

# The Smart Grid and Municipal Aggregation

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THE GREAT LAKES SYMPOSIUM FOR SMART GRID AND THE NEW  
ECONOMY

# Municipal Aggregation Review

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## Definition:

- The authority for an Illinois Village, Town, City, Township or County to negotiate electricity supply and services on their behalf of residential and small commercial consumers

## Track Record:

- Between 60 and 70% of ComEd and Ameren Illinois residential accounts purchase electricity through municipal aggregation contracts

## Benefits:

- Efficient consumer outreach
- Reduced cost of customer acquisition
- Endorsement from a trusted source (local municipality)

# Electricity Aggregation Model

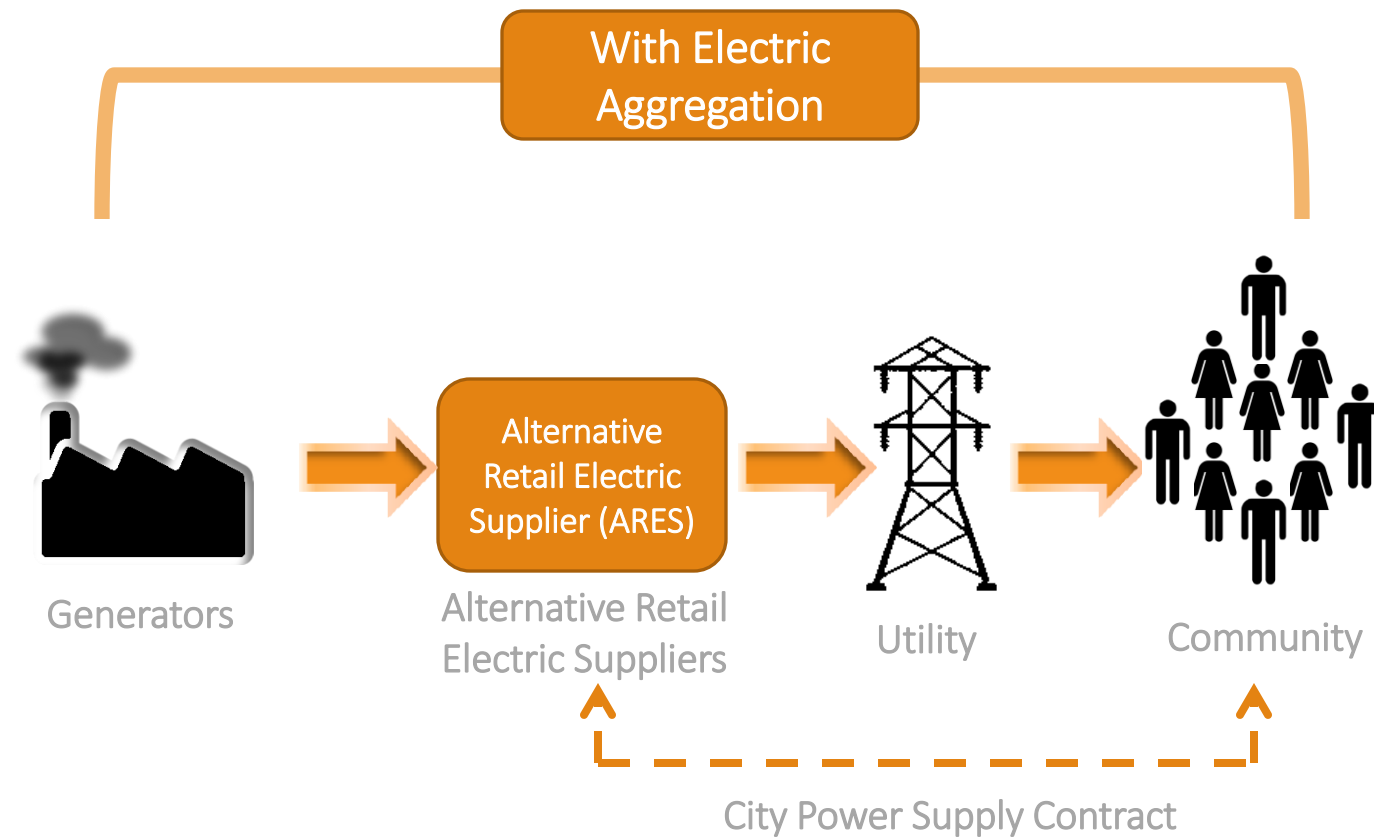
## Electric Aggregation

Generators deliver power to the regional grid at prevailing prices.

ARES secures power supplies from the grid at competitive prices and schedules delivery to the local utility under a contract with the City.

Utility delivers power to consumers for a tariffed rate

Consumers save money and keep full utility services



# Implications for Smart Grid

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## **Statute allows for ‘demand management services’**

- Not fully defined, but energy efficiency and demand response meet other statutory definitions
- Communities can solicit for energy services separately or as part of the supply contract with ARES
- Technology offers can be offered to consumers through municipal partnership and outreach

## **Rate structures:**

- Historically aggregations have negotiated simple fixed price rates for supply
- With new meters, time of use rates can be negotiated and tied to demand response

