

The Evolving Electric Grid, an Illinois perspective

Ann McCabe, Commissioner,
Illinois Commerce Commission
NCSL, August 7, 2016

Themes, questions

- fast changing technology: microgrids, electric vehicles, energy storage, smart meters and thermostats
- changing customer expectations
- low/no demand growth
- falling renewable costs, low natural gas prices
- wealth of data from smart meters
- role of utilities/customer/regulator/other institutions

Illinois Electricity Market Overview

Restructured Electricity Market

- Retail competition, low electricity prices
- State commission does not regulate generation
- Two major electric distribution utilities (wires companies), can send bills including competitive supply
- ~60 retail electric suppliers (choice), ~45% of customers served

Energy Mix in 2015

- 40% coal, 49% nuclear, 5% wind, <1% solar
- IL has most nuclear generation in the US, 11 units at 6 plants, 2 at risk

IL EEPS – 2% by 2017

IL RPS – 25% x 25 for IOUs and Retail Suppliers; by 2016, 6% solar, 1% DG

Illinois Grid Modernization Through Formula Rates

2011 Legislation

- \$3.2 billion in grid hardening and smart meter deployment
- Participating electric utilities make required investments; rates set annually by formula.
- ComEd to deploy smart meters to 100% of customers, Ameren 62%

Smart Meters Deployed as of end of 2015:

- ComEd - 44% (1.8 million) of customers
- Ameren - 17% (208,500) of customers

Smart Meter Deployment Acceleration

- ComEd acceleration to 100% granted 2014
- Ameren now requesting 100% deployment

Time-of-Use Pricing

- ComEd – Peak Time Savings (in addition to Real Time Pricing)
- Ameren – Peak Time Rewards (in addition to Real Time Pricing)

Illinois Grid Modernization and Electricity Future

Formula Rate Performance Goals / Metrics

- 4 reliability, 4 customer benefit and 1 business diversity-related
- ROE deductions at risk for reliability and customer performance

Illinois is already on the alternative regulation path

Future Possibilities

- Performance-Based Rates (PBR)
- Symmetrical Incentives
- Multi-Year Rate Cases
- Dynamic Pricing
- Load Management Programs
- Microgrids (ownership)
- Community Solar