

## ComEd March 2016 Forecast Submittal to the IPA April 4, 2016

ComEd provides the following information to the Illinois Power Agency (IPA) and the Illinois Commerce Commission (ICC) Staff to facilitate their review of the updated forecasted usage related to procurement quantities.

1. The attached spreadsheet contains forecasted usages for the June 2016 to May 2021 time period (“ComEd March 2016 ProcurementBlocks\_Update 2.xlsx”).
2. The forecast has been updated since the July 2015 submittal to capture the best available information. Items of note are:
  - a. The process of forecasting switching continues to utilize town-code level data. This detailed switching data is updated to reflect actual data through the end of January 2016. This granular approach is beneficial to the forecasting process as the specific size of communities opting for municipal aggregation (muni agg) or suspending their muni agg programs can be reflected in the forecast. In part because of this approach, the July 2015 submittal had anticipated the Residential Blended (ComEd-supply) percentage to be approximately 53.6% as of January 2016 and the actual result for January 2016 was 54.1%. The forecast being that close is especially noteworthy given that the Blended percentage was 36.4% in January 2015 (considerably lower) as we needed to estimate several dynamics during 2015; in particular, the large movement of residential customers in the City of Chicago to ComEd Blended supply.
  - b. The forecasted percentage of residential usage taking ComEd Blended supply in 2015 has been slightly increased in this March update from the July 2015 submittal. The July 2015 submittal forecasted 55.0% residential Blended as of December 2016 and the March 2016 update is 56.5%, which reflects refinements and additional data. There are approximately 57 communities that have a muni agg contract expiring in 2016 (see 2016 Muni Agg Tracking spreadsheet). Roughly 550 GWh of movement from RES supply to Blended supply was anticipated during 2016 (this is an annual quantity in order to facilitate comparisons). While still early in the year, 26 communities have made a decision and 23 of those communities have decided to continue their muni agg program (almost 90% renewal rate). However, those three communities that have suspended their muni agg program represent approximately 290 GWh of RES usage. Thus, it is difficult to determine a distinct pattern in switching activity from the year-to-date 2016 activity. While the basic switching assumptions from the July 2015 submittal are still reasonable, the updating of the number of muni agg contracts expiring in 2016 and the renewal rate produced a slightly higher quantity of Blended usage by December 2016 (as previously noted). The same updating process was used for 2017 (see 2017 Muni Agg Tracking spreadsheet) and it produced a small increase in Blended

usage: The December 2017 Blended percentage was 60.5% in the July 2015 submittal and it is 63.1% in the March 2016 update.

- c. The City of Chicago suspended its muni agg activity in August of 2015. It is assumed that the City of Chicago will not reactivate its muni agg activity during the forecast period.
  - d. The forecast for the 0 to 100 kW non-residential delivery service class is also for a small increase in the Blended percentage. The July 2014 Blended percentage for the 0 to 100 kW class was 34.5% and 34.4% in July 2015 as this class has had rather stable switching activity. The percentage increased to 36.1% as of December 2015 with the movement of the City of Chicago to Blended service. It is expected to slightly increase to 37.7% as of December 2016 with additional muni agg suspension. The much smaller Watt-hour non-residential class follows a similar theme with it moving from 38.6% Blended in December 2015 to 42.5% in December 2016.
  - e. The forecasted total retail usage has also been updated. The same models used in the July 2015 filing were used, but updated with new inputs. The forecast is based on IHS Economics' October 2015 economic outlook for the Chicago area. The updated load forecast results in a decrease to the total retail usage shown in rows 4 through 16 of the ProcurementBlocks spreadsheet. For example, the forecasted residential usage for the June 2016 through May 2017 time period decreased by approximately (200) GWh from the July 2015 submittal for a decrease of approximately (0.7%). ComEd's residential weather adjusted usage declined by (1.5%) in 2015. ComEd expects relatively flat residential load growth over the next five years and that is reflected in the forecast with only a 0.4% increase in the residential usage for the 12-months ending May 2017 to the 12-months ending May 2018.
  - f. The distribution line losses were updated to reflect the loss factors approved by the ICC in December 2015. The most recent loss factors are lower than in the July 2015 submittal.
3. The net change in forecasted usage for customers taking ComEd Blended supply service for the June 2016 to May 2017 time period is approximately 122 GWh. The reduction in overall usage is offset by increases in the Blended percentage and lower loss factors to essentially produce a very small change to the Blended usage from the July 2015 submittal. In short, the March 2016 forecast reflects additional data gained over the past several months that result in little overall change in the forecasted Blended usage.