

## ***A summary of events leading to the negotiation of the most recent Electric Aggregation contract provided by our energy consultants, Good Energy***

The energy market has experienced extreme volatility, driven by rising power demand from AI data centers, cryptocurrency mining, the electrification of transportation, and the retirement of local coal-fired power plants, among other factors. This instability, combined with limited supply, led to higher electricity rates for Ameren and City of Washington residents participating in the municipal aggregation program through Homefield Energy during the summer of 2025.

Washington's aggregation program was established by referendum in 2012. Initially, its goal was to secure the lowest possible rates for residents. Since 2022, however, the program's focus has shifted toward strategic procurement—aiming to lock in the best available rates to provide stability during market volatility. Importantly, residents can opt out at any time without penalty. The City's current contract with Homefield Energy expires following the November meter read, effectively December 1, 2025. The new contract has a total fixed energy price of **(\$0.094/kWh)**. Currently, the total rate is **\$0.129/kWh**.

Ameren's residential electric supply rate from June 2025 through September 2025 is estimated to be **\$0.122/kWh**.

Ameren will be adjusting from the summer rate to a non-summer rate that will be released October 1, 2025. Currently, residential and small business accounts inside the City of Washington have an approximate 80% participation rate with the aggregation program.

### **New Contract for December 2025-June 2027**

Good Energy, working on behalf of Peoria area communities (Peoria, Peoria County, East Peoria, Bartonville, West Peoria, Creve Coeur, Peoria Heights, Chillicothe, Washington, and Morton) has secured a new 24-month contract for the communities through Vistra (Homefield) Energy.

1. The City's aggregation price would decrease from \$0.129/kWh to **\$0.094/kWh** from the December 2025 meter read date to the May 2026 meter read date.
2. With the June 2026 meter read date, the program rate will adjust to **\$0.132/kWh** for 13 months ending in June 2027.
3. From the July 2027 meter read date to the December 2027 meter read date, electricity would be purchased at a rate of \$0.0618 but additional capacity charges and other ancillary supply charges would be adjusted following the spring 2026 MISO auction, so the total rate is unknown at this time.

Vistra representatives stated that rates for next summer could be as high as \$.15 to \$.16/kWh, thus this program provides a hedge against the potential increases that may arise due to the lack of power generation in our region. The program will protect the City's rate payers at a time when electric generation constraints could cause utility rates to soar. The two-tiered rate for communities in our region provides a competitive rate against Ameren's current price, while anticipating the future increases expected in 2026.

### **Opt-Out Period**

**The City will have only one opt-out period this September.** The next opt-out period would be in 18 months. Residents will receive a letter notifying them of the new electric supply rate and providing them notice of a 21-day opt-out period for them to remain with Ameren for their supply of electricity. They have the ability to opt-out online, by mail or by phone.

### **What are resident's options under the electric aggregation program?**

Residents have a cost-free opt-out option. The program is designed for the residents to have a choice whether to participate in the program or not. Residents that do nothing will remain with the City municipal aggregation program. Residents that opt out will have to remain out for 12 months, exposing them to potential movements in the price of electricity. Residents are able to opt out at anytime during the contract without penalty, even after the opt out date listed on the letter.

In summary, the Washington aggregation program has provided the community with significant benefits:

1. REFERENDUM: Aggregation was passed by referendum of the electors of the municipality.
2. STABILITY: Brings stability to today's electric supply cost.
3. CHOICE: Gives residents an alternative to Ameren which they can leave at any time without penalty. Gives residents prior notice when rates change due to variable factors.
4. PROTECTION: Provides protection from spikes in the energy market due to volatility.
5. PARTICIPATION: Approximately 80% of eligible accounts have participated.