

## NIMEC MEMBERS SAVE \$1.5 TO \$2 MILLION

NIMEC membership has continued to grow, as our membership now exceeds 150 members. Combined power purchases of NIMEC membership have increased to \$30 million. 98% of NIMEC members renewed their purchasing with our latest bid.

NIMEC's size has now attracted interest from the three largest power suppliers in northern Illinois (Exelon, Integrys and Constellation).

This combined \$30 million of purchasing power has led to significant savings for our members. There are various methods of quantifying this savings. One (conservative) approach is to calculate the difference between the winning (low) bidder and the highest bidder, which was 4.5% in our latest bid.

However, anecdotal evidence may better tell the story. NIMEC contacted a prospective member early in 2008. This government entity was already buying its power from another electric supplier. NIMEC included this entity in our recent

bid. The prospective member then took our bid and negotiated "all day" with their supplier. After repeated attempts, the competing supplier's most attractive bid was still 5% higher than the NIMEC bid.

Our last attempt to quantify the benefit of aggregation involves another prospective member. NIMEC also included this prospective municipality's volume in our latest bid. We later learned that this municipality had previously sought pricing from our supplier independently, just prior to our bid. The prospective member was quite pleased with the NIMEC bid, as it beat their individual bid by 10%.

While 5% - 10% may not initially appear impressive, it becomes more meaningful when applied against your total, annual electric purchase. For a municipality consuming \$15,000 per month, a 5% to 10% savings would achieve savings of \$9,000 to \$18,000 per year.

Another perspective: if your municipality saved 8%, you would enjoy 1 free month of power each year.

We at NIMEC are continuously striving to uncover opportunities to lower your cost of power. We count it a privilege to help you "band together to drive down pricing".