

VILLAGE OF ORLAND PARK

ELECTRIC POWER AGGREGATION PLAN OF OPERATION AND GOVERNANCE

April __, 2012

VILLAGE of Orland Park Electric Power Aggregation Plan of Operation and Governance

I. DEFINITIONS

In addition to terms otherwise defined in this Plan of Operation and Governance (sometimes "Plan"), the following terms as used in this Plan shall have the meanings set forth below:

"Act" shall mean the Illinois Power Agency Act, 20 ILCS 3885/1, *et seq.*

"Aggregation Group" shall mean all the residential and small commercial retail customers of ComEd in the corporate limits of the Village that have not opted out of the Program and are permitted under the terms of the Act to participate in the Program.

"Aggregation Program" or "Program" shall mean the program developed and implemented by the Village of Orland Park ("Village" or "Orland Park"), as a Municipal Aggregator under the Act, to provide ComEd residential and small commercial retail customers in the Village with retail electric generation services.

"Municipal Aggregator" shall mean the Village operating an Aggregation Program under the legislative authority granted the Village to act as an aggregator to provide a competitive retail electric service to residential and small commercial retail customers of ComEd in the Village. Pursuant to the Act, an Aggregator is not a public utility or an alternative retail electric supplier.

"member" means a person or legal entity enrolled in the _____ Municipal Aggregation Program for competitive retail electric services and a member of the Aggregation Group.

"Power Supply Agreement" shall mean a contract between a Provider and the Village as contemplated by this Plan.

"Retail Electric Supplier" ("RES" or "Provider") shall mean an entity certified by all required authorities of the State of Illinois to provide competitive retail electric supply service(s), and which is duly selected by the Village to be the entity responsible to provide the required retail electrical supply service related to an Aggregation Program as defined in the Act, Village ordinances and applicable rules and regulations of any authorized agency of the State of Illinois and has duly executed a Power Supply Agreement with the Village.

II. INTRODUCTION

Public Act 96-1076 amended the Illinois Power Agency Act by adding Section 1-92 to Chapter 20, Act 3855 of the Illinois Compiled Statutes ("the Act") and allowed the corporate authorities of a municipality to adopt an ordinance in accordance with the Act to

aggregate electrical loads for residential and small commercial retail customers within the corporate limits of the Village on an opt-in or opt-out, after a successful referendum, program. The Act further authorized a municipality to select suppliers of retail electric supply, solicit bids and enter into service agreements to facilitate the sale and purchase of electricity and related services. The legislation authorized the Illinois Power Agency ("IPA") to assist a municipality in developing a plan of operation and governance.

Large industrial and commercial consumers with sophisticated electric operations use their size and expertise to obtain lower electric power rates. Individual residential and small commercial retail consumers are typically unable to obtain significant price reductions because they lack bargaining power akin to large industrial and commercial electric users, and because they lack the expertise and economies of scale of larger electric consumers. Aggregation, the combining of multiple electric loads, provides the benefits of retail electric competition for electricity consumers with lower electric usage.

Municipal aggregation, the combining of multiple retail electric loads of customers by a municipality, provides the means through which municipal residential and small commercial retail customers may obtain economic benefits of Illinois' competitive retail electric market. This Village of Orland Park Aggregation Program combines the electric loads of residential and small commercial retail customers to form a buying group ("Aggregation Group"). The Village will act as purchasing agent for the Aggregation Group. The Village of Orland Park will be a Municipal Aggregator, as described by the Act and the rules established by authorized agencies, and shall act on behalf of Commonwealth Edison Company, an affiliate of Exelon Corporation (herein referred to as "ComEd" or "Commonwealth Edison") in the Village to obtain the best Aggregation Program for the members of the Aggregation Group.

III. PROCESS

As required by state law, the Corporate Authorities of the Village duly passed an Ordinance which authorized submitting to the Village's electorate the determination whether or not the Aggregation Program shall operate as an opt-out program on _____, 20___. On March 20, 2012 Village voters approved a referendum to operate an Aggregation Program as an "opt-out" program. Under the opt-out program, all ComEd residential and small commercial retail customers in the Village 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 as a part of the Aggregation Group. Following the approval of the referendum by the electorate, the Village passed Ordinance number _____ on _____, 2012 authorizing the Village to aggregate electric loads for residential and small commercial retail customers in the Village and implement an opt-out program.

In addition to passing the required ordinances by the Corporate Authorities, the Village may also be required to comply with various rules and regulations established by authorized agencies of the State of Illinois. The Village 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 Plan. Before adopting this Plan and as required by the Act, the Village duly published a notice in

the Orland Park Prairie, a newspaper of general circulation in the Village, of public hearings to be held on April 2 and April 16, 2012 at 7:00 o'clock P.M. The public hearings were held at Village Hall and provided the residents of the Village an opportunity to be heard regarding the Aggregation Program and this Plan. The Village considered the concerns of the residents and information disclosed at the hearings in the development of this Plan.

The opt-out notice for the Program shall be provided in advance to all eligible electric customers in the Village upon approval of this Plan according to the opt-out disclosure program developed by the Village. The opt-out notice and disclosures shall comply with the Act and all applicable rules and regulations of any authorized agency in the State of Illinois and shall fully inform such 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 the rates, terms and conditions of the Program and the specific method to opt-out of the Program.

The Village will select a Provider to provide the electric power for the Program according to the terms of a written service agreement entered into by and between the Provider and the Village. The Village may determine not to enter into a service agreement with any Provider and in such event the Aggregation Group shall continue to purchase electric power through Commonwealth Edison. If the Village enters into a service agreement with a Provider, Commonwealth Edison will continue to provide delivery of the electricity purchased from the Provider, and metering, repairs and emergency service will continue to be provided by Commonwealth Edison. The Village has determined that each participant in the Aggregation Group shall receive a single monthly bill from Commonwealth Edison under applicable tariffs.

IV. OPERATIONAL PLAN

A. Aggregation Services

1. Provider: The Village of Orland Park will use a competent entity as a Provider to perform and manage aggregation services for members of the Aggregation Program. The Provider 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 a member may opt-out without penalty. The Provider must provide the Village, upon request, an electronic file containing members' usage, charges for retail supply service and such other information reasonably requested by the Village.

2. Database: The Provider shall create and maintain a secure database of all members. The database shall include the name, address, Commonwealth Edison account number, and Provider's account number of each active member, 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 shall be updated at least quarterly. Accordingly, the Provider shall develop and implement a program to accommodate members who (i) leave the Aggregation Group due to relocation, opting out, etc. (ii) decide to join the Aggregation Group; (iii) relocate anywhere within the corporate limits of the Village, or (iv) move into the Village and elect to join the Aggregation Group. This database shall also be capable of removing a member from the Aggregation Group who has duly

opted out of the Program. The Provider shall use this database to perform audits for clerical and mathematical accuracy of member electric supply bills. The Provider shall make the database available to the Village at any time upon the Village's request.

3. member Education: The Provider shall develop and implement, with the assistance of the Village, as the Village may determine in its sole discretion, an educational program that explains the Aggregation Program to all residential and small commercial retail customers in the Village and the Aggregation Group, provides updates and disclosures mandated by Illinois law and applicable rules and regulations, and implements a process to allow any member the opportunity to opt out of the Aggregation Program according to the terms of the Power Supply Agreement. See Appendix A for further details.

4. Customer Service: Provider shall hire and maintain an adequate customer service staff and develop and administer a written customer service process plan that will accommodate member inquiries and complaints about billing and answer questions regarding the Aggregation Program. The customer service process plan shall include a description of how telephone inquiries will be handled, either internally or externally, how invoices will be prepared, how members may remit remittance payment, and how collection of delinquent accounts will be addressed. The Provider and the Village shall enter into a separate customer service process plan agreement, or the terms of such plan shall be included in the Power Supply Agreement.

5. Billing: Commonwealth Edison shall provide a monthly billing statement to each member which shall include the charges of the Provider, and the Provider shall not charge any additional administrative fee.

6. Compliance Process: The Provider shall develop internal controls and processes to ensure that the Village remains in good standing as a Municipal Aggregator and ensure that the Village and the Program complies with the Act and all applicable laws, rules and regulations, as they may be amended from time to time. It shall be the Provider's responsibility to timely deliver reports at the request of the Village that include (i) the number of members participating in the Program; (ii) a savings estimate or increase from the previous year's baseline; (iii) such other information reasonably requested by the Village; (iv) comparison of the members' charge for the supply of electricity from one designated period to another identified by the Village. The Provider shall also develop a process to monitor and shall promptly notify the Village in writing of any changes or amendments to the Act or any laws, rules or regulations applicable to the Aggregation Program.

7. Notification to Commonwealth Edison: The residential and small commercial retail customers of ComEd in the Village that do not opt-out of the Aggregation Program will be enrolled automatically in the Aggregation Program by a Provider. Members of the Aggregation Group will not be asked to take affirmative steps to be included in the Aggregation Group. To the extent that ComEd requires notification of participation; the Provider shall provide such notice to ComEd. The Provider shall inform ComEd from time to time through electronic means any new members that enroll in the Program.

8. Plan Requirements: Pursuant to the Act, the Provider and the Village shall:

a. Provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers;

b. Describe demand management and energy efficiency services to be provided to each class of customers;

c. Meet any requirements established by law concerning aggregated service offered pursuant to the Act.

9. Solicitation of Bids: Pursuant to the requirements of the Act, the process of soliciting bids for electricity and related services and awarding power supply agreements for the purchase of electricity and other related services by the Village, shall be conducted in the following manner:

a. The Village may solicit bids for electricity and other related services.

b. Notwithstanding Section 16-122 of the Public Utilities Act and Section 2HH of the Consumer Fraud and Deceptive Business Practices Act, an electric utility that provides residential and small commercial retail electric service in the Village must, upon request of the Village, submit to the requesting party, in an electronic format, those names and addresses of residential and small commercial retail electrical retail customers in the Village that are reflected in the electrical utilities records at the time of the request and such other information required by the Act or any applicable rule or regulation of an authorized Illinois agency.

c. The Village, upon receiving customer information from an electric utility shall be subject to the limitations on the disclosure of that information described in Section 16-122 of the Public Utilities Act and Section 2HH of the Consumer Fraud and Deceptive Practices Act, and an electric utility providing such information shall not be held liable for any claims arising out of the provision of information pursuant to this Section and the Act.

B. Power Supply Agreement

The Village and the Provider shall enter into a Power Supply Agreement to serve the Aggregation Group.

C. Provider

The Village may require the Provider to satisfy each of the following requirements in the Power Supply Agreement:

- Have sufficient sources of power to provide retail firm power to the Aggregation Group.
- Maintain a license as a federal power marketer with the Federal Energy Regulatory Commission.
- Maintain a certification from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by Illinois law.
- Register as a retail electric supplier with ComEd.
- Maintain a Service Agreement for Network Integration Transmission Service under

The Open Access Transmission Tariff.

- Maintain a Service Agreement under _____ Market-based Rate Tariff.
- Maintain the necessary corporate structure to sell retail firm power to the ComEd residential and small commercial retail customers in the Village and the Aggregation Group.
- Maintain an Electronic Data Interchange computer network that is fully functional at all times and capable of handling the ComEd residential and small commercial retail electric customers in the Village and the Aggregation Group.
- Maintain the marketing ability to reach all ComEd residential and small commercial retail customers in the Village to educate them on the terms of the Aggregation Program and the Act.
- Maintain a call center capable of handling calls from members of the Aggregation Group.
- Maintain a local or toll-free telephone number for customer service and complaints related to the Village Aggregation Program.
- Agree to hold the Village harmless and fully indemnify the Village from any and all financial obligations arising from supplying power to the Aggregation Group.
- Satisfy the credit requirements of the State of Illinois and the Village.
- Have the binding authority (to the satisfaction of legal counsel for the Village) to execute the Power Supply Agreement with the Village and be fully bound by all of its terms and conditions.
- Assist the Village in filing all reports required by the Act and any applicable law, rule or regulation, as may be amended from time to time.
- Assist the Village in developing a consumer education plan.
- Assist the Village in developing a smart-meter program.
- Provide a supply of electricity that costs less than that provided by ComEd.

D. Activation of Service

After a notice is mailed to all residential and small commercial retail electric customers in the Village providing an opportunity to opt out of the Program within a specific period of time, all customers who do not opt out in writing will be automatically enrolled in the Program. Customer enrollment with the Provider will occur thereafter without further action by the customer on terms set forth in the Power Supply Agreement and according to the retail tariffs of Commonwealth Edison.

E. Changes, Extension or Renewal of Service

The Power Supply Agreement with the Provider will provide when service shall begin and end. If the Power Supply Agreement is extended or renewed, members will be notified as to any change in rates or service conditions and other information required by law. The Power Supply Agreement shall describe the terms upon which a member or non-member will be given an opportunity to opt into or out of the Program, and reasonable notice will be provided as required by the Act or any applicable law. Members who opt-out will also be notified of their right to select an alternate retail electric supplier and of their ability to return to ComEd provided supply service.

F. Termination of Service

In the event that any Power Supply Agreement is terminated for any reason prior to the end of the scheduled term, each member of the Aggregation Group will receive prompt written notification of termination of the Program at least sixty (60) days prior to termination of service under the Agreement. If the Agreement is not extended or renewed, members will be notified in a manner determined by the Village and any applicable law, prior to the end of any service. Members will also be notified of their right to select an alternate retail electric supplier and of their ability to return to ComEd provided supply service upon termination of the Agreement.

G. Opt-In Procedures

ComEd residential and small commercial retail customers will be automatically enrolled in the Aggregation Program after any opt-out period has expired, unless they timely call the Provider and/or return in writing a form to be provided notifying the Provider that they do not want to participate in the Aggregation Program. The Provider may provide special notice directly to categories of ComEd customers as the Village may direct, and inform such customers of specific potential consequences of their change from existing service from ComEd to the Program, including but not limited to (i) space heating customers, (ii) Real Time (Hourly) pricing customers, (iii) customers using an electrical supplier other than ComEd or the Provider. ComEd residential and small commercial retail customers in the Village may request to join the Aggregation Group after the expiration of any enrollment period by contacting the Provider, who shall accept them into the Aggregation Program, subject to written policies mutually agreed upon between the Village and the Provider in the Power Supply Agreement. The agreed upon policy shall be consistent with ComEd's supplier enrollment requirements. Members of the Aggregation Group who move from one location to another within the corporate limits of the Village shall continue as a member of the Aggregation Group.

H. Opt-Out Procedures

ComEd residential and small commercial retail customers in the Village may opt-out of the Aggregation Program at any time during the opt-out period. The Provider may not charge an early termination fee unless expressly permitted in the Power Supply Agreement. Members of the Aggregation Group shall be allowed to switch to a different electric supplier after the expiration of the opt-out period on the terms set forth in the Power Supply Agreement, and at least once every three years without cost. Requirements for notification of intent to opt-out of the Aggregation Group shall be set forth in the Power Supply Agreement. Consumers who opt-out of the Aggregation Group shall not be switched from their current supplier or their applicable to ComEd's Standard Service Offer, until the consumer selects an alternate generation supplier. As required by the Act, it shall be the duty of the Village or the Provider if so provided in the Power Supply Agreement, to fully inform residential and small commercial retail customers in the Village in advance that they have the right to opt-out of the Aggregation Program. Such disclosure shall prominently state any charges to be made and shall include full disclosure of the cost to obtain service pursuant to Section 16-103 of the Public Utilities Act, how to access it, and the fact that it is available to them without penalty, if they are currently receiving services under that section.

As further required by the Act, the IPA shall furnish, without charge, to any resident of the Village, a list of all supply options available to them in a format that allows comparison of prices and products.

I. Bid Process

The Village may elect to hold an individual bid or proposal or participate in a group bid or proposal. If the Village elects to participate in a group bid or proposal, the Village may use the northern Illinois Municipal Electric Collaborative Inc. ("NIMEC") to assist with the group bid or proposal. The Village shall not delegate any signing authority to NIMEC or other entity, but shall make its own decision to accept or reject their individual bid/proposal resulting from the group bid or proposal. Suppliers shall present individual bids or proposals to each community participating in the bid or proposal group. NIMEC shall create an advisory group, representing and consisting of those communities participating in the bid or proposal, to determine the bid or proposal winner(s) on the day of the bid or proposal. The Village shall decide whether to accept or reject the bid or proposal.

V. LIABILITY

THE VILLAGE SHALL NOT BE LIABLE TO THE PROVIDER, PROGRAM PARTICIPANTS OR MEMBERS OF THE AGGREGATION GROUP, OR ANY OTHER PERSON OR ENTITY FOR ANY CLAIMS, HOWEVER STYLED, ARISING OUT OF THE AGGREGATION PROGRAM OR THE PROVISION OF AGGREGATION SERVICES BY THE VILLAGE OR THE PROVIDER. PARTICIPANTS OR MEMBERS IN THE AGGREGATION GROUP SHALL ASSERT ANY SUCH CLAIMS SOLELY AGAINST THE PROVIDER PURSUANT TO THE POWER SUPPLY AGREEMENT, UNDER WHICH SUCH PARTICIPANTS ARE EXPRESS THIRD-PARTY BENEFICIARIES.

VI. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan shall be available from the Village. Members and residential and small commercial retail customers of ComEd may call _____ Village Hall at ____-____-____ for a copy of the Plan or for more information.

Appendix A -- Education Process

The Provider shall develop an educational program in conjunction with the Village. Its purpose will be to explain the Aggregation Program to its members, provide updates and disclosures as mandated by State law and the rules and regulations of any applicable Illinois agency, and provide the opportunity for the members to Opt-out of the Aggregation Program. The following are components of the education program:

1. Each residential and small commercial retail customer of ComEd within the corporate limits of the Village will receive notification by U.S. Mail stating: describing the Aggregation Program, the procedure to be followed to opt-out of the Aggregation Program, the estimated price of electricity for member of the Aggregation Program, and the deadline for returning the opt-out form. See sample letter attached.
2. The Provider shall cooperate with the Village to provide opportunities for educating residential and small commercial retail ComEd customers in the Village about the Program and their rights under the applicable law and rules and regulations. In addition, the Provider and Village will cooperate to provide education about opportunities for energy efficiency measures to help members reduce energy consumption.
3. The Provider will provide updates and disclosures to the Village and members as mandated by State law and applicable rules and regulations as amended from time to time.

Sample Letter

Dear Village of Orland Park resident,

The Village of Orland Park is providing you the opportunity to join other residents to save money on the electricity you use. Savings are possible through governmental aggregation, where Village officials bring together citizens to gain group buying power for the purchase of electricity from a retail electric generation provider certified by the Public Illinois Utilities Commission. Village Orland Park voters approved this program on March 20, 2012.

After researching competitive electricity pricing options for you, we have chosen _____ to provide you with savings on your electric generation costs through _____ 20___. There is no cost for enrollment and you will not be charged a switching fee. You do not need to do anything to participate.

As a member of this aggregation, you will likely save _____ percent off your electricity bill by participating in this program. Your electricity bill consists of the price you pay for electric generation and consists of generation and transmission related components, which are the costs associated with generating the power and delivering it through the transmission system.

You will see your electric savings from _____ days after your enrollment has been completed and your switch has been finalized, approximately 30-45 days, depending upon your meter read date. Of course, you are not obligated to participate in the Village's program. If you wish to be excluded from the program and remain a full-service customer of Commonwealth Edison you have until _____, 2012 to return the attached opt-out form.

If you do not opt out at this time, you will receive a notice at least every _____ asking if you wish to remain in the program. If you leave the program at any other time, you could be subject to a cancellation fee from _____.

If you become a participant in this governmental aggregation program, Commonwealth Edison will send you a letter confirming your selection of _____ as your electric generation provider. As required by law, this letter will inform you of your option to rescind your enrollment with _____ with adequate notice prior to the scheduled switch. To remain in the Village/City's governmental aggregation program, you don't need to take any action when this letter arrives.

Commonwealth Edison will continue to maintain the system that delivers power to your home - no new poles or wires will be built by _____. You will continue to receive a single, easy-to-read bill from your local electric utility with your _____ charges included.

If you have any questions, please call _____ toll-free at _____, Monday through Friday, 8 a.m. to 5 p.m.

Sincerely,

Village of Orland Park

P.S. To receive these savings, you should not respond. Return the opt-out form only if you do not want to participate in the Village/City's electric governmental aggregation program.

Option 1: Do nothing and save. If you want to participate in this program and save, you do not need to return this form. Your enrollment is automatic.

OR

Option 2: Opt out by returning this form. If you do not want to participate in this program, you must return this form before the due date.

Service address (City, state and zip): _____

Phone number: _____

Account holder's signature: _____ Date: _____

DRAFT