

Electric Choice To Come to Residents Soon

Since the State of Illinois deregulated the electric market, nearly all of the change has been limited to the commercial market. To date, 76% of the commercial market has moved from ComEd to take advantage of lower cost suppliers.

However, the number of residential households that has moved from ComEd to these lower cost suppliers has been negligible. Suppliers could only offer an “Opt In” program, where each resident had to individually initiate the change to another supplier.

Most residents are not sufficiently informed about deregulation or the various supplier options to make an informed choice.

Therefore, the State of Illinois recently changed the current legislation to allow municipalities to enact an “Opt Out” program. Under this option, a municipality could move all ComEd accounts within the city limits to a supplier of their choice, much

like municipal contracts for cable or trash. If a resident did not want to move, they could “Opt Out” of the municipal choice and move back to ComEd.

A municipality would only consider an “Opt Out” program if they could offer residential rates lower than those of ComEd. Currently, those lower rates are available in the marketplace.

The first step toward implementation of an “Opt Out” program would call for the municipality to pass a resolution to place the measure on an upcoming ballot. At least two public hearings and/or informational meetings would be required to educate the voting public.

Ohio is ahead of Illinois, and has previously enacted a similar program. Nearly all of the ballot initiatives have passed easily, when brought to a vote.

Should the measure be passed, the municipality would then entertain bids from various suppliers for power for the entire community. NIMEC will be available to help the city select the most aggressive supplier for the municipality.

NIMEC would then aggregate all municipal members to buy power together. Aggregating the residents’ load of all NIMEC members would enable us to negotiate more aggressive pricing compared to each municipality bidding alone.

ComEd would continue to bill all residents on behalf of the municipal supplier and payments would continue to be paid to ComEd. From an operational perspective, the residential user would hardly notice any change to their billing, except for the lower rates.