

City Of Wood River Achieves Lowest Municipal Electric Aggregation Rate Since 2014

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WOOD RIVER - The City of Wood River selected Collinsville-based Homefield Energy as the low bidder after a competitive bid with three of the country's leading

alternative retail electric suppliers recently for the local electricity aggregation program. Homefield Energy will deliver electricity at stable, fixed rates for 24 months.

More than 100 communities in Central and Southern Illinois recently participated in a series of bids from the country's leading competitive suppliers in June. The consortium-style buying group aggregates their residential and small business electricity loads in order to achieve volume purchasing leverage.

The result is the lowest aggregated electric rate in six years. Market-based rates have dropped nearly 40% since the market peaked in 2018 and locking in prices with a competitive supplier guarantees rate stability for a period beyond the utility's comparable prices.

The new lower price becomes effective in December. In preparation for the new contract rates, residents and eligible small businesses will receive opt-out notices in the mail in early October, and customers who do not opt out will be enrolled at the new rates. There is no cost to participate in the program, and a customer may leave the program at any time without obligation.

New lower rates are the result of a months-long process. Good Energy, the consultant who manages the electric aggregation program, developed a bidding process which adapted to the COVID-19 restrictions and eliminated previous in-person group bidding events.

What now?

Residents will receive opt-out notices from the supplier and a confirming notice from Ameren regarding the switch to a new rate.

If account holders decide to opt out after becoming part of the aggregate, they can do so with no termination fee or obligation.

Residents and eligible small businesses who do nothing are automatically enrolled and will receive the new rate with their December billing period.

Residents who opt out will continue paying the same rate they have been paying. There are no additional charges.

All residents and small commercial accounts will continue to receive one bill issued by Ameren Illinois.

History of municipal electric aggregation in Illinois

In 2009, the Illinois governor signed a public act that grants communities the authority to bargain on behalf of their residents for more beneficial electricity rates. The purpose of deregulating electricity markets was to increase competition, lower costs and give residents the power to choose.

Background

Good Energy is a national energy management consultant firm that prepares, negotiates, and purchases utility supply contracts for consumers and businesses in deregulated markets. The company has clients in 22 deregulated states including Illinois.