

City of Chicago Electricity Aggregation Program: Plan of Operation & Governance

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I. HISTORY AND PURPOSE OF ELECTRICITY AGGREGATION

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 allows consumers served by Commonwealth Edison Company (ComEd) and Ameren Illinois Utilities to purchase electricity supply from certified alternative retail electric suppliers (ARES). When consumers purchase electricity from an ARES, ComEd remains responsible for distributing electricity to them.

Industrial and commercial consumers largely adopted the use of the ARES supply option by 2007 while residential consumers did not. As of December 2009, only 185 of the 3.45 million ComEd residential customers were exercising their right to purchase electricity supply from competitive ARES providers. Lack of participation was due to transactional barriers and general unfamiliarity with the methods and potential benefits of the deregulated marketplace.

Public Act 96-0176¹ became effective on January 1, 2010, and sought to remove barriers and reduce consumer risk by allowing local municipalities to serve as intermediaries on behalf of residential and small commercial consumers located within their municipal borders. This authority is termed “electricity aggregation.”

Electricity aggregation allows local municipalities to negotiate electricity supply and service agreements on behalf of the residential and small commercial retail consumers located within their corporate borders. Several other states have passed similar electricity aggregation legislation, including California, Massachusetts, New Jersey, Ohio, and Rhode Island. To date, over 200 Illinois communities have established electricity aggregation programs to assist their residents with electricity purchasing. Due largely to certain long-term contracts entered into by the Illinois Power Agency in 2007, these municipalities have been able to secure electricity prices lower than those offered by ComEd on behalf of their residents. These municipalities have also been able to contract for better and more consistent consumer protections, and reserve the option to secure special services and supply options that meet the needs and policy objectives of the local community.

Pursuant to Section 1-92 of the Act, the City of Chicago (City) is authorized to aggregate the electric loads of small commercial retail and residential electricity consumers located within its municipal boundaries. As part of the electricity aggregation, the City may select a retail electric supplier (or suppliers) and may enter into a service agreement (or agreements) to provide for the purchase of electricity and related services and equipment on behalf of its small commercial retail and residential electricity consumers.

In accordance with the Act, on June 27, 2012, the City Council approved Resolution No. R2012-470, which authorized the placement of a referendum on the November 6, 2012 ballot asking whether the City should be able to establish an opt-out electricity aggregation program for its residential and small commercial retail consumers.

Prior to the passage of the referendum, the City retained the services of a consultant to assist with planning and implementing the City’s electricity aggregation program (Program). The

¹ Public Act 96-0176 was codified as section 1-92 of the Illinois Power Agency Act (the Act).

consultant's scope of work includes: assisting the City in preparing the request for qualifications (RFQ) and the bid request from qualified RFQ respondents; advising the City regarding the selection of the retail electricity supplier (or suppliers); and advising the City on public outreach and education related to electricity aggregation.

The City will conduct the due diligence, contract negotiation, and competitive bidding to obtain the low prices for electricity that individual consumers are unlikely to be able to achieve on their own. As the region's largest municipality, the City anticipates achieving low prices, favorable terms, and high levels of customer service.

The City will not resell power through the Program. Rather, the City will competitively bid and negotiate a Power Supply Agreement with one or more qualified and certified ARES (or ARESs) on behalf of Program participants. As part of its obligations under the Power Supply Agreement, the ARES (or ARESs) will provide electricity supply to residential and small commercial retail accounts enrolled in the Program at rates negotiated by the City. Also, the ARES (or ARESs) will assist the City in notifying residential and small business consumers about the Program, and facilitating the enrollment of individual electricity accounts into the Program. The ARES (or ARESs) will also provide ancillary services for Program participants as described in this Plan. The Program will operate on an opt-out basis, whereby all eligible residential and small commercial retail customers of ComEd located within the City will be automatically enrolled in the Program unless they decide to opt out of the Program. The Program will establish procedures by which parties may opt out of the Program to ensure that participation is voluntary, and consumers have the ability to decline to participate without penalty or fees.

By operating on an opt-out basis, the City can present a larger and more stable portfolio to potential bidders. As a result, the City hopes to receive more competitive and favorable offers from interested ARES.

As required by law, this Plan of Operation and Governance describes the City's plan for:

- 1) Providing universal access to all eligible residential and small commercial retail customers and equitable treatment of applicable residential and small commercial retail customers;
- 2) Providing demand management and energy efficiency services to each class of customers; and,
- 3) Meeting any other legal requirements concerning aggregated electric service.

The City conducted a public outreach campaign to educate consumers about the Program, and to gather input regarding Chicago residents' preferences for the development of this Plan of Operation and Governance. Outreach efforts included public meetings, two statutorily-required public hearings, press releases, an information mailing, and discussions with organizations and residents with a background in energy matters.

The City, the Consultant, and the selected ARES (or ARESs) will follow the Plan of Operations and Governances set forth in this document. Amendments to this Plan of Operations and Governances may be adopted in accordance with the Act at the option of the City. Any such amendments will be submitted to the City Council for review and approval.

II. DEFINITIONS

The following terms shall have the meanings set forth below:

“Act” shall refer to the Illinois Power Agency Act, 20 ILCS 3855/1-1 *et seq.*

“Aggregation” shall mean the pooling of residential and small commercial retail electrical loads located within the City for the purpose of soliciting bids and entering into service agreements to facilitate for those loads the sale and purchase of electricity and related services, all in accordance with Section 1-92 of the Act.

“Agreement” shall mean the contract between the City and the winning ARES (or ARESs).

“ARES” has the same meaning as that set forth in section 16-102 of the Public Utilities Act. 220 ILCS 5/16-102.

“Associate Member” shall mean a commercial retail electric account that is not an Eligible Retail Customer that elects to enter into a supply agreement with an ARES (or ARESs) serving as a supplier (or suppliers) to the City’s Program. An example of an Associate member is an account receiving service from ComEd under its small business tariff that consumes more than 15,000 kWh in a year.

“Ancillary Services” shall mean the necessary services that must be provided in the generation and delivery of electricity. As defined by the Federal Energy Regulatory Commission, Ancillary Services include: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves).²

“Bid” shall mean the submission a Qualified Bidder makes in response to the City’s Bid Request.

“Bidder” shall mean a respondent to the City’s Bid Request.

“Bid Request” shall mean a request to Qualified Bidders to provide pricing proposals.

“City” shall mean the City of Chicago.

“ComEd” shall mean the Commonwealth Edison Company

“Consultant” shall refer to any independent consultant with demonstrated expertise in electric supply contracting who is retained by the City to assist with the Program.

“Default Tariff Service” shall mean the applicable tariffed services provided by the Electric Utility as required by 220 ILCS 5/16-103 at the rates established in ComEd's “Price to Compare” for the applicable rate class, as posted on the ICC website, which includes ComEd's electricity supply charge plus ComEd's transmission services charge, but does not include ComEd's purchased electricity adjustment.

“Delivery Point” shall mean the ComEd interconnect.

² This is the definition used by the Federal Energy Regulatory Commission.

“Electricity Supply” shall mean the electricity commodity plus necessary capacity, transmission, distribution, and ancillary services provided to Program Members and Associate Members.

“Electricity Supply Bid” shall mean the bid process pursuant to which the City solicits pricing for transactions during the term of the Agreement.

“Electricity Supply Price” shall mean the unit price (\$/kWh) offered to Members through the Program.

“Eligible Retail Customer” shall mean the residential and small commercial retail customers of ComEd located within the City limits that are eligible to participate in the Program pursuant to section 1-92 of the Act (20 ILCS 3855/1-92).

“Energy Efficiency Services” shall mean those services that would allow Members and Associate Members to more efficiently utilize electricity.

“Energy Efficiency Services Agreement” shall mean the contract between the City and an Energy Efficiency Services Provider.

“Energy Efficiency Services Provider” shall mean an entity that provides Energy Efficiency Services to Program Members and Associate Members through an Energy Services Agreement with the City.

“Fixed Price” shall mean a non-variable Full Commodity Price for a specified period. This price includes all costs associated with delivering electricity to the Delivery Point and ComEd’s Utility Consolidated Billing and Purchase of Receivables services.

“Full Commodity Price” shall mean the all-inclusive unit price (\$/metered kWh volume) associated with delivering electricity to the Delivery Point. Such costs include, but are not limited to, energy (the cost of purchasing blocks of peak and off-peak energy, plus any shaping premium, plus any load following premiums), distribution losses (energy losses attributable to the distribution system), Ancillary Services (any additional charges from PJM that are not included in the transmission service charge), capacity (any charges associated with meeting the capacity requirements for delivering energy through PJM), transmission service charge (charges that recover the costs of using the transmission system, including the costs for services necessary for the reliable operation of the transmission system), PJM Auction Revenue Rights (entitlement allocated annually to firm transmission service customers that entitle the holder to receive an allocation of revenues or charges from the annual firm transmission rights auction), PJM marginal losses (credits that are calculated as total net energy charges plus total net marginal loss charges), renewable portfolio standard (charges associated with fulfilling renewable energy obligations including alternative compliance payments to the ICC), purchase of receivables/utility consolidated billing (charges associated with participating in these ComEd billing programs),

“Full Electricity Requirements” shall mean a sale of electricity supplies and services by the supplier in which the supplier pledges to meet all of each Member’s requirements, and the Members pledge to buy all of their electricity requirements from the supplier, for the delivery period identified in the RFQ.

“ICC” shall mean the Illinois Commerce Commission.

“IPA” shall mean the Illinois Power Agency.

“kWh” shall mean a kilowatt-hour.

“Load” shall mean the electric energy in kWhs required to serve the Members and Associate Members of the City’s Program.

“Member” shall mean an Eligible Retail Customer enrolled in the City’s Program.

“Opt-Out Notice” shall mean the written notice delivered to each Eligible Retail Customer by the City or the supplier identifying the procedures and protocols that they must use to elect to not participate in the Program.

“Opt-Out Period” shall mean the 14-day period of time during which an Eligible Retail Customer is informed in writing of the opportunity to not participate in the Program.

“PIPP” shall mean a Percentage of Income Payment Plan created by the Emergency Assistance Act (305 ILCS 20-18) to provide a bill payment assistance program for low-income residential customers.

“PJM” shall mean the PJM Interconnection, a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia, including the ComEd service territory.

“Plan” shall mean this Aggregation Plan of Operations and Governance.

“Price to Compare” shall mean the unit price for ComEd electricity supply services for each customer class which is the sum of the electricity supply charge and the transmission services charge as established by ComEd Rider PE (Purchased Electricity) and Rate BES (Basic Electricity Service) or their successor Rates and Riders.

“Program” shall mean the program established by the City to provide residential Members and Associate Members with retail electric supply as described in this Plan.

“Program Database” shall mean the account information utilized by the City to track Members and Associate Members.

“Qualified Bidder” shall mean an entity that is determined by the City to be qualified on the basis of its qualification submittal to submit a bid for to provide energy supply or services to the Program.

“Rate GAP” shall mean ComEd’s Government Aggregation Protocols rate.

“RECs” shall mean duly certified and verified renewable energy credits.

“Retail Customer Identification Information” shall mean the retail customer information supplied by ComEd to the City in connection with the implementation of the Program.

“RFQ” shall mean request for qualifications.

“RFQ Respondent” shall mean an ARES that submits a response to the City’s RFQ.

“Small Commercial” shall mean a retail customer with an annual total energy consumption of less than 15,000 kWh.

“RPS” shall mean the statutory requirements related to the procurement of renewable energy resources as included in section 16-115D of the Public Utilities Act. 220 ILCS 5/16-115D.

“Voluntary Enrollment Members” shall mean Eligible Retail Customers that seek to join the Program after a period of not being enrolled in the Program.

III. ROLE OF THE CITY

- A. Legal Compliance.** The City shall be responsible for adopting: (1) an ordinance authorizing an opt-out electric aggregation program; and (2) the Plan of Operation and Governance. The City shall be responsible for issuing all required public notices and conducting all required public hearings concerning this Plan, and any amendments thereto, in accordance with Section 1-92 of the Act. 20 ILCS 3855/1-92.
- B. Consumer Outreach and Education.** During the term of the Agreement, the City shall be responsible for coordinating or providing timely and accurate information concerning the Program to City residents. The City may engage the services of the Consultant and ARES(s) for assistance in performing this function.
- C. Identification of Eligible Retail Customers.** The City shall submit initial and ongoing data requests to ComEd seeking the identification of residential and small commercial retail electric customer account information. The City may undertake, or assign to the Consultant or ARES, the task of verifying which residential and small commercial retail customers are located within the City’s municipal boundaries. If the City assigns this task to the Consultant or ARES, the City will make available the resources necessary to complete the task including any or all of the following: property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings, and maps.
- D. Confidentiality.** The City will maintain the customer information it receives in a confidential manner as required by section 1-92(c)(2) (20 ILCS 3855/1-92(c)(2)), and will use that information only for purposes of its electricity aggregation. The City may provide access to the customer information to the Consultant for the purposes of soliciting Electricity Supply and Energy Efficiency Service bids on behalf of the City for the Program. The Consultant is bound by confidentiality requirements in this regard, and shall only access and utilize consumer data at the direction of the City. Customer account information will be considered confidential and will not be disclosed under the Freedom of Information Act, except as required by law.
- E. Solicitation Development.** The City, in cooperation with the Consultant, shall develop standardized solicitation documents in accordance with the terms set forth in this document. The City shall continue to periodically conduct competitive solicitations and enter into Power Supply Agreements so long it is in the best interest of the City’s Eligible Retail Customers. Such future solicitations are subject to the approval of the Chicago City Council. The City is under no obligation to enter into any Power Supply Agreement with any ARES and may, in its discretion, choose to not pursue electricity aggregation. If the City were to choose to not pursue electricity aggregation, Eligible Retail Customers would

continue to receive service pursuant to ComEd's Default Tariff Service or, if individual Eligible Retail Customers so choose, to receive service from an ARES.

- F. Communication Materials.** The City, in cooperation with the Consultant and ARES(s), shall draft customer notification materials during the switching and Opt-Out Period. The City shall specify the form and content of such materials, and all communications disseminated by the ARES(s) to residential and small commercial account holders during the opt-out process must be approved by the City.
- G. Program Cost Reimbursements.** The City may receive reimbursements from supplier(s) to reimburse the City's expenses associated with establishing and managing the Program. The supplier(s) may treat such reimbursement expenses as pass-through expenses that are included in the Fixed Price.
- H. No Responsibility for Electricity Supply.** The City, as a facilitator of the solicitation process, is not responsible for providing electricity to the Members or Associate Members or for billing or collecting for electricity provided under any Power Supply Agreement, and has no responsibility beyond the duties described herein.
- I. No Responsibility for Accuracy of Account Data.** The City, Consultant and ARES shall have no responsibility to Members or Associate Members for the accuracy of the customer account information provided by ComEd.
- J. Associate Member Program.** The City, in cooperation with the Consultant, may develop an Associate Member Program that would provide Program services to ComEd customers located within the City that are not an Eligible Retail Customer. Associate Members are to receive individual pricing offers from the Supplier, and are not entitled to the Fixed Price provided to Members.

IV. ROLE OF THE CONSULTANT

- A. Code of Conduct.** The Consultant will comply with the code of conduct requirements included in section 16-115C of the Public Utilities Act. 220 ILCS 5/16-115C.
- B. Duties.** The Consultant shall advise and assist the City with the development and implementation of its Program; including advising staff and elected officials on all aspects of the Program, developing necessary documents, assisting in the solicitation and review of responses and bids received, making recommendations as appropriate, and may be assigned the task of monitor the ARES' compliance with the requirements of the Power Supply Agreement.
- C. Required Independence and Disclosures.** As required by section 16-115(c) of the Public Utilities Act (220 ILCS 5/16-115C), the Consultant has a fiduciary relationship with the City and owes the City the duty of loyalty and independent judgment. Pursuant to his agreement with the City, the Consultant will be disqualified if he acts as the agent for any ARES. It is the duty of the Consultant to disclose any such relationships to the City and to terminate its agency for the ARES in the event of such a relationship. Breach of such

agreement may result in the termination by the City of the agreement between the City and the Consultant.

- D. Fee.** The Consultant shall be paid directly by the City in accordance with an agreement between the City and the Consultant. The City may be reimbursed for fees paid to the Consultant by the ARES (or ARESs) with whom the City enters into a Power Supply Agreement (or Power Supply Agreements).
- E. Confidentiality.** The Consultant shall not have access to any confidential customer account information unless so allowed by the City. If the Consultant is provided access to confidential customer account information, it will be bound by a confidentiality agreement. In the event the Consultant becomes privy to any confidential customer account information, it agrees not to use that information for any purposes outside the scope of the services provide by this Agreement, and specifically agrees not to use for itself, or to sell, trade, disseminate or otherwise transfer, that information to any other party for any purpose other than in furtherance of this Program.
- F. City Assistance.** The Consultant shall advise the City on any changes in laws, rules, tariffs or any other regulatory matter that affects the aggregation during the formation of the Program and may be assigned the task of providing such advice during the term of the Power Supply Agreement.

V. SUPPLIER SELECTION

- A. Competitive Selections.** The City, in cooperation with the Consultant, shall utilize a competitive solicitation process to select single or multiple ARES(s) and or single or multiple Energy Efficiency Service Provider(s). The competitive selection process will allow the City to issue written specifications for the energy supplies and services required by Program Members and Associate Members, distribute those specifications to potential suppliers, and to review proposals in a manner to secure the best value (as defined in the procurement documents) for Members and Associate Members. The City will not be required to enter into agreements with any Bidder pursuant to any solicitation.
- B. Selection Process.** The City may conduct two-phase supplier selection processes. The first phase may be the issuance of an RFQ. The RFQ will be used to identify Qualified Bidders that can participate in the second phase. The second phase of the supplier selection process will be the submission of a bid document to Qualified Bidders.
- C. Request for Qualifications.** For the initial Power Supply Agreement, the City, in cooperation with the Consultant, shall develop an RFQ that will be issued by the City's Department of Fleet and Facility Management. Through the RFQ process, the City will determine Qualified Bidders that meet the criteria specified in the RFQ. If an RFQ Respondent meets all requirements of the RFQ, the RFQ Respondent will be qualified to participate in a future bid process for supply of electricity to program participants.
 - 1. Disclosures.** In determining whether RFQ respondents are responsible and should be qualified, the City will consider factors that include, but are not limited to, certifications, conflict of interest disclosures, taxpayer identification number, past

performance, references, and compliance with applicable laws, financial stability, and the perceived ability to perform as specified. RFQ respondents must have financial resources sufficient, in the opinion of the City, to ensure performance of the Power Supply Agreement and must provide proof upon request.

2. **Enrollments.** RFQ respondents shall describe the manner and time in which the Opt-Out Process will be handled, and the manner in which it communicates with ComEd to enhance Eligible Retail Customer participation in the Program. RFQ respondents must describe the process for adding new customer accounts to the Program during the term of the Power Supply Agreement.
3. **Enrollment Certainty.** RFQ respondents must submit a detailed schedule and task description report identifying the measures to be taken to ensure timely enrollment of Member accounts. RFQ respondents must identify possible causes for delay in the enrollment process, present options for mitigating delays, and commit to paying damages for delays in the enrollment schedule that are due to the RFQ Respondent's failure to meet agreed-to performance milestones identified in the schedule. Reimbursements will be calculated as the difference between the Fixed Price and the Price to Compare multiplied by the number of kWh billed during each monthly billing cycle that the Member remains on the ComEd Default beyond the targeted enrollment date.
4. **PIPP participation.** RFQ respondents shall certify that they can provide energy supply service to PIPP participants in a manner that does not cause PIPP participant to lose the benefits of the PIPP assistance program.
5. **Member Services.** RFQ respondents must describe how they will provide membership education, supply Opt-Out Notices, respond to customer inquiries, communicate with the public regarding the Program, and any other ongoing consumer education efforts.
6. **Confidentiality.** RFQ respondents must describe the controls they have in place to guarantee the confidentiality of customer account information.
7. **Technical Qualification of Proposers.** RFQ respondents must demonstrate that they satisfy each of the following requirements:
 - I. **Certifications.** RFQ respondents must document that they possess current and valid certifications and agreements necessary to the delivery of Electricity Supply to the Program:
 1. **ICC Certification.** RFQ respondents must have a current certificate of serviced authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the ICC. Bidders must provide proof of their bond posting with the ICC.
 2. **ComEd Registration.** RFQ respondents must demonstrate their current registration as a retail electric supplier with ComEd.

- 3. Existing Transmission Agreements.** RFQ respondents must demonstrate their current supply agreement(s) for network integration transmission service under open access transmission tariffs.
- II. Resources.** RFQ respondents must demonstrate that they possess the resources and systems necessary to serve the Program:
- 1. Corporate Support and Resources.** RFQ respondents must document the necessary corporate structure and local staff to provide energy power supplies to the Program.
 - 2. Financial Stability.** RFQ respondents must provide documentation of investment-grade corporate debt rating as evidenced by one of the major investment rating agencies. RFQ respondents that operate as subsidiaries to larger corporate organizations must provide a letter of acknowledgement from the parent firm citing that the parent company supports the financial liabilities and obligations of the Respondent.
 - 3. EDI Systems.** RFQ respondents must demonstrate that they possess an existing electronic data interchange computer network that is fully functional at all times and includes back-up file saving systems, and is capable of handling anticipated Program volumes.
 - 4. Communications Platforms.** RFQ respondents must demonstrate the ability to receive and respond to inquiries from Program participants, including, at minimum:
 - a. Marketing Support.** RFQ respondents must demonstrate that they possess the existing ability to reach Program participants to provide education on the terms of the Program and the Act. Bidders must demonstrate how marketing materials and messages can be provided to Members and Associate Members through, but not limited to, the following communication portals: regular mail; email distribution lists; websites; social media; and phone contact.
 - b. Toll Free Call Center.** RFQ respondents must demonstrate that they maintain - or will maintain - a toll-free telephone access line which shall be available to Program Members and Associate Members 24 hours a day, seven days a week. The call center shall be located in the United States. Trained company representatives shall be available to respond to customer telephone inquiries Monday through Friday from 6:00 am CDT to 9:00 pm CDT. Outside of these hours, the access line may be answered by a service or an automated response system, including an answering machine. Inquiries

received after required hours shall be responded to by a trained company representative on the next business day. Under normal operating conditions, telephone answer times by a customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds.

- c. **Program Website.** RFQ respondents must demonstrate that they maintain – or will maintain - a dedicated website for the Members and Associate Members. The website shall provide basic information concerning the Program and shall facilitate customer inquiries by providing a platform for the submission of questions. The website shall allow for opt outs during the Opt-Out Period and for enrollments after the Opt-Out Period. Responses to inquiries submitted through the website platform shall be made within 24 hours.
- d. **Multiple Languages.** RFQ respondents must demonstrate the ability to provide customer service for Members requiring non-English verbal and written assistance.
- e. **Hearing Impaired Services.** RFQ Respondents must demonstrate the ability to provide customer service for hearing-impaired Members.
- f. **Data Services.** The Supplier will provide Members with access to their account’s historical electricity consumption and costs; information concerning the opportunities and advantages for energy efficiency and distributed generation; and analytical tools to aid in establishing more efficient use of electricity.

III. **Policy Commitment.** RFQ respondents must certify that they will comply with policy commitments deemed as priorities by the City. At a minimum, RFQ Respondents shall commit to the following:

- 1. **Minority- and Woman-Owned Business Participation.** RFQ Respondents must demonstrate minimum participation levels for minority- and women-owned businesses in the fulfillment of Program requirements. The City will establish the goals that RFQ respondents must meet.
- 2. **Compliance with the Law.** RFQ respondents must commit to comply with all applicable laws and regulations of the State of Illinois and the City of Chicago.

III. Rates. One of the City's objectives in soliciting bids is to provide Members and Associate Members with delivered electricity prices that are less than the Price to Compare. As such, Bidders must commit to a rate that is below the Price to Compare during the entire term of the Agreement. In the event the Price to Compare is less than the Supplier's rate, then the Supplier will have the option of:

1. Reducing the Agreement Fixed Price to a rate at least equal to or below the Price to Compare; or
2. Transferring Program accounts to Default Tariff Service at the discretion of the City; or,
3. Transferring Program accounts to another ARES (or ARESs) selected by the City as authorized by the City Council.

Additionally, any pass-through costs, such as administrative reimbursements to the City, program costs, and assigned or bilateral agreements as defined in the program operations plan shall be disregarded for purposes of comparing the Fixed Price and the Price to Compare.

VI. POWER SUPPLY SERVICE AGREEMENT

The City, at its option, will execute a Power Supply Agreement with one or multiple ARES.

- A. Term.** The City shall have the discretion to set the length of any Agreement term. During the term of any Agreement or the term of any Agreement extension or renewal, the Consultant will notify the City of changes in the rules or actions of the ICC and IPA that require changes in rates or service conditions.
- B. Rate.** The Agreement shall specify the approved rates and the power mix for the Program, and shall specify additional fees (if any). The Agreement shall also specify any monies that are to be remitted to the City to reimburse the City for the costs associated with the development and management of the Program.
- B. Participation.** The City may, at its discretion, enter an Agreement with one or multiple ARES to provide terms, prices, and specific service requirements for the Program. The Program will be comprised of Program Members and may include Associate Members.
- C. Scope.** The City may, at its discretion, elect to secure Energy Efficiency Services as well as Energy Supply through the Power Supply Agreement.
- D. Electricity Supply.** The ARES(s) shall supply the Full Electricity Requirements for the Program Members in accordance with the provisions as noted below:
 1. **Supply of Power.** The City reserves the right to require the ARES(s) to specify the power source content for the electricity it secures for Program needs. Additionally, the City reserves the right to specify that certain bilateral electricity supply

arrangements be incorporated into the supply portfolio that supports the Program. The pricing for such bilateral contracts will be facilitated by the ARES(s) as pass-through expenses without additional markup beyond the terms allowed in the Agreement.

- 2. Supply of Capacity.** The City reserves the right to require the ARES(s) to specify the sources for the capacity it secures for Program needs. Additionally, the City reserves the right to specify that certain bilateral capacity arrangements be incorporated into the supply portfolio that supports the Program. The pricing for such bilateral contracts will be facilitated by the ARES(s) as pass-through expenses without additional markup beyond the terms allowed in the Agreement.
 - 3. Supply of Transmission Services.** The ARES(s) shall arrange for such transmission services that are required to deliver electricity to the Delivery Point on behalf of the Members and Associate Members.
 - 4. Renewable Portfolio Standard.** The selected ARES(s) are required, at a minimum, to comply with the Illinois RPS. The City reserves the right to require that the selected ARES(s) procure renewable resources that exceed the current renewable energy resource requirements of the RPS.
- E. Compliance with Requirements in the Energy Supply Bid.** The Power Supply Agreement shall require the ARES(s) to maintain all required qualifications and certifications and to provide all services required pursuant to the Power Supply Services Bid.
 - F. Compliance with the Plan.** The Power Supply Agreement shall provide that all services required in accordance and compliance with the Plan of Operation and Governance adopted by the City, provided that if there is any discrepancy between (a) the Plan of Operation and Governance, and (b) the Agreement, the terms of the Agreement will prevail. Specifically, and without limitation of the foregoing, the ARES(s) shall provide the City with such reports and information as required in this Plan.
 - G. Non-Competition.** The Power Supply Agreement shall require that the selected Supplier not utilize data provided to the Supplier for the purposes of managing the Program to market electricity supply offers to eligible retail customers located within the City.
 - H. Equal Treatment.** The Power Supply Agreement shall require the ARES(s) to provide equal Program access and not deny service to any Eligible Retail Customer. The ARES(s) shall not change rates for any Program Member or Associate Member unless such rate changes are provided for in the Agreement.
 - I. Hold Harmless.** The Agreement shall require the ARES(s) to agree to defend, indemnify and hold harmless the City, its officers, employees, agents, and attorneys, from and against any injuries, claims, demands, judgments, damages, losses and expenses, including reasonable attorney's fees and costs of suit or defense, directly resulting from the Supplier's provision of the services to the Members and Associate Members, except to the extent caused by the negligence of the City. This duty shall survive for all claims made or actions filed within one year following either the expiration or earlier termination of the Agreement. The City shall

give the Supplier timely written notice of its obligation to indemnify and defend the City after the City's receipt of a claim or action pursuant to this Section. For purposes of this Section, the word "timely" shall mean within a time period that does not cause prejudice to the respective positions of the Supplier and/or the City. Nothing herein shall be construed to limit the Supplier's duty to indemnify the City by reference to the limits of insurance coverage described in this Agreement.

- J. Insurance.** The Agreement shall require the ARES(s) to obtain and maintain, for the duration of the Agreement, such proof of insurance as the City deems necessary.
- K. Additional Services.** The Agreement may provide that the ARES(s) assist the City in developing a Member education plan. The Agreement may provide that the ARES(s) assist the City in developing energy efficiency and/or demand response programs. The Agreement will not preclude the City from developing its own Member education plan, energy efficiency, and/or demand response programs.
- L. Fees and Charges.** The Agreement shall establish the following limits on fees and charges:
 - 1. The ARES shall not impose any terms, conditions, fees, or charges on any Member or Associate Member served by the Program unless the particular term, condition, fee, or charge, or the possibility of a change in the same, is clearly disclosed to the Member or Associate Member at the time the Member or Associate enrolls in, or chooses not to opt out of, the Program.
 - 2. ComEd will continue to bill Members and Associate Members for late payments, delivery charges, monthly service fees, taxes, etc. These charges will remain the obligation of the Member or Associate Member in the event they leave the Program.
 - 3. Termination, enrollment, and switching fees shall not be permitted.
- M. Costs.** The Agreement may require that all costs of Program development and administration may be paid by the ARES(s).
- N. Termination of Service.** The Agreement shall establish the following requirements concerning termination of service from the ARES(s) to the Program:
 - 1. **End of Term.** The Power Supply Agreement with the supplier(s) will terminate upon the expiration date in the contract. In the event that a renewal with the supplier(s), or a new Agreement with another ARES(s) has not been executed, the supplier(s) will, at the option of the City, either (i) return all Program Members and Associate Members to the ComEd Default Tariff Rate, (ii) continue to provide service to Members and Associate Members pursuant to the terms of the Agreement.
 - I. If the City determines to allow the supplier(s) to continue supplying Members and Associate Members on a month-to-month basis, the supplier(s) will provide such service at a rate based on fair market value of electricity that is below the Price to Compare.
 - II. If the supplier(s) cannot provide Electricity Supply at a rate below the Price to Compare, the supplier(s) will return Members and Associate

Members to the ComEd Default Tariff Rate provided it gives the City thirty (30) days' notice.

- iii. If the City determines to allow the supplier(s) to continue supplying Members and Associate Members on a month-to-month basis, the supplier(s) will continue under such an arrangement until the City provides it with 30 day written notice to discontinue providing service. If the ARES(s) cannot provide Electricity Supply at a rate below the Price to Compare, the ARES(s) may, (i) return Members and Associate Members to the ComEd Default Tariff Rate provided it gives the City thirty (30) days' notice, or (ii) at the direction of the City, and as approved by the Chicago City Council, facilitate the transfer of the Members' and Associate Members' accounts to another ARES(s).

2. Early Termination. The City will have the right to terminate the Power Supply Service Agreement prior to the expiration of the term in the event the supplier(s) commits any act of default. Acts of default include but are not limited to the following:

- I. Breach of confidentiality regarding Member or Associate Member customer account information;
- II. The disqualification of the supplier(s) to perform the services due to the lapse or revocation of any required license or certification identified as a qualification in the RFQ or Bid processes;
- III. ComEd's termination of its relationship with the supplier(s);
- IV. Any act or omission which constitutes deception by affirmative statement or practice, or by omission, fraud, misrepresentation, or a bad faith practice;
- V. Billing in excess of the approved rates and charges;
- VI. Billing or attempting to collect any charge other than the approved kWh rates and contractually approved charges; or
- VII. Failure to perform at a minimum level of customer service required by the City.

3. Upon termination for any reason, the ARES(s) shall, at the direction of the City, either (i) return Members and Associate Members to the ComEd Default Tariff Rate, or (ii) facilitate the transfer the Members' and Associate Members accounts to another ARES(s) selected by the City. Upon termination of a Power Services Supply Agreement, each affected Member and Associate Member will receive written notification from the City notifying them of the termination and the alternative supply arrangements the City has arranged.

VII. IMPLEMENTATION PROCEDURES

A. Development of Program Database. Pursuant to ICC regulations, the City has and will periodically submit a municipal authority data request form (or its successor form) to ComEd, requesting that ComEd provide the City the aggregated customer usage data and customer names and mailing addresses. Pursuant to ComEd's Rate GAP, ComEd will provide the City with the requested information within 10 business days after receiving the request in accordance with those adopted protocols.

The City may utilize the assistance of the Consultant to remove any consumers determined to be ineligible due to one or more of the following:

1. The consumer is not located within the City limits;
2. The consumer has a pre-existing agreement with an ARES not providing services to the Program and has not delivered to the City a request to switch to the Program;
3. The consumer has free ComEd service;
4. The consumer is receiving service from ComEd on Rate BESH (Basic Energy Service Hourly Pricing);
5. The consumer is receiving service from ComEd on a rate that offers a price lower than the Program's Fixed Price;
6. The consumer is on a ComEd bundled hold status.

The information for the consumers identified as Eligible Retail Customers will serve as the basis for the Program Database. The Program Database and the retail customer identification information will remain the property of the City. The City may assign maintenance of the Program Database to the ARES(s) which shall comply with the confidentiality and non-compete provisions in the Power Supply Agreement.

After the retail customer identification information is reviewed, the City may itself, or elect to assign to the ARES(s), mail an initial Opt-Out Notice described below to all Eligible Retail Customers. Eligible Retail Customers that request to Opt-Out of the Program will be identified in the Program Database.

B. Maintenance of Accurate and Secure Customer Records. The City may assign the supplier(s) the responsibility to maintain the Program Database that will contain Member and Associate Member information. Member and Associate Member account information will include each account's retail customer identification information, the ComEd account number, the ARES account number, applicable rate code, applicable rider code, billed usage, and demand history. The database will be updated on an ongoing basis.

The City and supplier(s) shall preserve the confidentiality of all Members' and Associate Members' account information and of the database, and shall agree to adopt and follow protocols to preserve that confidentiality:

1. The supplier(s), as a material condition of the Agreement, shall not disclose, use, sell or provide Members' or Associate Members' account information to any person,

firm or entity for any purpose outside the operation of the Program. This provision will survive the termination of the agreement.

2. The City and the supplier(s), upon receiving customer account information from ComEd, shall be subject to the limitations on the disclosure of that information described in Section 2HH of the Consumer Fraud and Deceptive Practices Act. 815 ILCS 505/2HH.
3. The supplier(s) shall keep Customer account information for a minimum of two years following the termination of the Service Agreement.
4. The supplier(s) shall provide the City with access to the Program Database as well as standard and customized reports upon request.

C. Opt-Out Process. The City's Program is an opt-out program. Any Eligible Retail Customer who opts out of the Program pursuant to the procedures stated below will remain on the ComEd Default Tariff Service unless and until the account holder chooses another ARES or decides to join the Program.

1. **Manner of Providing Notices and Information.** The City (or, at the City's direction, the supplier(s)) will mail to each Eligible Retail Customer a written Opt-Out Notice to the address provided in ComEd's response to the City's request for Retail Customer Identification Information. The Opt-Out Notice will be printed on City Stationary, and sent in an envelope complete with a City return address and seal. The City may elect to assign the management and payment for the Opt-Out Notice process to the winning supplier(s), the Consultant, or another entity.
2. **Content of Notice.** The City will establish the format and contents of the Opt-Out Notice prior to distribution or mailing. The Opt-Out Notice will inform the Eligible Retail Customer of the existence of the electricity aggregation Program, the identity of the ARES(s) selected to provide supply services to their account, the rates to be charged by the winning ARES(s), the comparable rates charged by ComEd, the percentage savings represented by the winning ARES offer, and the terms and conditions of the winning ARES(s)' agreement(s).

The Opt-Out Notice will inform PIPP customers that they may participate in the Program and not lose PIPP eligibility by participating in the Program. The Opt-Out Notice will inform recipients that have existing supply contracts with other ARES that they may join the Program at their own option.

The Opt-Out Notice will specify the methods for exercising the opt-out option including a postage-prepaid Opt-Out card that will be attached to the Opt-Out Notice. Additional means of providing opt-out notification to the City such as a toll-free number, website, smart device quick response code, email address or fax number may be included in the Opt-Out Notice.

The Opt-Out Notice shall indicate that it is from the City, and include the City's name and seal on the envelope. The Opt-Out Notice shall be signed by a representative of the City.

- 3. Opt-Out Period.** Eligible Retail Customers shall have 14 calendar days from the postmark date on the Opt-Out Notice to notify the City of their intention to opt out of the City's Program. The time to respond shall be calculated based on the postmark date of the notice to the customer and the postmark date of the customer's response. Upon notification of intent to opt out of the Program, the account will be removed from the Program Database.

After the expiration of the Opt-Out Period, the Member list shall become final. All Eligible Retail Customers who have not provided notice of intent to opt out of the Program will be automatically enrolled as Members in the Program. Eligible Retail Customers will not have to take any steps to be included in the Program.

In the event that an Eligible Retail Customer has inadvertently not sent an Opt-Out Notice, or has not been included in the Program, the City and the winning ARES(s) will work with the Eligible Retail Customer to ensure that their decision to remain in or opt out of the Program is properly recorded and implemented by the ARES.

- 4. Data Request to ComEd.** After the Opt-Out Notice period has expired, the City shall submit a Municipal Authority Data Request Form (or its successor Form) to ComEd, requesting that ComEd provide the City with the account numbers for Program Members. Pursuant to Rate GAP, ComEd will respond to the request within the ten (10) days.
 - 5. Notification to ComEd.** The winning ARES(s) shall correlate each Member with their applicable ComEd account numbers. The winning ARES(s) shall submit to ComEd the account numbers for each Member to be enrolled into the Program and the rate to be charged to those Members pursuant to the Agreement. The winning ARES(s) shall provide the account enrollment information in the format required by ComEd.
 - 6. ComEd Communication with Customers.** ComEd will then notify Members that they have been switched to the Program's winning ARES(s) and provide the Member with the name and contact information of the winning ARES. Members will have the option to rescind their participation in the Program according to procedures established by ComEd.
- D. Activation of Service.** Upon notification to ComEd, the winning ARES(s) will begin to provide electric power supply to the Members of the Program. The service will begin on the Member's normal meter read date within a month when power deliveries begin under the Program. Members will continue to receive their monthly billing statements from ComEd. Members will continue to issue their monthly payments to ComEd.
- E. Subsequent Member Enrollments and Deletions.** The winning ARES(s) shall establish procedures and protocols to work with ComEd on an ongoing basis to add, delete, or change any Member's status with the Program. After the initial Opt-Out period, Eligible Retail Customers can join the Program under the following mechanisms:
- 1. New Account Holders.** The winning ARES(s) shall facilitate the addition of new Member accounts to the Aggregation Program during the term of the Power Supply

Agreement. The City will periodically submit a request to ComEd for aggregated customer usage data and the names and mailing addresses for Eligible Retail Customers. The City, with the assistance of the winning ARES(s) and the Consultant, shall compare the new aggregated customer usage data and customer names and mailing addresses against the Program Database to identify new Eligible Retail Customers. The City and the winning ARES(s) will follow the Opt-Out Notice Process identified in Section VII(C) above to notify the new Eligible Retail Customers of the Program and allow them an opportunity to opt out of the Program. New Eligible Retail Customers who do not opt out of the Program will be enrolled into the Program at no cost. All new accounts shall be entitled to the rates set forth in the Power Supply Agreement.

2. **Voluntary Enrollment.** Eligible Retail Customers who chose to opt out of the Program during either the Initial Opt-Out Period or at any subsequent time shall be allowed to join the Program at any time at no cost. These Eligible Retail Customers can enroll in the Program by contacting the winning ARES and completing an enrollment application. Such customers shall be entitled to the rates set forth in the Agreement. Once such customers have completed the steps necessary to join the Program, they shall be considered Members.
3. **Change of Address.** Members who move from one location to another within the corporate limits of the City may enroll their new accounts into the Program through either of the processes identified in Sections VII(E)(1) or VII(E)(2) of this Plan.

F. Member Services. At minimum, the winning ARES(s) shall provide the following services for the Program. Additional services from the winning ARES(s) or other service providers may be required by the City in the future.

1. **Program Management and Documentation.** The winning ARES(s) shall have a standard operating procedures manual that governs the activities and responsibilities of the winning ARES(s) staff assigned to the City's Program. At minimum, the winning ARES(s) shall have in place protocols and procedures that address member education, Opt-Out Notification, member inquiries, database management, reporting, and new account enrollment.
2. **Member Interaction.** The winning ARES(s) shall be responsive to the City's, Members', and Associate Members' inquiries about the Program.
 - a. **Receiving Inquiries.** The winning ARES(s) shall maintain at least the following options for receiving and responding to Member and Associate Member Inquiries.
 1. **Telephone Inquiries.** The winning ARES(s) shall maintain a local or toll-free telephone access line which will be available to Members and Associate Members 24 hours a day, seven days a week. Trained company representatives will be available to respond to customer telephone inquiries during normal business hours. After normal business hours, the access line may be answered by a service or an

automated response system, including an answering machine. Inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Under normal operating conditions, telephone answer times by a customer representative, including wait time, shall not exceed 30 seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds. These standards shall be met no less than 90 percent of the time under normal operating conditions, measured on a quarterly basis.

2. **Internet and Email.** The winning ARES(s) shall establish and maintain a website for Members and Associate Members. The website shall provide basic information concerning the Program and will facilitate Member and Associate Member inquiries by email and or text. Responses to inquiries submitted through the website must be made by the next business day.
 3. **Bilingual Services.** The winning ARES(s) shall provide customer service for Members and Associate Members requiring non-English verbal and written assistance.
 4. **Hearing Impaired.** The winning ARES(s) must provide customer service for hearing impaired and hard of hearing Members and Associate Members.
- b. **Responding to Inquiries.** The winning ARES(s) shall provide Members and Associate Members with the most accurate and actionable responses.
1. **Procedures for Handling Members' and Associate Members' Reliability Issues.** Inquiries or concerns regarding electricity service reliability shall be directed to ComEd.
 2. **Procedures for Handling Members' and Associate Members' Billing and Enrollment Issues.** Inquiries or concerns regarding billing issues shall be directed to the entity with primary responsibility for the billing issue in question.
 - a. **Non-receipt of monthly bill.** Member and Associate Member inquiries or concerns regarding the issuance and receipt of monthly bills shall be directed to ComEd.
 - b. **Bill Payment Issues.** Member and Associate Member inquiries or concerns regarding the status of outstanding payment balances and past due issues shall be directed to ComEd.
 - c. **Distribution Charges or Taxes and Fees portions of the monthly bill.** Member and Associate Member inquiries or

concerns regarding the accuracy of the distribution charges or taxes and fees portions of the monthly bill shall be directed to ComEd.

d. **Electricity Supply Services or Program price portion of the monthly bill.** Member and Associate Members inquiries concerning the electricity supply services or Program price portion of the monthly bill shall be directed to the winning ARES(s).

e. **Program Enrollment.** Eligible Retail Customer, Member, and Associate Member inquiries concerning the Program enrollment shall be directed to the ARES(s).

c. **Procedures for Handling Disputes.** The winning ARES(s) will have direct contractual obligations with each Member and Associate Member. Disputes between the winning ARES(s) and Members and Associate Members shall be resolved at the earliest opportunity. Consistent with regulatory practice, any unresolved disputes should be directed to the ICC. The nature and extent of disputes between Members and Associate Members and the winning ARES(s) may serve as the basis for termination of the Agreement with the winning ARES(s) consistent with the provisions of Section VI(N)(2) of this Plan.

d. **Updates and Disclosures.** The winning ARES(s) shall provide the Program Members and Associate Members with updates and disclosures mandated by the ICC, the IPA or the City.

e. **Online Account Data.** The City may require the winning ARES(s) to provide Members and Associate Members with access to their individual customer account data and energy-related information (historical consumption, costs, comparisons with regional norms, energy efficiency and distributed energy program options, etc.) for the purposes of providing Members and Associate Member with the ability to better control energy consumption and costs.

G. Billing and Fees. Billing procedures and the applications of fees shall follow the following guidelines and requirements.

1. **Billing Method.** The winning ARES(s) will utilize the utility consolidated billing/purchase of receivables (UCB/POR) billing method. Under this method, ComEd shall prepare the bill for both ComEd's electric delivery charges and the winning ARES(s) electric supply charges and mail one bill to the customer. ComEd shall purchase the electric supply charges from the ARES(s) on the bill due date and treat those receivables as its own for credit purposes. ComEd shall retain the ability to disconnect for customer non-payment of the winning ARES(s) electric supply charges.

2. **Collection and credit procedures.** Responsibility for collections and credit issue remain the responsibility of the ComEd and the individual Members and Associate Members. Members and Associate Members are required to remit and comply with the payment terms of ComEd. The City will not be responsible for late payment or non-payment of any Member or Associate Member accounts. Neither the City nor the winning ARES(s) shall have separate credit or deposit policies for Members or Associate Members. The City shall require the winning ARES(s) to utilize the ComEd purchase of receivables option for retail suppliers.
 3. **Early Termination Fee.** Members and Associate Members may terminate service from the winning ARES without penalty for any reason at any time without fee or penalty
 4. **Enrollment Fee.** Eligible Retail Customers may join the Program at any time without fee or penalty.
 5. **Switching Fee.** Members and Associate Members changing residency within the City will not be assessed early termination or enrollment fees.
- I. **Reliability of Power Supply.** The Program will not affect the reliability of electricity service for Members and Associate Members. ComEd will continue to deliver power through their transmission and distribution systems. Responsibility for maintaining system reliability will remain with ComEd. If Members or Associate Members have service reliability problems, they should contact ComEd for repairs. The ICC has established “Minimum Reliability Standards” for all utilities operating distribution systems in Illinois. Member and Associate Member outages, duration of outages, interruptions, etc., are monitored to ensure reliability remains at ICC-approved levels. In addition to maintaining the “wires” system, ComEd is required to be the “provider of last resort.” This means that if the winning ARES(s) fails for any reason to deliver any or all of the electricity needed to serve the Members’ or Associate Members’ needs, ComEd will immediately provide for the shortfall. ComEd would then bill the winning ARES(s) for the power provided on its behalf. In such a situation, the Members and Associate Members shall incur no additional cost.

VIII. ADDITIONAL SERVICE TERMS AND CONDITIONS

- A. **Reporting.** The winning ARES(s) will provide to the City and to the Consultant the following reports:
1. **Power Mix Reporting.** The winning ARES(s) shall deliver quarterly reports to the City and the Consultant which demonstrate that: (a) it generated or purchased electricity with the claimed attributes in amounts sufficient to match actual consumption by the City; (b) the electricity was supplied to the interconnected grid serving the City.

The report will show the source of the power and demonstrate that the power was provided in accordance with the RPS and the federal Clean Air Act regulations and permits.

If required by the City, the report will also demonstrate that the generation resource mix meets the requirements set forth by the City in the Power Supply Agreement.

2. **REC Reporting.** The ARES shall deliver reports that provide competent and reliable evidence to establish that it purchased properly certified RECS in a sufficient quantity to offset the non-renewable energy provided in the mix.
3. **Aggregation Reports.** The ARES shall provide the City with quarterly reports showing the number of Members and Associate Members participating in the Aggregation Program and the total cost for energy provided to the Program Members and Associate Members as compared to the ComEd Default Tariff rate.

B. Limitation of Liability. The City shall not be liable to Eligible Retail Customers, Members, or Associate Members for any claims, however styled, arising out of the Program or out of any City act or omission in facilitating the electricity aggregation Program.

IX. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan will be available from the City free of charge at www.cityofchicago.org/electricityaggregation. Any electric customer, including any participant in the City's Program, may contact the Illinois Commerce Commission for information, or to make a complaint against the ARES or ComEd. The ICC may be reached toll free at 217-782-5793.