ELECTRICITY AGGREGATION 2.0

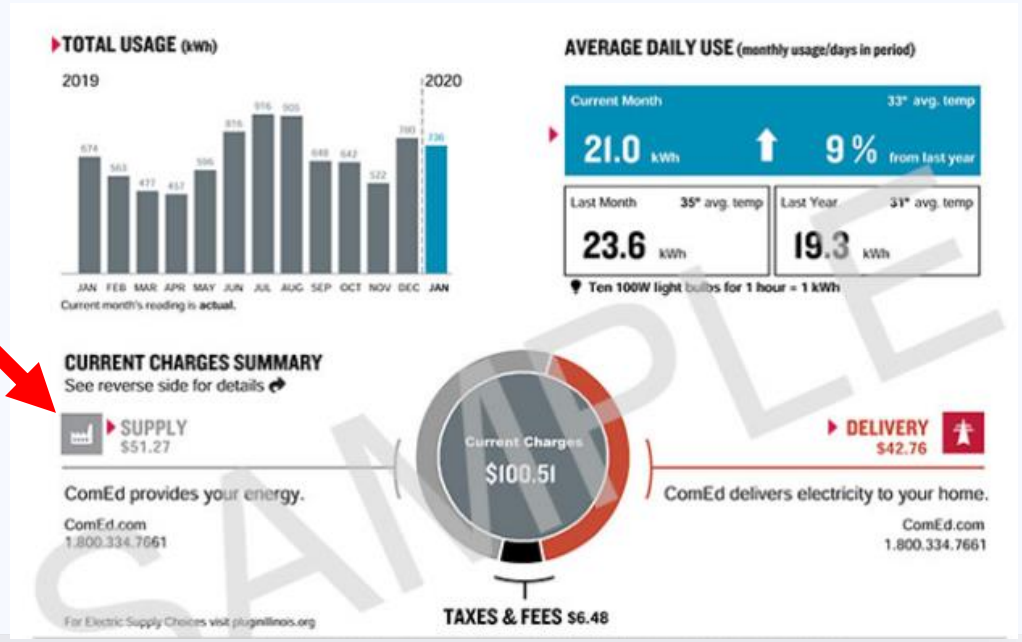
VILLAGE OF DEERFIELD

AGENDA

1. Background
2. Aggregation Comparison
3. Aggregation 2.0 - Value Add
4. Renewable Energy Credits
5. Next Steps
6. Questions

BACKGROUND

- Voters approved Aggregation program on March 20, 2012
- Authorizes Village to aggregate electricity supply and select an alternative supplier
- Created North Electricity Aggregation Consortium – 8 members to bid jointly
- Executed two contracts:
  - 2012-2015:
    - Deerfield: $3.2 million savings
    - Consortium-wide: $36.5 million
  - 2016-2017
    - No further savings
    - Program idled



AGGREGATION COMPARISON

AGGREGATION 1.0

- All residents receive an opt-out offer
- All accounts served (except opt outs) by retailer
- Fixed price offer
- Usually for a year
- Tries to beat the ComEd rate by >$0.005/kWh
- Possible savings

Objective: Deliver a guaranteed cost savings for all enrolled accounts

AGGREGATION 2.0

- Some receive opt-out offers, others an opt-in offer
- Retailer serves some accounts, ComEd serves others
- Floating monthly rate = utility rate
- Usually for multiple years with annual off ramps
- Matches the ComEd PTC + PEA
- Increase value (RECs)

Objective: Capture available savings and deliver a benefit to the entire community

AGGREGATION 2.0 – VALUE ADD PROPOSITION

- **Problem**: Aggregation can deliver some savings against the current ComEd Rate – but not a guaranteed savings.
- **Solution**: Aggregation 2.0
  - Move low cost to serve customers to alternative supplier, and keep high cost customers with ComEd (52/48% Split)
    - Except opt-outs, ineligible customers, etc.
  - Customers served by the alternative supplier (MC Squared) always receive the ComEd rate
  - Generate savings from lower supply
    - What to do with the savings?
      - Inefficient to rebate to all customers
      - Don't want to pick winners and losers
      - Logical to look at aggregate savings as a cash pool to purchase RECs

CIVIC GRANT & RENEWABLE ENERGY CREDITS

VILLAGE OF DEERFIELD

Variable	Math	Values	Notes
Annual Budget			
Community Contribution	a	**$60,000**	
Average Price/REC	b	$1.50	
Volume of RECs Procured	c=a/b	40,000	
Renewable Energy as % of Aggregation Program Consumption			
Annual Aggregation Program Consumption (MWh)	d	83,082	Source: Commonwealth Edison Aggregation Profile Report
Volume of RECs Procured	e=c	40,000	
% Renewable Energy Content	f=e/d	**48.1%**	of all residential and small business customers
Renewable Energy as % of Entire Community Electricity Consumption			
Annual Entire Community Consumption (MWh)	g	201,194	Source: State and Local Energy Data (US DOE)
% Renewable Energy Content	h=c	40,000	
% Renewable Energy Content	i=h/g	**19.9%**	of the entire community's energy consumption (including commercial and industrial)

40,000 MEGAWATT HOURS OF ELECTRICITY (RECS)

Source: US EPA Greenhouse Gas Equivalency Calculator