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May 30, 2024

TO: The Residents of Washington

FROM: Jim Snider, City Administrator

RE: Good Energy Market Update on Electric Aggregation Notification from Energy Harbor (electric supplier)

As you may know, the City of Washington has participated for many years in an electric aggregation program with Good Energy as our broker. Good Energy contracts for the supply side of the electric use on behalf of Washington residential customers who have not opted out of the program. Customers are allowed one opt-out option in a 12-month period.

Ameren Rates Filings

Ameren's filings took place late on May 20, 2024.

Please see here the preliminary rates from June 2024 as they are currently posted. The prices may change again in the following months:

Ameren BGS-1 Residential Rate is estimated to be about \$0.0813 for the summer and unknown for non-summer at this point.

Energy Harbor New Aggregation Base Rate \$0.1003.

The current contract runs through December 2025.

Aggregation Group Rates and Strategy with Market Context

The extreme volatility in the energy markets has now been compounded by an unprecedented explosion in power demand from AI data centers, crypto currency mining, electrification of transport and retirement of cheaper local coal generation plants, among other factors. Since their inception in 2012, aggregation programs have evolved from the primary goal of consistently saving residents money to strategic procurement of best available rates and allowing those rates to be insurance and protection during volatile times in the market while retaining the option to leave at any time without penalty.

The aggregation rate will be above the first stated PTC of \$0.0813. However, given that the Energy Harbor contract has locked in energy commodity rates through December 2025 in a low market, it is well placed for the long term, whereas Ameren customers are exposed to the inevitable continuation of extreme volatility in commodity markets over the term.

Aggregation Group Options

A key component of our aggregation program is allowing residents 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. Please be cautious when approached by Direct Marketers who may seek to take advantage of residents with unfavorable offers through telemarketers and door to door solicitors.

Conclusion

With the threat of volatile energy markets now compounded by extreme market pressures from the unprecedented demand for power from AI data centers and crypto currency mining combined with the retirement of almost all local coal generation facilities among other factors, the fact that the Good Energy electric aggregation program offers an optional protection to residents with a firm locked in energy price through December 2025.

This rate provides essential stability and cover while people can leave whenever they want at no cost. Much has changed in the world of energy since the inception of the program in 2012. While residents have saved money over the duration of the aggregation program, the paradigm of saving money as a goal has evolved into saving money as a byproduct of a strategy to protect the residents and businesses during highly volatile markets with unpredictable pressures and a newly fluctuating price to compare.

Good Energy will continue to monitor and keep us up to date with the latest market news and how it impacts our program.

Jim Snider
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