The Evolving Electric Grid, an Illinois perspective

Ann McCabe, Commissioner,
Illinois Commerce Commission
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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