

Lack of Electrical Aggregation Contract Resulting in Price Increases

Spiking prices and supply shortages have prevented the City of Chillicothe from securing a contract for its community electrical aggregation program. Participants will be returned to Ameren Illinois supply effective with the June 2022 billing cycles. Customers do not need to take any action for their accounts to transition to utility supply. Ameren has been sending confirmation notices to account holders.

The City of Chillicothe has participated in a municipal electrical aggregation program for several years. The program allows municipalities to combine electricity usage with other cities and towns in the same utility region. The negotiated electricity rate through the end of May was .04385 cents per kilowatt hour.

Energy markets have experienced a significant price spike through the Winter and Spring, resulting in price increases for residential and small business customers. The annual average for Ameren's current residential rates is approximately 0.12 cents per kilowatt hour, which represents a dramatic increase for all electrical consumers in the Ameren service area.

While these market conditions are unprecedented, the current pricing levels or generation supply shortages are not expected to last long term. City officials continue to communicate with supplies, including new entrants to the Southern Illinois market, about future energy supply for the electrical aggregation purchasing group. We expect to resume the electrical aggregation program in May 2023 and will provide information as the date approaches.