



VILLAGE OF ORLAND PARK, ILLINOIS

Energy Consulting Services

NIMEC Group has been at the forefront of promoting Residential Aggregation for municipalities in Illinois, having assisted (along with its partner Rock River Energy Services) in 15 of the 19 Illinois aggregation programs. Further, we have indications from another 50 communities that will be using NIMEC to consult for their 2012 aggregations. The northern Illinois population served by NIMEC is approaching 1,000,000.

The Village of Orland Park would benefit from NIMEC's experience with enhanced savings for its residents NIMEC has proven to implement its clients' residential accounts 3 to 4 months faster than those communities that aggregated for the first time. With estimated savings to Orland Park residents of \$350,000 per month, NIMEC's track record of timely implementation in the marketplace will maximize savings to Orland Park residents.

Some power supply companies have engaged directly as a supplier of the power for these aggregations. But they have not acted as consultants, assisting the client through the complex processes of education, opt out, bid and implementation stages. Other supplier /brokers have implemented Opt In programs, but have no experience with Opt Out Aggregation programs.

Municipal Aggregation of Residential and Small Commercial Load

NIMEC Group has been at the forefront of promoting Residential Aggregation Opt Out programs for municipalities in Illinois, having been fully focused on aggregation for nearly two years along with its partner Rock River Energy Services, which serves central Illinois. Together, NIMEC led ten municipalities and Rock River, five, of the first group of Illinois municipalities to take their residential load to bid in 2011. We finalized the transition to new suppliers for all of these. The remaining communities that did not use a consultant lagged in implementation, having to work through numerous unforeseen issues with bidding suppliers, ComEd and the IPA. Their flow to power by new suppliers was delayed by three and four months.

Our deep working relationship with, and understanding of ComEd's requirements and procedures allows us to expedite transitions, significantly shortening the time to market, thus increasing savings to our communities. The two most competitive residential rates contracted under Municipal Aggregation in the State of Illinois were achieved by NIMEC and Rock River municipalities.

The total size of the load we switched over to new suppliers is approximately 500,000,000 kWhs per annum. This program, which represents over 125,000 residents and small commercial accounts, has been very well received with a cumulative annual savings over \$10,000,000 versus



the ComEd residential rate. No other consultant offers a similar level of experience in Illinois aggregations.

Range of activities to be performed by the group proposed to provide services under this contract.

NIMEC staff services to include:

- I. Undertake the following steps to help educate and inform residents
 1. Provide newsletter articles, educational water bill inserts ✓
 2. Conduct interviews to explain aggregation for municipal TV channel ✓
 3. Be available to speak to resident groups ✓
 4. Provide a website to help explain the aggregation program ✓
 5. 800 phone number for residents' inquiries ✓
 6. Conduct an informational mailing to residents ✓
 7. Provide information to be included in the Village's website ✓
- II. Provide template document for Plan of Operation and Governance ✓
- III. Ascertain and sort the ComEd data to ensure that appropriate customer classes are not included (this is a critical step in the process) ✓
- IV. Lead minimum of two Public Hearings ✓
- V. Aggregate the Village of Orland Park with other cities, villages and counties to leverage buying power ✓
- VI. Use industry-accepted RFP and distribute to qualified suppliers. ✓
- VII. Summarize and present RFP results. Assist Orland Park as they select their supplier. We are familiar with which State of Illinois certified Alternative Retail Electric Suppliers (ARES) are highly capable, and which suppliers may struggle with their operations. ✓
- ✓ VIII. Coordinate implementation
 1. Work with Orland Park to review Opt Out letter
 2. Provide insight to help increase readership of Opt Out letter
 3. Manage data flow from supplier to ComEd and vice versa; insure data is in precisely required format
 4. Inform Orland Park village office of periods when they can likely expect calls from residents
 5. Assist individual residents with questions throughout the transition via our dedicated 800 number
 6. Train staff how to handle calls and how to transfer calls to the Project Team call center. Project Team will handle demanding residents



7. Work with supplier and ComEd to manage any “missing” residents who did not receive Opt-Out letters
8. Be available to quickly respond to and handle any unusual circumstances through our customer support area.

Experience of professional staff that will be primarily responsible for performing the services outlined in the submitted proposal, indicating titles, nature of responsibilities, education, experience, any specialized skills, and number of years with the firm.

David Hoover, NIMEC’s Executive Director, is the Project Manager for this engagement. He has consulted in the energy industry since 1992, owning and managing Glenview Consulting through 2006. David started NIMEC in 2006 to help his municipal clients take advantage of the savings opportunities presented through Illinois’ utility deregulation and buy power more effectively.

David has an MBA from Arizona State University and an undergraduate degree with concentration in Business from the University of Colorado (cum laude graduate). Beginning in 1980, David was employed with multinational banks in Chicago (now JP Morgan and Standard Chartered Bank) in Corporate Lending. As Senior Vice President and Branch Manager from 1990-1992, David oversaw a staff of 30.

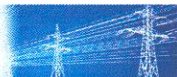
In 1992, David Hoover formed the Glenview Consulting Group. From 1992 to 2007, Glenview provided utility consulting services to 200 corporate and municipal clients, achieving a recurring annual cumulative savings of one million dollars.

Mike Mudge, Advisor: Mike has an undergraduate degree in Business from Northern Illinois University. Mike has 35 years of experience with Commonwealth Edison. He also served time in the Army in Vietnam.

Mike worked in the Sales-Marketing and Energy Services during his last 15 years at ComEd. In this position, Mike gained valuable experience working with many types of customers with all types of issues and needs. He gained an elemental understanding of ComEd’s rates and riders, applications, and power issues. Mike retired from ComEd in 2003.

In 2003, Mike formed Rock River Energy. His former customers wanted him to continue to provide expertise on how they can more effectively purchase power and save money in the Illinois marketplace, how to advantage of demand response/curtailment programs and more recently how to take advantage of energy conservation and rebates.

Sharon Durling, Director of Marketing, is Assistant Project Manager for this engagement. Sharon has an MBA from the Kellogg Graduate School of Management at Northwestern University. She was a Risk Management Consultant and Project Manager at PricewaterhouseCoopers. Prior to that, Sharon was Vice President at (multinational) Fuji Bank in Chicago. Sharon joined NIMEC in 2011.



Maribeth Shover, Director of Client Services and Operations. Maribeth is an MBA and a founder and owner of MTA Renovations, LLC, a general construction company. Prior to that, she was a Commodities Trader at Chicago Research and Trading from 1983 to 1996. Maribeth joined NIMEC in 2011.

Three staff are dedicated to NIMEC's aggregation efforts: educating residents of the upcoming referendum, managing the bid process and working closely with suppliers to implement aggregation programs. These three are committed to marketing and public relations; risk management, forecasting, scheduling, pricing and load analysis; energy efficiency; demand response, and sustainability.

Describe your expertise and number of years respondent has been providing electric utility procurement services in the Illinois energy market.

David Hoover has been an energy industry consultant since 1992. David managed Glenview Consulting through 2006, specializing in utility rate consulting for municipal clients. NIMEC was formed in 2006 specifically to help municipalities take advantage of new savings opportunities in the electric market presented through the State of Illinois' utility deregulation. David has ten years of experience in the electricity sector with Glenview Consulting and NIMEC.

Company's experience, specific to Residential Opt Out Aggregation Programs, with regional transmission operators (PJM/MISO).

NIMEC Group has been operating with the PJM and MISO regional transmission operators since NIMEC inception in 2006.

Direct experience administering large-scale competitive procurement processes

NIMEC is a buying group of 100 municipal members (see attached), helping to purchase power for their operations (water pumping and street lighting). NIMEC has been aggregating members' loads since 2006 to negotiate more aggressive pricing from suppliers. NIMEC is the only Illinois consultant that has experience aggregating municipal loads. The main bid group (for water treatment and pumping facilities) has 100 municipalities, 700 accounts, and approaches \$18,000,000 per year.

Two years ago, NIMEC worked with suppliers to offer competitive streetlight pricing for the first time. We know of no other consultant offering lower street lighting rates. Other consultants typically recommend keeping street lighting with ComEd. NIMEC thus formed a second bid group for street lighting. This group consists of 70 municipalities, 400 accounts, and approximates \$4,000,000 per year.

Regarding municipal residential aggregation: the cumulative load of the 15 communities working with NIMEC and its partner Rock River Energy Services is \$30,000,000 per year. All 15



communities that passed their referenda in April 2011 and are currently enjoying rate savings between 20 and 30 percent, compared to ComEd's power rates.

Expertise in credit and contract protocols

✓ The final contract is between the governmental agency and the supplier. NIMEC will provide assistance to the municipal legal team. We have helped ten municipalities negotiate contract terms with 4 different suppliers.

Regarding its water pumping and street lighting bids, NIMEC works with various suppliers. NIMEC retains its own energy counsel to negotiate removal of unfavorable terms from the standard supplier documents. These customized NIMEC agreements are then made available to all NIMEC members for their use.

Delivery of value-added service during and after initial procurement

NIMEC will be instrumental in educating Orland Park residents prior to the ballot initiative as described in our scope of services.

We are confident that our aggregating abilities will contribute to highly competitive pricing.

After the procurement, care of residents is critical during the transition. Many inquiries will arise at certain junctures in the process. NIMEC will give your staff notice of when call volumes may increase and will help your staff address questions. More complex questions can be readily referred to our 800 number.

Previous working relationship with governmental agencies and utilities that might be impacted by the project

NIMEC and Rock River met with several Illinois Congressmen to help shape the aggregation legislation. We have testified before the Senate Energy committee. Our goal was to help craft legislation that was favorable to our municipal clients.

NIMEC has a close relationship with ComEd. ComEd's aggregation team recently asked NIMEC and Rock River to meet with them for the purpose of discussing the aggregation process and to inform and debrief on developments and seek feedback as to how the aggregation process was proceeding from the municipalities' perspective. No other consultants were invited to participate; only those with actual experience in the program.

We have worked closely with the ICC as we have implemented our aggregation programs. Currently the ICC is holding hearings on the aggregation process. We are participating in these hearings, which involve Commonwealth Edison, the Attorney General's office and several



supplier groups. We are the only participants advocating for the inclusion of as many small commercial accounts as possible. No other consultant has been involved with this process from the beginning. Our goal is to help shape the aggregation program to be as favorable to our municipal clients as possible.

For instance, many forces at this hearing are attempting to change the definition of “small business” to a much smaller level, potentially eliminating most small commercial entities from the aggregations. We are petitioning the ICC (on behalf of our municipal clientele) for the larger size definition, to include as many small businesses as possible, thus increasing potential savings for the small business community.

Aggregation Management Plan

We are intimately aware of the steps required for a successful aggregation program, as we have implemented 15 different programs with four different suppliers.

- Educate Residents
- Procure load data from ComEd for suppliers
- Screen list of Suppliers to participate in bid
- Manage the RFP process
- Aggregate Orland Park with other municipalities
- Summarize RFP responses and assist Orland Park in its selection of supplier
- Assist Orland Park in negotiations with supplier’s agreement
- Work with Supplier to send Opt Out letter
- Manage Opt Out responses
- Manage ComEd rescission letter responses
- Assist residents with questions

NIMEC stays abreast of market conditions and developments and takes these into consideration when setting a bid date. NIMEC prepares its members to go to bid shortly after the new ComEd rates have been released, as “time is money.” Each month the aggregation program is delayed, residents and small businesses of the Village of Orland Park forgo \$350,000 in savings. As such, we strive to implement the program as quickly as possible, to maximize the savings for the community.

Working Relationship with ComEd

NIMEC has established a solid relationship with ComEd’s aggregation team. NIMEC and its partner recently met with ComEd to debrief how the aggregation process worked, and how to improve it. No other consultants or suppliers were invited to be present.

NIMEC has established a monitoring process to insure the prompt implementation of the aggregations. Continual communications with the Village, supplier and ComEd are critical to eliminating delays in the implementation process and maximize savings for Village residents.



NIMEC experience with the ICC and other regulatory agencies

NIMEC and its partner worked very closely with the ICC beginning a year and a half ago, as the Aggregation legislation was being amended. We were active with legislators in Springfield and testified at the Senate Energy Committee, in attempts to craft as favorable legislation as possible for our municipal members.

As NIMEC and its partner have implemented the 15 aggregations, we have had the opportunity to establish a good working relationship with various staff at the ICC. The ICC has been helpful, as we have had to navigate a unique process with the first aggregations to have completed the process.

Our relationship has developed as we have been participating in the ICC Rate GAP hearings. Unlike any other consultant, NIMEC and our partner have been involved in these hearings since their inception. Again, we are attempting to establish a favorable environment for our municipal members as the legislation is under review with the ICC.

NIMEC has had a good working relationship with the Director of the Illinois Power Agency over the last few years. We have met with the newly appointed Director and commenced communications with her.

Public Hearings and other educational meetings

NIMEC has conducted numerous public hearings and will be available for The Village of Orland Park's two hearings. Additionally, NIMEC has led informational meetings with various community groups and would be available for those. We also participate in taped interviews that are aired on local cable channels for residents' viewing.

Ensure accurate consumer switching and billing

Our joint efforts with ComEd have led to extremely accurate aggregation billing by ComEd. The only issue that we have had to involve ourselves with has been the exclusion of certain parts of certain communities due to annexation issues. As such, NIMEC will take steps to insure that no eligible resident or small business in your community is excluded.

Expertise in load profile risk analysis and pricing, price discovery in the wholesale electricity market, and retail electricity consumer customer service.

NIMEC stays abreast of pricing trends in the marketplace and takes this into consideration when bids are placed. However, it is critical to implement the programs quickly, as "time is money." Each month that the program is not implemented could represent \$350,000 in cumulative



forgone savings to your community. Therefore, extended delays and attempts to “time the market” can be costly.

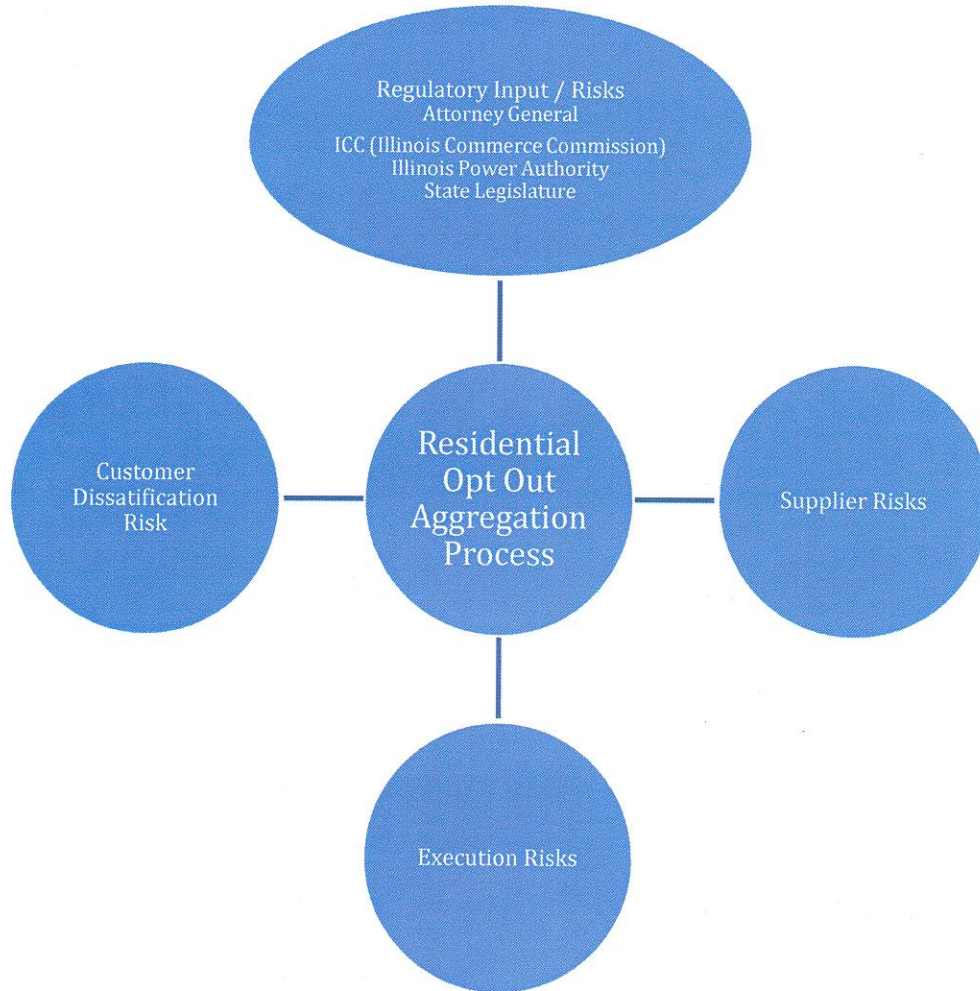
NIMEC offers clients 1-, 2- and 3-year pricing terms. NIMEC will assist the client in analysis to determine which term is the most favorable. Members are able to select the term that best fits their individual needs. The executed contracts typically address a number of issues that may arise over the course of the term. NIMEC has assisted municipal clients in multi-year electric purchasing since 2007.

NIMEC advised ten communities; Rock River, five. The remaining communities that did not use a consultant lagged in implementation, having to work through numerous issues with bidding suppliers, ComEd and the IPA. Their flow to power by new suppliers was delayed by three and four months.

Our long working relationship with, and understanding of ComEd’s requirements and procedures allows us to expedite transitions, significantly shortening the time to market, thus increasing savings to our communities. The two most competitive residential rates contracted under Municipal Aggregation in the State of Illinois were achieved by NIMEC and Rock River municipalities. The total size of the load we switched over to new suppliers is approximately 500,000,000 kWhs per annum. This program, representing over 125,000 residents and small commercial accounts, has been very well received with a cumulative annual savings over \$10,000,000 versus the ComEd residential rate. No other consultant offers a similar level of experience in Illinois aggregations.

NIMEC has a transparent bid process with complete auditable communication. We summarize and present bid results to the clients for their selection of the supplier.

NIMEC has created a rigorous process for understanding and mitigating risks to the program’s success. Our process was developed upon working closely with Illinois Attorney General Lisa Madigan’s office, the Illinois Commerce Commission, ComEd, the Illinois Power Authority and several elected Illinois State Senators and House Members. We understand the processes and risks associated with electric power procurement for the Illinois Residential Opt Out process is very different and much more complex than procuring energy for regular commercial and industrial customers. The following chart illustrates the process; corresponding risk assessment follows:



I. RISK ASSESSMENT FOR REGULATORY AREAS:

<i>Risk</i>	<i>Risk Level</i>	<i>Risk Mitigation</i>
Attorney General Concerns		
Open Transparent Bid Process	High	Develop a RFP process for qualified vendors certified by the ICC. NIMEC has reached out to the Suppliers to train them on the Illinois program and has been successful in getting a high degree of bid responses.
Customers will Save money	High	NIMEC group spends considerable time removing customers from the aggregation pool who are on ComEd rates that are lower than the aggregation price. NIMEC's expertise



		on ComEd rate structures are critical for this process.
Customer On Percentage of Income Plan will be eligible	High	NIMEC's members are assured of this process because we require suppliers to bill in the ComEd invoice.
No Impact on Customers ComEd EFT arrangements and Budget Plan arrangements	Moderate	NIMEC's members are assured of this process because we require suppliers to bill in the ComEd Invoice.
Customers who do not want to be part of the program can "Opt Out" in a simple manner	Moderate	NIMEC has worked with RES, ComEd and city/village staff to coordinate public meetings, mailings and websites to educate customers how to Opt Out of the program.

II. RISK ASSESSMENT FOR SUPPLIERS:

<i>Risk</i>	<i>Risk Level</i>	<i>Risk Mitigation</i>
Supplier Risks		
Credit Quality	High	NIMEC looks at many items to get comfortable with each individual suppliers credit quality including credit ratings and the quality of amounts of lines of back-up credit.
Bandwidth Restrictions	High	NIMEC will only accept full requirements contracts with no penalties for either too much use or too little use.
Supplier Contracts	High	NIMEC and Rock River have assisted 15 communities as they negotiated contracts with 4 different suppliers. NIMEC is developing a master sales agreement to mitigate many of these concerns and expedite the process.
High Quality RFP with data that suppliers need	High	NIMEC has developed a high quality RFP with clean "Usage Data". This proven RFP was well accepted by the marketplace. This process insures high supplier participation and timely turn arounds



Picking the Best Supplier based on multiple criteria

High

NIMEC has developed a proprietary RFP summary documents that allows the village staff and elected officials to understand the differences between supplier responses and pick the best supplier for their individual situation.

II. RISK ASSESSMENT FOR RESIDENTIAL CUSTOMERS

<i>Risk</i>	<i>Risk Level</i>	<i>Risk Mitigation</i>
Customer Concerns		
How do we insure residents pass the Ordinance?	High	NIMEC has developed educational material, website material , water bill inserts, direct mail and informational community meetings.
Will Supplier provide Civic Contributions?	High	NIMEC has worked with suppliers to provide grant money to cover the Villages of internal costs, and to fund energy efficiency programs in local villages.
Can Village choose higher percentage of "Green" Power	High	NIMEC has worked with suppliers to provide "Green" option in any percentage that a city requires
How will Village Staff answer questions from residents?	High	NIMEC has created training material to help educate Village staff. We provide an 800 number for challenging inquiries.
Customers who do not want to be part of the program can "Opt Out" in a simple manner	Moderate	NIMEC has worked with Suppliers, ComEd and Village staff to coordinate public meetings, mailings and websites to educate customers on how to Opt of the program.
How will customers be notified	High	NIMEC personnel conduct a minimum of two education town hall meetings, and coordinate mailing from both the winning supplier and ComEd



IV. RISK ASSESSMENT FOR RESIDENTIAL AGGREGATION EXECUTION:

<i>Execution Risk</i>	<i>Risk Level</i>	<i>Risk Mitigation</i>
How will the Village know what the process is and who is responsible	High	NIMEC has developed a proprietary and highly detailed <u>Plan of Governance and Operation</u> that details all the important steps, timelines and responsible parties.
How do we know what the aggregate kWh use and load profile is for our Village	High	NIMEC has worked with ComEd to develop an electronic interface to get the base use data. NIMEC then works to clean-up the data so only eligible customers who will save money participate in the program.
Does the Consultant or Village have the manpower to conduct the mandatory meetings and answer the phone calls.	High	NIMEC has 5 employees trained to help conduct mandatory meetings and a call center to help answer customer inquiries.
Once the Contract is approved how is the transition handled	High	NIMEC works with suppliers and ComEd to insure all customers are transitioned to lower supplier rates.

NIMEC Better Business Bureau rating

No rating.

Relevant licenses issued by state or federal agencies including documentation of the respondent's regulatory authority to act as a Consultant and Broker in the State of Illinois.

Glenview Consulting Group is a privately owned entity that does business as NIMEC, the Northern Illinois Municipal Electric Collaborative. Glenview Consulting is licensed in the State of Illinois under the Illinois Commerce Commission as an Agent, Broker, Consultant. The license number is 09-489.

NIMEC annual revenue for the following calendar years:

2009:	\$291,000
2010:	\$337,000
2011:	\$508,000



Percentage of total annual revenue from energy suppliers

100 percent of NIMEC's total annual revenue is derived from energy suppliers.

Fee

Glenview Consulting Group currently has (or will have) broker relationships with all suppliers participating in the bid process. Our fee of 0.0175¢ per kWh is identical for all suppliers and is paid for the volume derived during the duration of the initial contract between the supplier and the Village.

Aggregation Capabilities

Aggregating residential loads to leverage the collective buying power has its challenges. A recent aggregation of Illinois communities presented complications when an independent supplier offered an Opt In rate lower than the aggregated price. Some communities in this aggregation subsidized the pricing of other communities. This must be avoided in future aggregations.

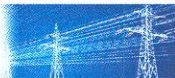
NIMEC has been aggregating municipal (water pumping/street lighting) load since 2006. Our experience in aggregations insures that no member will subsidize pricing for other members.

The key is to aggregate communities with other communities with similar usage profiles. This narrows the pricing differences and allows for a more cohesive aggregation group. With 50 communities available to NIMEC for aggregation, we hold a unique advantage. NIMEC will group similar profiled municipalities into several similar aggregations. Coupling this with individual pricing, NIMEC brings the advantages of aggregation without the risk of one community subsidizing others.

Timeline

NIMEC is committed to a timely implementation for Orland Park, to maximize the savings for the residents. Delays in the implementation will cause the loss of savings.

to Mar 20	Education of Residents
Mar 20	Referendum
Mar 20 – May 1	Customize Plan of Governance
	Public Hearings
	NIMEC to prepare for bid
End of May	ComEd to release its annual pricing
Early June	Bid Results / Supplier selection
Early June to Sept	NIMEC: coordinate implementation with ComEd and Supplier



Energy Suppliers

The listing of ICC approved suppliers can be found on www.pluginillinois.org. NIMEC previously contacted all authorized suppliers when we conducted our bids last summer. Since then, the number of suppliers has grown to 22 and we expect that number to grow further as we approach Spring. Therefore, NIMEC will work with Orland and other members to qualify the list.

NIMEC's experience has confirmed there are several pricing options of greatest interest to our clients. Therefore, we will offer pricing to clients with various options:

- With and without a multi-year rate guaranty (never higher than ComEd rate)
- With and without renewable energy pricing
- With and without a civic contribution

NIMEC will select suppliers that are willing to offer these pricing terms. Additionally, we will scrutinize the list of suppliers by:

- Experience in aggregations in other states
- Experience in State of Illinois aggregations
- Credit ratings
- Quality of call center

NIMEC has implemented aggregations with 3 suppliers and Rock River has worked with 1 additional supplier. This experience will prove beneficial to Orland Park, as some suppliers have struggled with their implementation. NIMEC may eliminate some suppliers due to their performance in Illinois aggregations. Again, no other consultant has this experience to offer.

NIMEC was advisor, leading the following ten communities through the Municipal Aggregation "Opt-Out" Program in 2011

Mayor Raymond Soliman
City of Crest Hill
1610 Plainfield Road
Crest Hill IL 60403

Mayor Kerry Durkin
Village of Glenwood
One Asselborn Way
Glenwood IL 60425

Erin Willrett
Village Administrator
Village of Elburn
301 E. North Street
Elburn IL 60119

Dave Nelson
City Administrator
City of Harvard
201 West Front Street
Harvard IL 60033

Art Osten, Jr.
Village Administrator
Village of Fox River Grove
305 Illinois Street
Fox River Grove IL 60021

Mayor Dick Kopczick
City of Morris
700 N. Division Street
Morris IL 60450



Mayor Tim Baldermann
Village of New Lenox
1 Veterans Parkway
New Lenox IL 60451

Bill Hannah
Finance Director
Village of North Aurora
25 E. State Street
North Aurora IL 60542

Justin VanVooren
Finance Director
Village of Sugar Grove
10 Municipal Drive
Sugar Grove IL 60554-6901

Jeffrey R. Mermuys
City Manager
City of Wood Dale
720 N. Central Avenue
Wood Dale IL 60191