

Electric Energy Aggregation Summary

Options:

1) Upon the expiration of the current Nordic contract, the Village could migrate the residents back to ComEd as the default provider. Rates expected to be +7.0 cents/kwh in June 2014. Residents would have to stay with ComEd for no less than 10 months, and residents cannot opt out during that time frame.

Advantages: allows the Village to sit out the marketplace and continue to shop for lower rates, albeit, migration cannot occur until April 2015; familiarity with provider

Disadvantages: Locked in for 10 months, and may thereby miss opportunity for lower rates

2) Agree to 3-year FirstEnergy price/contract, subject to the village successfully reaching mutual agreement with Nordic re May termination of existing contract. Escape clause protects customers by allowing Village to leave FirstEnergy if default rates are lower than FirstEnergy rate.

Advantages: Secures 3-year rate of 6.46 cents/kwh (6.49 at 100% renewable sources), whereby ComEd rate expected to be +7.0 cents/kwh in June 2014; escape clause limits exposure in case default rate falls below contract rate

Disadvantages: Contract is 3 years; contingent upon mutual agreement with Nordic

3) Take no action and await energy pricing for March 17th and a June 2014 transition.

Advantages: No action needed tonight

Disadvantages: Limits the village's choices if Nordic were to move to terminate our agreement early by citing regulatory event language. Could lead to more confusion with residents while village moves to find an alternative supplier or remain with ComEd.

Motion:

I move to authorize the village manager to execute a purchase agreement with FirstEnergy for the supply of electric energy to Village residents pursuant to the Village's electric aggregation program and consistent with the Village's adopted Plan of Operation and Governance, subject to review & approval by the village attorney and mutual termination of the Nordic Energy Services agreement for a May 2014 transition of said services, for a period of 3 years and consistent with the proposed Master Power Supply Agreement; and . . .

Alternative Motion:

I further move that said energy services shall be provided with _____% renewable energy sources for a contracted rate of _____ cents per kilowatt hour for a period of 3 years.

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Orland Park	Fixed Rate: 1, 2, 3 yr	Rate Gnt'y Option	Rate Thru Lang.	Early Term Fee	Ownership	Credit Rtg (Moody/S&P)	Cust Svc (ICC)	IL Aggregations (# of A/Cs)	Small Biz Same Rate	Power Sources
ComEd rate:	5.523+ PEA									
Constellation	1: 6.927 2: 6.842 3: 0.000	No	Yes	None	Wholly owned subs'd'y, Exelon (NYSE-EXC)	Baa2/BBB-	***	(13) 24,800	Yes	Coal: 4% Nuclear: 55% Nat Gas: 28% Other: 13%
First Energy	1: 6.900 2: 6.800 3: 6.460	Yes	No	None	Parent: FirstEnergy Corp (NYSE-FE)	Baa3/BBB-	*****	(207) 604,000	Yes	Coal: 48% Nuclear: 28% Nat Gas: 11% Other: 13%
Homefield Energy	1: 6.907 2: 6.939 3: N/A	No		None	Parent: Dynegy (NYSE-DYN)	B2/B	*****	(17) 10,000 (237) 400,000	Yes	Coal: 64% Nuclear: 18% Nat Gas: 11% Other: 7%
Integrus	1: 8.210 2: 7.820 3: 7.870	No	Yes	None	Integrus Energy Group (NYSE- TEG)	Baa1/A-	*****	(69) 1,030,000	Yes	Coal: 55% Nuclear: 29% Nat Gas: 12% Other: 4%
Verde	1: 7.243 2: 7.365 3: 7.289	No		None	Privately owned; in energy field three yrs	Guarantor: Shell Energy	*****	(34) 150,000	Yes	Coal: 44% Nuclear: 35% Nat Gas: 17% Other: 4%

Attachment 1 – Fixed Price Cost of Electricity

RESIDENTIAL and SMALL COMMERCIAL (¢/kWh) No Early Termination Fee

Additional Renewable	12 Months	24 Months	36 Months
0%	6.90	6.80	6.46
25%	6.91	6.81	6.47
50%	6.92	6.82	6.48
100%	6.93	6.83	6.49