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## ICC Approves Commonwealth Edison's Time of Use Rate Pilot

On Wednesday, October 2<sup>nd</sup>, the Illinois Commerce Commission (ICC) voted unanimously to approve Commonwealth Edison Company's ("ComEd") tariff for its Rate Residential Time of Use Pricing Pilot ("Rate RTOUPP"). Rate RTOUPP is designed to incentivize residential ComEd customers who are participating in the pilot to shift their energy use away from peak periods to times when energy and capacity costs are lower. Rate RTOUPP can be particularly beneficial for customers with high energy use which can be done at another "Off-Peak" time, such as charging an electric vehicle ("EV").

"The Commission believes that residential customers will benefit from time of use pricing" said Commissioner Maria Bocanegra during the ICC's Oct. 2<sup>nd</sup> Regular Open Meeting. She stated further that the Order's reporting requirements will help "assess the Pilot's marketing and educational strategies, impact on ratepayer behavior, implementation costs, and potential benefits to ratepayers."

On November 19, 2018, ComEd filed the Rate RTOUPP tariff and a separate petition to change its Integrated Distribution Company Implementation plan. Both petitions were consolidated into one docket (Consolidated Docket 18-1725/18-1824). The second petition will enable ComEd to market Rate RTOUPP to customers, educate customers about the benefits of Time of Use ("TOU") rates, and raise awareness for the pilot. ComEd is still finalizing its marketing plan for Rate RTOUPP but has stated that it will market Rate RTOUPP to a sample of eligible customers currently subscribing to basic electric service and will specifically target marketing towards electric vehicle owners.

The Rate RTOUPP pilot program will span four years and is intended to gauge ComEd customers' interest in a TOU rate option. ComEd plans to begin enrollment in June 2020. Rate RTOUPP will be voluntary and will be capped at 1,900 participants. Rate RTOUPP will have three daily pricing periods: Super Peak, Peak, and Off-Peak. Each pricing period will have a distinct hourly price determined by hourly energy prices and designed to encourage pilot participants to shift energy consumption away

from times with higher energy costs. Customers who use energy in the lower price periods will benefit from lower supply and capacity costs.

Along with the mechanics of the pilot, the ICC approved the Rate RTOUPP evaluation and reporting requirements. An independent third-party evaluator will audit the program and complete an annual report each year. Each annual report will assess, among many other topics, the effectiveness of its marketing, how pilot participants have shifted energy usage behavior, and whether pilot participants have saved money under Rate RTOUPP. The first annual report will be due no later than January 31, 2022, with additional reports required for each subsequent year. This timeframe should give ComEd enough time to complete initial enrollment and gather preliminary data.

From the bench, and in a written statement concurring with the Commission's Order, ICC Chairman Carrie Zalewski remarked that "the Commission should approve the pilot as beneficial to all ratepayers and include low income customers." While encouraged by the Commission's directive to ComEd to closely monitor rate increases of such customers under the pilot and to educate customers about their choices and options, she echoed the sentiments of the Illinois Attorney General's office and suggested to ComEd, "that until risks are known, low-income participants should be shielded from the unforeseen risks." If Rate RTOUPP is conducted in a thoughtful and prudent manner, consumers, utilities, and regulators can gain valuable insight into how TOU rates affect residential consumer energy use.

Consolidated Dockets 18-1725/18-1824 can be viewed through the Commission's e-Docket system online by clicking <a href="here">here</a>.

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