

RATE RELIEF & REFORM PACKAGE

- ▶ Customer Rate Relief—residential, nonprofit and small business customers
 - \$1 billion goes to rate relief for Illinois customers—½ in ComEd, ½ in Ameren service territories

- ▶ **Ameren:** discounts on 2007 bills ranging from 40 – 70% off the increase from 2006 rates
 - additional credits for “all-electric” (electric space heating) customers
 - customers receive a lump-sum amount to reflect discounts going back to January 2007 and credits going forward until 2010, to phase in market rates
 - based on usage—the more electricity you use, the more you paid, the greater your rebate going backward and your credit going forward
 - most customers will receive rebate checks, those more than 60 days in arrears will have their rebates credited to their accounts
 - Ameren will waive all late charges for customers from January to September 2007
 - targeted programs for seniors, LIHEAP, small businesses

- ▶ **ComEd:** discounts on 2007 bills approximately 45% off the increase from 2006
 - customers will receive a lump-sum amount, credited on their bills, to reflect discounts going back to January 2007 and credits going forward until 2010, to phase in market rates
 - discounts are based on usage so they are proportional
 - targeted programs for summer cooling assistance, seniors, LIHEAP, small business

- ▶ Illinois Power Agency (IPA)
 - replaces reverse auction
 - independent agency, not utilities, control purchase of electricity
 - IPA can build plants, or enter into agreements with private or governmental entities, to build plants and sell electricity at cost to governmental aggregators, municipalities, co-ops
 - preference for (1) new clean-coal technology that captures carbon; (2) renewable energy facilities; and (3) plants that use Illinois coal
 - construction of Illinois plants, using Illinois coal and indigenous renewable resources, means jobs
 - encourages aggregated purchasing by municipalities on behalf of residents

- ▶ Shut-offs: no shut-offs for all-electric customers through Sept. 2007; no shut-offs for all-electric customers in any year between Dec. 1 – March 31

- ▶ Condo Rate Relief: Condo “common areas” will be charged at no higher than residential rate

- ▶ Renewable Portfolio Standard: IPA runs—mandated targets—cap on rate increase over previous year of 0.5%

- ▶ Energy Efficiency Standards: run by utilities and DCEO—financial penalties for failure to meet targets

- ▶ Utilities may build generation: (step toward re-integration) and sell into procurement process if least-cost alternative

- ▶ Declaration of Competitiveness: increases standard (33% of customers served by 3 or more ARES’s)
 - larger business customers (usage > 400 kw) automatically declared competitive (majority have already left & would be declared competitive by ICC, anyway); utilities may seek to have customers with usage over 100 kw and under 400 kw declared competitive through expedited ICC process
 - ComEd customers over 100 kw but less than 400 kw and Ameren customers over 400 kw but less than 1 MW may continue to take service from utility through May 2010; ComEd customers over 400 kw and Ameren customers over 1 MW may continue to take service from utility through May 2008
 - no residential, nonprofit or small business customer with demand < 100 kw may be declared competitive before 2012

- ▶ Ameren and ComEd may seek expedited ICC approval (continues process put in place in 1997) to merge, reorganize, or transfer assets
 - terms and conditions of employment and, collective bargaining rights of employees are protected
 - cannot affect safety, reliability of service, or increase rates