



ELECTRICAL AGGREGATION DELIVERING ON SAVINGS PROMISE

September 13 2012 12:11 PM

BETHALTO, IL – Amid the talk of doing more with less, Bethalto residents are actually getting more for less when it comes to their electrical power. Through municipal electrical aggregation, many village residents are noticing a savings of as much as 36 percent on the electric supply portion of their monthly power bills.

“This couldn't have come at a better time with the heat from July and August,” Bethalto Mayor Steve Bryant said. “Several residents brought power bills to village hall for review and were amazed at the savings. Several used more kilowatts and paid less than the previous months. One resident had a savings of \$56 and several had savings in the \$30 to \$40 range.

“In today's economic climate, anytime we can save our residents money and not reduce services we need to act promptly and understand it is a tough time for all of us,” Bryant said.

With the passage of the Illinois Power Agency Act in Illinois, municipal electric aggregation became available. This allowed local authorities to negotiate electric power supply for smaller consumers. The governor signed a public act that allows communities the authority to bargain on behalf of their residents for cheaper electricity. The purpose of deregulating electricity markets was to increase competition, lower costs and give residents the power to choose. Governments and large business in Illinois already do this. Illinois Legislation now permits municipalities to propose a referendum which, if approved, entitles municipal authorities to put their residential and small business electricity load out to bid to an alternative supplier in order to save money.

“Our Village Board was proactive and took advantage of this opportunity for our residents to appreciate a savings for their electric power consumption early on,” Bryant said. “We enlisted Good Energy as our consultant and put the issue before the residents as a referendum in March.”

Voters passed the referendum and the Village joined more than 50 municipalities and counties of Central and Southern Illinois Municipal Electric Opt-Out Buying Group, representing the largest aggregation program of its kind in Illinois. The bigger buying group meant better buying power. About 220,000 households and small commercial retail electric accounts in the Ameren service territory were part of the buying group.

“The purpose of deregulating electricity markets was to increase competition and lower costs” said Charles de Casteja, managing partner of Good Energy. “For the first time in Illinois, residential and small commercial retail customers could benefit financially from this. For years commercial customers have reaped the benefits of deregulation and shopping in the open market. Now, finally, the residential customers of Ameren see the benefit of purchasing in the open market together. Responsible communities across the state banded together in a buying group to buy in bulk. Municipalities truly realized the ‘power’ in numbers. This is the largest residential renewable purchase in the history of the U.S.,” De Casteja said.

What’s more, Bryant said, is that “Bethalto was one of 44 of the 50 communities in the purchasing group that chose to purchase 100 percent renewable electric production – all green.”

Beyond passing the referendum, residents who wanted to reap the benefits of the savings were not required to act in any way to receive the savings. Anyone who chose not to participate in the aggregation program was given the opportunity to opt out.

Good Energy had predicted a savings of between 15 and 25 percent, but compared with the current Ameren rate of \$0.0620 per kilowatt hour, the purchase price of \$0.0398 for the aggregation communities represented a savings of 36 percent per kilowatt hour. Depending on usage, some Bethalto residents will notice a savings of \$500 to \$600 per year. And Good Energy estimates a combined savings of more than \$60 million statewide for electric customers participating in the two-year municipal electric aggregation contract.

Several other local communities have now chosen to put the aggregation question on the upcoming ballot in November, following the leads of Bethalto, Alton, and Godfrey in the River Bend area.