

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY :  
 : Docket No. 14-  
Petition to Approve, on Less Than 45 Days' Notice :  
And Without Suspension, Revisions To :  
Commonwealth Edison Company's Rider POG - :  
Parallel Operation of Retail Customer :  
Generating Facilities :

**VERIFIED PETITION TO APPROVE, ON LESS THAN 45 DAYS'  
NOTICE AND WITHOUT SUSPENSION, REVISIONS TO  
COMMONWEALTH EDISON COMPANY'S RIDER POG -  
PARALLEL OPERATION OF RETAIL CUSTOMER GENERATING FACILITIES**

To the Illinois Commerce Commission:

Commonwealth Edison Company ("ComEd") petitions the Illinois Commerce Commission ("Commission" or "ICC") under Section 9-201 of the Illinois Public Utilities Act ("PUA"), 220 ILCS 5/9-201, to approve, on less than 45 days' notice, revisions to ComEd's Rider POG – Parallel Operation of Retail Customer Generating Facilities ("Rider POG"). The revisions provide for updates to the compensation paid to customers served under Rider POG in accordance with the 83 Illinois Administrative Code. Specifically, ComEd proposes to update the compensation rates listed in the Fixed Compensation section of Rider POG pursuant to the Commission's Order in Docket No. 05-0597. In order for the new compensation values to begin to be applicable with the June 2014 monthly billing period, ComEd respectfully requests that the Commission permit the tariff sheet included with this Petition as Attachment A to be filed without suspension and with an effective date of May 29, 2014.

In support of this Petition, ComEd states:

## **Background**

1. ComEd is a corporation organized and existing under the laws of Illinois, with its principal office in Chicago, Illinois. ComEd provides retail delivery services, including standard metering service, to approximately 3.8 million customers in northern Illinois. ComEd is a public utility as defined in Section 3-105 of the Act, 220 ILCS 5/3-105, and an electric utility within the meaning of Section 16-102 of the Act, 220 ILCS 5/16-102.

2. The Commission's Order in Docket No. 05-0597 requires that ComEd annually file, and a retail customer with electric generation equipment defined as a Qualifying Facility, may elect to accept, as applicable, an expressly stated compensation rate for all energy purchased by ComEd that is produced by the Qualifying Facility. Such rate is to be based on ComEd's avoided energy cost, as that term is defined in Part 430.30 of the 83 Illinois Administrative Code. ComEd's energy supply is being procured through contracts resulting from the procurement plan approved by the Commission under the procurement planning process implemented under Public Act 95-0481, and directly through PJM Interconnection L.L.C. ("PJM"). Locational Marginal Prices (LMPs) are the basis for ComEd's avoided energy costs. The fixed price compensation rates being updated in Rider POG are based on average forward price estimates of three sources, two broker's quote services and New York Mercantile Exchange (NYMEX). ComEd may include different or additional electronic reporting exchanges in the future, as allowed by the Commission.

3. The period during which ComEd's fixed price compensation rates for electricity it purchases that is produced by Qualifying Facilities are applicable aligns with PJM's planning period which extends from June through the following May. Therefore, the updated compensation rates that are the subject of this Petition filing are to be applicable beginning with

the June 2014 monthly billing period and extending through the May 2015 monthly billing period.

### **The Proposed Revision Should be Approved**

4. The proposed revision to Rider POG, as explained above, is in accordance with the Commission's order in Docket No. 05-0597 and Part 430 of the Illinois Administrative Code. Enclosed with this filing as Attachment B are data for that period required to be provided pursuant to Part 430.50. The data represent ComEd's best estimates at the time they were made, as they are based upon a number of factors and assumptions that are continually being reviewed and are subject to change.

5. Work papers providing the supporting data used to calculate the updated compensation rates were previously provided electronically to the Commission's Staff on April 7, 2014.

### **Special Permission is Warranted**

6. The filing of the updated fixed compensation rates is typically done through a formal tariff filing that includes a supplemental statement and a request for the revised tariff provisions to be passed to file with an effective date that is 45 days after the filing date. ComEd made such a filing on April 14, 2014.

7. Since that filing date, ComEd identified a typographical error pertaining to one of the updated compensation rates listed in the revised tariff sheet filed on April 14, 2014. One of the values is listed as \$003965/kWh. It should have been listed as \$0.03965/kWh. Once it identified the error, ComEd requested that the tariff filing be withdrawn. That withdrawal was made on April 23, 2014.

8. This filing provides for the correction of that typographical error, while at the same time allowing the corrected tariff sheet to become effective so that the updated compensation rates may begin to be applicable with the June 2014 monthly billing period.

WHEREFORE, Commonwealth Edison Company respectfully requests that the Illinois Commerce Commission grant ComEd permission under Section 9-201 of the PUA to place the tariff sheet attached hereto as Attachment A on file without suspension and with an effective date of May 29, 2014.

Dated: April 24, 2014

Respectfully submitted,

COMMONWEALTH EDISON COMPANY

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**RIDER POG  
PARALLEL OPERATION OF RETAIL CUSTOMER GENERATING FACILITIES**

(Continued from Sheet No. 289)

**COMPENSATION (CONTINUED).**

\* **Fixed Compensation**

For a situation in which the retail customer sells such output to the Company, and the Company is compensated by PJM for such output, with the net compensation paid to the Company by PJM determined by the application of the PJM real time generator nodal locational marginal prices (LMPs), offset by balancing operating reserve charges, applicable administrative fees, and any other applicable charges or credits billed in accordance with the provisions of the Agreements and/or Tariffs, the compensation paid by the Company to such retail customer is as follows:

	Applicable for the June 2013 through the May 2014 <u>Monthly Billing Periods</u>	Applicable for the June 2014 through the May 2015 <u>Monthly Billing Periods</u>
For all kilowatt-hours (kWhs) sold during		
Retail Peak Periods in the Summer Period	\$0.04175/kWh	\$0.04681/kWh
Retail Off-Peak Period in the Summer Period	\$0.02575/kWh	\$0.02783/kWh
Retail Peak Periods in the Nonsummer Period	\$0.03553/kWh	\$0.03618/kWh
Retail Off-Peak Period in the Nonsummer Period	\$0.02589/kWh	\$0.02527/kWh

For any other situation, the retail customer is compensated for the output it sells to the Company as follows:

	Applicable for the June 2013 through the May 2014 <u>Monthly Billing Periods</u>	Applicable for the June 2014 through the May 2015 <u>Monthly Billing Periods</u>
For all kWhs sold during		
Retail Peak Periods in the Summer Period	\$0.04426/kWh	\$0.04870/kWh
Retail Off-Peak Period in the Summer Period	\$0.02826/kWh	\$0.02972/kWh
Retail Peak Periods in the Nonsummer Period	\$0.03712/kWh	\$0.03965/kWh
Retail Off-Peak Period in the Nonsummer Period	\$0.02748/kWh	\$0.02874/kWh

However, in such other situation, if the retail customer's electric generating facility has a nameplate rating of ten (10) kilowatts (kW) or less, such retail customer may elect to be compensated for the output it sells to the Company as follows rather than in accordance with the previous provisions of this Fixed Compensation subsection:

	Applicable for the June 2013 through the May 2014 <u>Monthly Billing Periods</u>	Applicable for the June 2014 through the May 2015 <u>Monthly Billing Periods</u>
For all kWhs sold during		
The Summer Period	\$0.03423/kWh	\$0.03688/kWh
The Nonsummer Period	\$0.03114/kWh	\$0.03290/kWh

Notwithstanding the preceding provisions of this Fixed Compensation subsection, a retail customer taking service under Option C or Option D may negotiate a different compensation arrangement with the Company pursuant to 83 Illinois Administrative Code Part 430.

(Continued on Sheet No. 291)

83 Illinois Administrative Code Part 430  
Section 430.50 Data to be Provided by Utilities

Section 430.50(a)(1) (A)  
18 CFR 292.302 Availability of Electric Utility System Cost Data

As of January 12, 2001, Exelon Corporation restructured its generation business and transferred any remaining ComEd-owned generation to Exelon Generation. ComEd owns no generation and contracts for its supply through contracts resulting from the Illinois Power Agency (“IPA”) procurement planning process that implements the changes in Illinois law (i.e., Public Act 95-0481) enacted in 2007. The prices derived from these contracts do not form the basis for ComEd’s avoided energy costs because any energy purchased from qualifying facilities (“QFs”) does not and cannot displace any energy purchased under such provisions. Rather, the avoided costs of energy purchased from QFs are based on PJM Locational Marginal Prices (“LMPs”).

Section 430.50(a)(1)(B)

ComEd owns no generation. Today, energy supply is procured through contracts resulting from the IPA procurement planning process, and directly through PJM. LMPs are the basis for ComEd avoided energy costs and the best approximation of LMPs are estimates of forward prices. The fixed price compensation rates being filed to update rates set forth in ComEd’s Rider POG - Parallel Operation of Retail Customer Generating Facilities (“Rider POG”) are based on averages of forward price estimates of three sources described below.

- i) The period in which ComEd’s fixed price compensation rates for QFs are applicable aligns with PJM’s planning period which extends from June through the following May. Thus, the fixed price compensation rates will be applicable for the June 2014 through the May 2015 monthly billing periods.

ComEd’s method of calculating the future fixed price compensation rates for Rider POG for the period 2014-2015 remains the same as last year with the exception of the effective period covered, and the number of broker’s quote services ComEd is using to provide a snapshot of forward market prices. The source of forward price estimates is consistent with the method used for the daily marks (Mark-to-Market (MtM) position) used with suppliers for credit purposes for contracts resulting from the IPA procurement planning process. This method to determine the forward price estimates uses the average of three sources - two brokers’ quote services (Amerex and ICAP) and NYMEX. ComEd used a 20-day snapshot period of weekdays that occurred within March 1, 2014-March 28, 2014. These prices are then adjusted for the difference in peak period definition between that of PJM Wholesale hours and retail energy periods. The spreadsheet containing the data used in the calculations is being provided separately in electronic format.

83 Illinois Administrative Code Part 430  
Section 430.50 Data to be Provided by Utilities

- ii) The increments of capacity for which avoided energy costs are calculated no longer apply. However, QF customers for which the PJM Market Model applies, have fixed price compensation rates that are adjusted for balancing operating reserve charges and administrative fees, and any other applicable charges or credits billed in accordance with the provisions of the applicable agreements and/or tariffs.
- iii) The time periods for which avoided energy costs are averaged are below.

<u>Period</u>	<u>Month</u>	<u>Days</u>
Summer Peak	June - September	Monday-Friday (9 A.M. – until 10 P.M.) Except on days when the following holidays generally are observed; Independence Day and Labor Day
Summer Off-Peak	June-September	Holidays as described above and all hours other than those included in the Summer Peak Period
Non-Summer Peak	January – May October – December	Monday-Friday (9 A.M. - 10 P.M.) Except on days when the following holidays generally are observed; New Year’s Day, Memorial Day, Thanksgiving Day, and Christmas Day
Non-Summer Off-Peak	January – May October – December	Holidays as described above and all hours other than those included in Non-Summer Peak Period

83 Illinois Administrative Code Part 430  
Section 430.50 Data to be Provided by Utilities

Section 430.50(a)(1)(C)

The following table represents Commonwealth Edison's estimate of anticipated cogeneration additions (in MWs) for the year 2014.

<u>Year</u>	<u>MW</u>
2014	0

ComEd has no specific avoidable capacity costs. ComEd is purchasing its fixed-price supply requirements through contracts resulting from the provisions of the IPA procurement planning process. The electricity generated by QFs and sold to ComEd is used to offset the energy that ComEd would buy in the PJM market to serve the hourly customers or sold to PJM in the case of the QFs that are in the market model.

<u>Year</u>	<u>\$ per kW-Year</u>
2014	0

Section 430.50(a)(2)

ComEd has no specific 10-year plan to add future generation resources, relying instead on a market-based approach tied to PJM's capacity requirements and full-requirements procurement planning process.

Section 430.50(a)(3)

- (A) Due to ComEd's restructuring, this section does not apply.
- (B) Due to ComEd's restructuring, this section does not apply.
- (C) Due to ComEd's restructuring, this section does not apply.

**VERIFICATION**

STATE OF ILLINOIS        )  
  )  
COUNTY OF DuPAGE     )        ss.

I, Martin G. Fruehe being first duly sworn, state that I am Manager, Retail Rates, for Commonwealth Edison Company, that I have read the foregoing Petition to the Illinois Commerce Commission, that I am knowledgeable of the facts stated therein, and those facts are true and correct to the best of my information and belief.



Martin G. Fruehe



SUBSCRIBED AND SWORN to  
Before me on the 24<sup>th</sup> day of  
April, 2014.



Notary Public