Consultant, upon request, an electronic file containing the Program participant's usage, charges for retail supply service and such other information reasonably requested by Dunlap or the Consultant.

The ARES shall create and maintain a secure database of all Program participants. The database will include the name, address, Ameren account number, and the ARES's account number of each active Program participant, 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 Supplier will develop and implement a program to accommodate participants who (i) leave the Program due to relocation, Opting-Out, etc. (ii) decide to join the Program; (iii) relocate anywhere within the corporate limits of the municipality, or (iv) move into the municipality and elect to join the Program. **(See Appendix A of this Plan)**

**Education:** The ARES shall develop and implement an educational program that generally explains the Program to all residential and small business customers.

ARES will provide updates and disclosures mandated by Illinois law and applicable rules and regulations, and implement a process to allow any participant the opportunity to Opt-Out of the Program according to the terms of the Power Supply Agreement.

**Customer Service:** Supplier shall hire and maintain an adequate customer service staff and develop and administer a written customer service process that will accommodate participant inquiries and complaints about billing and answer questions regarding the 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 participants may remit payment, and how collection of delinquent accounts will be addressed. The ARES and Dunlap will enter into a separate customer service plan agreement or the terms shall be included in the Power Supply Agreement.



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**Billing:** Ameren will provide a monthly billing statement to each Program participant which shall include ARES charges. The ARES will not charge any additional administrative fee(s).

**Compliance Process:** The ARES shall develop internal controls and processes to ensure that Dunlap remain in good standing as a Governmental Aggregator and ensure that the Program complies with the Act and all applicable laws, and rules and regulations, as they may be amended periodically. It will be the ARES responsibility to deliver reports at the request of the municipality in a timely manner that will include (i) the number of participants 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 participants charge for the supply of electricity from one designated period to another identified by the municipality. The ARES shall also develop a process to monitor, and shall promptly notify in writing, any changes or amendments to the Act, laws, rules or regulations applicable to the Program.

**Notification to Ameren:** The residential and small business customers in Dunlap that do not Opt-Out of the Aggregation Program will be enrolled automatically in the Program by the Supplier. Eligible residents and small businesses included in the Program 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 ARES shall provide such notice to Ameren. Periodically, the ARES will inform Ameren through electronic means, of any new members that it is enrolling into the Aggregation Group.

## 17) Liability

Dunlap shall not be liable to residents or participants for any claims, however styled, arising out of the Program or the provision of aggregation services by the municipality or the ARES. Participants or members in the aggregation group shall assert any such claims solely against the ARES pursuant to the power supply agreement.

## 18) Miscellaneous

The operation of Dunlap's Aggregation Program may be impacted by any of the following:

- Amendments to the Act;
- Federal Energy Regulatory Commission (FERC) tariffs that may be enacted or amended;
- Illinois Commerce Commission (ICC) rules and regulation as may be enacted or amended;

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- Ameren tariffs as approved or amended periodically by the ICC;
- Federal, state, and local laws;
- Rules, regulations, and orders approved or enacted by federal, state, or local regulatory agencies.

Dunlap will maintain a copy of this Plan of Operation and Governance on file at its administrative office. This Plan will be kept available for public inspection. It will, upon request, be copied for any potential or existing Program participants in accordance with the municipal rules for copying public documents.

## Appendix A: Sample Opt-Out Notice

### MUNICIPAL LETTERHEAD & LOGO

\_\_\_\_\_, \_\_ 2012

Dear (City, Village, County) resident,

On March 20, 2012, in the primary election a majority of citizens voted yes on a referendum question allowing corporate authorities to form a Municipal Opt-Out Electricity Aggregation. City officials are happy to offer eligible residents and small businesses SAVINGS over Commonwealth Edison (“ComEd”)/Ameren Illinois (“Ameren”) rates by banding together all eligible electric service classes.

The (City, County, Village) of \_\_\_\_\_ ran a competitive bid to select a licensed Alternative Electricity 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\_\_\_. There is no cost to join and you will not be charged a fee for partaking in this program. You are automatically

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enrolled and there is no need to do anything to participate.

As a participant of this Municipal Electricity Aggregation, you are expected to save \_\_\_\_ percent off your Price to Compare. Your Price-to-Compare is the price you pay for electric generation from the utility.

Your account will be transitioned to the Municipal Electricity Aggregation Program approximately within 30 - 45 days, depending upon your meter read date. You are not obligated to participate in the Village's aggregation program and you can remain with the utility without penalty or fees. If you wish to be removed from the program and remain a full-service customer of (ComEd/Ameren) you have a deadline date of \_\_\_\_\_, \_\_ 2012 to return the attached "opt-out" card. If you leave the program after the deadline, you could be subject to a cancellation fee from the Alternative Electricity Supplier.

After you become a participant in this governmental aggregation program, (ComEd/Ameren) will send you a letter confirming \_\_\_\_\_ as your Alternative Electricity 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.

**To remain in the Municipal Electricity Aggregation Program, you do NOT have to take any action when you receive this letter.**

ComEd/Ameren will continue to maintain the system that delivers power to your home or business. You will continue to receive a one bill from ComEd/Ameren. After enrollment is complete your bill will show your new supply rate from \_\_\_\_\_.

If you have any questions, please call the information line at \_\_\_\_\_, Monday through Friday,

8 a.m. to 5 p.m. Please do not call the (City, County, Village) of \_\_\_\_\_ with aggregation program questions.

Sincerely, (City, County, Village) of \_\_\_\_\_

Opt out by returning this form before the deadline date of \_\_\_\_\_, \_\_ 2012.

I do NOT want to participate in this Municipal Electricity Aggregation Program.

Service Address \_\_\_\_\_

City \_\_\_\_\_, Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_

Account Number \_\_\_\_\_

Account Holder Signature \_\_\_\_\_

Date \_\_\_\_\_