

MEMORANDUM

TO: Eric Pridonoff, Interim Village Administrator, Village of Golf Manor
FROM: Rich Surace, COO, Energy Alliances
DATE: August 20, 2025
RE: Electric Aggregation Recommendations

Background

The Village’s previous aggregation program expired in May 2025. Due to regulatory requirements, Council would have needed to decide in March 2025 if they wanted to continue their aggregation program. The bids that Energy Alliances received from suppliers were close to 10¢ per kWh. Duke had yet to publish their default energy rates for June 2025 to May 2026 and Energy Alliances was estimating them to come in right around 10¢ per kWh. Because the aggregation bids and estimated Duke rates were at near parity, Energy Alliances made the recommendation to the Village to end their aggregation program.

Prices have fallen sharply in the last few weeks, so Energy Alliances asked suppliers to bid on the Village’s aggregation program again. The results of those bids are below.

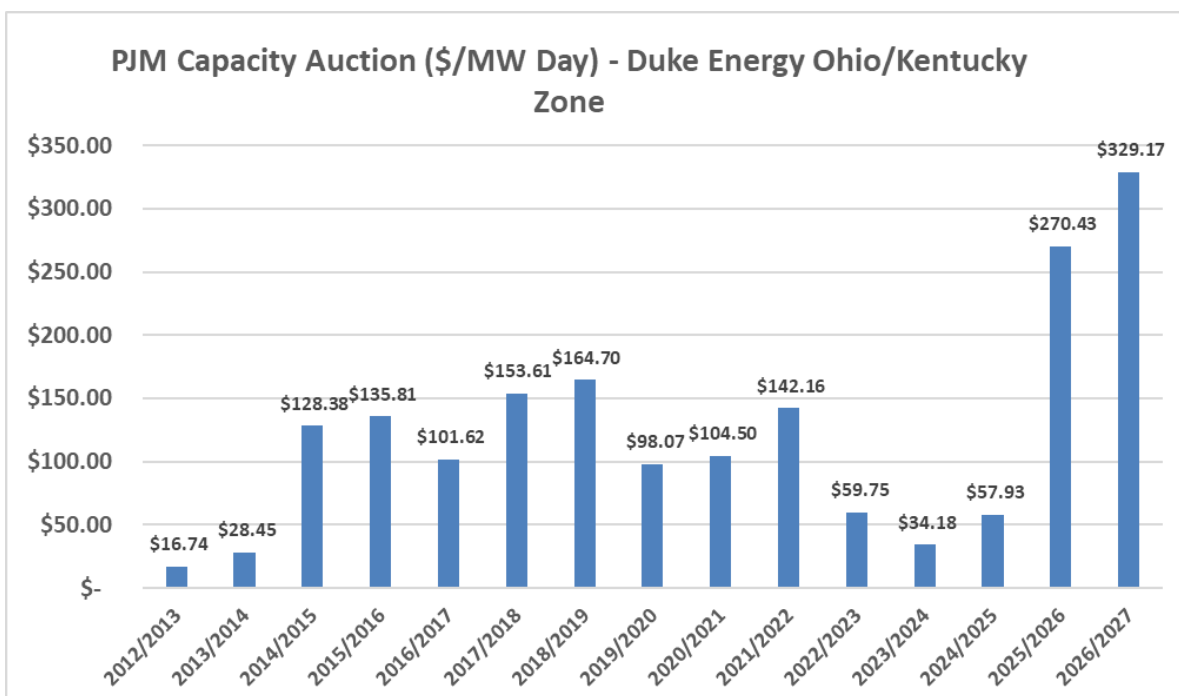
Pricing Component Overview

The two largest components in an electric aggregation rate are the cost of Power and Capacity.

Power – The cost for a supplier to generate their own power or purchase the power from the market to then resell to the end use customers (i.e., residents, business, etc.).

Capacity – The cost assumed by all power customers to assure there is enough generation (aka power plants) available to meet the power demands.

When reviewing the prices below, you will notice a significant increase during 2025 and 2026 planning years. The main reason for this is the increased cost of capacity. Here is a graph showing historical capacity cost.



*A planning year is June of one year to May of the following year.

I would not focus on the actual capacity values, but how the value of 2025/2026 increased by more than 360% from last year and will increase an additional 22% for 2026/2027.

By locking in a new aggregation rate, we could help residents blend in the “lower” capacity rates for this year with next year, so they do not see another increase in Duke’s “Retail Capacity Rider.”

RFP Results

The RFP was sent to the two suppliers who responded to the RFP in the Spring of 2025.

Here are the indicative results per responses on August 20, 2025.

Supplier	Dec-26	May-27	Nov-27
Constellation	\$0.09881	\$0.10284	\$ 0.10274
Dynergy	\$0.09800	\$0.10170	\$ 0.09960

Duke’s current price to compare is 10.43¢ per kWh. Capacity prices will remain high until at least May 2027.

Recommendation

Energy Alliances recommends locking in a 13-month term (until December 2026) with Dynergy Energy Services.