

**OFFICE OF RETAIL MARKET DEVELOPMENT  
ILLINOIS COMMERCE COMMISSION**

**2013 ANNUAL REPORT**



**Submitted Pursuant to Section 20-110 of the  
Illinois Public Utilities Act**

**June 2013**



## ILLINOIS COMMERCE COMMISSION

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June 30, 2013

The Honorable Pat Quinn  
Governor

The Honorable Members of the Illinois General Assembly

The Honorable Members of the Illinois Commerce Commission

Please find enclosed the ICC's Office of Retail Market Development's annual report. This report is submitted in compliance with Section 20-110 of the "Retail Electric Competition Act of 2006" [220 ILCS 5/20-110]. Section 20-110 requires the Director of the Office of Retail Market Development to annually report specific accomplishments in promoting retail electric competition.

Sincerely,

A handwritten signature in black ink that reads "Torsten Clausen".

Torsten Clausen  
Director, Office of Retail Market Development

**Annual Report to the General Assembly, the Governor,  
and the Illinois Commerce Commission**

**Submitted pursuant to Section 20-110 of the  
Illinois Public Utilities Act**

**Office of Retail Market Development  
Illinois Commerce Commission**

**June 2013**

## Executive Summary

- Illinois now has 87 alternative retail electric suppliers (“ARES”) that have obtained ICC certification to serve retail customers, up from 70 ARES at the same time last year (see page 3 of the report).
- The number of licensed Agents, Brokers and Consultants (ABCs) – 263 as of June 2012 – is almost double the number from two years ago (see page 5).
- As of May 31, 2013, ARES provide nearly 80% of the total electric usage in ComEd and Ameren Illinois service areas, up from 60% at the same time last year (see pages 4-9).
  - ◆ Nearly 81% of the total electric usage of ComEd’s customers was provided by ARES, up from 64% last year.
  - ◆ 68% of the total electric usage in the Ameren Illinois Rate Zone I (formerly AmerenCIPS) was provided by an ARES, up from 60% last year.
  - ◆ Nearly 82% of the total electric usage of Ameren Illinois Rate Zone II (formerly Ameren CILCO) customers was provided by ARES, up from 65% last year.
  - ◆ Nearly 80% of the total electric usage of Ameren Illinois Rate Zone III (formerly Ameren IP) customers was provided by ARES, up from 68% last year.
- Switching activity for the residential class increased dramatically in the last year (see pages 14-28).
  - ◆ As of May 31, 2013, nearly three million residential customers across the state had selected to receive their power from an ARES, up from less than 500,000 in May 2012.
  - ◆ Nearly 68% of ComEd’s residential customers are receiving service from a supplier.
  - ◆ The residential switching pace increased from 1,300 customers per day between May 2011 and May 2012 to about 6,500 customers per day from May 2012 to May 2013.
  - ◆ Total estimated annual savings from June 2012 through May 2013 by residential ARES customers in ComEd’s service territory is an impressive \$268 million dollars or 2.4 cents per kWh, compared to \$24 million or 1.4 cents per kWh for the prior year.
  - ◆ In May 2013, 57 certified ARES served residential customers in the ComEd service territory, compared to 40 in May 2012. Thirty-three certified ARES served residential customers in the Ameren Illinois service territory, up from 26 in May 2012.

- ◆ As of April 2013, 28 ARES were posting 63 different residential offers on PluginIllinois.org for the ComEd service territory. Ten ARES were posting 20 different offers in the Ameren Illinois service territories, up from six ARES and 11 offers in May 2012.
  - ◆ Of the residential offers posted on PluginIllinois.org for ComEd customers, 73% were fixed offers and 17% were variable.
- Government Aggregation: The residential switching numbers and market concentration levels changed markedly from last year due to municipal aggregation (see pages 15, 22 and 33).
  - ◆ In May 2012, 17% of residential ARES customers were part of a government aggregation program, and in May 2013, almost 78% of ARES residential customers take part in a government aggregation program.
  - ◆ A total of 677 communities passed an opt-out aggregation referendum to date, with 411 of those taking place in the last 12 months.
  - ◆ The ComEd residential market, based on HHI values, is “moderately concentrated”, with 69% of the market going to the three largest suppliers in May 2013, compared to 44% in May 2012.
- Significant growth in competitive switching has been seen in the small commercial customer class (0-100kW) in both the ComEd and Ameren Illinois service territories in the last 12 months (see pages 5-9).
  - ◆ As of May 31, 2013 ARES provide about 63% of the electric usage of ComEd’s smallest commercial customers (0-100kW), up from 52% a year ago.
  - ◆ ARES-provided usage accounts for 61% of the electric usage of Ameren Illinois Rate Zone I smallest commercial customers (0-100kW), up from 55% a year ago.
  - ◆ ARES provide nearly 65% of the electric usage of Ameren Illinois Rate Zone II smallest commercial customers (0-100kW), up from 55% a year ago.
  - ◆ As of May 31, 2013 ARES-provided usage accounts for about 63% of the electric usage of Ameren Illinois Rate Zone III smallest commercial customers (0-100kW), up from nearly 56% a year ago.

## **I. Introduction**

Section 20-102 of the Retail Electric Competition Act of 2006 (“Retail Competition Act”) states that

“a competitive wholesale electricity market alone will not deliver the full benefits of competition to Illinois consumers. For Illinois consumers to receive products, prices and terms tailored to meet their needs, a competitive wholesale electricity market must be closely linked to a competitive retail electric market. To date, as a result of the Electric Service Customer Choice and Rate Relief Law of 1997, thousands of large Illinois commercial and industrial consumers have experienced the benefits of a competitive retail electricity market. Alternative electric retail suppliers actively compete to supply electricity to large Illinois commercial and industrial consumers with attractive prices, terms, and conditions.

A competitive retail electric market does not yet exist for residential and small commercial consumers. As a result, millions of residential and small commercial consumers in Illinois are faced with escalating heating and power bills and are unable to shop for alternatives to the rates demanded by the State's incumbent electric utilities. The General Assembly reiterates its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers.”

To further the goal of developing an effectively competitive retail electricity market, the Retail Competition Act created the Office of Retail Market Development (“ORMD”) within the Illinois Commerce Commission (“ICC”). Section 20-110 of the Retail Competition Act provides that on or before June 30 of each year, the Director of the ORMD submit a report to the Commission, the General Assembly, and the Governor, that details specific accomplishments achieved by the Office in the prior 12 months in promoting retail electric competition and that suggests administrative and legislative action necessary to promote further improvements in retail electric competition.

## **II. Recent competitive activity**

### **A. Number of certified and registered suppliers**

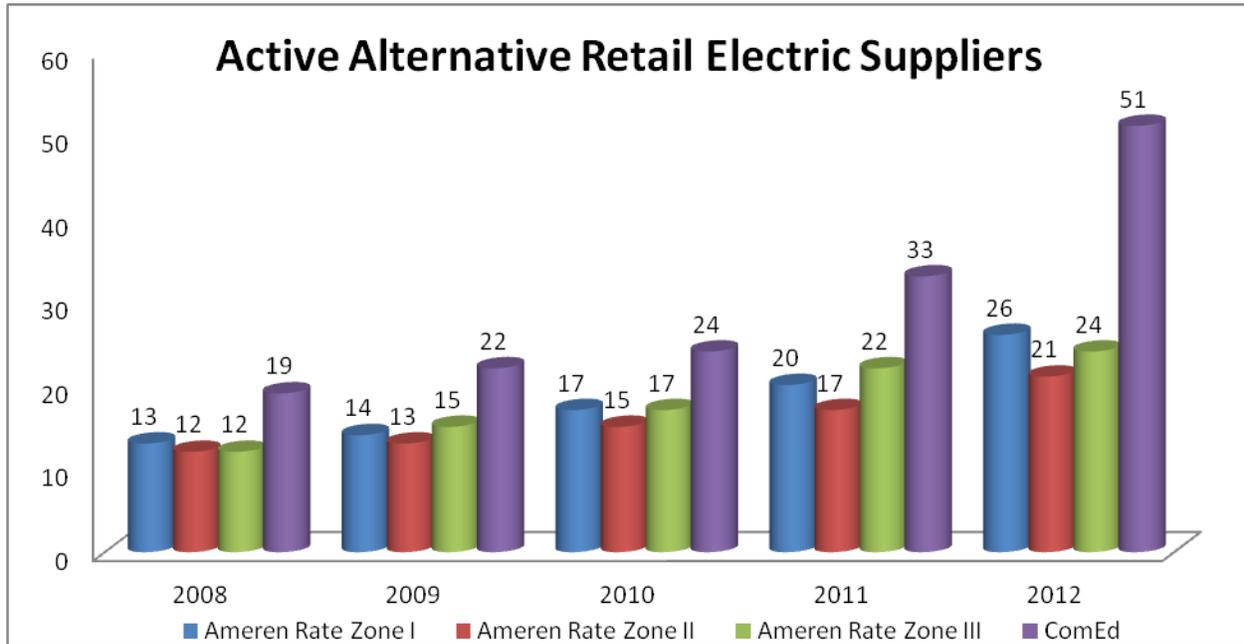
Statewide, there are currently 87 alternative retail electricity suppliers (“ARES”) that have obtained ICC certification pursuant to Section 16-115<sup>1</sup>. This is up from 70 suppliers at the same time last year. Fifty-seven ARES have obtained certification to serve residential and small commercial customers, which is up from 40 as of last year. Aside from receiving a certificate from the Commission, suppliers must also register with the electric utility and complete certain technical testing before they can start offering retail electric service in Illinois. Thirty-three suppliers have completed the registration process with Ameren Illinois, compared to 26 at the same time last year. Thirty-two of those suppliers were actively selling electricity in the territory as of December 2012, up from 24 as of December 2011. In Commonwealth Edison’s (“ComEd’s”) territory, sixty suppliers have completed the registration process, up from 44 suppliers last year. Fifty-one of those suppliers were actively selling electricity as of December 2012, compared to 35 as of December 2011. Four of the active suppliers are either electric utilities or affiliates of electric or natural gas utilities.

The following shows the number of active ARES from 2008 to the end of 2012 by utility service territory:<sup>2</sup>

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<sup>1</sup> Twelve of the 87 suppliers are certified to serve only themselves or their affiliates.

<sup>2</sup> In order to maintain consistency with the reporting of previous years, the graph includes ARES providing power to themselves or their subsidiaries for the Ameren Illinois territories. Also, several suppliers operate in more than one utility service territory.



### B. Customer switching to alternative electric suppliers

For the past few years, more than half of the total electric consumption of ComEd's and Ameren Illinois's customers had been provided by alternative retail electric suppliers. Last year marked the first time that more than 60% of the total electric usage of ComEd customers as well as the customers of all three Ameren Illinois rate zones had been provided by retail electric suppliers. This year, as of May 31, almost 80% of the total usage in ComEd and Ameren Illinois' service areas has been provided by competitive retail electric providers. Looking specifically at ComEd, February 2008 marked the first time more than 50% of the total electric usage was provided by competitive suppliers and October 2011 was the month that the number had crossed the 60% mark for the first time. While it took more than three and a half years from crossing the 50% mark to crossing the 60% mark, it took only a year (from October 2011 to October 2012) from crossing the 60% mark to topping the 70% mark. Even more remarkable, just seven months later, in April 2013, 80% of the total electric usage in ComEd's territory was provided by retail electric suppliers. Also worth pointing out is that the amount of ARES-provided electric usage to the 0-100 kW customer class has crossed the 60% mark in both ComEd and Ameren Illinois' territories for the first time this year.

One additional indicator of competitive activity is the steadily rising number of Agents, Brokers, and Consultants (“ABCs”) seeking a license pursuant to Section 16-115C of the Public Utilities Act (“PUA”). There are currently 263 licensed ABCs, which is almost double the number from just two years ago.

The following provides detailed non-residential usage information for the four utility service areas.

### **1. ComEd**

As of May 31, 2013, nearly 81% of the total electric usage of ComEd’s customers was provided by alternative retail electric suppliers (up from 64% a year ago). Breaking it down further, about 63% of the electric usage of ComEd’s small commercial customers<sup>3</sup> (up from about 52% a year ago) and 77% of its medium commercial and industrial customers<sup>4</sup> (up from about 76%) was provided by ARES. For large customers<sup>5</sup> it was nearly 92% (up from 91% last year), and 96% of customers with a demand of over 1MW received service from an ARES (the same as last year). Together, nearly 88% (up from 83%) of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2013. The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years<sup>6</sup>.

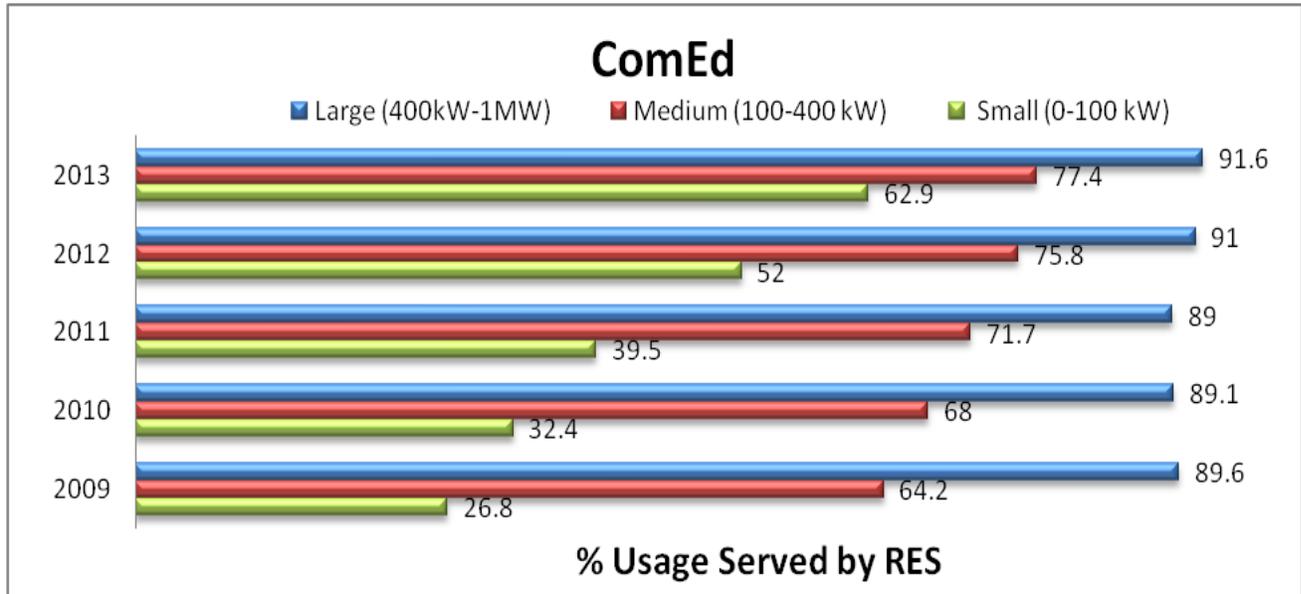
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<sup>3</sup> Non-residential customers with demand up to 100kW.

<sup>4</sup> Non-residential customers with demand between 100kW and 400kW.

<sup>5</sup> Non-residential customers with demand between 400kW and 1MW.

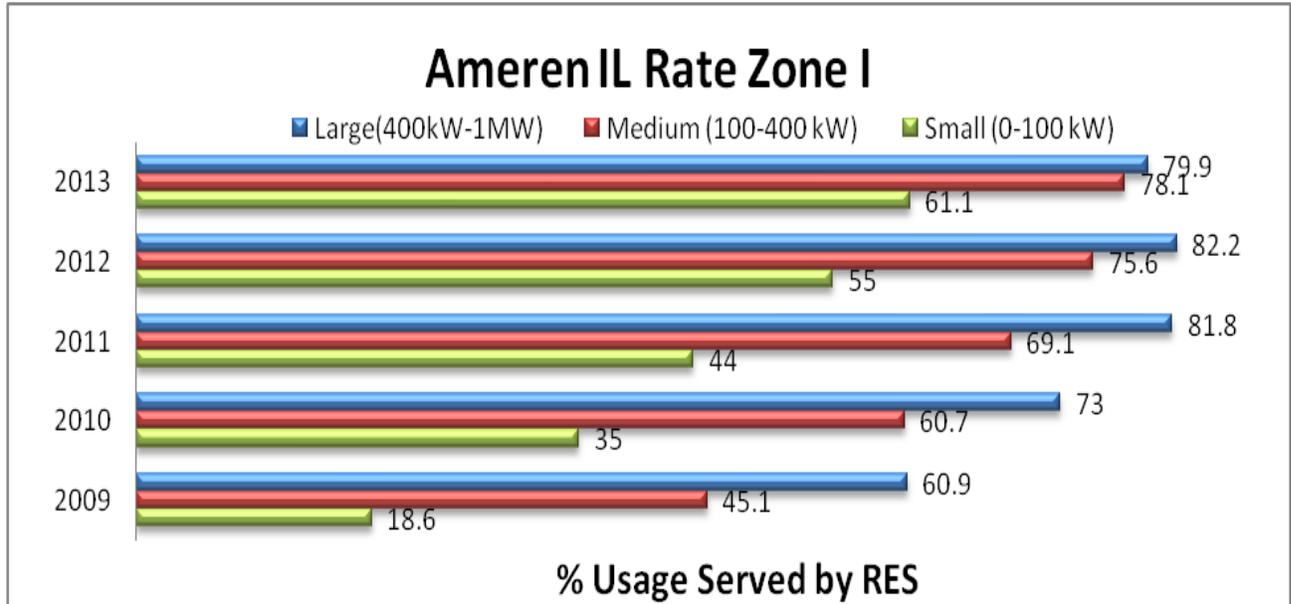
<sup>6</sup> Data as of May 31 of each year.



## 2. Ameren Illinois Rate Zone I (formerly AmerenCIPS)

As of May 31, 2013, 68% of the total electric usage of Rate Zone I customers was provided by alternative retail electric suppliers (up from 60% a year ago). Sixty-one percent of the electric usage of small commercial customers in Rate Zone I (up from 55% a year ago) and approximately 78% of electric usage of its medium commercial and industrial customers (up from 76%) was provided by ARES. For large customers it was 80% (down from 82% last year), and for customers with a demand of over 1MW, 80% of the usage was served by alternative electric suppliers (unchanged from last year). Together, 76% of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2013 which remains unchanged from a year ago). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years<sup>7</sup>.

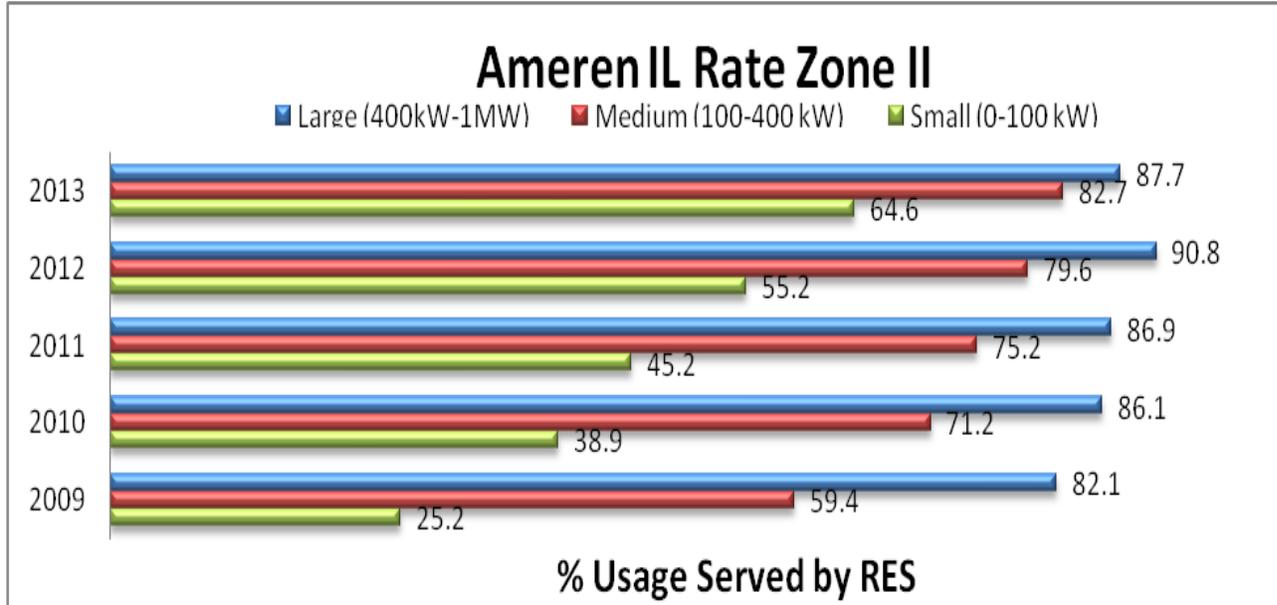
<sup>7</sup> Data as of May 31 of each year.



### 3. Ameren Illinois Rate Zone II (formerly AmerenCILCO)

As of May 31, 2013, 82% of the total electric usage of Rate Zone II customers was provided by alternative retail electric suppliers (up from 65% last year). About 65% of the electric usage of small commercial customers in Rate Zone II (up from 55%) and approximately 83% of electric usage for its medium commercial and industrial customers (up from 80%) was provided by ARES. For large customers it was 88% (down from 91%), and for customers with a demand of over 1MW, over 90% of the usage was served by alternative retail electric suppliers (down from 93% last year). Together, 85% of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2013 (down slightly from 86% last year). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years<sup>8</sup>.

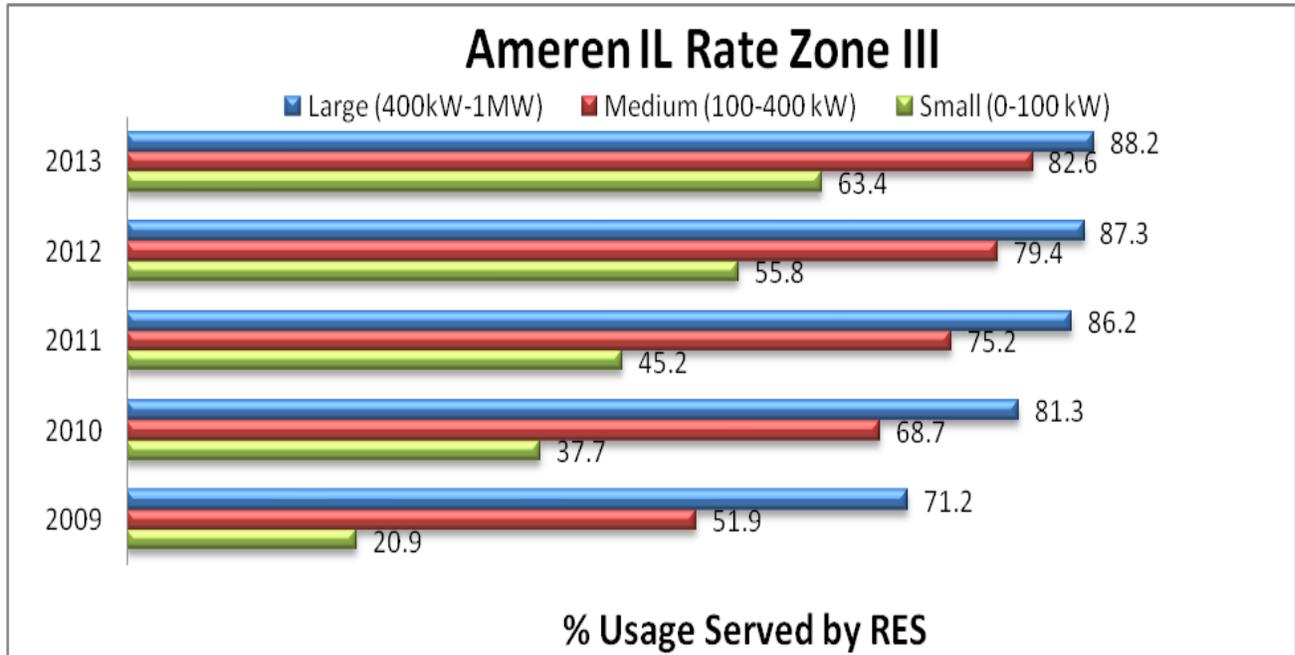
<sup>8</sup> Data as of May 31 of each year.



#### 4. Ameren Illinois Rate Zone III (formerly AmerenIP)

As of May 31, 2013, almost 80% of the total electric usage of Rate Zone III customers was provided by alternative retail electric suppliers (up from 68% last year). About 63% of the electric usage of small commercial customers in Rate Zone III (up from 56%) and approximately 83% of electric usage for its medium commercial and industrial customers (up from 79%) was provided by ARES. For large customers it was 88% (up from 87%), and for customers with a demand of over 1MW, about 93% of the usage was served by alternative retail electric suppliers (down slightly from about 94% last year). Together, about 87% of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2013 (which is the same as last year). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years<sup>9</sup>.

<sup>9</sup> Data as of May 31 of each year.



## 5. Competitive Declarations

As of August 2007, Section 16-113(f) of the Act declared the provision of electric power and energy to retail customers of ComEd and Ameren Illinois with peak demands of at least 400 kilowatts to be a competitive service. The legislation resulted in ComEd's discontinuation of providing fixed-price bundled service to those customers after the end of the May 2008 billing period. The law similarly provided that Ameren Illinois does not need to provide fixed-price bundled service to that class of customers after the end of the May 2010 billing period.

In addition, Section 16-113(g) gives both ComEd and Ameren Illinois the ability to declare the provision of power and energy to customers with peak demands of at least 100 kilowatts but less than 400 kilowatts to be competitive if certain conditions are met. In 2007, ComEd filed a petition for competitive declaration and the Commission found that ComEd had satisfied the statutory requirements and therefore the provision of power and energy to those customers has been declared competitive as of November 2007<sup>10</sup>. As a result of the competitive declaration, after the end of the May 2010 billing period, all customers in the

<sup>10</sup> ICC Docket No. 07-0478.

100-400kW class, with the exception of some statutorily exempted condominium associations, are taking supply service from the utility on an hourly-pricing basis or they are receiving service from an alternative retail electric supplier.

On March 1, 2011, Ameren Illinois filed a petition for competitive declaration of its customers with peak demands above 150 kilowatts but less than 400 kilowatts<sup>11</sup>. Ameren's petition stated that 67% of its customers with peak demands between 150 and 400 kilowatts were currently being served by an ARES. The Commission approved Ameren's petition on March 23, 2011 with the competitive declaration to be effective on May 1, 2011. Customers in this class will continue to receive fixed-price bundled utility service until May 2014 unless they elect to receive service from a retail electric supplier before that date. Going forward, the only non-residential customers still receiving a fixed-price supply service from the utility are ComEd customers with demand below 100kW and AIU customers with demand below 150kW. All other non-residential customers will receive their power from a competitive supplier or they will be on the utility's hourly-pricing option.

## 6. Market concentration

Similar to the last three annual reports, this year's report again analyzes the non-residential market shares of the individual ARES by looking at the share of electric usage provided by an ARES instead of the share of customers served by individual ARES. We believe either approach would be informative but we assume the amount of kWh served might be more closely related to an ARES' financial success than the number of customers it serves. In addition, when calculating market shares based on customer counts, we did not find significant differences from the values derived from using ARES-provided usage. We again used the Herfindahl-Hirschmann index, or HHI, which is a common indicator to measure competition among firms in a defined market. In order to put the resulting numbers into perspective, we looked at the revised 2010 Horizontal Merger Guidelines by the Department of Justice ("DOJ") and the Federal Trade Commission ("FTC"), which divide the spectrum of market concentration into three regions. Generally speaking, the revised guidelines state that the DOJ and the FTC view a market with an HHI below 1,500 as unconcentrated (meaning many similarly sized firms compete for the same customers), a

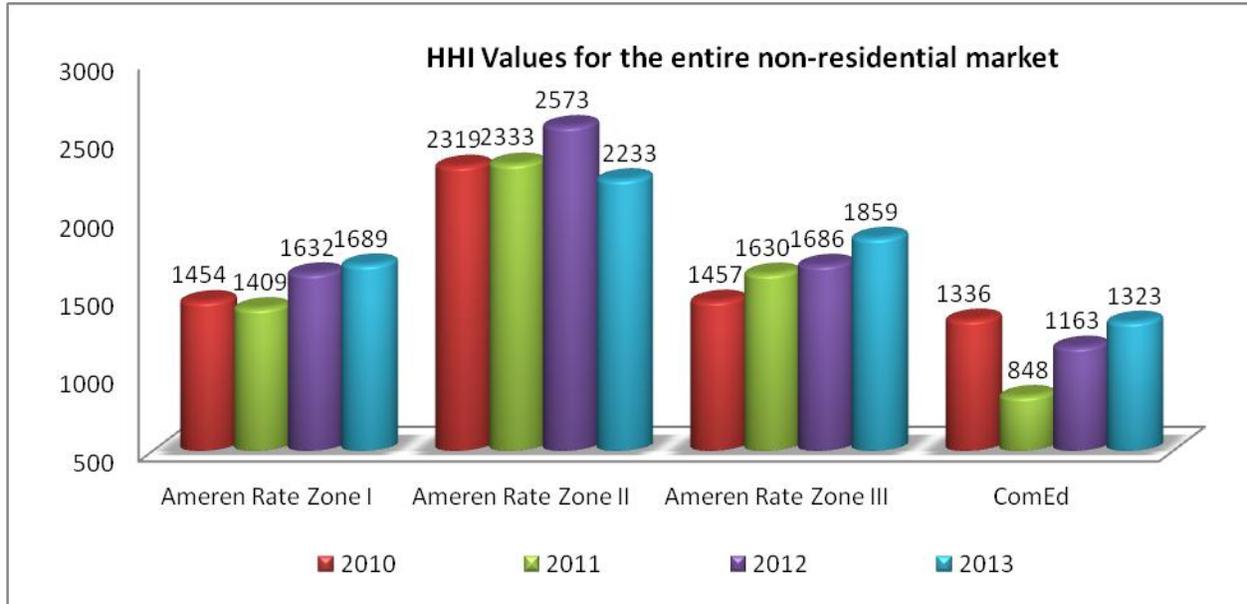
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<sup>11</sup>ICC Docket No. 11-0192.

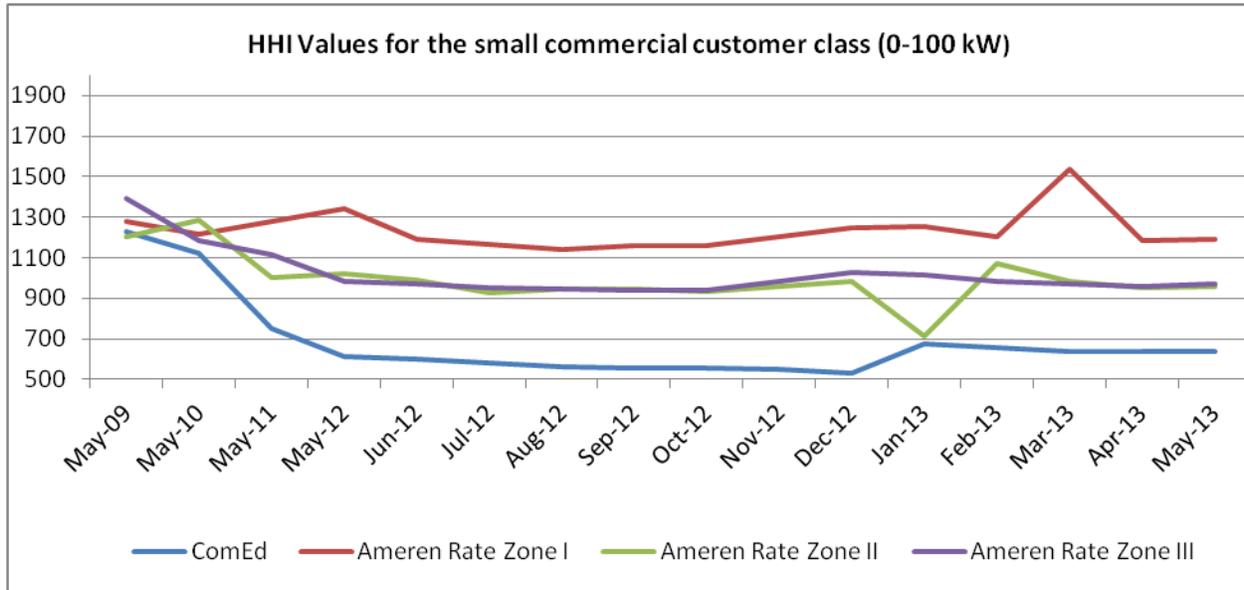
market with an HHI between 1,500 and 2,500 as moderately concentrated, and a market with an HHI above 2,500 as highly concentrated (very few firms dominating the market).

For this exercise, we again excluded retail electric suppliers that provide electric supply only to themselves or their subsidiaries or affiliates. We also need to emphasize that the numbers below reflect only the segment of the non-residential market that has already switched to a competitive supplier. In other words, the market concentration analysis shown here does not include the customers on utility fixed-price service (where available) or utility-provided hourly service.

The first graph shows the HHI values for the total non-residential market among the four utility service areas. While it is unreasonable to assume that all non-residential customer classes are considered to be part of the same market, the overall HHI values shown here display the trend in market concentration from May 2010 to May 2013. The values also allow a relative comparison among the utility service territories. As the graph shows, the ComEd non-residential market is generally less concentrated than the three Ameren Illinois markets. It also shows that ComEd's total non-residential market has been unconcentrated for all four years shown here. Ameren Illinois's Rate Zones are generally in the moderately concentrated range of 1,500 to 2,500, with the exception of the 2012 value for Rate Zone II. Three of the four utilities saw an increase in the 2013 values, while the most concentrated market, Ameren Illinois Rate Zone II, saw a decrease from last year, making it a moderately concentrated market, as defined by the DOJ and FTC guidelines.



Turning to the individual non-residential customer classes, our analysis shows that the small and medium non-residential customer segments continue to be the least concentrated. This is true for all four utility service areas. The following graph shows the HHI values for the small commercial class, with customers of demand up to 100kW. While the three Ameren Illinois areas show overall higher HHI values than the ComEd area, almost all of the HHI values are below 1,500, with most values well below that threshold. The graph shows the values for May 2009, May 2010, May 2011, May 2012, as well as the monthly HHI values for the past 12 months.



The next two larger customer segments (customers with demand between 100 and 400kW and customers with demand between 400kW and 1MW) showed somewhat higher market concentration but almost all HHI values were still below 1,500. Additionally, all HHI values, except for the 100-400 kW customer class in Ameren Rate Zone I, declined over the same period (May 2009 to May 2013) and the Ameren Illinois values were usually higher than the corresponding numbers for the ComEd area.

The situation changed more markedly, however, in the market for the largest commercial and industrial customers. While the HHI values for ComEd's 1-10MW demand class have been generally in the 1,400 to 1,800 range, ComEd's over 10MW demand class has seen a recent increase in market concentration with an HHI value of about 2,100 for the month of May 2013. Some customer segments in the Ameren territory, however, showed significantly higher HHI values. Most HHI values for the over 1MW demand classes in Ameren Illinois's territory have been in the 2,000 to 2,800 range, with the 3-6MW demand class and the over 6MW demand class in Ameren Rate Zone II showing HHI values above 4,000 over the past year.

In sum, according to the revised guidelines by the DOJ and FTC, most non-residential customer segments exhibit HHI values that would classify them as unconcentrated or moderately concentrated markets. The data also reveals that market

concentration increases with the size of the non-residential customer and that the Ameren Illinois markets are generally more concentrated than the ComEd market. With the exception of the largest non-residential customer classes in Ameren Illinois' Rate Zone II, there appears to be effective competition among the active retail electric suppliers in all non-residential customer segments at this time.

## **7. Residential activity**

In last year's report, we stated that, compared to 2011, the residential landscape in Illinois looked quite different in 2012. It is fair to say that the residential market looks quite different yet again a year later. As the next pages will show, due mostly to government aggregation, residential switching numbers, and market concentration levels, have markedly changed from last year.

As we did in last year's report, we will attempt to capture the residential activity by looking at four different indicators. We start by looking at the number of residential customers switching away from the utility supply service in each of the previous twelve months and for each of the four utility areas. We will then look at the increase in the number of certified and active suppliers and the number and types of residential offers that those suppliers have posted on our website, PlugInIllinois.org. Third, we will provide a market-share analysis of the residential ComEd market over the last twelve months. Lastly, we provide an estimate of savings (in dollars) realized by the residential customers that have switched from ComEd to an ARES over the last year.

### **a) Customer switching**

As of the end of May 2013, nearly 3 million residential customers had switched away from the utility. The following table shows the substantial increase in residential ARES customers over the last twelve months. It shows the number, as well as the percentage, of residential customers who are receiving supply from a competitive supplier.

## Residential Customers on Competitive Supply

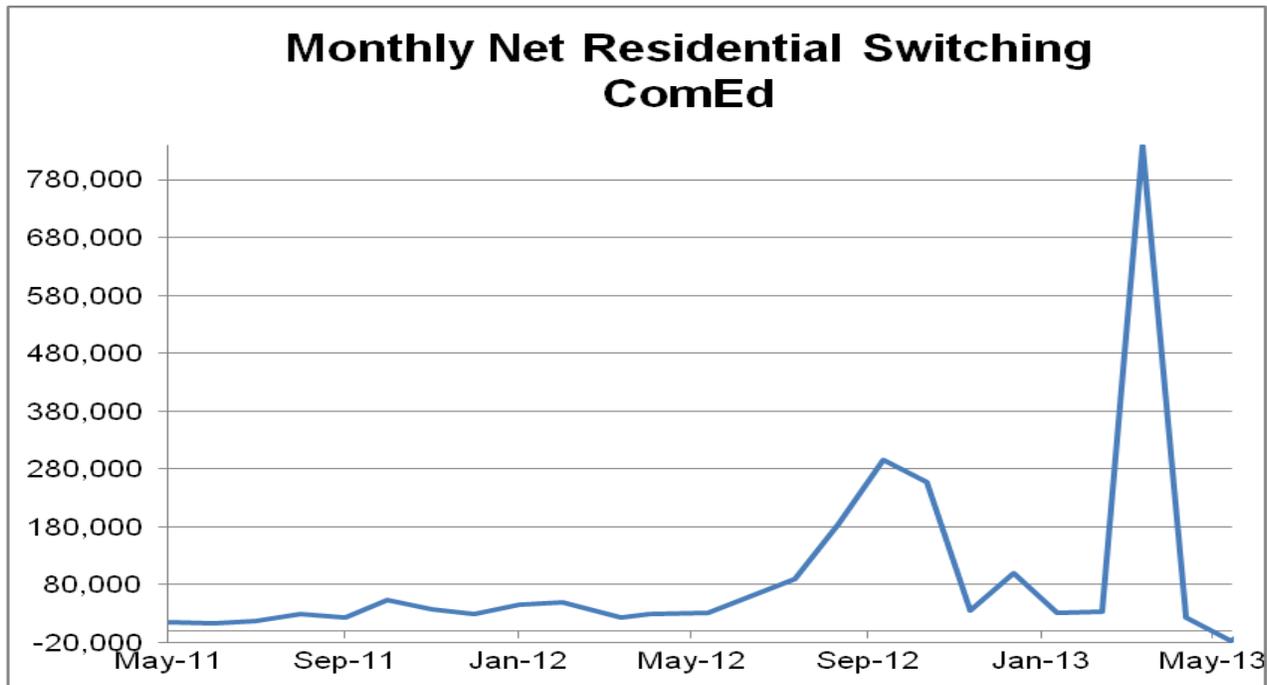
	May 2011	May 2012	May 2013
<b>Ameren Illinois Rate Zone I:</b>	78	28,459	147,513
<b>Ameren Illinois Rate Zone II:</b>	23	12,752	138,163
<b>Ameren Illinois Rate Zone III:</b>	72	47,124	277,229
<b>ComEd:</b>	21,276	406,144	2,312,654
<b>Total:</b>	21,449	494,479	2,875,559
<b>Ameren Illinois Rate Zone I:</b>	0.02%	8.7%	45.2%
<b>Ameren Illinois Rate Zone II:</b>	0.01%	6.8%	73.2%
<b>Ameren Illinois Rate Zone III:</b>	0.01%	8.7%	51.2%
<b>ComEd:</b>	0.63%	11.9%	67.7%

Whereas just under twelve percent of ComEd's residential customers had been with a supplier as of May 2012, almost 68% are receiving service from a supplier one year later. The number of Ameren Illinois's residential customers on competitive supply increased from around 90,000 in May 2012 to over half a million as of May 2013. To look at these numbers in a different way, the switching pace increased from about 1,300 residential customers per day between May 2011 and May 2012 to about 6,500 residential customers per day between May 2012 and May 2013.

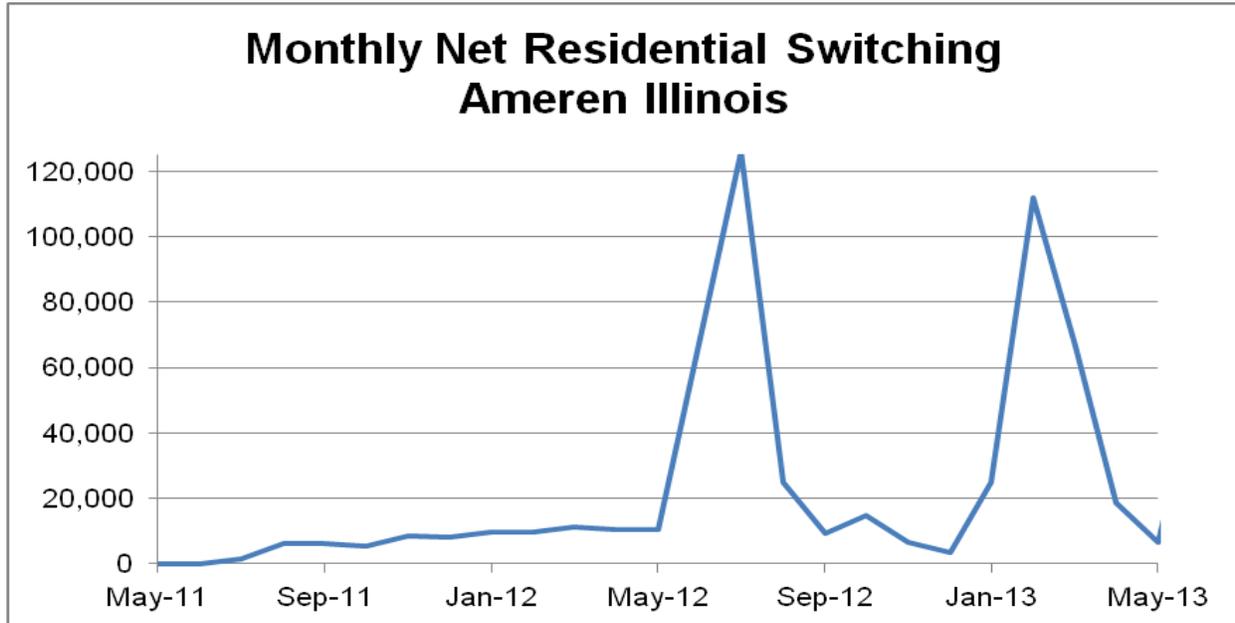
Whereas last year only 17% of residential RES customers were part of a government aggregation program, more than 2.2 million, or almost 78% of the approximately 2.9 million residential RES customers, are part of a government aggregation program a year later. Broken down by utility area, 430,298 of the 562,905 residential RES customers in Ameren

Illinois' areas are government aggregation customers and 1,803,919 of the 2,312,654 residential RES customers in ComEd's area are government aggregation customers.

The following two graphs show the monthly residential switching numbers for ComEd and the combined Ameren Illinois service areas.

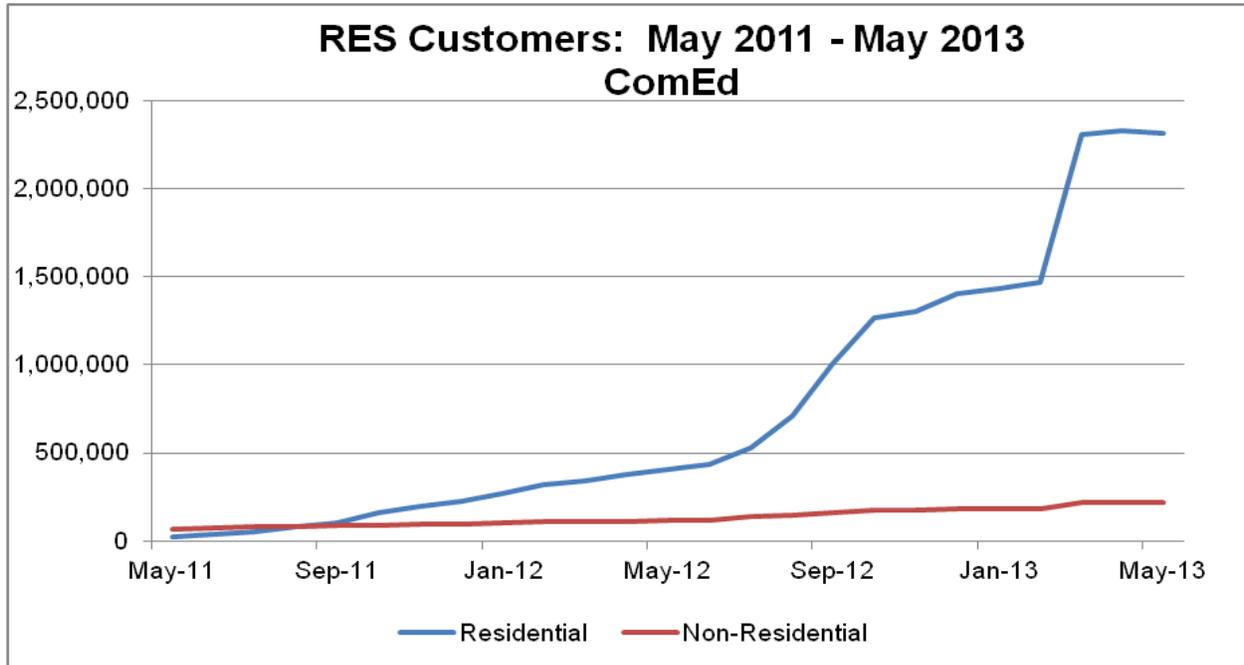


ComEd's numbers show the spikes in switching following municipal aggregation initiatives. Besides the mass switching of the City of Chicago aggregation customers earlier this year, the graph shows the impact of the March 2012 aggregation referendums on the August-October 2012 switching statistics. It also shows negative net switching from April to May 2013 for the first time in ComEd's service area.

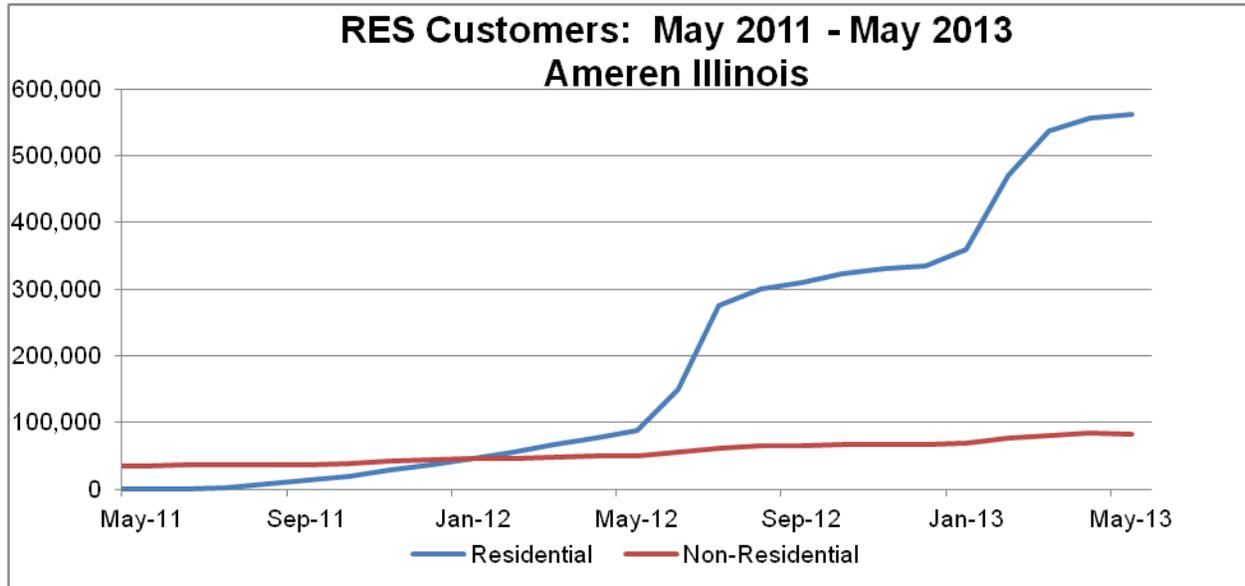


Similar to ComEd, the two major spikes in switching activity followed the March 2012 and November 2012 municipal aggregation referendums. As of May 2013, about 45% of residential customers in Rate Zone I, about 51% in Rate Zone III, and more than 73% in Rate Zone II have switched to a competitive supplier.

To demonstrate the substantial increase in residential activity from a different angle, the following graphs show the suppliers’ total non-residential customers in relation to the suppliers’ total residential customers. Depicting the customer levels for the past 24 months, the graphs show that suppliers, in the aggregate, now have more residential than non-residential customers.

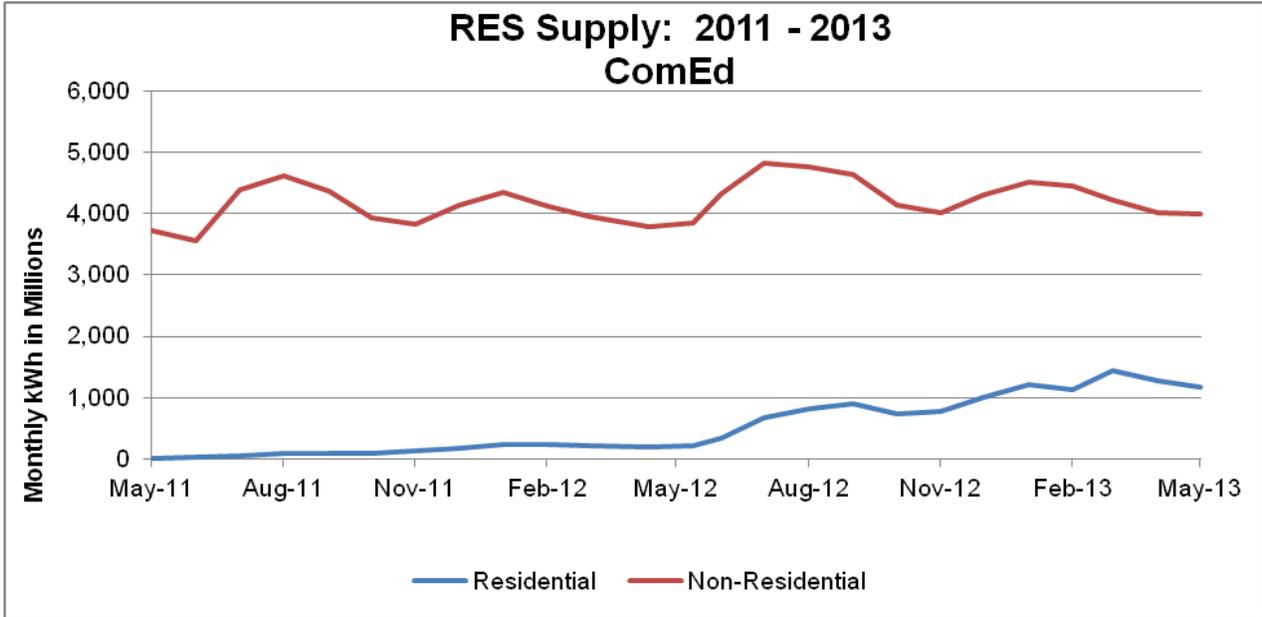


While the number of non-residential customers on competitive supply has been steadily, but slowly, increasing over the depicted two-year period, the number of residential ARES customers has gone from just over 20,000 in May 2011 to more than 2.3 million in May 2013. As a whole, competitive suppliers now have more than ten times as many residential customers as they have non-residential ARES customers.



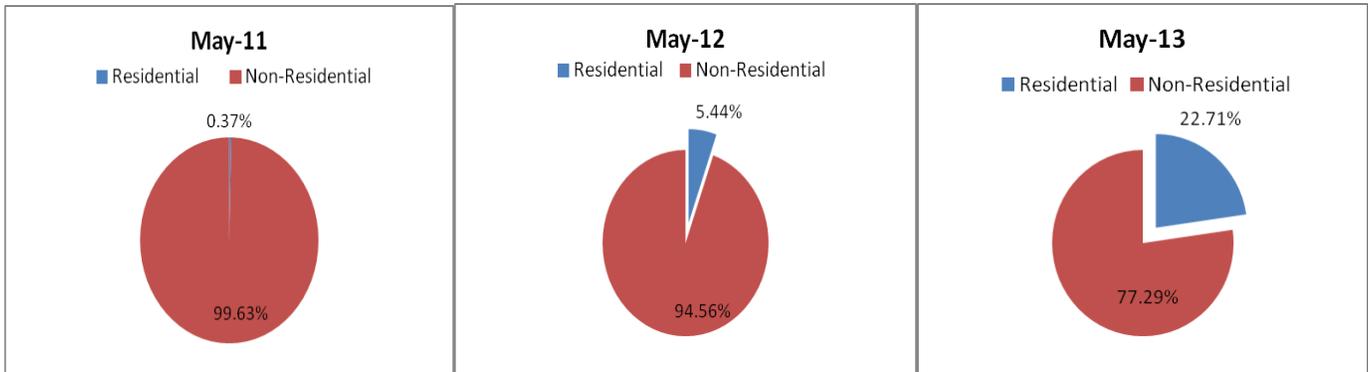
Looking at the same data for the three Ameren Illinois Rate Zones combined reveals the gradual increase in non-residential ARES customers over the last two years in Ameren Illinois's service territory as well. As a whole, competitive suppliers now have about seven residential customers for every non-residential RES customer.

Of course, looking at the number of customers gives us only a portion of the overall picture. The following charts show that even the recent substantial increase in residential customers has not changed the fact that, as a whole, suppliers provide substantially more electricity to non-residential than to residential customers.



The first graph shows the seasonal variation in the RES-provided non-residential supply over the last two years. Any seasonal variation in the RES-provided residential supply is overshadowed by the constant increase in RES-provided supply as a result of additional switching.

### Residential and Non-Residential Share of RES Supply



In terms of monthly kilowatt hours, the active suppliers in ComEd's service territory have been providing upwards of 3.5 billion kWh per month to their non-residential customers for several years. While the non-residential usage provided by the suppliers continues to be lion share of RES-provided usage, the electricity provided to residential customers has grown from less than one-half of a percent two years ago to almost a quarter of the entire usage provided by the competitive suppliers today.

### **C. Municipal/Government Aggregation**

Effective January 1, 2010, Public Act 96-0176 amended the Illinois Power Agency Act ("IPA Act") by allowing municipalities and counties to adopt an ordinance under which it may aggregate electrical load. Specifically, it allows municipal corporate authorities or county boards to adopt an ordinance under which it may aggregate residential and small commercial retail electrical loads located within their jurisdiction and solicit bids to enter service agreements for the sale and purchase of electricity and related services and equipment.

The law requires the corporate authorities of a municipality, township, or county board to submit a referendum to its residents to determine whether or not the aggregation program shall operate as an opt-out program for residential and small commercial customers prior to the adoption of an ordinance for the aggregation of these loads.

Municipal aggregation activity remained very high this past year, with 207 communities passing opt-out aggregation referendums on the November 2012 election ballot and another 204 opt-out referendums passing in the April 2013 election. The following table compares the municipal aggregation activity over the last four elections:

**Municipal Aggregation Statistics**

	<b>April 2011</b>	<b>March 2012</b>	<b>November 2012</b>	<b>April 2013</b>
Referendums Passed	20	246	207*	204*
Aggregation Programs Announced or Implemented	19	244	192*	99*
# of "winning" suppliers - ComEd	4	8	8*	3*
# of "winning" suppliers - Ameren Illinois	N/A	3	5*	1*
Average Rate - ComEd	5.75*	4.85	5.107	5.40*
Average Rate - Ameren Illinois	N/A	4.12	4.11*	4.30*

\* As of June 28, 2013

Combining the number of aggregation communities from the four referendum dates, 677 communities have passed an opt-out referendum to date. The number of different "winning" suppliers, meaning the aggregation suppliers being selected by the community leaders, has increased to a total of twelve. Breaking it down further, eleven different suppliers have been awarded contracts in ComEd's area and five different suppliers have been awarded contracts in Ameren Illinois' areas. Four of the five aggregation suppliers in Ameren Illinois' area are also aggregation suppliers in the ComEd service area. Given the latest election occurred just over two months before the preparation of this report, less than half of the aggregation communities have announced the terms of their aggregation programs as of the date of this report. This may explain why the number of winning suppliers following the latest referendums is very small for both the ComEd and the Ameren Illinois areas.

The data gathered from publicly available information shows that the simple average electric supply rate of the communities with announced or implemented aggregation programs shows some variation depending on the date of the referendum<sup>12</sup>. While the data for the communities with an April 2013 referendum date continues to trickle in, the table shows that the lowest prices have generally been achieved by the communities with a referendum date of March 2012. Based on the limited information following the April 2013 election, there is a notable increase in the average supply rate compared to the average rate of the previous aggregation referendum dates.

#### **a) Residential Savings Estimate**

In last year's report we included an estimate of the total annual savings realized by residential RES customers in ComEd's service area. We looked at the 12-month period from June 2011 to May 2012 and we compared the amount residential customers as a whole spent on RES service to the amount those customers would have spent had they stayed on ComEd's fixed-price bundled service. We took into account the fact that some customers switched away from the discounted utility space-heat rate and we calculated the savings with and without the effects of the Purchased Electricity Adjustment ("PEA")<sup>13</sup>.

The following table is the one that appeared in last year's report. It shows aggregate residential savings of around \$24 million, with about \$17 million resulting from comparing the suppliers' average rate to ComEd's Price-to-Compare ("PTC"). The ComEd PTC is comprised of the Electric Supply Charge and the PJM Transmission Services Charge. The remaining \$7 million in savings result from the application of the PEA for ComEd supply customers.

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<sup>12</sup> The information for the 2013 aggregation programs is reflective of data that was available as of June 28, 2013. Updated information can be found at <http://www.icc.illinois.gov/ORMD/MunicipalAggregation.aspx>.

<sup>13</sup> The PEA is a monthly fluctuating true-up mechanism for the utility, matching incurred supply costs to actual received supply revenues. The PEA is therefore a credit in some months and a charge in others.

	<b>Monthly Savings compared to ComEd's PTC</b>	<b>Monthly Savings inclusive of the PEA Impact</b>	<b>Monthly PEA Impact</b>	<b>Monthly Average Savings compared to ComEd's PTC (in cents per kWh)</b>	<b>Monthly Average Savings inclusive of the PEA (in cents per kWh)</b>
<b>June 2011</b>	\$255,293	\$349,039	\$93,746	0.882	1.206
<b>July 2011</b>	\$502,260	\$778,145	\$275,885	0.910	1.410
<b>August 2011</b>	\$956,507	\$1,429,718	\$473,211	1.011	1.511
<b>September 2011</b>	\$884,986	\$1,331,358	\$446,371	0.991	1.491
<b>October 2011</b>	\$844,688	\$1,309,784	\$465,096	0.908	1.408
<b>November 2011</b>	\$1,048,318	\$1,293,767	\$245,449	0.769	0.949
<b>December 2011</b>	\$1,502,112	\$1,285,104	-\$217,008	1.045	0.894
<b>January 2012</b>	\$2,247,509	\$3,226,106	\$978,597	1.079	1.549
<b>February 2012</b>	\$2,240,491	\$3,360,753	\$1,120,261	1.000	1.500
<b>March 2012</b>	\$2,193,423	\$3,249,138	\$1,055,715	1.039	1.539
<b>April 2012</b>	\$2,178,678	\$3,176,113	\$997,435	1.092	1.592
<b>May 2012</b>	\$2,365,072	\$3,453,785	\$1,088,713	1.086	1.586
<b>Totals</b>	<b>\$17,219,337</b>	<b>\$24,242,809</b>	<b>\$7,023,472</b>		
<b>Average</b>	<b>\$1,434,945</b>	<b>\$2,020,234</b>	<b>\$585,289</b>	<b>0.984</b>	<b>1.386</b>

For the June 2011 through May 2012 period, the average savings per kWh was close to 1 cent when compared to ComEd's Price-to-Compare and close to 1.4 cent when taking into account the Purchased Electricity Adjustment.

We stated in last year's report that "given the recent substantial municipal aggregation activity and some announced residential rates of well-below 5 cents per kWh, it is likely that the total residential savings for the June 2012 to May 2013 period will dwarf the savings estimate shown here." After performing the calculations for the past twelve months, this prediction did indeed prove correct, as the following table shows:

	<b>Monthly Savings compared to ComEd's PTC</b>	<b>Monthly Savings inclusive of the PEA Impact</b>	<b>Monthly PEA Impact</b>	<b>Monthly Average Savings compared to ComEd's PTC (in cents per kWh)</b>	<b>Monthly Average Savings inclusive of the PEA (in cents per kWh)</b>
<b>June 2012</b>	\$1,707,557	\$3,261,660	\$1,554,104	0.549	1.049
<b>July 2012</b>	\$4,718,151	\$7,715,204	\$2,997,053	0.787	1.287
<b>August 2012</b>	\$8,978,217	\$12,743,479	\$3,765,262	1.192	1.692
<b>September 2012</b>	\$12,197,497	\$16,453,594	\$4,256,097	1.433	1.933
<b>October 2012</b>	\$19,539,873	\$22,973,699	\$3,433,826	2.845	3.345
<b>November 2012</b>	\$19,585,006	\$23,157,442	\$3,572,436	2.741	3.241
<b>December 2012</b>	\$25,059,221	\$26,152,327	\$1,093,106	2.292	2.392
<b>January 2013</b>	\$30,137,351	\$29,003,509	-\$1,133,842	2.658	2.558
<b>February 2013</b>	\$28,478,230	\$33,492,012	\$5,013,782	2.840	3.340
<b>March 2013</b>	\$36,485,104	\$29,889,800	-\$6,595,303	2.766	2.266
<b>April 2013</b>	\$32,932,278	\$27,059,548	-\$5,872,730	2.804	2.304
<b>May 2013</b>	\$31,009,412	\$36,411,291	\$5,401,879	2.870	3.370
<b>Totals</b>	<b>\$250,827,896</b>	<b>\$268,313,565</b>	<b>\$17,485,670</b>		
<b>Average</b>	<b>\$20,902,325</b>	<b>\$22,359,464</b>	<b>\$1,457,139</b>	<b>2.148</b>	<b>2.398</b>

In order to calculate how much residential customers have saved by switching away from the utility, one needs at least three different sets of data: 1) the rate the customers would have paid under the utility's default rate, 2) the rate the customers actually paid under the supplier's rate, and 3) the amount of electrical usage each supplier provided to their customers. Monthly reports from ComEd and Ameren Illinois provide us with the necessary usage information, and the utilities' default rates are tariffed rates. As for the suppliers' prices, similar to last year, almost all suppliers provided us with monthly average residential rates for the past twelve months in response to a Staff Data Request. Also the same as last year, we decided to limit this savings estimate to residential customers in the ComEd area. Ameren Illinois's rate structure, while more streamlined as a result of recent tariff changes, contains non-summer rates that vary with a customer's usage, and as such would have necessitated further average usage assumptions.

It is important to keep in mind that these are total, or aggregate, savings and that the savings for individual customers differ from these averages. For example, many

government aggregation programs have rates of three or four cents per kWh below ComEd's PTC during the depicted twelve-month period, yet the estimated average savings per kWh are mostly in the two to three cent range. Also, not captured in these numbers are rewards and incentives that are not part of the suppliers' electric supply rates. For example, several suppliers offer one-time gift cards as an incentive to sign up for a particular offer and other offers contain rewards such as airline miles and other non-rate benefits. In addition, not every customer saved money in every month during the one-year period. However, as there are probably a variety of reasons residential customers switch from a utility's default supply service to a supplier's offering, it is likely that the opportunity to save money is a primary reason for many residential customers.

For the twelve-month period from June 2012 to May 2013, it is estimated that the total savings amount to approximately \$268 million. The monthly average savings of about \$22 million is close to the entire estimated savings of approximately \$24 million for the previous year.

To break down the total savings estimate further, the data shows that about \$251 million of the \$268 million in savings result from comparing the suppliers' average rate to ComEd's Price-to-Compare. The remaining \$17 million in savings result from the application of the PEA for ComEd supply customers. During the twelve months from June 2012 to May 2013, the PEA was a credit for three months and a charge for nine months. In eight of those nine months, the Purchased Electricity Adjustment was a charge of 0.5 cents per kWh. The data shows that the average savings per kWh during the June 2012 through May 2013 period was about 2.6 cents when compared to ComEd's Price-to-Compare (up from around 1 cent during the previous year) and close to 3 cents when taking into account the Purchased Electricity Adjustment (up from around 1.4 cent during the previous year).

Lastly, it seems fair to say that given the recent substantial drop in both ComEd and Ameren Illinois' PTC, it is likely that the savings estimate for the past twelve months will not be repeated anytime soon.

## b) Active suppliers

Having looked at the customer switching numbers, the following table shows the increase in residential supplier activity over the last two years.

### Residential Suppliers

	May 2011	May 2012	May 2013
ComEd - ICC certified	22	40	57
ComEd -- active	8	27	42
Ameren IL - ICC certified	16	26	33
Ameren IL -- active	3	10	17

The table above shows that a large number of suppliers that had already received residential ICC certification by May of 2011 did not actively seek residential customers until 2012. Also, 35 additional suppliers applied for and received a residential certification in the past 24 months. While the gap between the ComEd and Ameren Illinois markets remains, it is encouraging to report 17 suppliers with residential customers in the Ameren Illinois areas. Of note, all suppliers that have residential customers in the Ameren Illinois areas also have residential customers in the ComEd area.

An additional indicator of supplier activity is the number of residential offers posted on PlugInIllinois.org. The “Compare Offers Now” portion of the website went live in July 2011 and has seen a steady stream of additional suppliers and residential offers since that date. The tables below show that the number of suppliers as well as the number of offers by these suppliers continues to increase. Most of the activity has been in the ComEd area but customers of Ameren Illinois are able to choose from a host of residential offers as well.

### Residential Suppliers Posting on PlugInIllinois.org

Utility Area	# of Suppliers posting in July 2011	# of Suppliers posting in May 2012	# of Suppliers posting in April 2013
ComEd -- Total	9	20	28
Ameren IL - Total	3	6	10

### Residential Offers Posted on PlugInIllinois.org

Utility Area	# Offers in July 2011	# Offers in May 2012	# Offers April 2013
ComEd - Total	31	61	63
Ameren IL - Total	3	11	20

Given the large number of residential offers for ComEd customers, we decided to take a closer look at the type of offers posted so far. The following table compares the type of offers posted in July 2011 and May 2012 to the type of offers posted in April 2013.

Type of Residential Offer	# of Offers in July 2011	# of Offers in May 2012	# of Offers in April 2013
Total	31	61	63
Fixed	28 (90%)	51 (84%)	46 (73%)
Variable	3 (10%)	10 (16%)	17 (27%)
Fixed with Early Termination Fee	20 (71%)	34 (67%)	29 (63%)
Fixed without Early Termination Fee	8 (29%)	17 (33%)	17 (37%)
< than 12-month Term	1 (4%)	6 (12%)	23 (37%)
12-month Term	16 (57%)	26 (51%)	28 (44%)
13-23 month Term	2 (7%)	3 (6%)	2 (3%)
24-month Term	8 (29%)	16 (31%)	10 (16%)
> than 24-month Term	1 (4%)	1 (2%)	0 (0%)
Green/Renewable	9 (29%)	21 (34%)	18 (29%)

The table allows us to make several observations. First, while their share has declined over the last two years, fixed price offers still represent a substantial majority of the offers. Second, while six out of ten fixed offers have either a one-year or two-year term, the number of two-year offers has seen a significant drop from May 2012 to April 2013. Furthermore, none of the 63 offers posted in April 2013 has a term longer than two years. On the other hand, more than a third of the offers had a term of less than one year in April 2013, a marked change from the previous two years. Third, slightly less than two thirds of the fixed offers have an early termination fee. And finally, about a third of all offers have a “green”/renewable content higher than what is required by the state’s renewable portfolio standard.

Besides analyzing the *type* of offers, we thought it would be informative to take a look at the prices for the various posted offers and how those prices might have changed during that same time period. The following table shows the average prices for the different types of offers posted on PlugInIllinois.org. The bottom of the table shows ComEd’s fixed-price supply service rate for the three months in question. The ComEd rates shown include the Purchased Electricity Adjustment (“PEA”).

Type of Residential Offer	July 2011 Average Price (in cents/kWh)	May 2012 Average Price (in cents/kWh)	April 2013 Average Price (in cents /kWh)
Fixed	6.81	6.37 (-6%)	6.21 (-3%)
Variable	7.67	7.00 (-9%)	7.07 (+1%)
Fixed with Early Termination Fee	6.64	6.35 (-4%)	6.00 (-6%)
Fixed without Early Termination Fee	6.64	6.32 (-5%)	5.64 (-12%)

< than 12-month Term	6.98	6.14 (-12%)	6.78 (+9%)
12-month Term	6.65	6.52 (-2%)	5.92 (-10%)
13-23 month Term	6.80	6.33 (-7%)	6.22 (-2%)
24-month Term	6.57	6.15 (-6%)	5.60 (-10%)
> than 24-month Term	6.30	6.30 (no change)	N/A
Green/Renewable	7.47	6.98 (-7%)	6.83 (-2%)
ComEd Price-to-Compare, incl. PEA	8.42	8.23	8.802

The comparison shows that the average price of the various types of offers was well below ComEd's then-effective fixed price bundled service rates for all of the three selected months. Moreover, the average prices of the posted ARES offers generally decreased between May 2012 and April 2013. The exceptions are variable offers and fixed offers with less than a 12-month term. The biggest drop in average prices occurred for offers with one- and two-year terms. In addition, the table shows that the average posted price for an offer *without* an early termination fee was actually lower than the average posted price for an offer *with* an early termination fee. Finally, looking at the average prices for the different term lengths, it shows that the average price for a twelve-month fixed offer was higher than the average price for a 24-month fixed offer. This was the case in July 2011, May 2012, and April 2013.

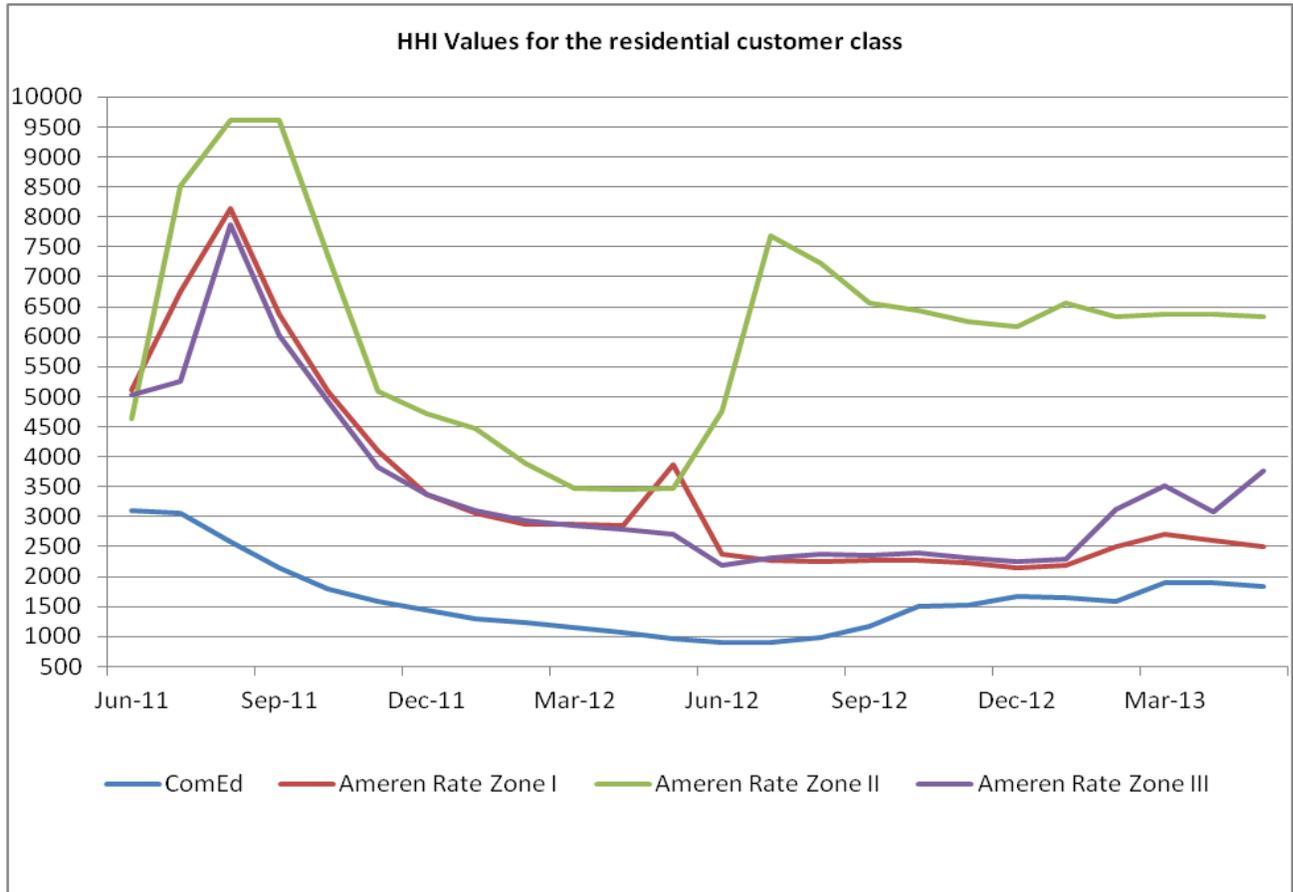
## c) Residential market concentration

As the previous section on supplier activity suggests, currently there is significantly less market concentration in the ComEd residential market than in the Ameren Illinois residential market. However, compared to a year ago, there is more concentration in the ComEd residential market, which is primarily due to government aggregation. The following graph shows the monthly HHI values for the residential class in both ComEd and Ameren Illinois' areas from June 2011 to May 2013.<sup>14</sup>

The graph illustrates several trends. First, ComEd's residential market continues to be less concentrated compared to the three Ameren Illinois Rate Zones. Second, the market concentration in ComEd's market decreased steadily between the summer of 2011 and the summer of 2012. In the late summer/early fall of 2012, the impact of the aggregation programs from the March 2012 referendums can be seen in the graph. Whereas the ComEd residential market had HHI values of just over 900 a year ago, recent numbers show a doubling of those values. Third, although it exhibited large fluctuations over the last two years, Ameren's Rate Zone II continues to be the most concentrated residential market. Fourth, Ameren's Rate Zone I has been moving into the "moderately concentrated" area very recently, albeit barely.

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<sup>14</sup> The HHI values are based on residential usage, rather than number of customers. However, there is not a substantial difference between using number of customers and amount of usage for the market share calculation.



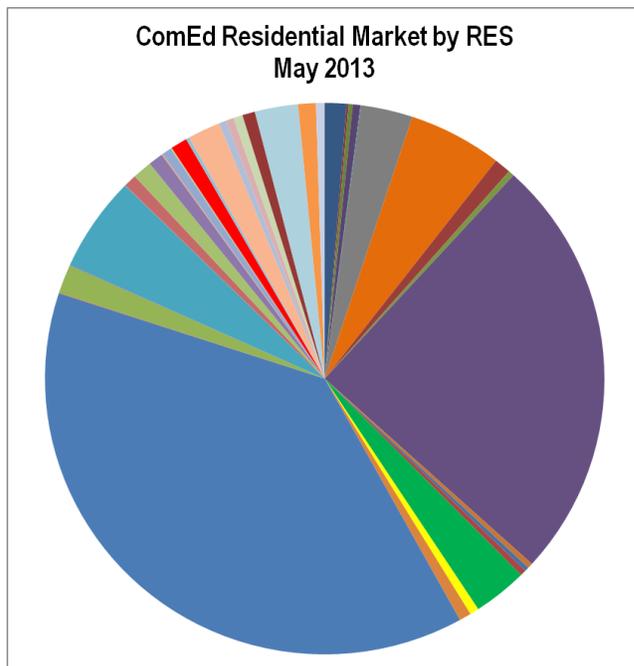
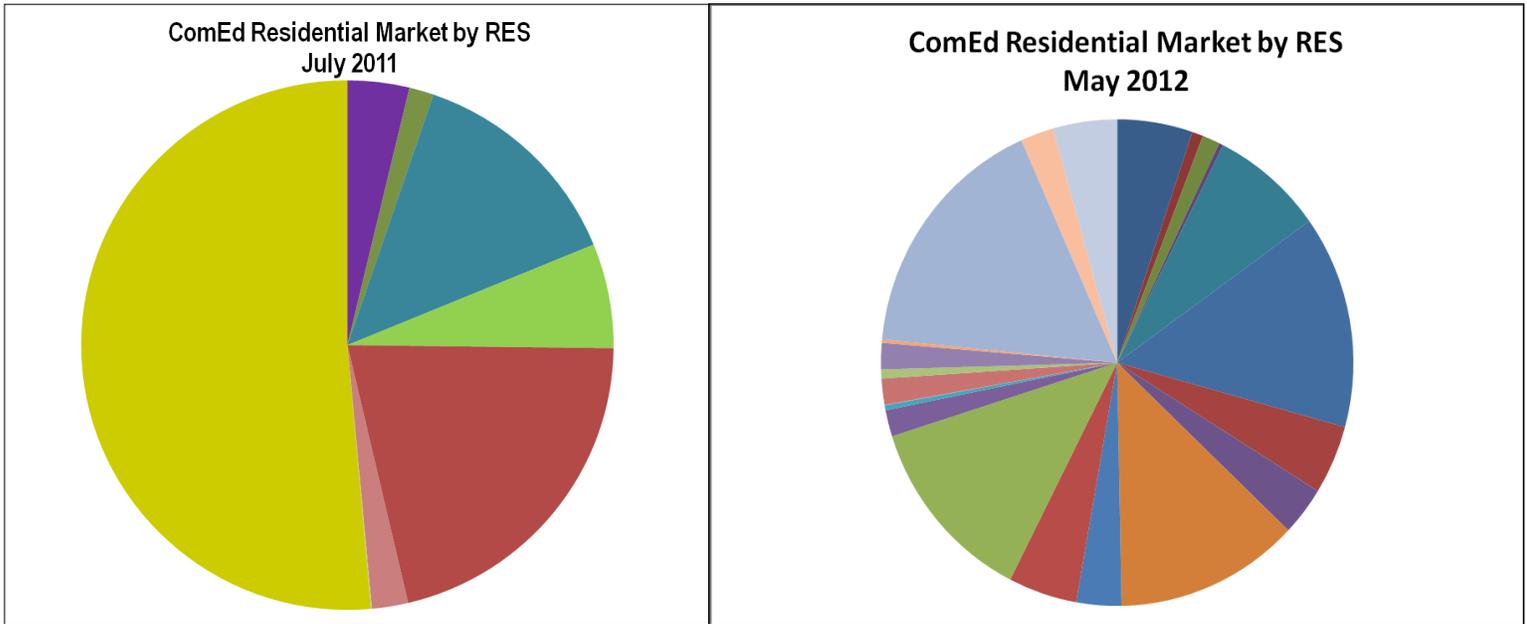
Having looked at the HHI values for the different utility service areas, we decided to take a closer look at the ComEd residential market. The HHI values shown above already tell us that the current market would be considered “moderately concentrated” per the DOJ and FTC’s Merger guidelines. The next table highlights the changing market dynamics over the last two years:

## ComEd Residential Market Shares by Customers

	June 2011	October 2011	February 2012	May 2012	October 2012	May 2013
<b>Share of largest 3 suppliers</b>	86%	66%	53%	44%	57%	69%
<b># of suppliers with customers</b>	8	16	20	27	32	41
<b># of suppliers with &gt;15% share</b>	2	2	3	1	1	2
<b># of suppliers with &gt;5% share</b>	2	3	4	5	4	2
<b># of suppliers with &lt;5% share</b>	4	11	13	21	27	37

It shows that the market share of the three suppliers with the highest market share (in terms of residential customers) basically halved between June 2011 and May 2012 (decreasing from 86% to 44%) and then increased to more than two-thirds of the market one year later. What the table does not show, however, is that the three “largest” suppliers in a particular month were not always the same suppliers during this time period. Worth noting is that 37 of the 41 suppliers with residential customers had a market share of less than 5%. Not shown here is the fact that 29 of those 37 suppliers had a market share of less than one percent in May 2013. Only two suppliers had a market share above 15% and two suppliers had a market share between 5% and 15%. Finally, the table reveals how the market saw the entry of an additional 14 suppliers with residential customers over the course of the last twelve months.

The following three pie charts are the most striking visual representation of the changes in supplier diversity. The first chart shows the make-up of ComEd’s residential market in July 2011, the second chart shows the composition as of May 2012, and the third chart represents the most recent data.



### III. Public Act 95-0700

In 2007, the Illinois General Assembly passed a law designed to remove certain barriers to competition for residential and small commercial electric customers in Illinois. The provisions of this law, Public Act 95-0700, require ComEd and Ameren Illinois to offer utility consolidated billing (“UCB”) and the purchase of receivables (“POR”). Under UCB, an ARES electronically submits its monthly customer charges for power and energy to the utility which then places those charges, along with its delivery charges, on one single bill to the customer. Under POR, an ARES is able to sell its receivables (the amount that customers owe to that ARES) to the utility at a discount. The POR requirement encourages alternative suppliers to offer their services to every utility customer rather than serve only those above certain credit thresholds, thereby furthering the statutory goal of an “effectively competitive retail electricity market that operates efficiently and benefits *all* Illinois consumers.”

While Sections 16-118(c) (POR) and 16-118(d) (UCB) appear to be separate and distinct requirements, the utilities have so far focused on an offering that would combine the purchase of receivables with the provision of utility consolidated billing. That is, if a supplier enrolls a customer with utility consolidated billing, the supplier then also has to sell the corresponding receivables to the utility at a discount. Because the POR provision in Section 16-118(c) is limited to customers with a demand of less than 400 kilowatts, this combination of utility consolidated billing with the purchase of receivables is therefore also limited to customers with a demand of less than 400 kilowatts.

Ameren Illinois filed tariffs in September 2008 to effectuate the offering of a combined UCB/POR service per Sections 16-118(c) and (d) of the Act. The Commission approved Ameren Illinois’s modified tariffs in August 2009 and UCB/POR service was available to suppliers in Ameren Illinois’ service territory in October 2009. ComEd filed its tariffs in January 2010, offering a combined purchase of receivables with consolidated billing service and the Commission approved ComEd’s modified tariffs in December 2010. As of May 31, 2013, 16 suppliers were using Ameren’s UCB/POR service for residential customers (up from seven a year earlier) and 19 suppliers were using UCB/POR for non-residential customers (up from eight a year ago). As for ComEd, as of May 31, 2013, 41 suppliers were using ComEd’s UCB/POR service for residential customers (up from 26 at

the time of this report last year) and the same number of suppliers were using UCB/POR service for non-residential customers (up from 25 last year).

According to ComEd's second annual report on the usage of its UCB/POR offering, close to nine million utility consolidated bills have been issued in calendar year 2012 alone. This compares to about one million utility consolidated bills issued in calendar year 2011. Given ComEd's \$0.50 per bill charge to suppliers for using this option, close to \$4.5 million in revenues have been collected from participating suppliers in 2012. More than \$450 million in total discounted receivables have been purchased by ComEd during this time period (up from about \$61 million in calendar year 2011), with an average amount of \$51 per purchased monthly receivables.

While virtually all suppliers are currently using UCB/POR for their residential customers, it is worth noting the widespread use of UCB/POR in the non-residential classes as well. By reviewing ComEd's monthly data, we are able to compare the number of new UCB/POR customers in a particular customer class to the number of total new ARES customers for that customer class. Analyzing the June 2012 to May 2013 time period, it shows that suppliers are using UCB/POR for all non-residential customers for which it is available, meaning the Watt-Hour<sup>15</sup>, the 0-100kW, and the 100-400kW customer class. For the Watt-Hour class, the ratio of new UCB/POR customers to total new ARES customers has generally been in the 80-90% range, with the ratio being over 100% in some months. A monthly ratio exceeding 100% means that existing ARES customers have been converted to utility-consolidated billing during that month. As of May 2013, more than half of all RES Watt-Hour customers are on UCB/POR. For the 0-100kW class, the ratio of new UCB/POR customers to total new ARES customers has generally been, with a couple of exceptions, 90% or higher, with the ratio exceeding 100% in a few months. As of May 2013, 62% of all RES customers with demand up to 100kW are on UCB/POR. Even for the 100-400kW class, usually considered medium-sized customers, more and more suppliers are using UCB/POR to serve those customers. As of May 2013, 11% of all RES customers with demand between 100 and 400kW are on UCB/POR, almost triple the percentage from a year earlier.

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<sup>15</sup> The Watt-Hour class consists of small commercial customers for which no metering equipment or only watt-hour metering equipment is installed at the customer's premises. Generally, a customer in this supply group uses less than 2,000 kWh during a monthly billing period.

#### **IV. Additional Consumer Protections and Education**

##### **A. PlugInIllinois.org**

PlugInIllinois.org is the Commission's electric choice education website aimed at providing residential and small commercial customers with a better understanding of their electric supply options. Public Act 97-0222, which became effective in July 2011, amended Section 16-117 of the Public Utilities Act, requiring the Commission to maintain a consumer education information program to help residential and small commercial customers understand their service options in a competitive electric services market. This legislation required the ORMD to review the existing consumer education information available and consider whether updates are necessary. As a result, the ORMD sought input from interested parties, including the suppliers, electric utilities, the Attorney General, and the Citizen's Utility Board, to further its review of the consumer education materials and possible proposed changes. Additionally, Public Act 97-0222 required Ameren Illinois and ComEd to include the PlugInIllinois.org internet address on its monthly bill. In May 2012, both ComEd and Ameren Illinois started sending out monthly bills with this new information. The law also requires all suppliers to provide the PlugInIllinois.org website address to residential and small commercial customers.

As a result of the feedback from the interested parties, in 2012 the ORMD implemented several updates to PlugInIllinois.org. These changes include updated information about the Low Income Energy Assistance (LIHEAP) and Percentage of Income Payment Plan (PIPP) programs, and expanded information was added to better explain the residential real time pricing programs (RRTP) offered by both Ameren Illinois and ComEd.

With the continued growth in the number of communities passing referendums to implement opt-out aggregation programs, the ORMD streamlined the Municipal Aggregation List of Communities from two separate lists to one list. Previously, one list included communities that had passed a referendum but had not implemented an aggregation program and a second list included communities that had implemented an aggregation program. The list of communities that had implemented an aggregation program provided the name of the chosen supplier, the aggregation rate in cents/kWh, and the term of the contract. The ORMD combined the two lists to include all communities pursuing an opt-out aggregation program. The new Municipal Aggregation List now contains eight columns including the name of the community, the status of each

community's aggregation program, the chosen supplier, the rate, the contract end date, possible termination fees, utility service area and referendum date. Additionally, a sort function was added to the list, allowing visitors to the website to sort by community name, status, supplier name, aggregation rate, contract end date, service area or referendum date.

The municipal aggregation FAQs remain on PluginIllinois.org and aim to answer basic questions for customers in communities pursuing aggregation, including what action a person must take in the case of either opt-in or opt-out programs in order to affirm their choice of energy supplier.

In December 2012, the ORMD updated the "Customer Complaint Statistics" in order to include a Complaint Summary. The Complaint Summary shows the total number and type of complaints received for each retail electric supplier over the last two years. The Complaint Summary provides a more detailed view of the number and types of informal complaints the Illinois Commerce Commission receives about each retail electric supplier. Additionally, starting with the February 2013 Complaint Scorecard, which ranks suppliers by their rate of complaints compared to the average rate of complaints for the entire residential market, the Scorecard went from three groupings of approximately equal size to five groupings, or "stars." The change from three stars to five stars was prompted by the growth in the number of suppliers serving residential customers. On the first Complaint Scorecard published in April 2012, there were 18 suppliers represented. The April 2013 Complaint Scorecard, however, ranks 36 suppliers with residential customers.

In addition to the recent updates to PluginIllinois.org, the ORMD maintains the Price to Compare information for customers of Ameren Illinois and ComEd. The Price to Compare for ComEd combines ComEd's Electric Supply Charge with the Transmission Services Charge to provide customers a price (in cents per kWh) to compare with ARES offers. Similar to ComEd, Ameren Illinois' Price to Compare combines Ameren Illinois's Electricity Supply Charges, including the Supply Cost Adjustment, with the Transmission Service Charge to come up with a price Ameren Illinois customers can compare to supplier offers.

The offer comparison matrix, available through the "Compare Offers Now" link, prompts customers to select their utility service area to see the suppliers' offers available in their area, and it allows them to compare the offers to their utility rate as well as to each other. For each offer posted, the offer comparison matrix displays the supplier's logo,

which is also a link to the supplier's website, as well as the particular offer name, which links to further offer-specific information on the supplier's website. The offer comparison matrix lists the price in cents per kWh, any potential additional monthly fees, the term in months, any possible early termination fees, and a brief description of the offer. It also lists the offer's cost for monthly usage levels of 500, 1,000 and 1,500 kWh. Customers are also able to sort the offers by supplier, by price, or by the length of the term. As of June 11, 2013, there are 24 to 27 supplier offers for Ameren Illinois residential customers (depending on the Rate Zone) and 67 supplier offers for ComEd residential customers.

Since the ORMD added the offer comparison matrix to PluginIllinois.org in July 2011 there have not been major changes to the matrix, aside from regularly updating the utility price to compare information. However, the ORMD is exploring the feasibility of adding a push notification, or alert system, for new offers posted on PluginIllinois.org. Interested customers would enter the criteria for which they wish to receive text or email notifications such as new fixed supply offers below a certain rate or with a certain term length or new "green" offers posted on PluginIllinois.org.

## **B. Other regulatory activities**

The Commission's final Order in the ComEd Government Aggregation Protocols ("Rate GAP") tariff investigation, Docket No. 11-0434, directed Staff to present its findings with respect to the Commission's rulemaking authority regarding additional municipal aggregation issues. Subsequently, Staff presented the Commission with a memo that finds that the Commission has authority to promulgate further rules. As a result, on July 31 2012, the Commission entered an order initiating the proceeding to develop rules regarding municipal aggregation and opened Docket No. 12-0456. The ORMD hosted several workshops throughout the months of September and October, 2012, and on November 1, 2012, Staff submitted a draft First Notice rule in Docket No. 12-0456. A large number of interested parties provided several rounds of comments and on June 26, 2013 the Administrative Law Judge issued a Proposed Order. The Proposed Order addresses a variety of topics, including certain requirements for the notices to be sent to eligible aggregation customers and protections for customers who have previously actively selected a RES offer on their own.

In August 2012 ComEd filed a petition with the Commission to implement a Peak Time Rebate (PTR) program pursuant to Articles IX and XVI of the Illinois Public Utilities Act. In its February 2013 Interim Order in Docket No. 12-0484, the Commission ordered the ORMD to initiate a workshop process to address issues related to ComEd's proposed PTR program. For example, the Commission stated that the issue of what information needs to be supplied to RESs is appropriate for discussion in the workshops.

The ORMD held the first workshop in April, 2013 and set a schedule of workshop dates to conclude in August 2013. The ORMD will file a report following the workshops, indicating whether these issues have been resolved and, if so, describing the resolution reached in the workshops. If a consensus on some items is not reached during the workshop process on these items, Staff's report will describe those issues and may contain a proposed schedule to address them.

In October 2012, the ORMD assumed the role of reviewing all ARES certification petitions and ABC license petitions. The ORMD's review consists of determining whether the ARES or ABC applicant meets the managerial and technical qualifications necessary to obtain the certificate/license from the Commission. Since October 2012, the ORMD has reviewed 11 ARES certificate applications and 51 ABC license applications.

In January 2013, Illinois Administrative Code Part 412 became effective. Part 412.190 states:

Only power and energy service that includes power and energy purchased entirely separate and apart from the renewable portfolio standard requirement applicable to RES under Section 16-115D of the Act can be marketed as "green", "renewable energy" or "environmentally friendly".

The ORMD has previously raised the issue of further defining "green" products, particularly with respect to possibly adding a new column to the Offer Comparison Matrix on PluginIllinois.org to identify offers that meet such a new definition. The ORMD wants to revive discussions on this topic, which may include holding workshops and submitting recommendations to the Commission. One topic of discussion will be whether the Commission has the authority to promulgate additional rules on the subject of defining green or renewable offers.

## **V. Suggested Administrative and Legislative Action**

As stated in last year's report, the ORMD believes the Commission's municipal aggregation rulemaking proceeding in Docket No. 12-0456 was, and continues to be, a great venue to provide all interested parties with an opportunity to present policy and legal issues surrounding municipal aggregation and to propose solutions to those issues. If however, for whatever reason, the rulemaking is not able to fully address all items that, in the ORMD's judgment, deserve resolution, the ORMD will work with interested parties and the General Assembly to resolve any remaining issues legislatively.