

**OFFICE OF RETAIL MARKET DEVELOPMENT
ILLINOIS COMMERCE COMMISSION**

2014 ANNUAL REPORT



**Submitted Pursuant to Section 20-110 of the
Illinois Public Utilities Act**

June 2014



ILLINOIS COMMERCE COMMISSION

June 30, 2014

The Honorable Pat Quinn
Governor

The Honorable Members of the Illinois General Assembly

The Honorable Members of the Illinois Commerce Commission

Please find enclosed the ICC's Office of Retail Market Development's annual report. This report is submitted in compliance with Section 20-110 of the "Retail Electric Competition Act of 2006" [220 ILCS 5/20-110]. Section 20-110 requires the Director of the Office of Retail Market Development to annually report specific accomplishments in promoting retail electric competition.

Sincerely,

A handwritten signature in black ink, appearing to read "Torsten Clausen".

Torsten Clausen
Director, Office of Retail Market Development

**Annual Report to the General Assembly, the Governor,
and the Illinois Commerce Commission**

**Submitted pursuant to Section 20-110 of the
Illinois Public Utilities Act**

**Office of Retail Market Development
Illinois Commerce Commission**

June 2014

I. Introduction

Section 20-102 of the Retail Electric Competition Act of 2006 (“Retail Competition Act”) states that

“a competitive wholesale electricity market alone will not deliver the full benefits of competition to Illinois consumers. For Illinois consumers to receive products, prices and terms tailored to meet their needs, a competitive wholesale electricity market must be closely linked to a competitive retail electric market. To date, as a result of the Electric Service Customer Choice and Rate Relief Law of 1997, thousands of large Illinois commercial and industrial consumers have experienced the benefits of a competitive retail electricity market. Alternative electric retail suppliers actively compete to supply electricity to large Illinois commercial and industrial consumers with attractive prices, terms, and conditions.

A competitive retail electric market does not yet exist for residential and small commercial consumers. As a result, millions of residential and small commercial consumers in Illinois are faced with escalating heating and power bills and are unable to shop for alternatives to the rates demanded by the State's incumbent electric utilities. The General Assembly reiterates its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers.”

To further the goal of developing an effectively competitive retail electricity market, the Retail Competition Act created the Office of Retail Market Development (“ORMD”) within the Illinois Commerce Commission (“ICC”). Section 20-110 of the Retail Competition Act provides that on or before June 30 of each year, the Director of the ORMD submit a report to the Commission, the General Assembly, and the Governor, that details specific accomplishments achieved by the Office in the prior 12 months in promoting retail electric competition and that suggests administrative and legislative action necessary to promote further improvements in retail electric competition.

II. Executive Summary

- Statewide, 88 alternative retail electric suppliers (“ARES”) have ICC certification to serve retail customers in Illinois, up slightly from the same time last year
- Currently Illinois has 309 licensed Agents, Brokers and Consultants (“ABCs”), up from 269 a year ago
- As of May 31, 2014, alternate retail electric suppliers provided more than 80% of the total electric usage in ComEd and Ameren Illinois service areas, up slightly from the same time last year
 - ◆ In ComEd’s region, ARES provided approximately 81% of the total electric usage of customers.
 - ◆ ARES provided 73% of the total electric usage in the Ameren Illinois Rate Zone I (formerly AmerenCIPS), up from 68% last year.
 - ◆ In Ameren Illinois Rate Zone II (formerly Ameren CILCO), ARES provided 81% of the total electric usage of customers, down slightly from 82% last year.
 - ◆ 81% of the total electric usage of Ameren Illinois Rate Zone III (formerly Ameren IP) customers was provided by ARES, up slightly from 80% last year.
- Switching levels for the residential class increased slightly in the last year
 - ◆ As of May 31, 2014, more than three million residential customers across the state receive their power from an ARES, an increase of approximately 153,000 from a year earlier.
 - ◆ More than 68% of ComEd’s residential customers receive service from a supplier.
 - ◆ Total annual savings from June 2013 through May 2014 by residential ARES customers in ComEd’s service territory is estimated at approximately \$39 million dollars or 0.2 cents per kWh, compared to \$268 million or 2.4 cents per kWh for the prior year.
 - ◆ As of May 2014, 51 ARES actively serve residential customers in the ComEd service territory, compared to 42 in May 2013. Twenty-three ARES serve residential customers in the Ameren Illinois service territory, up from 17 in May 2013.

- ◆ As of April 2014, the ComEd service territory had 59 different residential offers on PluginIllinois.org.
- ◆ Of the residential offers posted on PluginIllinois.org for ComEd customers, 69% were fixed offers and 31% were variable.
- The residential switching numbers and market concentration levels changed only slightly from last year
 - ◆ In May 2013, 78% of residential ARES customers were part of a government aggregation program. A year later, the percentage of aggregation customers is slightly less than 74%.
 - ◆ A total of 729 communities have passed an opt-out aggregation referendum to date, adding another 52 communities after the March 2014 referendum date. However, as of June 2014, 21 aggregation communities have decided to not continue their aggregation program.
 - ◆ The ComEd residential market, based on HHI values, is “moderately concentrated”, with 66% of the market going to the three largest suppliers in May 2014, compared to 69% in May 2013.
- Growth continues, albeit a slower pace, in competitive switching in the small commercial customer class (0-100kW), especially in the Ameren Illinois service territories in the last 12 months
 - ◆ As of May 31, 2014, ARES provided about 63% of the electric usage of ComEd’s smallest commercial customers (0-100kW), virtually unchanged from a year ago.
 - ◆ 65% of the electric usage of Ameren Illinois Rate Zone I smallest commercial customers (0-100kW) was provided by ARES, up from 61% a year ago.
 - ◆ More than 65% of the electric usage of Ameren Illinois Rate Zone II smallest commercial customers (0-100kW) was provided by ARES, up from 64% a year ago.
 - ◆ As of May 31, 2014, 66.6% of the electric usage of Ameren Illinois Rate Zone III smallest commercial customers (0-100kW) was provided by ARES, up from 63.4% a year ago.

Looking at market concentration and HHI values in the non-residential market, the report shows that the ComEd total non-residential market remains unconcentrated, i.e., competitive, and the Ameren Illinois Rate Zone II total non-residential market remains the most concentrated market.

III. Recent competitive activity

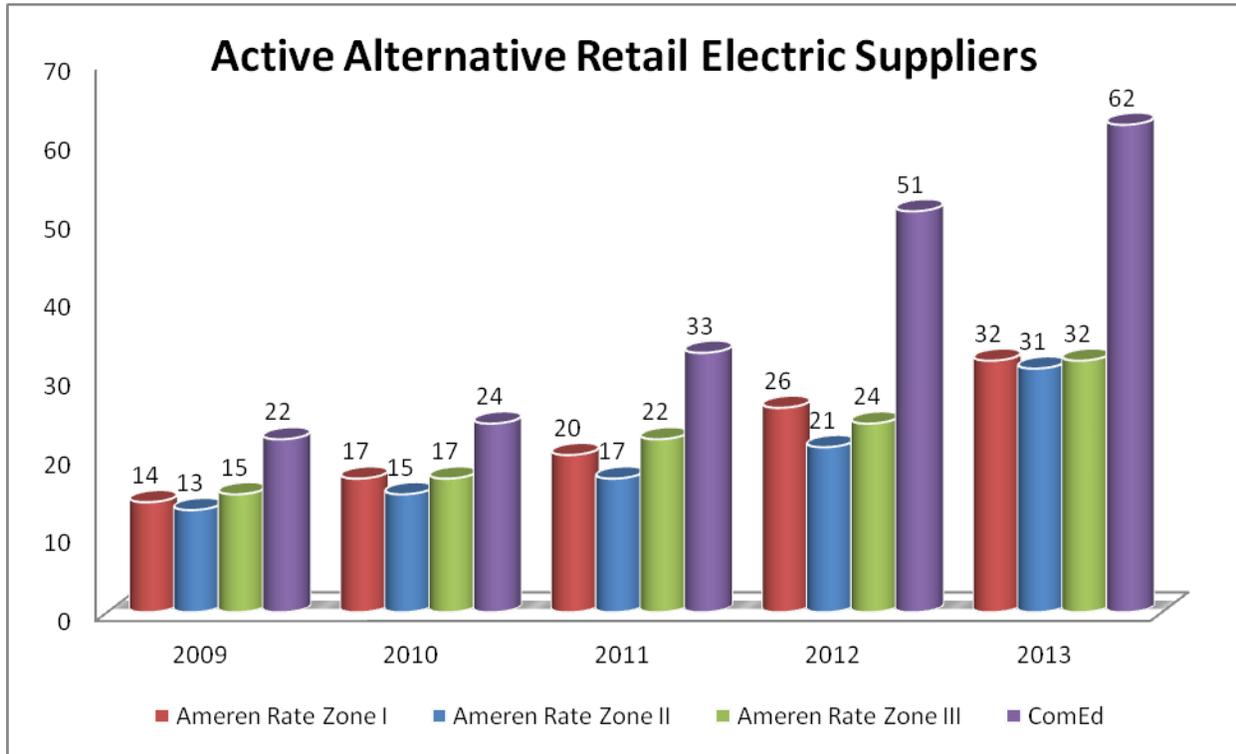
A. Number of certified and registered suppliers

Statewide, there are currently 88 alternative retail electricity suppliers (“ARES”) that have obtained ICC certification pursuant to Section 16-115¹. This is up from 87 suppliers at the same time last year. Fifty-nine ARES have obtained certification to serve residential and small commercial customers, which is up from 57 as of last year. Aside from receiving a certificate from the Commission, suppliers must also register with the electric utility and complete certain technical testing before they can start offering retail electric service in Illinois. Thirty-nine suppliers have completed the registration process with Ameren Illinois, compared to 33 at the same time last year. Thirty-six of those suppliers were actively selling electricity in the territory as of December 2013, up from 32 as of December 2012. In Commonwealth Edison’s (“ComEd’s”) territory, 68 suppliers have completed the registration process, up from 60 suppliers last year. Sixty-two of those suppliers were actively selling electricity as of December 2013, compared to 51 as of December 2012. Four of the active suppliers are either electric utilities or affiliates of electric or natural gas utilities.

The following shows the number of active ARES from 2009 to the end of 2013 by utility service territory:²

¹ Twelve of the 88 suppliers are certified to serve only themselves or their affiliates.

² In order to maintain consistency with the reporting of previous years, the graph includes ARES providing power to themselves or their subsidiaries. Also, several suppliers operate in more than one utility service territory.



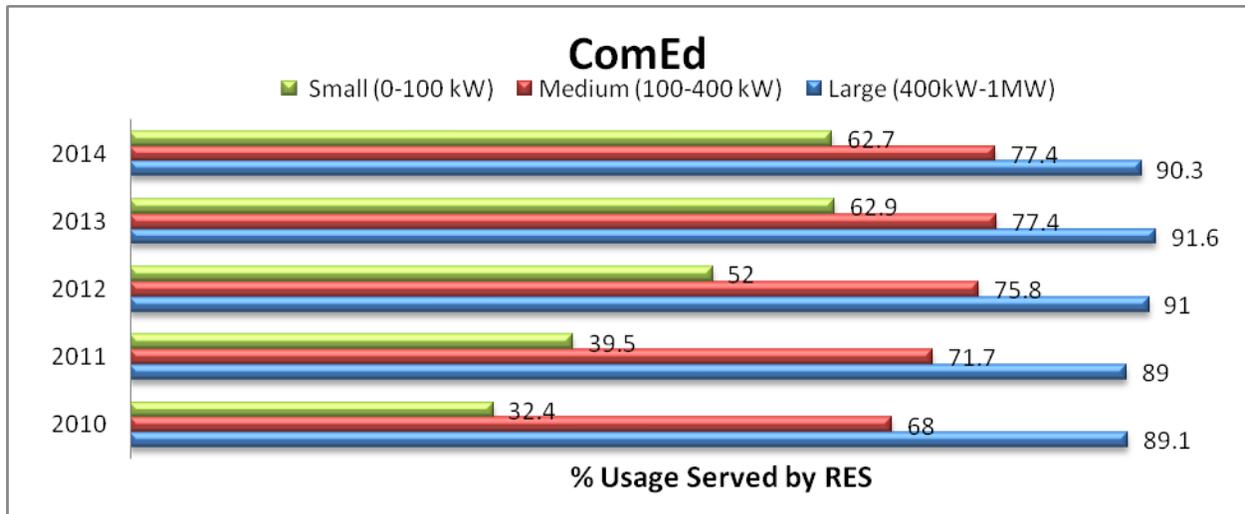
B. Non-residential customer switching

For the past few years, more than half of the total electric consumption of ComEd's and Ameren Illinois's customers had been provided by alternative retail electric suppliers. Last year marked the first time that approximately 80% of the total electric usage of ComEd customers as well as the customers of all three Ameren Illinois rate zones had been provided by retail electric suppliers. A year later, this percentage remains relatively unchanged. Looking specifically at ComEd, February 2008 marked the first time more than 50% of the total electric usage was provided by competitive suppliers and October 2011 was the month that the number had crossed the 60% mark for the first time. While it took more than three and a half years from crossing the 50% mark to crossing the 60% mark, it took only a year (from October 2011 to October 2012) from crossing the 60% mark to topping the 70% mark. Just seven months later, in April 2013, 80% of the total electric usage in ComEd's territory was provided by retail electric suppliers. As of May 2014, it stands at 81%. Also worth pointing out is that the amount of ARES-provided electric usage to the 0-100 kW customer class had crossed the 60% mark in both ComEd and Ameren Illinois' territories for the first time last year and reached approximately 64% in May 2014.

The following provides detailed non-residential usage information for the four utility service areas.

1. ComEd

As of May 31, 2014, 81% of the total electric usage of ComEd's customers was provided by alternative retail electric suppliers (up slightly from last year). Breaking it down further, about 63% of the electric usage of ComEd's small commercial customers³ (the same as last year) and 77% of its medium commercial and industrial customers⁴ (the same as last year) was provided by ARES. For large customers⁵ it was 90% (down slightly from last year), and 96% of customers with a demand of over 1MW received service from an ARES (the same as last year). Together, nearly 85% (down from 88%) of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2014. The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁶.



³ Non-residential customers with demand up to 100kW.

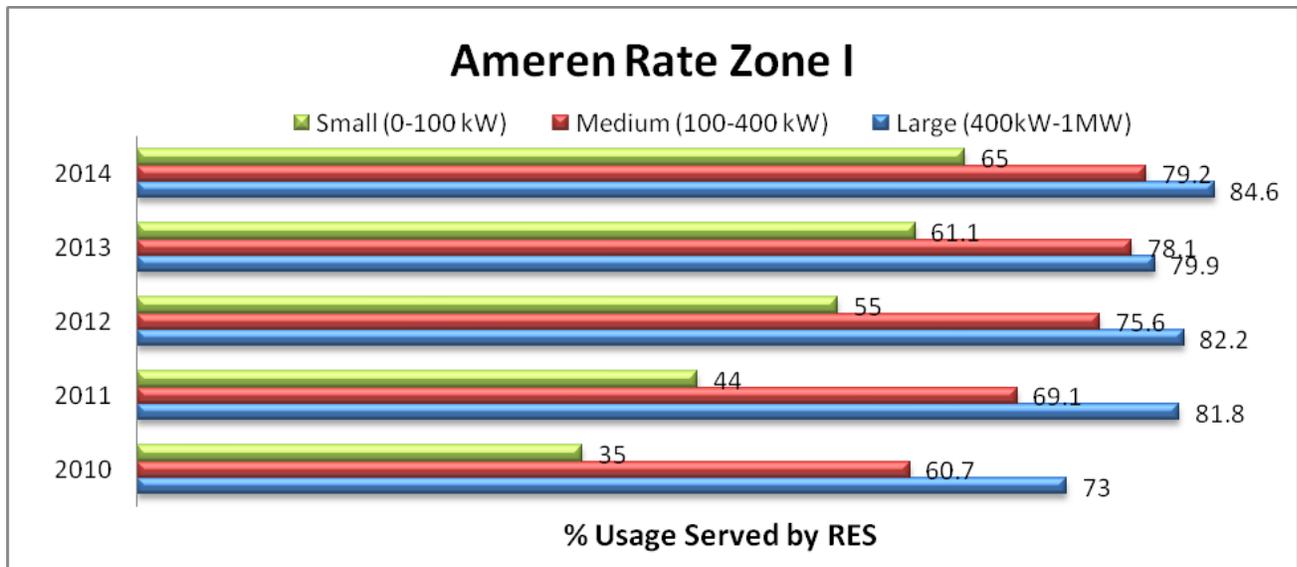
⁴ Non-residential customers with demand between 100kW and 400kW.

⁵ Non-residential customers with demand between 400kW and 1MW.

⁶ Data as of May 31 of each year.

2. Ameren Illinois Rate Zone I (formerly AmerenCIPS)

As of May 31, 2014, 73% of the total electric usage of Rate Zone I customers was provided by alternative retail electric suppliers (up from 68% a year ago). Sixty-five percent of the electric usage of small commercial customers in Rate Zone I (up from 61% a year ago) and approximately 79% of electric usage of its medium commercial and industrial customers (up from 78%) was provided by ARES. For large customers it was close to 85% (up from 80% last year). Together, 78% of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2014 (up from 76% a year ago). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁷.

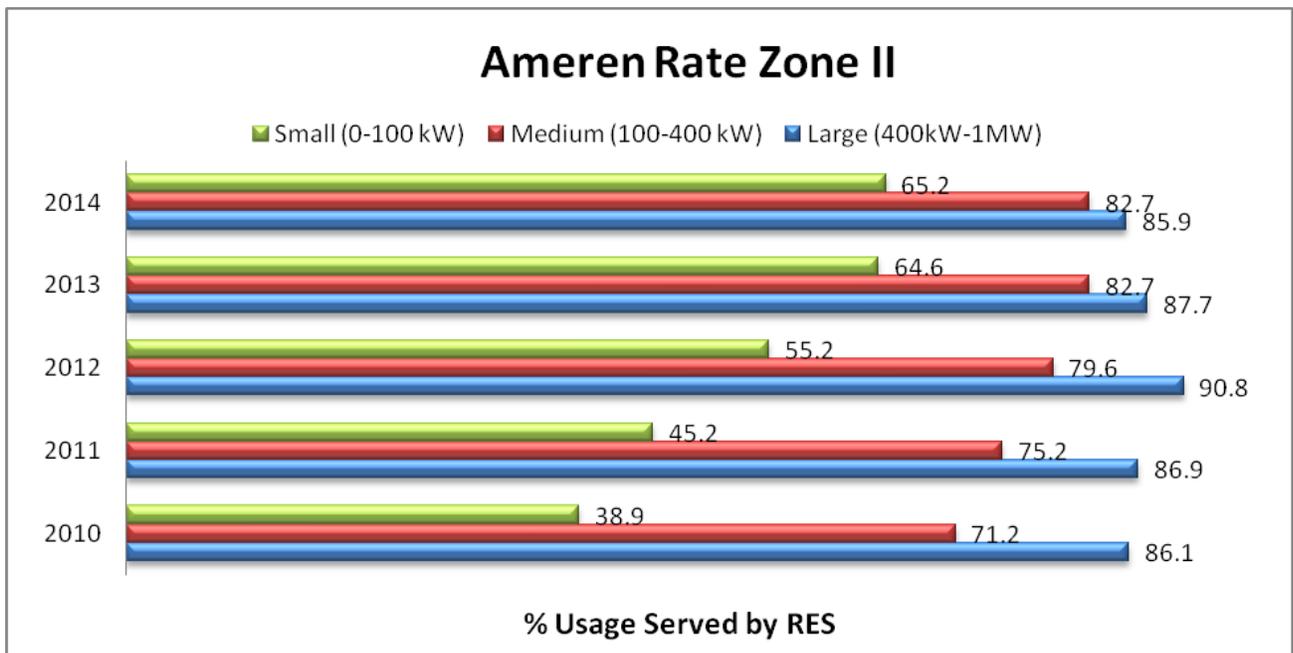


3. Ameren Illinois Rate Zone II (formerly AmerenCILCO)

As of May 31, 2014, 81% of the total electric usage of Rate Zone II customers was provided by alternative retail electric suppliers (down from 82% last year). About 65% of the electric usage of small commercial customers in Rate Zone II (same as last year) and

⁷ Data as of May 31 of each year.

approximately 83% of electric usage for its medium commercial and industrial customers (same as last year) was provided by ARES. For large customers it was 86% (down from 88%). Together, 83% of all non-residential load was provided by alternative retail electric suppliers as of May 31, 2014 (down slightly from 85% last year). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁸.

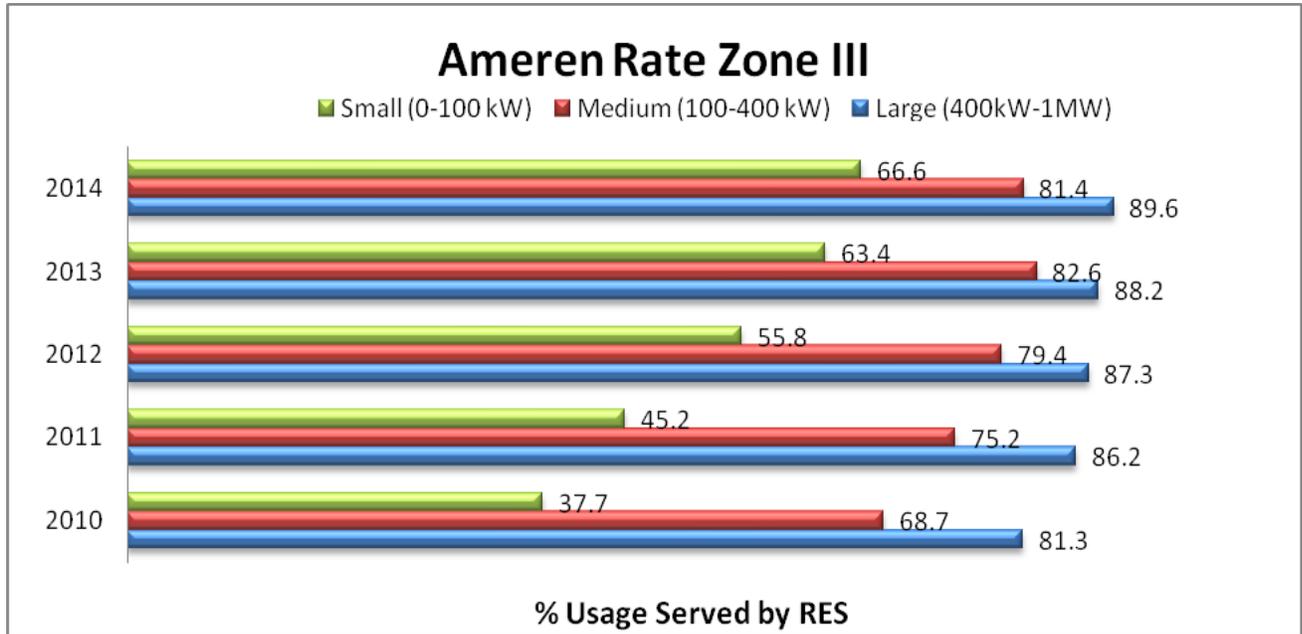


4. Ameren Illinois Rate Zone III (formerly AmerenIP)

As of May 31, 2014, 81% of the total electric usage of Rate Zone III customers was provided by alternative retail electric suppliers (up slightly from last year). About 67% of the electric usage of small commercial customers in Rate Zone III (up from 63%) and approximately 81% of electric usage for its medium commercial and industrial customers (down from 83%) was provided by ARES. For large customers it was almost 90% (up from 88%). Together, about 87% of all non-residential load was provided by alternative retail

⁸ Data as of May 31 of each year.

electric suppliers as of May 31, 2014 (which is the same as last year). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁹.

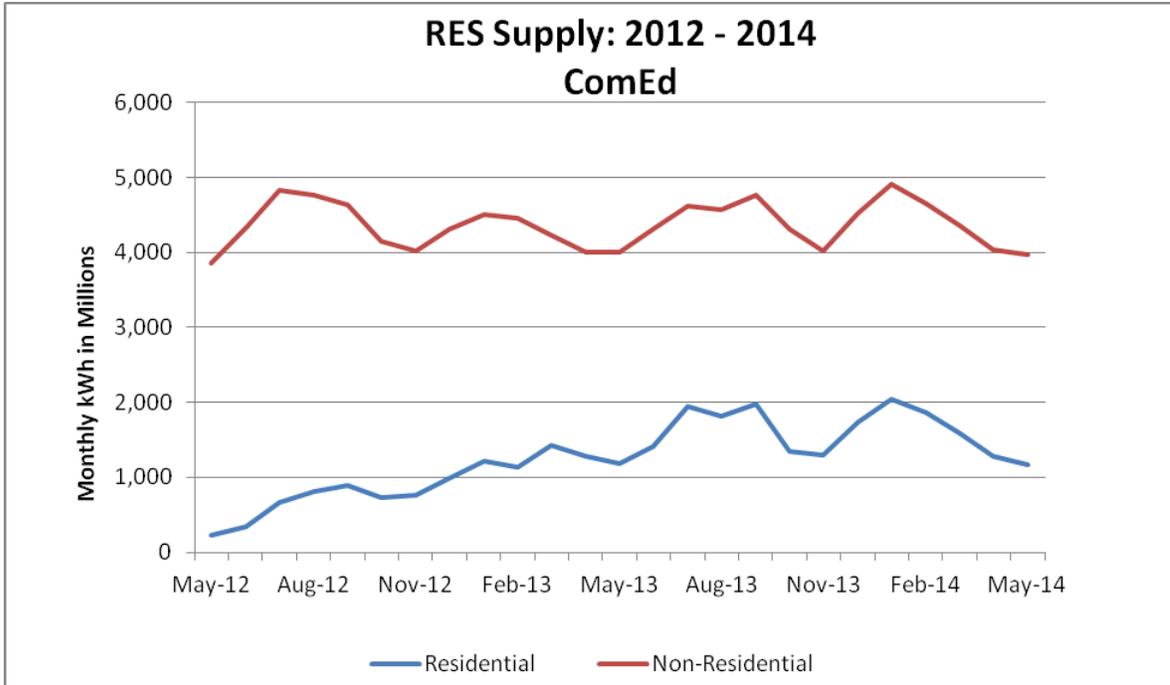


5. Comparing ARES-provided load

While the number of non-residential customers on competitive supply has been steadily, but slowly, increasing over the last few years, the number of residential ARES customers has gone from virtually zero in 2011 to more than 3 million in 2013. As a whole, competitive suppliers now have more than ten times as many residential customers as they have non-residential ARES customers.

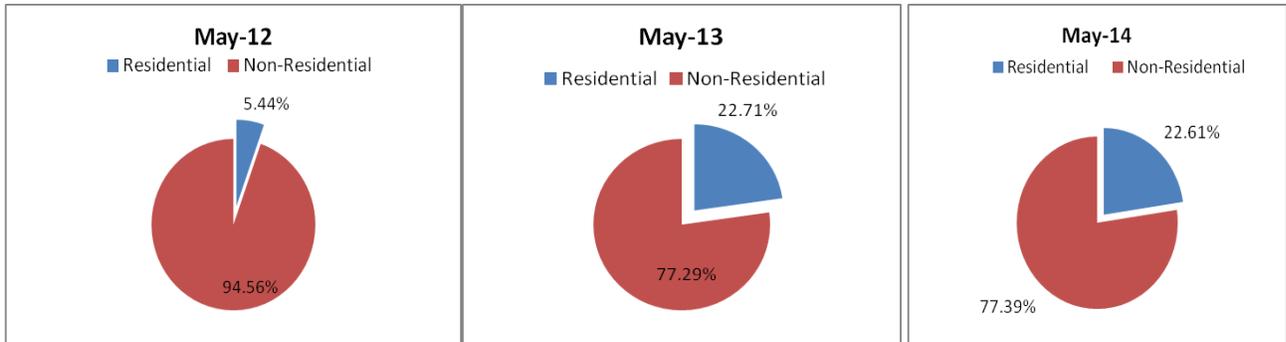
Of course, looking at the number of customers gives us only a portion of the overall picture. The following charts show that even the recent substantial increase in residential customers has not changed the fact that, as a whole, suppliers provide substantially more electricity to non-residential than to residential customers.

⁹ Data as of May 31 of each year.



The first graph shows the seasonal variation in the RES-provided non-residential supply over the last two years. Any seasonal variation in the RES-provided residential supply is overshadowed by the constant increase in RES-provided supply as a result of additional switching.

Residential and Non-Residential Share of RES Supply



In terms of monthly kilowatt hours, the active suppliers in ComEd's service territory have been providing upwards of 4 billion kWh per month to their non-residential customers for during the last two years. While the non-residential usage provided by the suppliers continues to be the lion share of RES-provided usage, the electricity provided to residential customers has grown from just over five percent two years ago to almost a quarter of the entire usage provided by the competitive suppliers today.

C. Agents, Brokers and Consultants

One additional indicator of competitive activity is the steadily rising number of Agents, Brokers, and Consultants ("ABCs") seeking a license pursuant to Section 16-115C of the Public Utilities Act ("PUA"). Over the last twelve months, an additional 46 ABCs received a license from the Commission, bringing the total to 309 licensed ABCs.

D. Supplier use of UCB/POR for non-residential customers

Sections 16-118 (c) and (d) require ComEd and Ameren Illinois to offer utility consolidated billing ("UCB") and the purchase of receivables ("POR"). Under UCB, an ARES electronically submits its monthly customer charges for power and energy to the utility which then places those charges, along with its delivery charges, on one single bill to the customer. Under POR, an ARES is able to sell its receivables (the amount that customers owe to that ARES) to the utility at a discount. The POR requirement encourages alternative suppliers to offer their services to every utility customer rather than serve only those above certain credit thresholds, thereby furthering the statutory goal of an "effectively competitive retail electricity market that operates efficiently and benefits *all* Illinois consumers."

While Sections 16-118(c) (POR) and 16-118(d) (UCB) appear to be separate and distinct requirements, the utilities have so far focused on an offering that would combine the purchase of receivables with the provision of utility consolidated billing. That is, if a supplier enrolls a customer with utility consolidated billing, the supplier then also has to sell the corresponding receivables to the utility at a discount. Because the POR provision in Section 16-118(c) is limited to customers with a demand of less than 400 kilowatts, this combination of utility consolidated billing with the purchase of receivables is therefore also limited to customers with a demand of less than 400 kilowatts.

As of May 31, 2014, 21 suppliers were using Ameren's UCB/POR service for residential customers (up from 16 a year earlier) and 18 suppliers were using UCB/POR for non-residential customers (down from 19 a year ago). As for ComEd, as of May 31, 2014, 49 suppliers were using ComEd's UCB/POR service for residential customers (up from 41 at the time of this report last year) and the same number of suppliers were using UCB/POR service for non-residential customers (up from 41 last year).

While virtually all suppliers are currently using UCB/POR for their residential customers, it is worth noting the widespread use of UCB/POR in the non-residential classes as well. By reviewing ComEd's monthly data, we are able to compare the number of new UCB/POR customers in a particular customer class to the number of total new ARES customers for that customer class. Analyzing the June 2012 to May 2013 time period, it shows that suppliers are using UCB/POR for all non-residential customers for which it is available, meaning the Watt-Hour¹⁰, the 0-100kW, and the 100-400kW customer class. For the Watt-Hour class, the ratio of new UCB/POR customers to total new ARES customers has generally been above 50%, with the ratio being over 100% in some months. A monthly ratio exceeding 100% means that existing ARES customers have been converted to utility-consolidated billing during that month. For the 0-100kW class, the ratio of new UCB/POR customers to total new ARES customers has generally been exceeding 100%. Even for the 100-400kW class, usually considered medium-sized customers, the ratio of new UCB/POR customers to total new ARES customers has been, on average, above 100% during the past twelve months. In May 2014, ARES have used UCB/POR for 62% of their Watt-Hour customers, for 68% of their 0-100kW customers, and for 17% of their 100-400kW customers.

E. Competitive Declarations

As of August 2007, Section 16-113(f) of the Act declared the provision of electric power and energy to retail customers of ComEd and Ameren Illinois with peak demands of at least 400 kilowatts to be a competitive service. The legislation resulted in ComEd's discontinuation of providing fixed-price bundled service to those customers after the end of the May 2008 billing period. The law similarly provided that Ameren Illinois does not need

¹⁰ The Watt-Hour class consists of small commercial customers for which no metering equipment or only watt-hour metering equipment is installed at the customer's premises. Generally, a customer in this supply group uses less than 2,000 kWh during a monthly billing period.

to provide fixed-price bundled service to that class of customers after the end of the May 2010 billing period.

In addition, Section 16-113(g) gives both ComEd and Ameren Illinois the ability to declare the provision of power and energy to customers with peak demands of at least 100 kilowatts but less than 400 kilowatts to be competitive if certain conditions are met. In 2007, ComEd filed a petition for competitive declaration and the Commission found that ComEd had satisfied the statutory requirements and therefore the provision of power and energy to those customers has been declared competitive as of November 2007¹¹. As a result of the competitive declaration, after the end of the May 2010 billing period, all customers in the 100-400kW class, with the exception of some statutorily exempted condominium associations, are taking supply service from the utility on an hourly-pricing basis or they are receiving service from an alternative retail electric supplier.

On March 1, 2011, Ameren Illinois filed a petition for competitive declaration of its customers with peak demands above 150 kilowatts but less than 400 kilowatts¹². Ameren's petition stated that 67% of its customers with peak demands between 150 and 400 kilowatts were currently being served by an ARES. The Commission approved Ameren's petition on March 23, 2011 with the competitive declaration to be effective on May 1, 2011. Customers in this class continued to receive fixed-price bundled utility service until May 2014 unless they had elected to receive service from a retail electric supplier before that date. At this point in time, the only non-residential customers still receiving a fixed-price supply service from the utility are ComEd customers with demand below 100kW and AIU customers with demand below 150kW. All other non-residential customers receive their power from a competitive supplier or they are on the utility's hourly-pricing option.

F. Non-residential market concentration

Similar to the last four annual reports, this year's report again analyzes the non-residential market shares of the individual ARES by looking at the share of electric usage provided by an ARES instead of the share of customers served by individual ARES. We

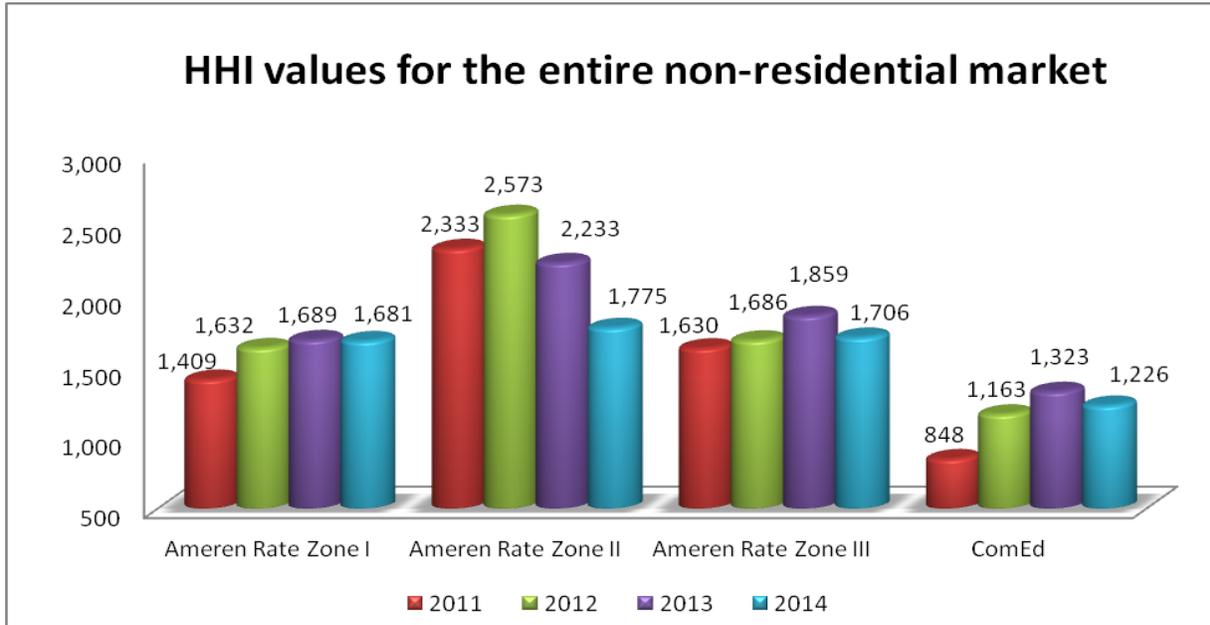
¹¹ ICC Docket No. 07-0478.

¹² ICC Docket No. 11-0192.

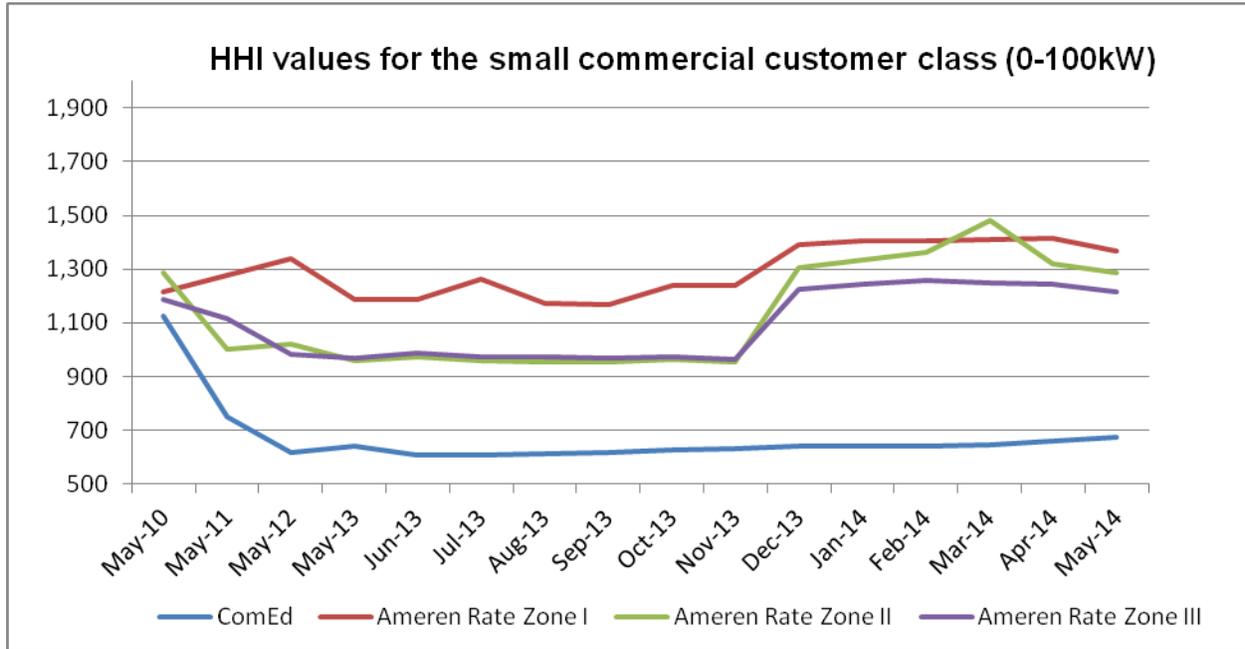
believe either approach would be informative but we assume the amount of kWh served might be more closely related to an ARES' financial success than the number of customers it serves. In addition, when calculating market shares based on customer counts, we did not find significant differences from the values derived from using ARES-provided usage. We again used the Herfindahl-Hirschmann index, or HHI, which is a common indicator to measure competition among firms in a defined market. In order to put the resulting numbers into perspective, we looked at the revised 2010 Horizontal Merger Guidelines by the Department of Justice ("DOJ") and the Federal Trade Commission ("FTC"), which divide the spectrum of market concentration into three regions. Generally speaking, the revised guidelines state that the DOJ and the FTC view a market with an HHI below 1,500 as unconcentrated (meaning many similarly sized firms compete for the same customers), a market with an HHI between 1,500 and 2,500 as moderately concentrated, and a market with an HHI above 2,500 as highly concentrated (very few firms dominating the market).

For this exercise, we again excluded retail electric suppliers that provide electric supply only to themselves or their subsidiaries or affiliates. We also need to emphasize that the numbers below reflect only the segment of the non-residential market that has already switched to a competitive supplier. In other words, the market concentration analysis shown here does not include the customers on utility fixed-price service (where available) or utility-provided hourly service.

The first graph shows the HHI values for the total non-residential market among the four utility service areas. While it is unreasonable to assume that all non-residential customer classes are considered to be part of the same market, the overall HHI values shown here display the trend in market concentration from May 2011 to May 2014. The values also allow a relative comparison among the utility service territories. As the graph shows, the ComEd non-residential market is generally less concentrated (meaning more suppliers with customers) than the three Ameren Illinois markets. It also shows that ComEd's total non-residential market has been unconcentrated for all four years shown here. Ameren Illinois's Rate Zones are generally in the moderately concentrated range of 1,500 to 2,500, with the exception of the 2012 value for Rate Zone II. All four utilities saw a decrease in the 2014 values, with the biggest drop occurring in Ameren Illinois Rate Zone II.



Turning to the individual non-residential customer classes, our analysis shows that the small and medium non-residential customer segments continue to be the least concentrated. This is true for all four utility service areas. The following graph shows the HHI values for the small commercial class, with customers of demand up to 100kW. While the three Ameren Illinois areas show overall higher HHI values than the ComEd area, all of the HHI values are below 1,500, with most values well below that threshold. The graph shows the values for May 2010, May 2011, May 2012, May 2013, as well as the monthly HHI values for the past 12 months.



The next two larger customer segments (customers with demand between 100 and 400kW and customers with demand between 400kW and 1MW) generally showed HHI values in the 1,200 to 1,500 range, with the 100-440kW customer class in Ameren Rate Zone I being somewhat higher (1,600 - 1,800). Additionally, the Ameren Illinois values were usually higher than the corresponding numbers for the ComEd area.

The situation changed more markedly in the market for the largest commercial and industrial customers. While the HHI values for ComEd's 1-10MW demand class have been generally in the 1,600 to 1,800 range, ComEd's over 10MW demand class has seen HHI values of 2,100 - 2,500 for the past year. Some customer segments in the Ameren territory, however, showed significantly higher HHI values. While the HHI values for the over 1MW demand classes in Ameren Illinois's territory have decreased from last year (now in the 1,500 - 2,200 range), the 3-6MW demand class and the over 6MW demand class in Ameren's Rate Zones showed significantly higher HHI values. Even though the markets seem less concentrated than prior years, Ameren's Rate Zone II still shows HHI values above 4,000 for some months during the past year.

In sum, according to the revised guidelines by the DOJ and FTC, most non-residential customer segments exhibit HHI values that would classify them as unconcentrated or moderately concentrated markets. The data also reveals that market

concentration increases with the size of the non-residential customer and that the Ameren Illinois markets are generally more concentrated than the ComEd market. With the exception of the largest non-residential customer classes in Ameren Illinois' Rate Zone II, there appears to be effective competition among the active retail electric suppliers in all non-residential customer segments at this time.

G. Residential activity

While the total number of residential customers on RES supply has not increased as significantly as in the two years prior, the number of suppliers with residential customers continues to grow.

As we did in last year's report, we will attempt to capture the residential activity by looking at four different indicators. We start by looking at the number of residential customers switching away from the utility supply service in each of the previous twelve months and for each of the four utility areas. We will then look at the increase in the number of certified and active suppliers and the number and types of residential offers that those suppliers have posted on our website, PlugInIllinois.org. Third, we will provide a market-share analysis of the residential ComEd market over the last twelve months. Lastly, we provide an estimate of savings (in dollars) realized by the residential customers that have switched from ComEd to an ARES over the last year.

1. Customer switching

As of the end of May 2014, more than 3 million residential customers had switched away from the utility. The following table shows the continued increase in residential ARES customers over the last twelve months. It shows the number, as well as the percentage, of residential customers who are receiving supply from a competitive supplier.

Residential Customers on Competitive Supply

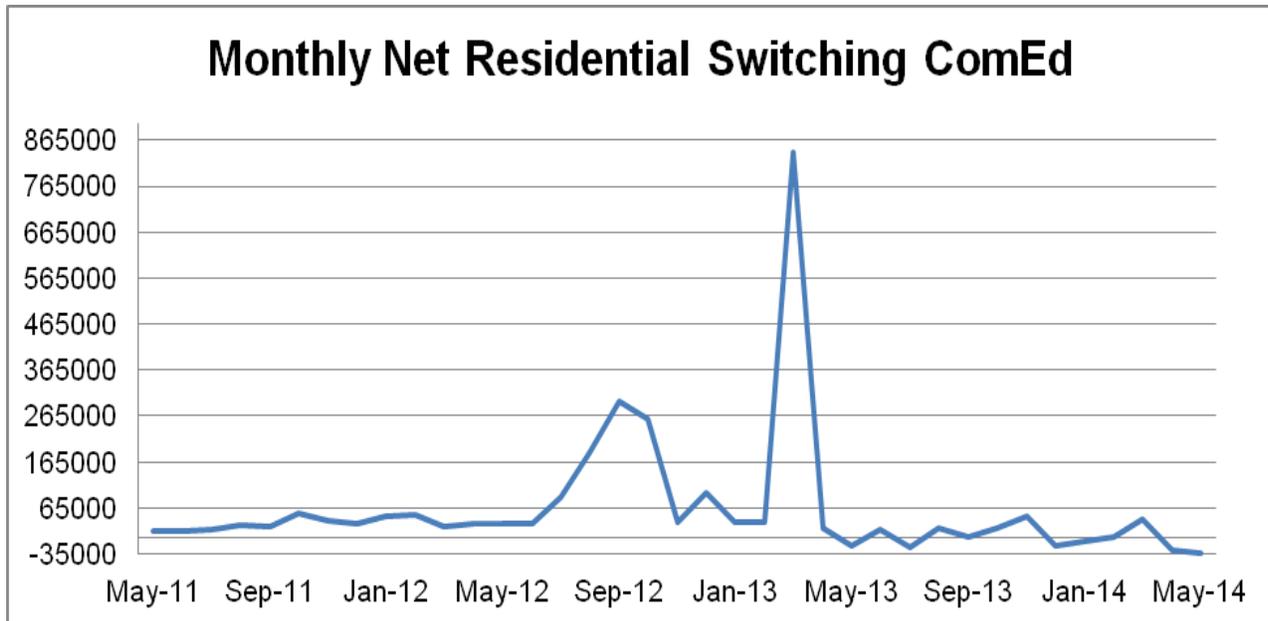
	May 2011	May 2012	May 2013	May 2014
Ameren Illinois Rate Zone I:	78	28,459	147,513	185,251
Ameren Illinois Rate Zone II:	23	12,752	138,163	140,439
Ameren Illinois Rate Zone III:	72	47,124	277,229	345,911
ComEd:	21,276	406,144	2,312,654	2,356,669
Total:	21,449	494,479	2,875,559	3,028,270
Ameren Illinois Rate Zone I:	0.02%	8.7%	45.2%	63.9%
Ameren Illinois Rate Zone II:	0.01%	6.8%	73.2%	74.5%
Ameren Illinois Rate Zone III:	0.01%	8.7%	51.2%	63.9%
ComEd:	0.63%	11.9%	67.7%	68.5%

The table shows that the biggest increases in switching occurred in Ameren Illinois' area. The number of Ameren Illinois' residential customers on competitive supply increased from 562,905 in May 2013 to 671,601 as of May 2014, an increase of about 109,000 customers. The number of residential ARES customers in ComEd's service area (which has more than three times as many residential customers as Ameren Illinois' areas) increased by only 44,000 in the same time period.

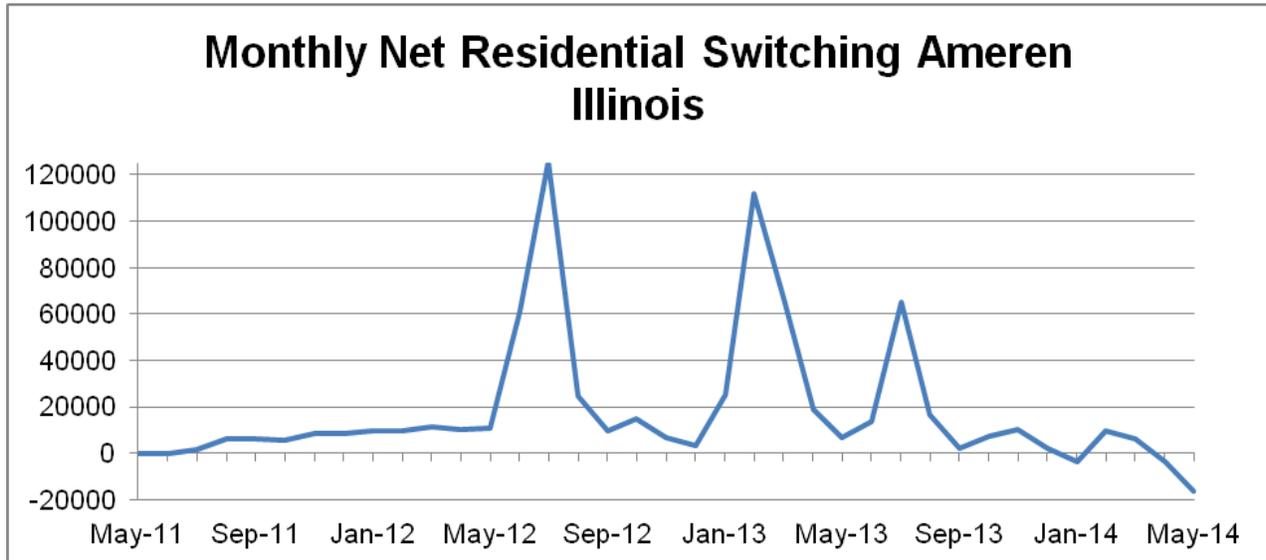
The share of residential aggregation customers was 73.7% of all residential ARES customers in May 2014. This is down from close to 78% a year earlier. Broken down by utility area, 497,400 of the 671,601 residential RES customers in Ameren Illinois' areas, or 74%, are government aggregation customers. The number of residential aggregation customers increased by 67,000 in the last year. This accounts for 64% of the net increase in the total number of residential ARES customers.

In ComEd's area, 1,734,303 of the 2,356,669 residential RES customers, or 73.6%, are government aggregation customers. The number of residential aggregation customers decreased by 69,600 in the last year. Since the total number of residential ARES customers increased by 44,000 in the last year, about 114,000 residential customers switched from ComEd's supply service or an aggregation program to non-aggregation RES service.

The following two graphs show the monthly residential switching numbers for ComEd and the combined Ameren Illinois service areas.



ComEd's numbers show the spikes in switching following government aggregation initiatives. Besides the mass switching of the City of Chicago aggregation customers in early 2013, the graph shows the impact of the March 2012 aggregation referendums on the August-October 2012 switching statistics. The April 2013 referendums did not produce such large spikes in switching. The graph also shows negative net switching in several months during the past twelve months.



Similar to ComEd, the two major spikes in switching activity followed the March 2012 and November 2012 municipal aggregation referendums. However, unlike ComEd's area, the April 2013 referendums produced another significant increase in net switching in the summer of 2013. As of May 2014, about 64% of residential customers in Rate Zones I and III, as well as about 75% in Rate Zone II have switched to a competitive supplier. While it represents an increase compared to a year ago, the last twelve months saw several months with negative net switching in Ameren Illinois' areas.

2. Municipal/Government Aggregation

Effective January 1, 2010, Public Act 96-0176 amended the Illinois Power Agency Act ("IPA Act") by allowing municipalities and counties to adopt an ordinance under which it may aggregate electrical load. Specifically, it allows municipal corporate authorities or county boards to adopt an ordinance under which it may aggregate residential and small commercial retail electrical loads located within their jurisdiction and solicit bids to enter service agreements for the sale and purchase of electricity and related services and equipment.

The law requires the corporate authorities of a municipality, township, or county board to submit a referendum to its residents to determine whether or not the aggregation

program shall operate as an opt-out program for residential and small commercial customers prior to the adoption of an ordinance for the aggregation of these loads.

The March 2014 general election date saw another 52 (albeit generally small) communities pass an opt-out aggregation referendum, bringing the statewide total to 729. As of the end of June 2014, 21 communities have let their aggregation programs expire and return their residents to utility supply. The following table compares the municipal aggregation activity over the last five elections:

Municipal Aggregation Statistics

	April 2011	March 2012	November 2012	April 2013	March 2014
Referendums Passed	20	246	207	204	52
Aggregation Programs Announced or Implemented	19	244	192	187	1*
# of "winning" suppliers - ComEd	4	8	8	7	1*
# of "winning" suppliers - Ameren Illinois	N/A	3	5	3	N/A
Average Rate - ComEd	5.75	4.85	5.11	5.82*	7.2*
Average Rate - Ameren Illinois	N/A	4.12	4.42	4.31*	N/A

* As of June 30, 2014

The number of different "winning" suppliers, meaning the aggregation suppliers being selected by the community leaders, has remained at a total of twelve. Breaking it down further, eleven different suppliers have been awarded contracts in ComEd's area and six different suppliers have been awarded contracts in Ameren Illinois' areas. Five of the six

aggregation suppliers in Ameren Illinois' area are also aggregation suppliers in the ComEd service area. Given the latest election occurred just over three months before the preparation of this report, only one aggregation community has announced the terms of their aggregation program as of the date of this report. The data gathered from publicly available information shows that the simple average electric supply rate of the communities with announced or implemented aggregation programs shows some variation depending on the date of the referendum¹³. The table shows that the lowest prices have generally been achieved by the communities with a referendum date of March 2012.

A large number of communities that implemented aggregation programs following the March 2012 referendum date are seeing their initial contracts expire this year. Several of them have renewed with the incumbent supplier, others have continued with the aggregation but with a different supplier and 21 of them (as of June 30, 2014) have decided to not continue with an aggregation program.

3. Residential Savings Estimate

The last two annual reports included an estimate of the total annual savings realized by residential RES customers in ComEd's service area. We looked at the preceding 12-month period and we compared the amount residential customers as a whole spent on RES service to the amount those customers would have spent had they stayed on ComEd's fixed-price bundled service. We took into account the fact that some customers switched away from the discounted utility space-heat rate and we calculated the savings with and without the effects of the Purchased Electricity Adjustment ("PEA")¹⁴.

We performed the same analysis this year. As of June 2013, ComEd's residential space heat and residential non-space heat rates are the same, thereby simplifying the calculations somewhat.

¹³ The information for the aggregation programs is reflective of data that was available as of June 30, 2014. Updated information can be found at www.pluginillinois.org/MunicipalAggregationList.aspx.

¹⁴ The PEA is a monthly fluctuating true-up mechanism for the utility, matching incurred supply costs to actual received supply revenues. The PEA is therefore a credit in some months and a charge in others.

The following tables show the results from the last three years. It shows aggregate residential savings of around \$320 million, with about \$228 million resulting from comparing the suppliers' average rate to ComEd's Price-to-Compare ("PTC"). The ComEd PTC is comprised of the Electric Supply Charge and the PJM Transmission Services Charge. The remaining \$92 million in savings result from the application of the PEA for ComEd supply customers.

June 2011 to May 2012

	Monthly Savings compared to ComEd's PTC	Monthly Savings inclusive of the PEA Impact	Monthly PEA Impact	Monthly Average Savings compared to ComEd's PTC (in cents per kWh)	Monthly Average Savings inclusive of the PEA (in cents per kWh)
June 2011	\$255,293	\$349,039	\$93,746	0.882	1.206
July 2011	\$502,260	\$778,145	\$275,885	0.910	1.410
August 2011	\$956,507	\$1,429,718	\$473,211	1.011	1.511
September 2011	\$884,986	\$1,331,358	\$446,371	0.991	1.491
October 2011	\$844,688	\$1,309,784	\$465,096	0.908	1.408
November 2011	\$1,048,318	\$1,293,767	\$245,449	0.769	0.949
December 2011	\$1,502,112	\$1,285,104	-\$217,008	1.045	0.894
January 2012	\$2,247,509	\$3,226,106	\$978,597	1.079	1.549
February 2012	\$2,240,491	\$3,360,753	\$1,120,261	1.000	1.500
March 2012	\$2,193,423	\$3,249,138	\$1,055,715	1.039	1.539
April 2012	\$2,178,678	\$3,176,113	\$997,435	1.092	1.592
May 2012	\$2,365,072	\$3,453,785	\$1,088,713	1.086	1.586
Totals	\$17,219,337	\$24,242,809	\$7,023,472		
Average	\$1,434,945	\$2,020,234	\$585,289	0.984	1.386

June 2012 to May 2013

	Monthly Savings compared to ComEd's PTC	Monthly Savings inclusive of the PEA Impact	Monthly PEA Impact	Monthly Average Savings compared to ComEd's PTC (in cents per kWh)	Monthly Average Savings inclusive of the PEA (in cents per kWh)
June 2012	\$1,707,557	\$3,261,660	\$1,554,104	0.549	1.049
July 2012	\$4,718,151	\$7,715,204	\$2,997,053	0.787	1.287
August 2012	\$8,978,217	\$12,743,479	\$3,765,262	1.192	1.692
September 2012	\$12,197,497	\$16,453,594	\$4,256,097	1.433	1.933
October 2012	\$19,539,873	\$22,973,699	\$3,433,826	2.845	3.345
November 2012	\$19,585,006	\$23,157,442	\$3,572,436	2.741	3.241
December 2012	\$25,059,221	\$26,152,327	\$1,093,106	2.292	2.392
January 2013	\$30,137,351	\$29,003,509	-\$1,133,842	2.658	2.558
February 2013	\$28,478,230	\$33,492,012	\$5,013,782	2.840	3.340
March 2013	\$36,485,104	\$29,889,800	-\$6,595,303	2.766	2.266
April 2013	\$32,932,278	\$27,059,548	-\$5,872,730	2.804	2.304
May 2013	\$31,009,412	\$25,607,533	-\$5,401,879	2.870	2.370
Totals	\$250,827,896	\$257,509,807	\$6,681,912		
Average	\$20,902,325	\$21,459,150	\$556,826	2.148	2.315

June 2013 to May 2014

	Monthly Savings compared to ComEd's PTC	Monthly Savings inclusive of the PEA Impact	Monthly PEA Impact	Monthly Average Savings compared to ComEd's PTC (in cents per kWh)	Monthly Average Savings inclusive of the PEA (in cents per kWh)
Jun-13	\$391,662	-6,664,947	-\$7,056,610	0.028	-0.472
Jul-13	-\$1,839,758	\$4,413,694	\$6,253,452	-0.094	0.227
Aug-13	-\$2,616,416	\$6,437,790	\$9,054,206	-0.144	0.356
Sep-13	-\$1,800,583	\$8,069,283	\$9,869,866	-0.091	0.409
Oct-13	-\$2,202,715	\$4,516,151	\$6,718,866	-0.164	0.336
Nov-13	-\$2,037,983	\$4,404,046	\$6,442,029	-0.158	0.342
Dec-13	-\$3,685,989	\$5,010,411	\$8,696,399	-0.212	0.288
Jan-14	-\$4,589,060	\$5,593,129	\$10,182,190	-0.225	0.275
Feb-14	-\$7,683,763	\$1,662,598	\$9,346,362	-0.411	0.089
Mar-14	-\$5,175,611	\$2,795,854	\$7,971,465	-0.325	0.175
Apr-14	-\$4,731,139	\$917,688	\$5,648,827	-0.370	0.072
May-14	-\$4,267,454	\$1,542,281	\$5,809,736	-0.367	0.133
Totals	-\$40,238,809	\$38,697,979	\$78,936,788		
Average	-\$3,353,234	\$3,224,832	\$6,578,066	-0.211	0.190

In order to calculate how much residential customers have saved by switching away from the utility, one needs at least three different sets of data: 1) the rate the customers would have paid under the utility's default rate, 2) the rate the customers actually paid under the supplier's rate, and 3) the amount of electrical usage each supplier provided to their customers. Monthly reports from ComEd and Ameren Illinois provide us with the necessary usage information, and the utilities' default rates are tariffed rates. As for the suppliers' prices, similar to the last two years, almost all suppliers provided us with monthly average residential rates for the past twelve months in response to a Staff Data Request. Also the same as the last two years, we decided to limit this savings estimate to

residential customers in the ComEd area. Ameren Illinois's rate structure, while more streamlined as a result of recent tariff changes, contains non-summer rates that vary with a customer's usage, and as such would have necessitated further average usage assumptions.

It is important to keep in mind that these are total, or aggregate, savings and that the savings for individual customers differ from these averages. Also, not captured in these numbers are rewards and incentives that are not part of the suppliers' electric supply rates. For example, several suppliers offer one-time gift cards as an incentive to sign up for a particular offer and other offers contain rewards such as airline miles and other non-rate benefits. In addition, not every customer saved money during the relevant time periods. However, as there are probably a variety of reasons residential customers switch from a utility's default supply service to a supplier's offering, it is likely that the opportunity to save money is a primary reason for many residential customers.

The following table shows the annualized numbers (in million \$) from the three tables above at a glance.

Planning year Ending in May	Annual Savings compared to ComEd's PTC	Annual Savings inclusive of the PEA Impact
2012	17.2	24.2
2013	250.8	257.5
2014	-40.2	38.7
Three-year total	227.8	320.4

For the June 2011 through May 2012 period, the average savings per kWh was close to 1 cent when compared to ComEd's Price-to-Compare and close to 1.4 cent when taking into account the Purchased Electricity Adjustment. For the June 2012 through May 2013 period, the average savings per kWh was about 2.1 cent when compared to ComEd's PTC and about 2.3 cent when taking into account the PEA. However, for the June 2013 through May 2014 period, the average RES rate was about 0.2 cent above ComEd's PTC and 0.19 cent below ComEd's supply rate when taking into account the PEA.

Looking at ComEd's PTCs over the last three years potentially helps explaining the large swings in total savings and in savings per kWh. In the planning year that ended in May 2012, the average ComEd PTC was around 7.8 cents/kWh and in the planning year that ended in May 2013, the non-summer PTC was 8.3 cents/kWh. Those rates are in stark contrast to the planning year that ended in May 2014, where the average ComEd PTC was approximately 5.5 cents/kWh.

Reviewing the three tables above shows that, on average, a RES customer consuming 500 kWh/month saved approximately \$139 for the year during the planning year that ended in May 2013. The same average RES customer saved just over \$11 during the planning year that ended in May 2014. An average RES customer using 1,200 kWh/month during the planning year that ended in May 2013 saved around \$333 while saving just over \$27 during the planning year that ended in May 2014. Again, these are averages and almost all customers are either below or above the average.

4. Active suppliers

Having looked at the customer switching numbers, the following table shows the increase in residential supplier activity over the last three years.

Residential Suppliers

	May 2011	May 2012	May 2013	May 2014
ComEd - ICC certified	22	40	57	61
ComEd -- active	8	27	42	51
Ameren IL - ICC certified	16	26	33	36
Ameren IL -- active	3	10	17	23

The table above shows that the number of active suppliers continues to grow. Also, seven additional suppliers applied for and received a residential certification in the past 12

months. While the gap between the ComEd and Ameren Illinois markets remains, it is encouraging to report 23 suppliers with residential customers in the Ameren Illinois areas. Of note, all suppliers that have residential customers in the Ameren Illinois areas also have residential customers in the ComEd area.

An additional indicator of supplier activity is the number of residential offers posted on PlugInIllinois.org. The “Compare Offers Now” portion of the website went live in 2011 and has seen a steady stream of additional suppliers and residential offers since that date. The tables below show that the number of suppliers as well as the number of offers by these suppliers continues to increase. Most of the activity has been in the ComEd area but customers of Ameren Illinois are able to choose from a host of residential offers as well.

Residential Suppliers Posting on PlugInIllinois.org

Utility Area	# of Suppliers posting in July 2011	# of Suppliers posting in May 2012	# of Suppliers posting in April 2013	# of Suppliers posting in April 2014
ComEd -- Total	9	20	28	29
Ameren IL - Total	3	6	10	11

Residential Offers Posted on PlugInIllinois.org

Utility Area	# Offers in July 2011	# Offers in May 2012	# Offers April 2013	# Offers April 2014
ComEd - Total	31	61	63	59
Ameren IL - Total	3	11	20	22

Given the large number of residential offers for ComEd customers, we decided to take a closer look at the type of offers posted so far. The following table compares the type of offers posted in July 2011, May 2012, April 2013 and April 2014.

Type of Residential Offer	# of Offers in July 2011	# of Offers in May 2012	# of Offers in April 2013	# of Offers in April 2014
Total	31	61	63	59
Fixed	28 (90%)	51 (84%)	46 (73%)	41 (69%)
Variable	3 (10%)	10 (16%)	17 (27%)	17 (31%)
Fixed with Early Termination Fee	20 (71%)	34 (67%)	29 (63%)	28 (68%)
Fixed without Early Termination Fee	8 (29%)	17 (33%)	17 (37%)	13 (32%)
< than 12-month Term	1 (4%)	6 (12%)	23 (37%)	22 (37%)
12-month Term	16 (57%)	26 (51%)	28 (44%)	26 (44%)

13-23 month Term	2 (7%)	3 (6%)	2 (3%)	5 (8%)
24-month Term	8 (29%)	16 (31%)	10 (16%)	4 (7%)
> than 24-month Term	1 (4%)	1 (2%)	0 (0%)	2 (3%)
Green/Renewable	9 (29%)	21 (34%)	18 (29%)	23 (39%)

The table allows us to make several observations. First, while their share has declined over the years, fixed price offers still represent a substantial majority of the offers. Second, while five out of ten fixed offers have either a one-year or two-year term, the number of two-year offers has seen a significant drop in the last two years. Furthermore, only two of the offers posted in April 2014 has a term longer than two years. On the other hand, offers with a term of less than one year make up a substantial share of all offers for the second year in a row. Third, about two thirds of the fixed offers have an early termination fee. And finally, more than a third of all offers have a “green”/renewable content higher than what is required by the state’s renewable portfolio standard.

Besides analyzing the *type* of offers, we thought it would be informative to take a look at the prices for the various posted offers and how those prices might have changed during that same time period. The following table shows the average prices for the different types of offers posted on PlugInIllinois.org. The bottom of the table shows ComEd’s fixed-price supply service rate for the four months in question. The ComEd rates shown include the Purchased Electricity Adjustment (“PEA”).

Type of Residential Offer	July 2011 Average Price (in cents/kWh)	May 2012 Average Price (in cents/kWh)	April 2013 Average Price (in cents /kWh)	April 2014 Average Price (in cents / kWh)
Fixed	6.81	6.37 (-6%)	6.21 (-3%)	7.76 (+25%)
Variable	7.67	7.00 (-9%)	7.07 (+1%)	8.49 (+20%)
Fixed with Early Termination Fee	6.64	6.35 (-4%)	6.00 (-6%)	7.80 (+30%)
Fixed without Early Termination Fee	6.64	6.32 (-5%)	5.64 (-12%)	6.97 (+24%)
< than 12-month Term	6.98	6.14 (-12%)	6.78 (+9%)	7.79 (+15%)
12-month Term	6.65	6.52 (-2%)	5.92 (-10%)	7.64 (+29%)
13-23 month Term	6.80	6.33 (-7%)	6.22 (-2%)	7.59 (+22%)
24-month Term	6.57	6.15 (-6%)	5.60 (-10%)	5.92 (+6%)
> than 24-month Term	6.30	6.30 (no change)	N/A	7.58
Green/Renewable	7.47	6.98 (-7%)	6.83 (-2%)	8.57 (+25%)
ComEd Price-to-Compare, incl. PEA	8.42	8.23	8.802	5.965

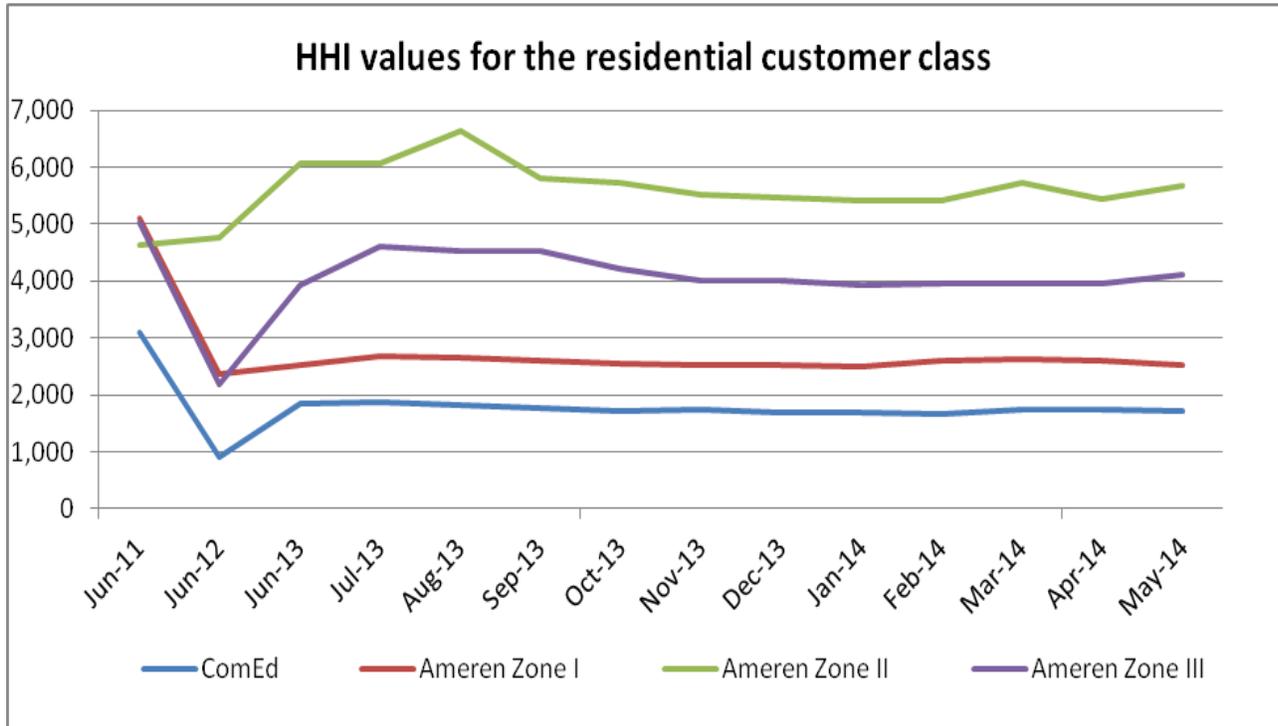
The comparison shows that the average price of the various types of offers was well below ComEd's then-effective fixed price bundled service rates for three of the selected months. However, in April 2014 (two months before ComEd's Price-to-Compare increased significantly), the posted offers were substantially higher than ComEd's then-effective bundled service rate. Moreover, all of the average prices of the posted ARES offers increased between April 2013 and April 2014. Interestingly, the average price of the one-year term offers increased substantially more than the average price of the two-year term offers. In addition, the table shows that the average posted price for an offer *without* an early termination fee was actually lower than the average posted price for an offer *with* an early termination fee. Finally, looking at the average prices for the different term lengths, it shows that the average price for a twelve-month fixed offer was higher than the average price for a 24-month fixed offer. This was the case in all four of the selected months.

5. Residential market concentration

As the previous section on supplier activity suggests, currently there is significantly less market concentration in the ComEd residential market than in the Ameren Illinois residential market. However, compared to a year ago, there is slightly less concentration in all four residential markets. The following graph shows the monthly HHI values for the residential class in both ComEd and Ameren Illinois' areas from June 2011 to May 2014.¹⁵

The graph illustrates several trends. First, ComEd's residential market continues to be less concentrated compared to the three Ameren Illinois Rate Zones. Second, the market concentration in ComEd's market decreased slowly but steadily during the past 12 months. With HHI values in the 1,800 range, ComEd's residential market continues to be moderately concentrated. Third, Ameren's Rate Zone II is still the most concentrated residential market. Fourth, Ameren's Rate Zone I is the least concentrated of the three Ameren rate zones and continues to be moderately concentrated.

¹⁵ The HHI values are based on residential usage, rather than number of customers. However, there is not a substantial difference between using number of customers and amount of usage for the market share calculation.



Having looked at the HHI values for the different utility service areas, we decided to take a closer look at the ComEd residential market. The HHI values shown above already tell us that the current market would be considered “moderately concentrated” per the DOJ and FTC’s Merger guidelines. The next table highlights the changing market dynamics over the last two years:

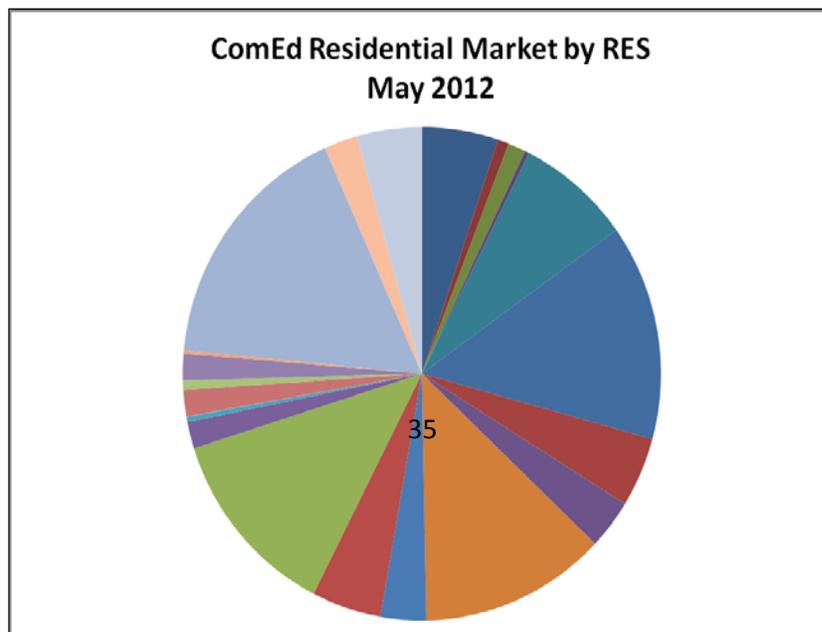
ComEd Residential Market Shares by Customers

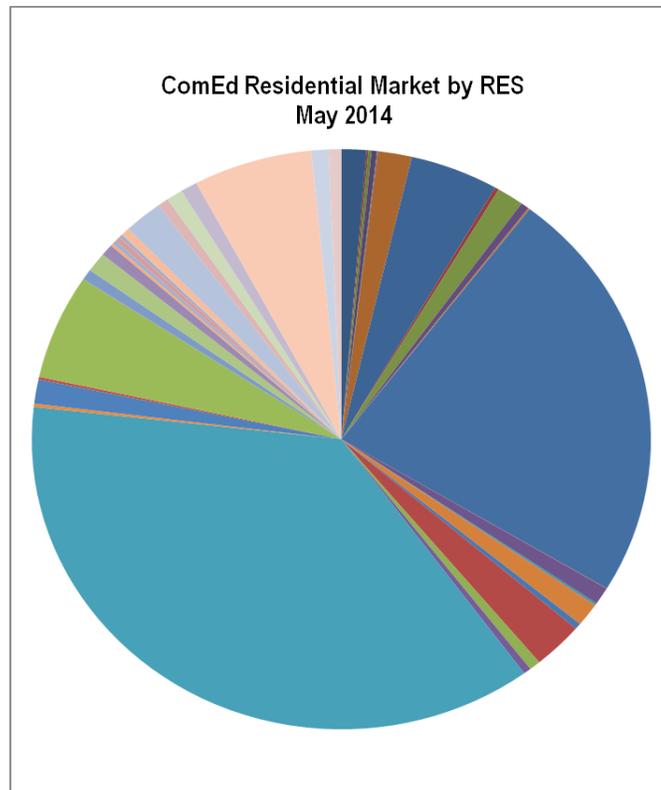
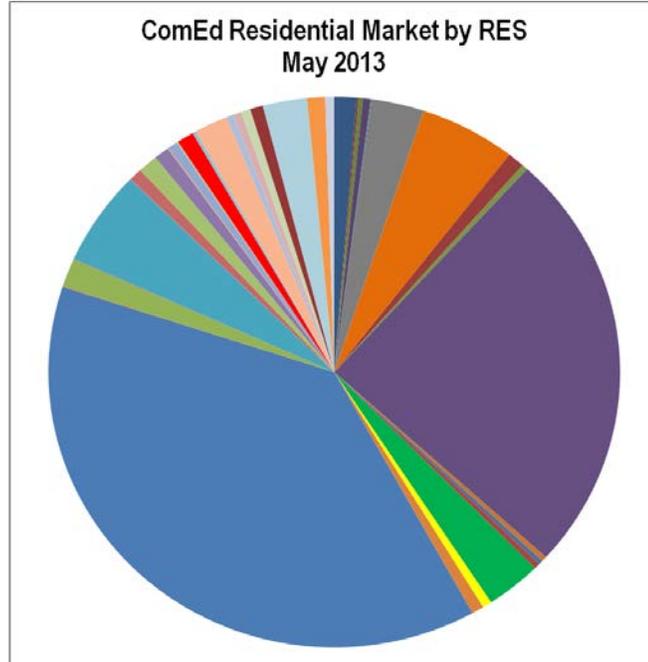
	June 2011	October 2011	February 2012	May 2012	October 2012	May 2013	May 2014
Share of largest 3 suppliers	86%	66%	53%	44%	57%	69%	66%
# of suppliers with customers	8	16	20	27	32	41	50

# of suppliers with >15% share	2	2	3	1	1	2	2
# of suppliers with >5% share	2	3	4	5	4	2	2
# of suppliers with <5% share	4	11	13	21	27	37	46
# of suppliers with < 1% share	2	4	7	11	17	30	38

It shows that the market share of the three suppliers with the highest market share (in terms of residential customers) has gone down slightly in the past year. What the table does not show, however, is that the three “largest” suppliers in a particular month were not always the same suppliers during this time period. Worth noting is that 46 of the 50 suppliers with residential customers had a market share of less than 5%. Even more remarkable is that 38 of those 46 suppliers with residential customers had a market share of less than 1%. This means that only twelve suppliers had more than 23,000 residential customers in the ComEd service area. Only two suppliers had a market share above 15% and only two suppliers had a market share between 5% and 15%. Finally, the table reveals how the market saw the entry of an additional nine suppliers with residential customers over the course of the last twelve months.

The following three pie charts are the most striking visual representation of the changes in supplier diversity. The first chart shows the make-up of ComEd’s residential market in May 2012, the second chart shows the composition as of May 2013, and the third chart represents the most recent data.





IV. Additional Consumer Protections and Education

A. PlugInIllinois.org

PlugInIllinois.org is the Commission's electric choice education website aimed at providing residential and small commercial customers with a better understanding of their electric supply options. Public Act 97-0222 required Ameren Illinois and ComEd to include the PlugInIllinois.org internet address on its monthly bill. In May 2012, both ComEd and Ameren Illinois started sending out monthly bills with this new information. The law also requires all suppliers to provide the PlugInIllinois.org website address to residential and small commercial customers.

With the continued growth in the number of communities passing referendums to implement opt-out aggregation programs, the ORMD maintains the Municipal Aggregation List of Communities found on PlugInIllinois.org. The Municipal Aggregation List now contains eight columns including the name of the community, the status of each community's aggregation program, the chosen supplier, the rate, the contract end date, possible termination fees, utility service area and referendum date. Additionally, a sort function was added to the list, allowing visitors to the website to sort by community name, status, supplier name, aggregation rate, contract end date, service area or referendum date.

In December 2012, the ORMD updated the "Customer Complaint Statistics" in order to include a Complaint Summary. The Complaint Summary shows the total number and type of complaints received for each retail electric supplier over the last two years. The Complaint Summary provides a more detailed view of the number and types of informal complaints the Illinois Commerce Commission receives about each retail electric supplier. Additionally, starting with the February 2013 Complaint Scorecard, which ranks suppliers by their rate of complaints compared to the average rate of complaints for the entire residential market, the Scorecard went from three groupings of approximately equal size to five groupings, or "stars." The change from three stars to five stars was prompted by the growth in the number of suppliers serving residential customers. On the first Complaint Scorecard published in April 2012, there were 18 suppliers represented. The April 2013 Complaint Scorecard, however, ranks 43 suppliers with residential customers.

In addition to the recent updates to PlugInIllinois.org, the ORMD maintains the Price to Compare information for customers of Ameren Illinois and ComEd. The Price to

Compare for ComEd combines ComEd's Electric Supply Charge with the Transmission Services Charge to provide customers a price (in cents per kWh) to compare with ARES offers. Similar to ComEd, Ameren Illinois' Price to Compare combines Ameren Illinois' Electricity Supply Charges, including the Supply Cost Adjustment, with the Transmission Service Charge to come up with a price Ameren Illinois customers can compare to supplier offers.

The residential RES offer comparison matrix, available through the "Compare Offers Now" link, prompts customers to select their utility service area to see the suppliers' offers available in their area, and it allows them to compare the offers to their utility rate as well as to each other. For each offer posted, the offer comparison matrix displays the supplier's logo, which is also a link to the supplier's website, as well as the particular offer name, which links to further offer-specific information on the supplier's website. The offer comparison matrix lists the price in cents per kWh, any potential additional monthly fees, the term in months, any possible early termination fees, and a brief description of the offer. It also lists the offer's cost for monthly usage levels of 500, 1,000 and 1,500 kWh. Customers are also able to sort the offers by supplier, by price, or by the length of the term.

In May 2014, the ORMD informed stakeholders of the desire to start discussing other items that further the development of the residential retail electric market. Partially based on informal complaints received from residential customers, the following are among the items we want to explore with all stakeholders:

- a) Further educating the consumers: What else can/should be done? For example: Additional changes and supplements to PlugInIllinois.org, more frequent press releases, additional ways to increase traffic to PlugInIllinois.org, new website functionality to create user-generated custom alerts (for offers, custom reminders, etc).?
- b) Further educating the suppliers: Should we create a website/document with all laws and regulations relevant to retail electric suppliers in Illinois? Should we hold workshops to provide guidance on interpreting existing rules?
- c) Other changes: Should the Commission define residential marketing terms such as "green" and "renewable" offers? Should we add a "% renewable" column to the existing RES offer matrix?
- d) Should the Commission define "fixed" and "variable" rates? Does a rate have to be fixed for 6 months or more to be deemed a fixed rate? Should there be extra

disclosure requirements for fixed offers that contain change-of-law/change-of-supplier-cost type contract clauses? Should the rules specify how a RES has to portray the utility PTC?

- e) Should there be a requirement that a residential variable rate has to be tied to a publicly available index/benchmark? Should there be additional notice requirements for variable rate changes? Should suppliers be required to set and disclose a maximum rate for each variable rate offer? Should a customer be entitled to the previous rate if she cancels the contract within a set number of days of being notified of the new rate?
- f) Should suppliers be required to display their logo on a utility-consolidated bill?

The ORMD will be seeking input from all interested parties and the initial workshop to discuss these items is scheduled for July 10, 2014.

B. Other regulatory activities

In July 2012, the Commission entered an order initiating the proceeding to develop additional rules regarding municipal aggregation and opened Docket No. 12-0456. On November 6, 2013, the Commission issued its First Notice Order authorizing the Proposed Rules to be submitted to the Secretary of State and the Notice of Proposed Rules was published in the Illinois Register on December 27, 2013. Initial Comments on the First Notice Rules were filed on February 10, 2014, and Reply Comments were filed on March 3, 2014. On June 11, 2014, the Commission entered a Second Notice Order and authorized submission to JCAR to begin the second notice period. The Proposed Order addresses a variety of topics, including certain requirements for the notices to be sent to eligible aggregation customers and protections for customers who have previously actively selected a RES offer on their own.

On September 4, 2013, the Commission initiated Docket No. 13-0506 to investigate the applicability of Sections 16-122 and 16-108.6 of the Public Utilities Act. These sections pertain to the release of customer-specific information by electric utilities. The Commission stated that the deployment of the Advanced Metering Infrastructure, Net Metering, Peak-Time Rebate Programs and certain Rate Design filings required by the electric utilities pursuant to statute has led to the immediate need for utilities to provide customer-specific

information to third parties which may or may not conflict with other sections of the PUA. The ORMD participated in the Docket and hosted workshops that were ordered as part of the Commission's January 28, 2014 Final Order. The workshop discussions are still on-going and the issue of access to anonymous aggregated customer is currently on re-hearing.

V. Suggested Administrative and Legislative Action

As stated in last year's report, the ORMD believes the Commission's municipal aggregation rulemaking proceeding in Docket No. 12-0456 was a great venue to provide all interested parties with an opportunity to present policy and legal issues surrounding municipal aggregation and to propose solutions to those issues. We also stated that if the rulemaking is not able to fully address all items that, in the ORMD's judgment, deserve resolution, the ORMD will work with interested parties and the General Assembly to resolve any remaining issues legislatively. Given that the proposed rule is about to become effective, it is unlikely that the ORMD will seek legislative changes in this area.