

## Municipal Aggregation May Not Be Dead

The first two years of municipal aggregation saw significant savings. Last summer, however, 25 NIMEC communities suspended their aggregation programs. Pricing was just not compelling, as the ComEd rate had dropped.

However, as Spring approached, new life may also be being breathed into aggregation programs again. The ComEd rate will likely again be higher than market rates.

The agency buying power for residents who make no choice and purchase their power from ComEd purchases power over a 3 year timeline. When prices are rising (like they were last summer) this results in the ComEd rate being competitive to our bids of market pricing.

However, the commodities markets all saw rates drop significantly at the end of last summer, falling in concert with oil pricing. As such, electric

pricing is now in a favorable standing to the 3 year ave price that ComEd will be charging soon.

ComEd resets their pricing annually, for the June 1 to May 31 year. The ICC recently released the major component to that rate. Based upon this recent release, we estimate the new ComEd rate to drop from 7.6¢ to 7.3¢.

ComEd will announce its new pricing at the end of May. Their new price, however, will not include the Purchased Electricity Adjustment (PEA), which can vary up to 1/2¢, positive or negative.

NIMEC has renewed some aggregations recently, with pricing in the mid to upper 6¢ range. As such, savings of 5% to 10% are once again likely. Its possible to achieve a full 1¢ drop from the current 7.6¢ ComEd rate.

You may recall that there has

been a pricing bias for municipal aggregations against villages with smaller homes in favor of communities with larger homes. The ICC has worked to mitigate that bias, and current pricing reflects their efforts.

Many residents have expressed appreciation for municipal aggregation programs. That alleviates their need to deal w/ solicitors who can take advantage of residents who do not fully understand the complex pricing associated with electricity.

A reminder: NIMEC's municipal aggregation suppliers only communicate with residents via mail. Any supplier contacting a resident by phone or door to door do NOT represent a municipal aggregation supplier.