Energy Infrastructure Modernization Act
Transforming Illinois’ Electric Grid

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Energy Infrastructure Modernization Act - Overview

- Authorizes an estimated $2.6 billion ComEd investment in upgrading and modernizing Illinois’ electric grid.

- Provides consumer benefits through grid modernization and installation of smart meters:
  - information and tools to save on energy costs
  - reduced outages and power disruptions
  - virtual elimination of estimated bills
  - meeting business demand for high-quality power
  - expansion of Illinois economy and job creation.

- Protects consumers during a 10-year period of investment through strong oversight and an intervener process involving advocates for consumers and business.

- Bring greater stability to the regulatory process to incent investment in grid modernization.
Energy Infrastructure Modernization Act - Investment

- Over a five year period invest an estimated $1.3B in system upgrades, modernization projects, and training facilities

- Over a ten year period invest an estimated $1.3B in Smart Grid electric system upgrades

- Cannot exceed $3B capital investment costs without General Assembly approval
  - Act allows Utility to spend less if it is meeting its goals

- Annual Work Plan required to be submitted to ICC
  - If the Utility is not satisfying its investment amount commitments the ICC may discontinue the performance based formula (after notice and hearing)
Electric System Upgrades and Training Facilities

- Underground Residential Distribution (URD) Cable injection and replacement
- Mainline cable system refurbishment and replacement
- Ridgeland 69kV cable replacement
- Training facilities
- Wood pole inspection, treatment, and replacement
- Storm hardening

Smart Grid Electric System Upgrades include the following programs:

- Distribution automation
- Substation micro-processor relay upgrades
- Smart meters
  - Requires ICC approval of the AMI deployment Plan
- Associated cyber secure data communications network
Reliability

- System SAIFI – 20% reduction in outage frequency over 10 years
- System CAIDI – 15% reduction in average outage duration over 10 years
- Southern and Northern Region SAIFI – 20% reduction in outage frequency over 10 years
- Service Reliability Target – Improvement in the total number of customers who exceed the service reliability targets by 75% over 10 years

Customer Benefits

- Estimated Bills – 90% reduction in 10 years
- AMI Benefits (average of):
  - Consumption on Inactive Meters – 90% reduction in 10 years
  - Unaccounted For Energy – 50% reduction in 10 years
  - Uncollectible Expense – $30M reduction over 10 years

Opportunities for Minority-Owned and Female-Owned Business Enterprises

- Opportunities for MWBE – Increasing capital expenditures with MWBE over 10 years
Consumer Benefits

Fewer and shorter outages

- An estimated 700,000 avoided customer outages per year could save customers $100M annually

Consumer savings, choice and control

- All savings achieved by more efficient utility operations will be passed on to consumers
- With advanced meters, consumers could save on energy costs by:
  - Better managing energy use
  - Using new energy management technologies, such as smart appliances or home area network devices

Peak Time Rebate

- With a Smart Meter customers may opt in to a Peak Time Rebate program
Northern Illinois Benefits

- **Economic growth and job creation**
  - The investment will create more than 2,000 FTEs*

- **Innovation and entrepreneurship**
  - A $22.5M Science and Energy Innovation Trust will be created to foster and support high-growth, energy and technology related Illinois companies
  - A Smart Grid “Test Bed” will provide entrepreneurs with the opportunity to demonstrate new services, technologies and business models, some of which will be funded by the Trust

Note: * Full-time equivalents at peak investment
Annual Rate Case

Two specific legislative checkpoints

- The program terminates in 2014 if total average residential bill increases by more than 2.5% per year
- If the program survives the 2014 sunset, there is an automatic sunset in 2017 at which time the utility must justify further spending

Entire program terminates in 2022