

# Power Line



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## Opportunity For Additional Savings in the AMEREN Area

by Ronald C. Steigerwald, Statewide Marketing Director for IEC

Quarterly Newsletter  
Fall 2001

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In case you did not receive the broadcast fax that went out recently, I am repeating the message that was relayed via that fax. It simply stated, if your school district is currently receiving its monthly electric bill from AMEREN, you may now have an opportunity to save additional dollars over what current IEC customers are saving in this area. Current IEC customers will also save additional dollars.

If you are interested in receiving a no-cost, no-obligation analysis of what your savings might be, simply fax last month's electric bill for each electric meter in your school district to the following fax number or mail this information to the following address:

**Fax Number:** 815.753.9367

**Or mail to:**  
Illinois ASBO  
Illinois Energy Consortium  
Northern Illinois University (IA-103)  
108 Carroll Avenue  
DeKalb, IL 60115-2829

CILCO, our program administrator, will process this information and send you an analysis of what your savings would be if you join the Illinois Energy Consortium.

If you have any questions, please contact Judy Sharp at 815.753.9840.

### Illinois Clean Energy Community Foundation

I recently received information about the Illinois Clean Energy Community Foundation. This organization invests in clean

energy development and land preservation efforts, working with communities and citizens to improve environmental quality in Illinois.

This Foundation supports programs and projects that will improve energy efficiency, develop renewable energy resources and preserve and enhance natural areas and wildlife habitats throughout the state.

Their first three grant application cycles will begin this fall, with each cycle focusing on one issue. Grant applications should begin with brief letters of inquiry, rather than full proposals. The deadlines for submitting letters of inquiry are:

Energy Efficiency – September 14, 2001

Renewable Energy – October 1, 2001

Natural Areas – November 1, 2001

If you have any questions, you can call the Foundation at 312.372.5191. They also have a web site at: [www.illinoiscleanenergy.org](http://www.illinoiscleanenergy.org)

### Natural Gas Update

The Illinois Energy Consortium (IEC) Board of Directors discussed the preliminary report from Latham and Associates regarding the survey and feasibility study they are currently in the process of completing.

At its next meeting, the board will discuss the feasibility of providing natural gas supplies to school districts. The board meeting is scheduled for Thursday, October 25<sup>th</sup>.

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# President's Perspective

by David F. Grace, President

Dear Members;

I hope everyone has had a very peaceful and fruitful summer. It certainly went quickly. Your IEC Board has continued to meet and recently approved a new supply contract in the Ameren region at a lower price than we were paying before! More about this region below. Well, the IEC has passed on more than \$2.5 million in savings to schools since it began supplying electricity to school districts in Illinois less than 19 months ago. We have come a long way! Deregulation and competition really do work when you can work together to also use economies of scale!!! Every month or two, as I review the savings by district, I am struck by the fact that none of us could have accomplished this alone. It took all of our districts working together to form this sizable group that can request and receive very competitive bids for electric supply. And this at a time when electric costs are higher, due to the crisis in California and the peak loads of summer. We all have ample reason to be very proud of our accomplishments and should share in the appreciation that these savings free-up funds to be refocused on kids!

These savings have been realized in primarily three regions making up most of Illinois. Because of ComEd's high cost of generating in the ComEd region, these schools have saved a great deal on electricity supplied through IEC. In the Ameren and the Cilco regions, the savings have been slightly less for districts but none the less sig-

nificant. For the next year, we are looking at significantly more savings in the Ameren region due to the new supply contract just approved! Coincidentally, as the IEC found some districts not able to save, the IEC Board has even asked and moved some individual accounts back to bundled service with their original utility, if the IEC supplied electricity was not less than the cost from the utility. As we said at the inception of this organization, our one goal was to provide savings on energy costs to schools! As we see from above, I believe we can be very satisfied that we, the members of the IEC, have been very successful in this endeavor.

However, we have not been as successful in all regions of the state. In several regions of the state, we have been unable to get any bids to supply electricity. In the Mid American and Alliant regions, we have been unable to aggregate enough electric need (load factor in the jargon of electric suppliers) to entice any suppliers to come forward. We are continuing to try and encourage additional school districts in these regions to sign and forward the membership/participation agreement to the IEC office in care of Illinois ASBO in DeKalb. Hopefully, in the near future, we will be able to save districts in these regions, as well. We are still struggling in the Illinois Power region. While we continue to supply some districts, most have been returned to Illinois Power due to problems in the Illinois Commerce Commission approved tariffs in this region and the

additional roadblocks that seem to be endlessly appearing in this region alone. One example of this is the fact that in this region alone, the CTC (customer transition charges) are very high and can only be calculated by Illinois Power and change from customer account to account and can change for any given account every two months! This makes projecting savings extremely difficult, if not impossible. In all other regions, these charges are either zero or are calculated by a formula anyone can use and change only annually. Other more stringent requirements have been put on potential suppliers in this region as well. We will continue to share information on problems with the Illinois Commerce Commission, and will try to get changes made through IP and ICC. However, if past history is any indication of future progress, we will probably still have a few bumps in the road.

I feel it very important to close on a rather astonishing note. We are still the only organization in the State of Illinois to be providing electricity throughout most of the state. We have by far exceeded most of our expectations as to how much money we would be able to save schools and we are just beginning! We are very quickly approaching IEC membership, comprising of half the school districts in the State of Illinois. And we are even exploring the option of offering a natural gas pool where one would be advantageous to schools. Exciting things are happening with the IEC and our kids are the primary beneficiaries!!!!

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# IEC Fall Forecast

by Robert J. Latham, President, Latham & Associates, IEC Energy Advisor

The Illinois Energy Consortium (IEC) has delivered a net of over \$2.2 million in electric savings to Illinois schools. Savings during the summer months are small, if at all, because of the higher market prices during the summer. As mentioned before, the IEC has factored these summer prices into its projections for savings over the full year, with the preponderance of savings realized during the non-summer months.

The primary beneficiaries of this program are in the ComEd service territory. Commencing this fall, we will also see greater savings for the IEC school facilities in the Ameren CIPS service territory. As before, our primary challenge for the IEC is in providing net savings in the Illinois Power service territory.

The electric power supply market is partially dependent on the cost of natural gas as a fuel for electric generation. In the last quarter, natural gas prices for the next year have continued

to fall. Last quarter, the natural gas NYMEX Henry Hub futures market was at about \$4 a dekatherm for the next year. Now, the 12-month price is less than \$3 a dekatherm.

This natural gas pricing continues to be positive news because market electric prices for longer-term contracts may be following lower natural gas prices. The electric market prices have fallen a bit in the last quarter but have traded in a very narrow range for the last month or so, pending the short-term impact of weather on upper Midwest demand for electricity.

For the longer term, fuel suppliers have clearly incorporated the increased demand for fuels to supply the new power plants in Illinois and the rest of the upper Midwest. The slower growth of the overall economy has also affected these price expectations. We are starting to see initial evidence of suppliers willing to enter into longer term power supply contracts on more at-

tractive terms. However, we believe these terms will continue to improve over the next year or so. We believe the electric market will continue to consider longer-term coal and natural gas prices, construction of new generation facilities and the overall level of economic activity in this region.

For the next quarter, expect significant increases in savings for IEC ComEd customers due to the new power supply negotiated last quarter. For Ameren CIPS customers, expect greater savings commencing in October from a new power supply negotiated this quarter. For Illinois Power customers, because of regulatory and local market conditions, we continue to be positioned to take advantage of longer-term reductions in power supply costs. For other electric service territories, we continue to monitor regulatory and market conditions and are prepared to act on behalf of schools when potential savings are available.

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## New IEC Board Members

### Dr. Michael E. Alexander



Dr. Michael Alexander currently serves as Superintendent of the Warrensburg-Latham Community Unit Schools in Warrensburg, IL where he is beginning his 11<sup>th</sup> year with the district.

Dr. Alexander has previously served as a teacher, building principal and superintendent in other districts, all in Illinois, during his 33-year career.

His educational background includes a BA degree from SIUC, MS and Education Specialist degrees from WIU, and a Ph.D from SIUC.

Dr. Alexander is married with two grown daughters and two granddaughters. His wife, Arlene, also an educator, is a high school librarian in Clinton, IL.

### Allen J. Albus



From 1989-1993, Treasurer Albus served as Assistant Business Manager at Naperville CUSD 203. From 1993-1996, he served as Assistant Superintendent for Administrative Services at Valley View

CUSD 365-U. In 1996, he returned to Naperville CUSD 203 as the Assistant Superintendent for Finance, the position he still holds today. Allen received

his Bachelor of Science degree in Management from National Louis University, and his Master's in Educational Leadership and Educational Policy Studies with a major in School Business Management from Northern Illinois University, DeKalb. As a member of Illinois ASBO, Allen has served on the Personnel Management and Transportation Professional Development Committees. Allen has also been an organizer and presenter for Personnel Management workshops. He has been a board member of Illinois ASBO since 1999. In addition to his years as a member of Illinois ASBO, Allen is also a member of ASBO International.

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# Forecasting and Scheduling Your Energy Needs

by Kristi Fitzanko, IEC Energy Advisor

Have you ever wondered how the energy gets to your door?

CILCO, the IEC's Program Administrator, has a Forecast Team that performs tasks daily assuring you will have power every day. CILCO uses a database that is updated with your historical usage for the most recent 12 months. This database holds usage information for more than 1200 accounts throughout the ComEd, Ameren, and IP service areas. We aggregate accounts by utility and utilize the

profiles provided by the utility company to determine how much electricity hour-by-hour we should deliver to the interconnect point with the utility company.

This information is then handed off to our Supply Team. This group then takes the information provided by the Forecast Team and manually enters the hour-by-hour information into another internet database shared by all Illinois utility companies. The Energy Supplier has also provided this information so

they can monitor the database to make sure the amount of electricity requested is delivered.

This is the reason why it is so important that CILCO be kept informed of any change to your electric load. If you are building a new school, adding additional space to an existing school, or upgrading an electric heat/air conditioning system, please let us know so that we can account for the increase or decrease in our forecasting system. Please call Kris Fitzanko at CILCO, 309.677.5246, if you have any questions.

*Address Service Requested*



**Illinois Energy Consortium**  
*Marketing Services*  
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