

Residential Hourly Electric Pricing in Illinois

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MADRI Working Group Meeting # 41

March 22, 2016



ELEVATE ENERGY

Smarter energy use for all



Our Mission

We promote smarter energy use for all.



We give people the resources they need to make informed energy choices.



We design and implement efficiency programs that lower costs, and protect the environment.



We ensure the benefits of energy efficiency reach those who need them most.



Default Rates in Illinois

Default Supply Rates for Residential Customers:

- Utilities are default supplier with a fixed per-kwh rate
- Alternative retail electric suppliers are active
- Municipal aggregation

Benefits of Hourly Pricing to the Utility:

- Better utilization of distribution resources
- Less peaky
- Flatter load shape

Costs of Hourly Pricing to the Utility:

- Administrative cost of procuring hourly supply separately from default supply



Residential Pricing Programs in Illinois

Energy Smart Pricing Plan (2003 – 2006)

- 1,500 households, Hourly pricing

ComEd Customer Applications Pilot (2010)

- 8,500 households; Tested five different rates

Ameren Illinois Power Smart Pricing (PSP)

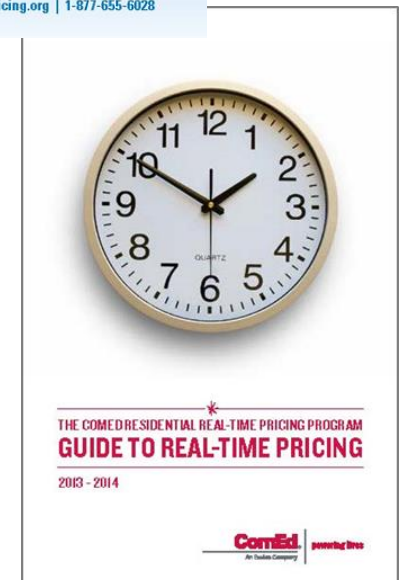
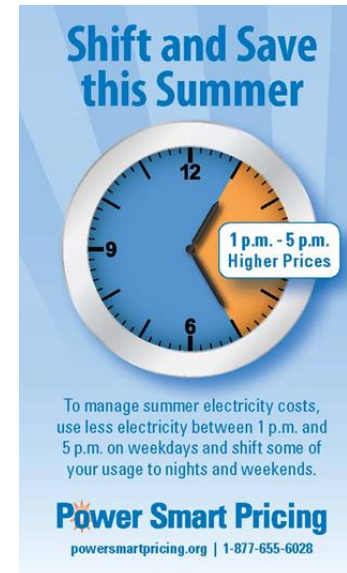
- 10,500 households; Day-ahead hourly pricing
- 17% average electricity supply savings (\$8.5M)

ComEd Hourly Pricing

- 10,500 households; Real-time Hourly pricing
- 20% average electricity supply savings (\$15.0M)

Ameren Peak Time Rewards (PTR)

- 4,750 households
- First events scheduled for 2016





Third Party Administrator's Role

- Customer service support – **dedicated call center**
- **Marketing** and **outreach**
- **Education** and enrollment
- On-line **bill comparison tool** to show customers how they perform
- **High price alerts** and notifications to prepare customers for higher prices
- Ongoing customer communication to help existing customers maintain and **improve savings**

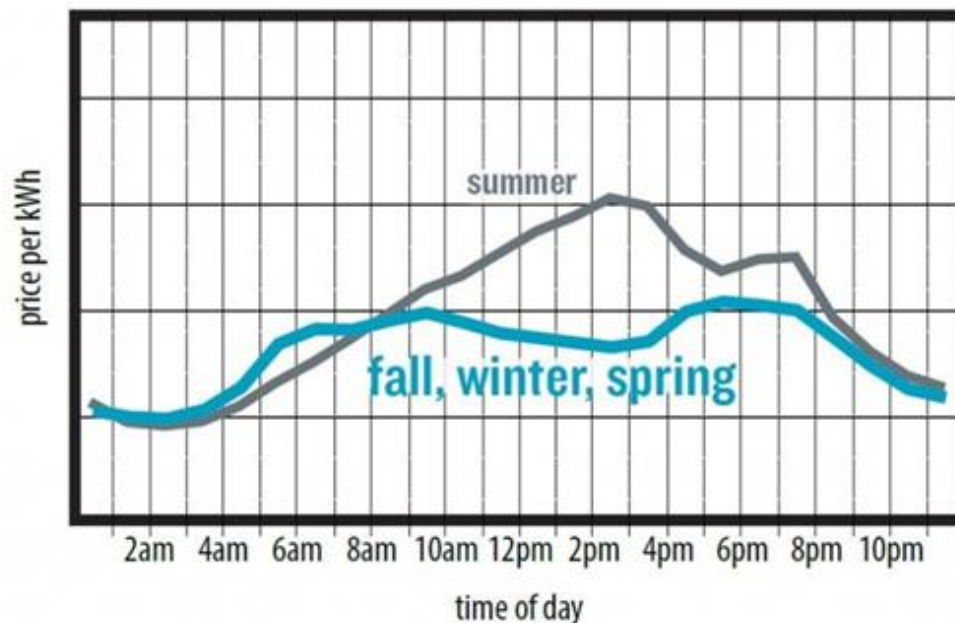




General Price Patterns

- 2003 – 2013: Fairly predictable price patterns
- Education focused on shifting use during summer season
- Fall, winter, and spring season is the time to save – prices are lower than the fixed-price rate vast majority of the time

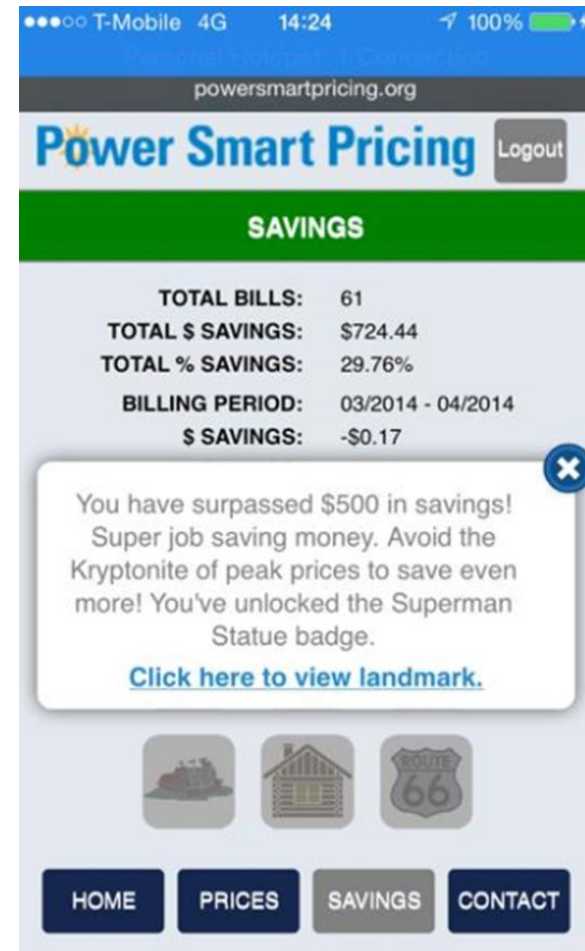
TYPICAL REAL-TIME PRICING PATTERNS*





Making Dynamic Pricing Easy

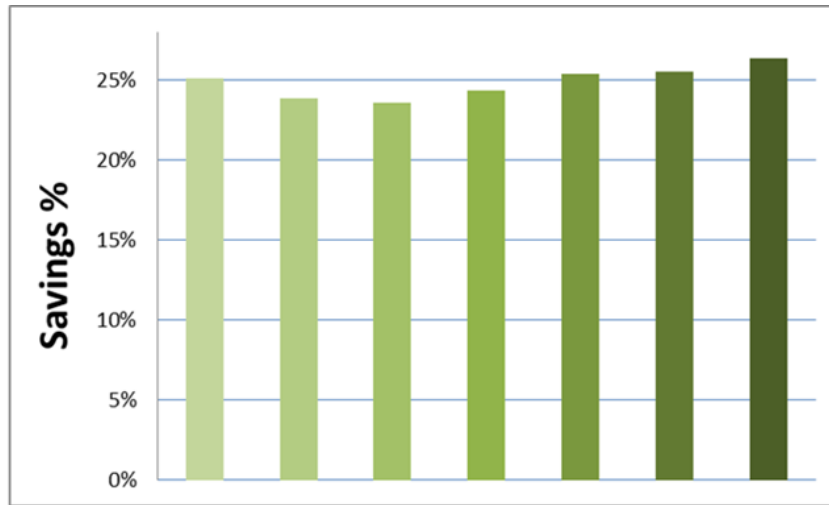
- **Smart phone app** provides current prices, bill comparison data and ability to collect 'savings badges' for participants
- **Bill comparison tool** provides savings information to track success
- **High price alerts** are delivered by phone, e-mail and text when prices reach a certain threshold
- **Dedicated customer support** by highly trained staff available by phone, email and live chat



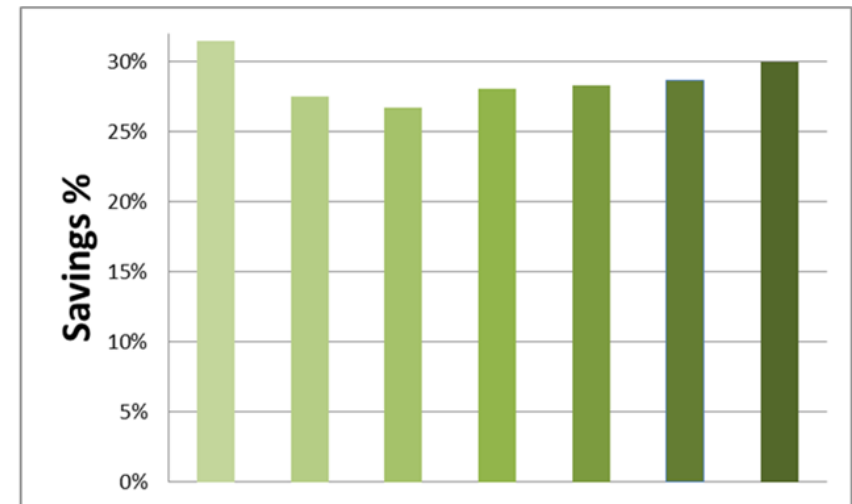


Electricity Supply Savings

	2007	2008	2009	2010	2011	2012	2013	2014	2015
ComEd Hourly	26%	11%	33%	23%	26%	40%	30%	0%	9%
PSP	N/A	13%	43%	23%	24%	35%	13%	-19%	6%



Low Income → High Income



Low Income → High Income



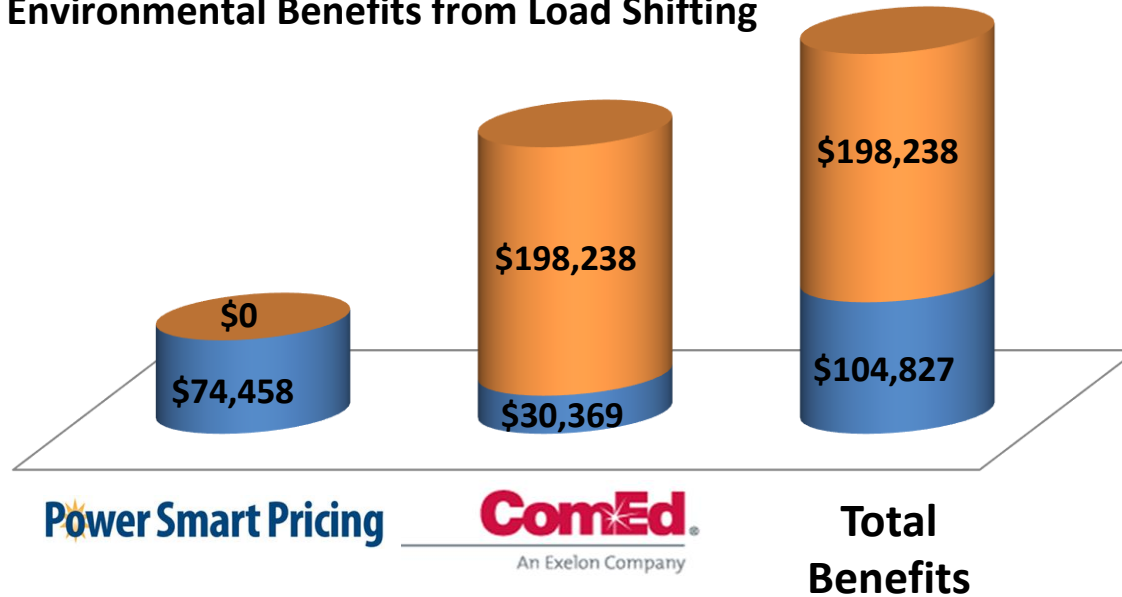
powering lives



Annual Environmental Benefits

■ Environmental Benefits from Conservation

■ Environmental Benefits from Load Shifting



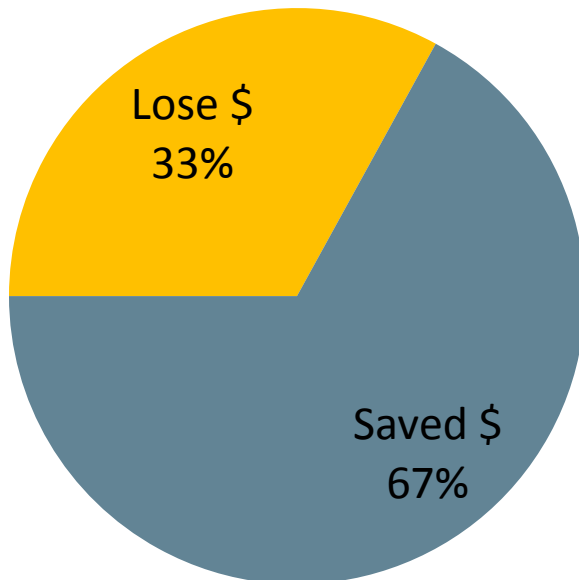
	Reduction in Within-day Load Variance	Annual Conservation Savings (MWH)	CO ₂ Benefits	SO ₂ & NO _x Benefits
Power Smart Pricing	25%	0	\$11,458	\$63,000
ComEd RRTP	12%	5,000	\$117,396	\$111,211

*Data analysis courtesy of Klos Energy Consulting – www.KlosEnergy.com



Hourly Pricing as the Default Rate – Study #1

- Included ComEd customers with 12 months of reported usage between June 1, 2010 and May 31, 2011
- No awareness of hourly rates
- Sample size: 83,891 customers
- **Total Savings \$8.6 Million**

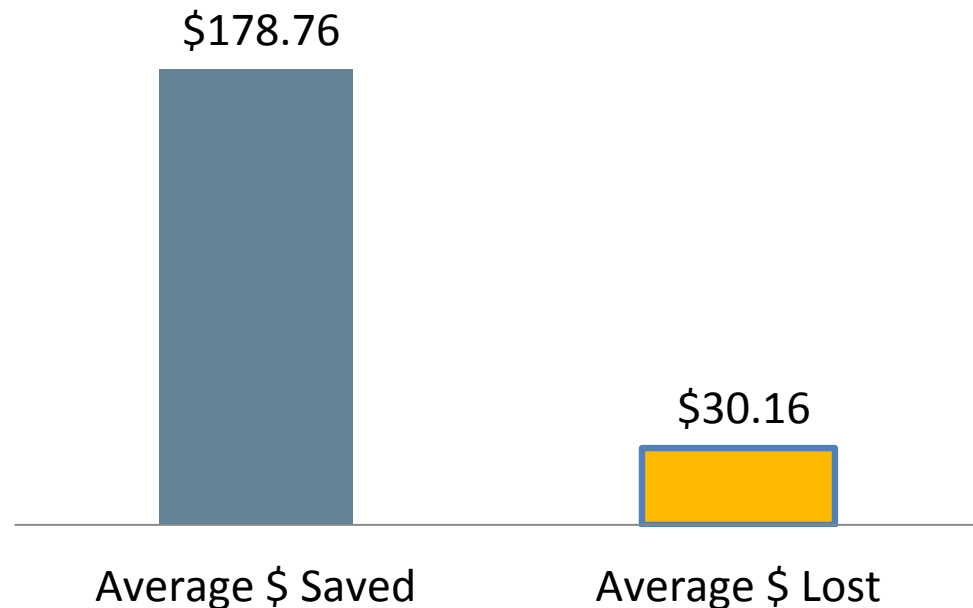
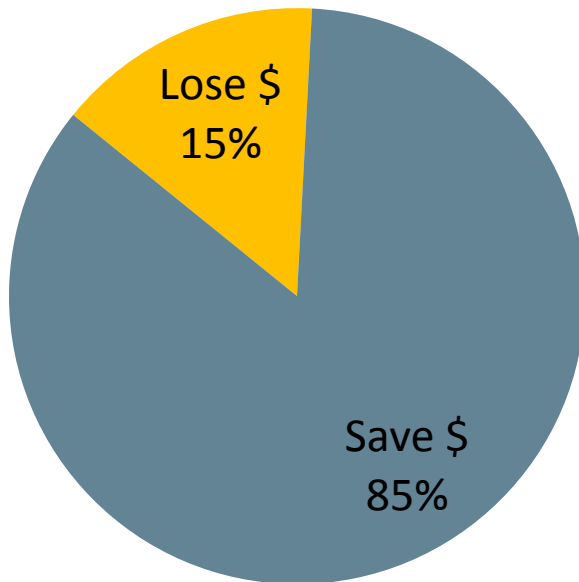


	Less than 300 kWh/month	Greater than 300 kWh/month
Number of Customers	18,329 (22%)	65,562 (78%)
Median Dollar Savings	(\$29)	\$87
Median % Savings	-18%	15%



Hourly Pricing as the Default Rate – Study #2

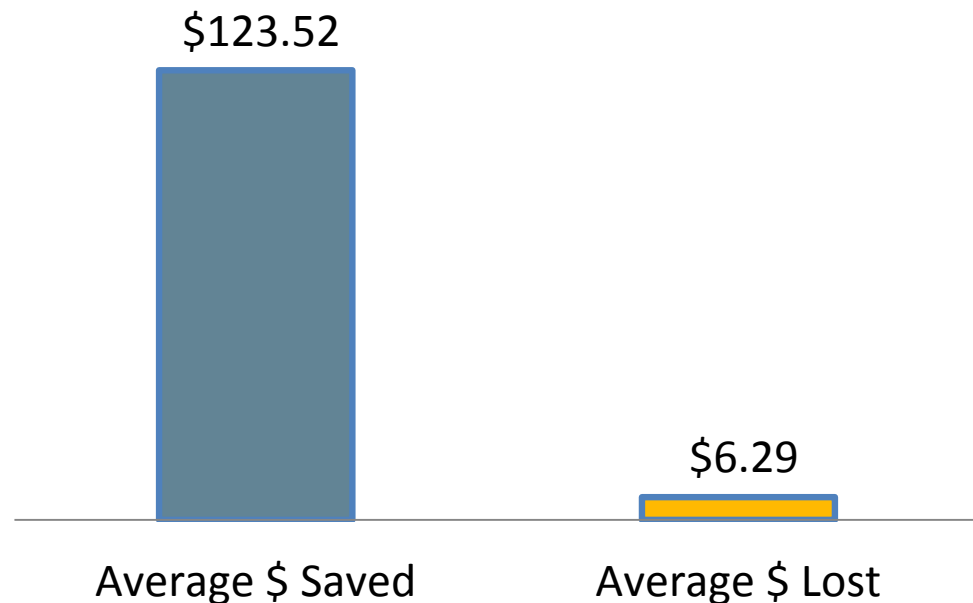
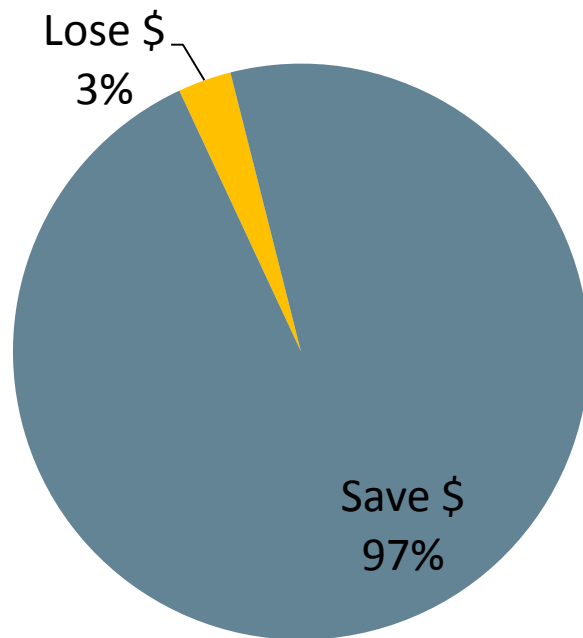
- Included ComEd customers with 12 months of reported usage between December 1, 2011 and November 30, 2012
- No awareness of hourly rates
- Sample size: 97,938 customers
- **Total savings: \$15 million**





Hourly Pricing as the Default Rate – Study #3

- Included ComEd customers with 12 months of reported usage between December 1, 2012 and November 30, 2013
- No awareness of hourly rates
- Sample size: 108,417 customers
- **Total savings: \$13.4 million**





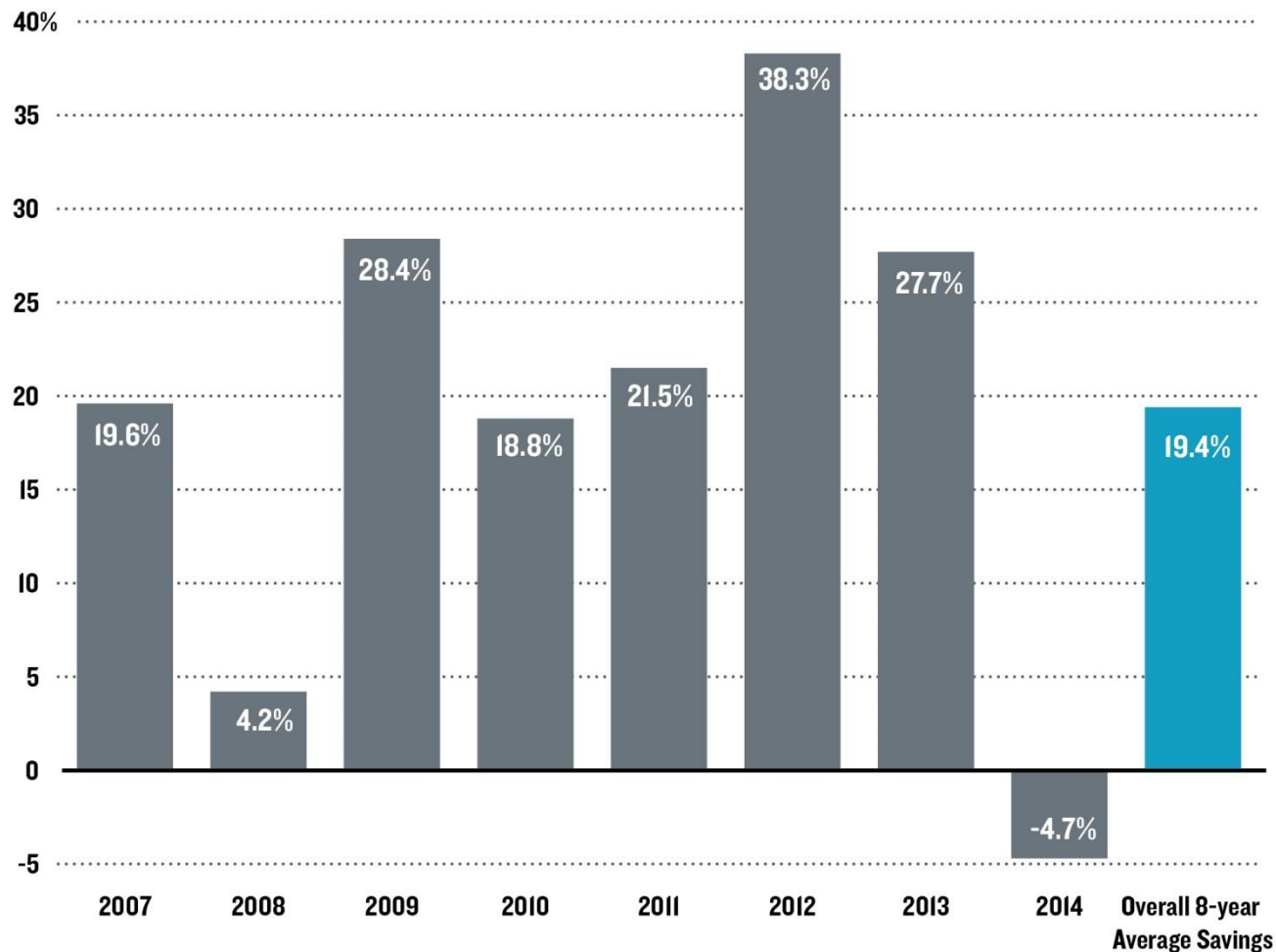
2014 Polar Vortex: Weather Impacts





ComEd Hourly Pricing Savings To Date

- Despite 2014 Polar Vortex, strong PTD Savings since 2007





Creating Engaged and Satisfied Customers

- Utilities want more engaged and satisfied customers
- Hourly customers are:
 - More willing to adopt new technologies
 - **33% of ComEd RRTP participants are enrolled in A/C Cycling** demand response program – compared with 1.8% of all ComEd customers
 - More educated about electricity markets (peak and off-peak)
 - More engaged with their electricity service and usage
 - Really, really **satisfied!**
 - **98% Satisfaction** with dedicated call center for Power Smart Pricing
 - **91%** report the program is “**Quick and Easy**”
 - **88% Overall Satisfaction** with ComEd RRTP program





What Will The Future Hold?

2016 and Beyond

- Increasing role of natural gas
 - General electricity generation – combined uses in heating months
 - Base load fuel – replacing the role of coal
 - Peak demand fuel – quick to turn on
- Renewable energy
- Distributed generation
- Battery storage
- *Extreme weather*



Questions? -- Stay in Touch

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