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Energy Aggregation – What is it? What does it mean to me?

Citizens of Heyworth:

Recently, you likely received something in the mail from Constellation NewEnergy, Inc. related to energy aggregation for your home. The following is intended to provide more information to you on what energy aggregation is and what it means to you. If you'd like to review more information on this, please go to the Village's webpage at https://www.heyworth-il.gov/for_residents/other_utilities/energy_aggregation.php.

What is Municipal Energy Aggregation?

Municipal Energy Aggregation (MEA), which is authorized pursuant to the Illinois Power Agency Act (20 ILCS 3855/1-92), permits a municipality, if authorized by referendum vote of its citizens, to adopt an ordinance by which it may operate a program to solicit bids and enter into agreements to lock in energy supply rates, not energy delivery rates, for residential and small commercial customers with the concept of a municipality can negotiate a better rate than individual customers because of the bulk number of customers. In 2012, the citizens of Heyworth voted by referendum to allow the Village to negotiate opt-out energy supply contracts. The Village also then partnered with the Central Illinois Municipal Aggregation (CIMA) consortium, which includes 20 central Illinois municipalities and government entities, to help competitively negotiate an even better rate due to the CIMA having more than 40,000 electric accounts in aggregate.

Does Municipal Energy Aggregation Work? Is it cheaper?

Municipal Energy Aggregation locks in a fixed energy supply rate for the term of the contract and is generally at a lower rate than an individual negotiating an energy aggregation contract or Ameren's supply rate. Ameren's energy supply rate, on the other hand, fluctuates, and the average savings of the CIMA negotiated rate has been 12.7% lower than Ameren's rate and has been lower 86 out of the 114 months since its inception.

New Energy Supplier and Contract

In March 2022, the Village approved Constellation to serve as the Village's electric aggregation program supplier for a three-year term from June 2022 until June 2025 due to the current contract expiring. Unfortunately, this new supply rate (\$0.07859 per kilowatt hour (kWh)) is significantly higher than the current contract rate (\$0.04240 kWh), which a significant rate increase was anticipated based on market trends. On April 25, 2022, Ameren released its new rates, which from June 2022 to September 2022 is \$0.0946 kWh (16.5% higher) and from October 2022 to May 2023 is \$0.11502 kWh (31.3% higher).

Do I have to stay with the Municipal Energy Aggregation?

No. If you do not want to participate with the aggregation program, you can opt-out by contacting Constellation by May 10, 2022, in any of the options they provided; otherwise, you will be enrolled in the MEA (you can opt-out later as well after being enrolled without penalty). If you opt-out, you cannot reenroll into the MEA until 1 year later. Ultimately, the Village wants to provide you the option of participating in the MEA, opting-out and selecting your own supplier, or opting-out and staying with Ameren. If you want to stay in the MEA, you do not need to take any action.