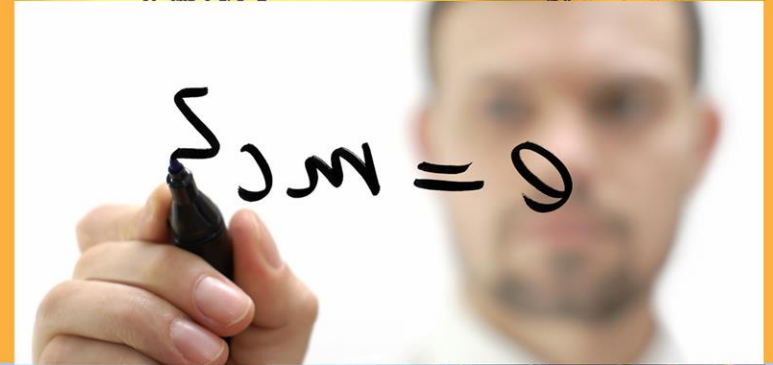




where **energy** comes from



IIT Symposium



Date: September 25, 2014

Confidential



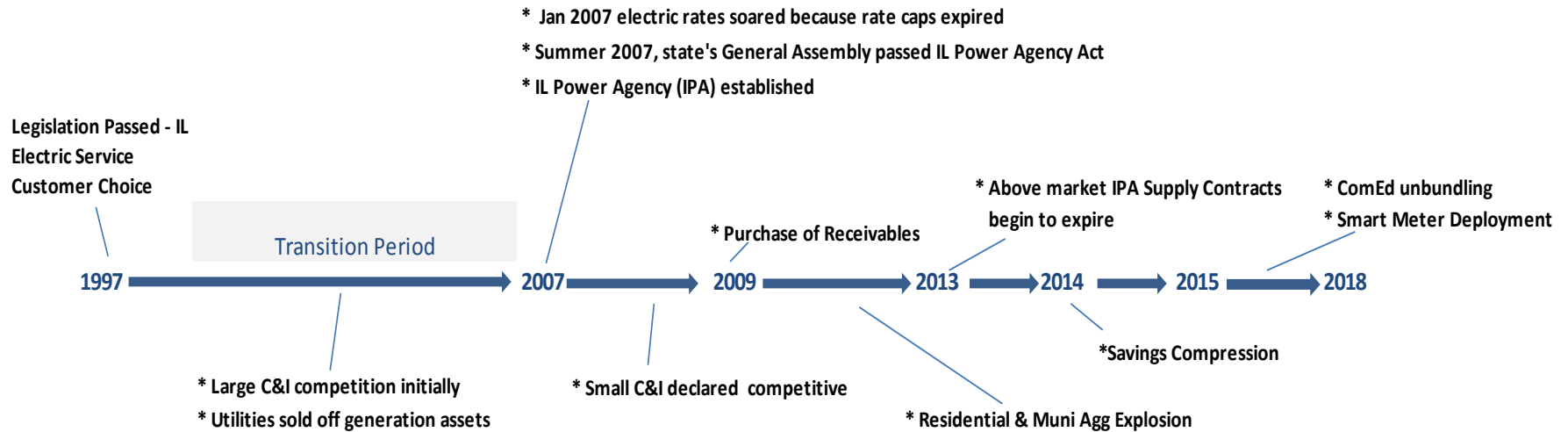
Agenda

- MC Squared Energy Services (mc²)
- Electric Deregulation History – what does it tell us?
- Municipal Aggregation
- Value Adds for Municipal Aggregation in SmartGrid era

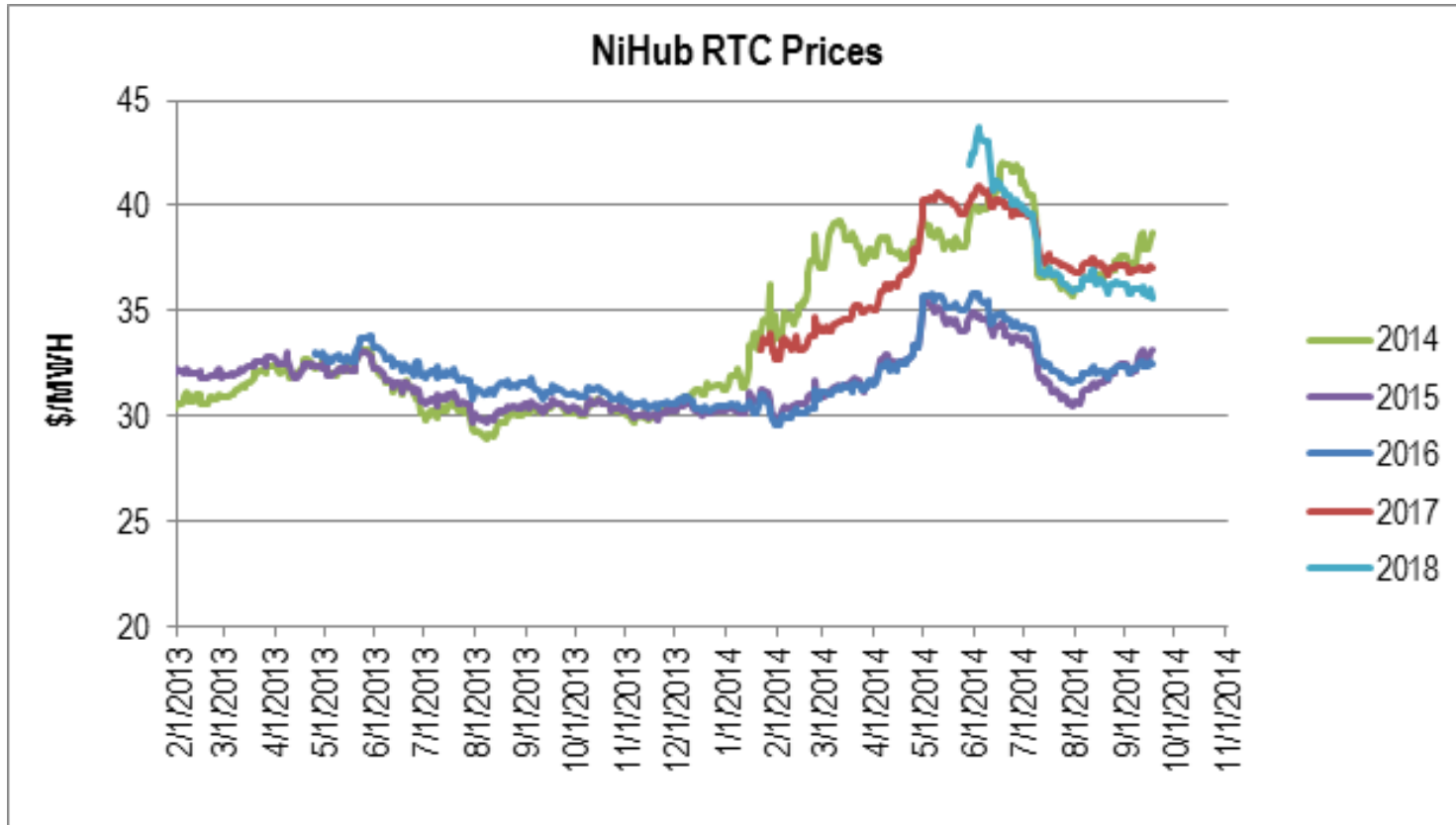
MC Squared Energy Services

- Established in 2008 by veteran energy industry experts, MC Squared Energy Services, LLC (mc²) is a licensed Alternative Retail Electricity Supplier (ARES) in the state of Illinois serving residential and commercial energy customers in the ComEd service territory
- mc² is a wholly owned subsidiary of DPL Energy Resources, Inc. (DPLER). DPLER is a competitive retail electric supplier in Ohio, a wholly owned subsidiary of DPL Inc. DPL and its subsidiaries supply power to over 500,000 customers in the state of Ohio
- In 2011, AES Corporation (AES) acquired DPL Inc. AES includes 13 utilities and over 100 generation plants in 27 countries
- The mission of mc² continues to be the energy supplier of choice in the areas we serve, by providing our customers with innovative and reliable power-purchasing options. We are committed to our customers, the communities we serve and improving the environment

IL Electric Deregulation History – consumer transformative change takes time



Pricing History – “Savings” vs. PTC swing with price volatility



How can municipalities add additional value for their aggregation members in the SmartGrid Era?

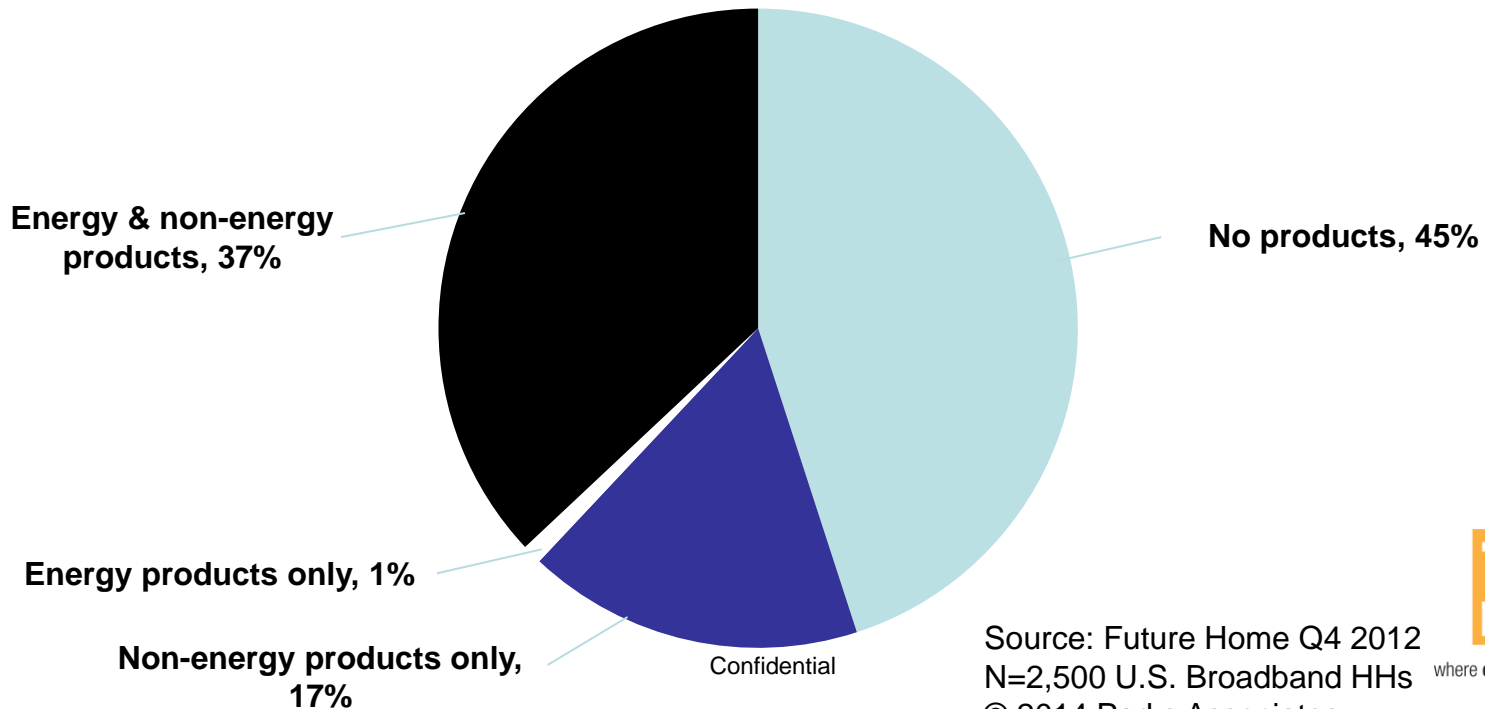
- Research shows that “energy only” products are not a “high interest” entry point for consumers – only about 1% have interest
- Comfort of the home and home security are of higher interest and value
- Products that improve comfort and/or security are an entry point for engaging positive consumer action regarding energy, including energy conservation and energy efficiency (comfort and savings)

Interest in “energy only” is low – interest as part of bundle is higher once other products acquired

Willingness to Buy Home Monitoring Products: Energy vs. Non-Energy (Q4/12)

"Q7435. How likely are you to purchase the following if the product can be monitored and managed from inside your home or while you were away using a computer, mobile phone, or tablet?"

(Among BB HHs, N=2500, $\pm 1.96\%$)



Source: Future Home Q4 2012
N=2,500 U.S. Broadband HHs
© 2014 Parks Associates



where energy comes from

Examples of possible value added products that also offer potential for sustainable savings

- Energy Efficiency (EE) retrofits focused on both electric and gas usage – can be done now and provide savings now for 20% or more of the single family homes
 - With smart meters EE can be expanded to Demand Response
 - Meets the muni agg “savings focus”
 - 5 year financing makes the program “affordable” (not 15 or 20 years)
- Dynamic pricing “opt-in” products that leverage smart meters (2018 reality for full scale deployment in IL)
- Distributed generation (solar or other) – economics are challenging in Illinois if solely savings focused
 - Low power prices (significantly under \$.20/kwh all in)
 - Subsidy structure negatively impacted by high level of residential switching
 - Competitive markets are at best 3-5 year term – 3 years is a long muni

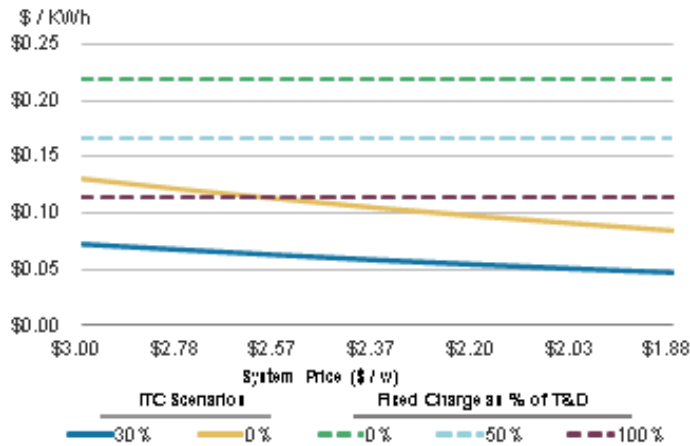


where energy comes from

Unlike Energy Efficiency, Solar Economics in Illinois are Challenging due to climate and “low” electric costs

Exhibit 63

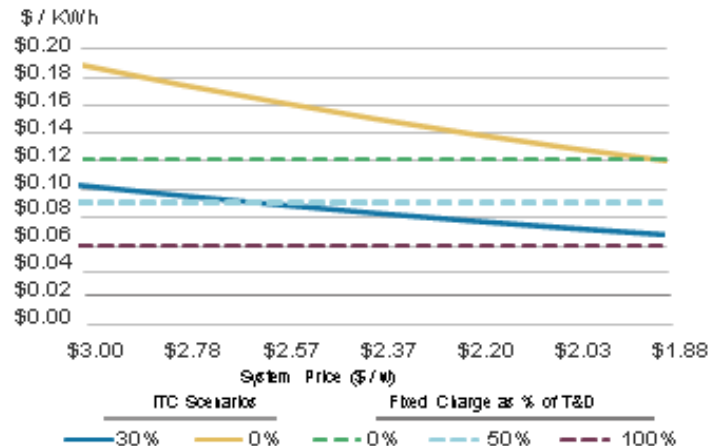
In California, We Expect Residential Solar to Be Competitive with the Grid, Even without ITC and with Fixed Grid Fees



Source: Morgan Stanley Research

Exhibit 64

However, in Midwestern States Such as Illinois, the LT Outlook for Solar is Much More Challenging



Source: Morgan Stanley Research

Why focus on Energy Efficiency Now?

- Energy efficiency is the least cost, most accessible route to individual sustainability and residents benefit from reduced costs as well as positive environmental benefits. EE benefits are permanent and ongoing
- Provides the Municipality and residents with actual experience with new product benefits (beyond energy price) for the future
- Positions the Municipality to determine potential for Village resident's EE to be bid by the Municipality supplier into 2016/2017 Illinois power Agency procurement in Feb 2015
- Positions the Village as a leader with a meaningful option that provides savings and helps the environment

mc² Smart Meter Product

- mc² first supplier to provide a Time of Use (TOU) Product called Smart Value Power Program (SVP); launched in early January. A TOU product could be an “opt-in” feature for a Municipal Aggregation Program
- Smart Value Power Program details
 - Monthly electricity bill calculated using separate pricing for electricity used during Value Hours and Peak Hours
 - Value Hours are from 7 p.m. to 7 a.m. Monday-Friday and 24 hours on the weekend; Peak Hours are from 7 a.m. to 7 p.m. Monday-Friday
- Shifting to lower-priced value hours helps reduce carbon emissions from less-efficient generation facilities that contribute to global warming
- ComEd has escalated the deployment schedule for the installation of smart meters

On-line Enrollment – Live January 9th



retail electric supply service in illinois

- Business Options
- Residential Options
- Smart Meter Options
- Green Options
- About Us
- Electricity 101
- Resources

- Residential Options
- Green Options
- Smart Meter Options
- Ways to Save
- Customer Testimonials

home > smart meter options

Smart Value Power Program

More control. More environmental benefits. More savings!

If you have a smart meter, our Smart Value Power Program is a way to get more — without reducing the overall amount of electricity you use.

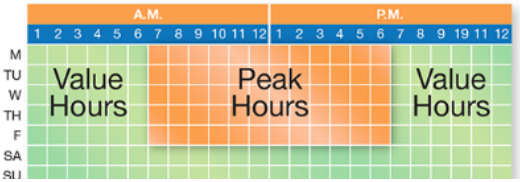
It's simple and it's sensible. By shifting your use of electricity to the lower-priced Value Hours, you may be able to better control your costs, save money, and help the environment by reducing peak-time carbon emissions. During peak hours — Mondays through Fridays from 7 a.m. to 7 p.m. — electricity tends to cost more to produce and may require the use of less-efficient generation facilities to meet system peaks. If you are able to use less energy during higher-priced Peak Hours — the mc² Smart Value Power Program is the right plan for you! Of course, you never pay more than ComEd's rates with our mc² Price Protection Guarantee — that's being a smart consumer.

Timing is everything with mc² Smart Value Power Program!

Value Hours	3.900*	Peak Hours	6.900*
	cents per kWh		cents per kWh
Monday – Friday (7 p.m.–7 a.m.) and Weekends	A fixed energy price during the Value Hours.	Monday – Friday (7 a.m.–7 p.m.)	A fixed energy price during the Peak Hours.
Term: 12 Months		Term: 12 Months	

Program Administrative Fee 0.500 cents per kWh

* Transmission and Capacity Charges are pass-through electricity supply service charges not included in your energy charge. Transmission and Capacity Charges will appear as a separate line item in the Electricity Supply Services section of your ComEd bill. Reference the FAQs below for additional information.



Smart Value Power Program Benefits

- Control over electricity cost
 - Environmental benefits
 - No signup fees
 - No early termination fees
 - mc² Price Protection Guarantee
- No Smart Meter? No Problem!**

Get an mc² custom quote today and switch to the Smart Value Power Program when ComEd installs your smart meter. [Click here](#) for a custom quote.

Website Content

<http://www.mc2energyservices.com>

Start the enrollment process today.

✓ **Step 1: Review the Residential Uniform Disclosure Statement, print and save a copy by [clicking here](#).**

I have reviewed and understand the Residential Uniform Disclosure Statement presented above and have authority to make decisions on this account.

✓ **Step 2: Enter your ComEd 10-digit account number.**

Your information is completely secure and will not be shared without your permission.

ComEd Account Number
(What is this?)

✓ **Step 3: Enter your ComEd 9-digit meter number.**

You must have a smart meter to participate in this program. All smart meter numbers start with "2".

ComEd Smart Meter Number
(What is this?)

✓ **Step 4: Start the enrollment process.**

Sign Up Today!

FAQs

Frequently Asked Questions

- What is the Smart Value Power Program?
- What is the mc² Price Protection Guarantee?
- What does Cumulative Program Savings mean?
- How long do I have to stay on the program and are there any fees?
- What are the environmental benefits from being in the Smart Value Power Program?
- What is a smart meter?
- How do I know if I have a smart meter?
- How can I get a smart meter?
- How can I save money on the Smart Value Power Program?
- When are Value Hours and Peak Hours?
- How will I be billed?
- What are Transmission and Capacity Charges?

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Other Product Bundling Ideas?

