

# 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

Revised August 2021

STATE OF ILLINOIS



## ILLINOIS COMMERCE COMMISSION

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August 26, 2021

The Honorable JB Pritzker  
Governor

The Honorable Members of the Illinois General Assembly

The Honorable Members of the Illinois Commerce Commission

Please find attached a revised version of the Office of Retail Market Development's Annual Report. The report was submitted on July 30, 2021 in compliance with Section 20-110 of the "Retail Electric Competition Act of 2006" [220 ILCS 5/20-110].

An error was discovered in two formulas, which affected several numbers. The formulas have been corrected; the updated numbers are *italicized* and can be found on pages 7 and 29 to 31.

Please contact Sarah Ryan, Director of Governmental Affairs, at 312-965-5454 or at [sarah.ryan@illinois.gov](mailto:sarah.ryan@illinois.gov) with any questions regarding this report.

Sincerely,

A handwritten signature in cursive script that reads "Tanya Capellan".

Tanya Capellan  
Director  
Office of Retail Market Development

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## I. Statement of Purpose

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 July 31 of each year, the Director of the ORMD submit a report to the Commission, the General Assembly, and the Governor, that details specific accomplishments in promoting retail electric competition achieved by the Office in the prior 12 months and that suggests administrative and legislative action necessary to promote further improvements in retail electric competition.

## II. Introduction

Electric consumers in the Ameren Illinois, ComEd, and MidAmerican service territories are able to choose who provides the supply portion of their electric service. For retail electric customers, electric supply may be sold by either the utility or an Alternative Retail Electric Supplier (ARES). Regardless of a customer's choice of electric supply, the electric utilities continue to service outages, provide emergency services, and answer questions about electric service.

By unbundling the supply from its delivery, retail customers can gain direct access to the wholesale market and potentially:

- Lower prices;
- A wider array of services; and
- Customized pricing, terms, and conditions of service

This Report aims to provide an overview of the current state of the Illinois retail market, including ARES activity and customer switching trends. The data has been analyzed to identify trends that have occurred through May 2021 and inform future recommendations aimed at supporting the development of competitive retail electric markets.

This study is divided into two main customer markets:

1. **Non-Residential:** This market includes all commercial and industrial customers with peak electric demands ranging from less than 100 kW to more than 1 MW. The terms “non-residential” and “commercial” are used identically throughout this report to refer to this market.
  - a. **Small:** In this report the small non-residential market consists of 0 – 100 kW customers in the ComEd and Ameren Illinois territories.
  - b. **Medium:** The medium non-residential market consists of 100 – 400 kW customers in this report. The following provides a history of the competitive declarations for this general customer class:
    - i. **100 – 400 kW in the ComEd Territory:** Section 16-113(g) authorizes ComEd and Ameren Illinois, respectively, 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 ICC 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 2007.<sup>1</sup> As a result of the competitive declaration, since the end of the May 2010 billing period, all customers in the 100 - 400kW class, with the exception of some statutorily exempted condominium associations, receive supply service from the utility on an hourly-pricing basis or long term contracts from an ARES.
    - ii. **150 – 400 kW in the Ameren Illinois Territory:** In 2011, Ameren Illinois filed a petition for competitive declaration of its customers with peak demands above 150 kilowatts but less than 400 kW.<sup>2</sup> The Ameren petition stated that 67% of

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<sup>1</sup> ICC Docket No. 07-0478

<sup>2</sup> ICC Docket No. 11-0192

Ameren customers with peak demands between 150 and 400 kilowatts were currently being served by an ARES. The ICC approved the petition, and thus, as of May 2014, Ameren Illinois no longer provides fixed-price bundled electric service to customers with peak demands above 150kW.

- c. **Large:** In this report, large non-residential customers are those with peak electric demand between 400 kW – 1 MW.
  - i. **400 kW or More:** 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 competitive. In subsequent years, Ameren Illinois and ComEd discontinued fixed-price bundled service to those customers.
  - ii. **Very Large:** Very large customers are considered those between 1 – 10 MW in the ComEd territory and those between 1 – 6 MW in the Ameren Illinois territory. Per the note above, the provision of electric power and energy to this customer class has been competitive since August 2007.
2. **Residential:** This market includes all residential customers in the ComEd and Ameren Illinois territories.

As a result of the competitive declarations described above, the only non-residential customers still able to receive fixed-price supply service from the utility today are ComEd customers with demand below 100kW and Ameren Illinois 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.

Note that, due to the relatively small size of the MidAmerican's Illinois service territory in Illinois, data from MidAmerican territory is not included in this Report.

Throughout the report Alternative Retail Electric Suppliers are noted by the acronym **ARES** and Agents, Brokers, and Consultants are referred to by the acronym **ABCs**.

### III. Executive Summary

#### A. Market Participation

Statewide, the number of ARES certified by the ICC to serve retail customers has increased from 2020 to 2021. 2021 also saw a 5.3% decrease in total customers served by an ARES and a 6.4% increase in the amount of electricity supplied by ARES in the marketplace. Table 1 summarizes the quantity of monthly ARES customers and their monthly usage by utility territory and customer class.

**TABLE 1: SUMMARY OF MARKET INDICATORS (QUANTITY)**

	Quantity		Trend	Percent Change
	2020	2021		
<b>Quantity of Customers with an ARES</b>	<b>1,901,401</b>	<b>1,800,773</b>	<b>↓</b>	<b>-5.3%</b>
<b>ComEd</b>	1,196,812	1,068,096	↓	-10.8%
Non-Residential	131,458	126,099	↓	-4.1%
Residential	1,065,354	941,997	↓	-11.6%
<b>Ameren (All RZ)</b>	704,589	732,677	↑	4.0%
Non-Residential	95,164	97,004	↑	1.9%
Residential	609,425	635,673	↑	4.3%
<b>Ameren RZ I</b>	194,836	195,241	↑	0.2%
Non-Residential	31,595	31,618	↑	0.1%
Residential	163,241	163,623	↑	0.2%
<b>Ameren RZ II</b>	147,313	159,771	↑	8.5%
Non-Residential	16,937	17,718	↑	4.6%
Residential	130,376	142,053	↑	9.0%
<b>Ameren RZ III</b>	362,440	377,665	↑	4.2%
Non-Residential	46,632	47,668	↑	2.2%
Residential	315,808	329,997	↑	4.5%
<b>Usage Provided to Customers by an ARES</b>	<b>5,132,986,145</b>	<b>5,463,256,475</b>	<b>↑</b>	<b>6.4%</b>
<b>ComEd</b>	3,314,720,192	3,471,472,967	↑	4.7%
Non-Residential	2,757,917,057	3,000,017,483	↑	8.8%
Residential	556,803,135	471,455,484	↓	-15.3%
<b>Ameren (All RZ)</b>	1,818,265,953	1,991,783,508	↑	9.5%
Non-Residential	1,419,915,124	1,605,730,350	↑	13.1%
Residential	398,350,829	386,053,158	↓	-3.1%
<b>Ameren RZ I</b>	626,254,067	676,743,822	↑	8.1%
Non-Residential	514,038,431	572,173,413	↑	11.3%
Residential	112,215,636	104,570,409	↓	-6.8%
<b>Ameren RZ II</b>	311,207,527	343,037,649	↑	10.2%
Non-Residential	224,231,862	255,202,572	↑	13.8%
Residential	86,975,665	87,835,077	↑	1.0%
<b>Ameren RZ III</b>	880,804,359	972,002,037	↑	10.4%
Non-Residential	681,644,831	778,354,365	↑	14.2%
Residential	199,159,528	193,347,672	↓	-2.8%

## 2021 Snapshot

**223,103**  
**non-residential**  
customers on ARES supply, compared to 226,622 last year.

**1.57 Million**  
**residential**  
customers on ARES supply, compared to 1.67 Million last year.

**4.6 Billion**  
**non-residential**  
usage provided by ARES supply.

**8.57 Million**  
**residential**  
usage provided by ARES supply.



The percentages in Table 2 compare:

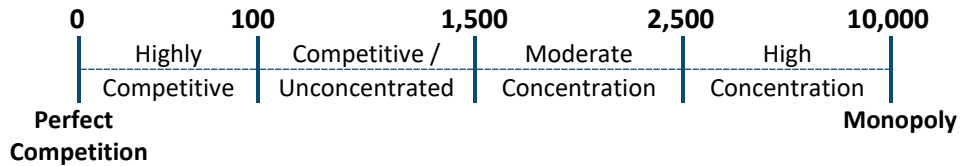
1. The total number of customers on ARES supply to the total number of customers in the market.
2. The total usage provided by ARES as a percent of the total usage provided to the market.

**TABLE 2: SUMMARY OF MARKET INDICATORS (PERCENT)**

	Percent of Total Market		Trend	Percent Change
	2020	2021		
<b>Quantity of Customers with an ARES</b>	<b>37%</b>	<b>35%</b>	<b>↓</b>	<b>-2%</b>
<b>ComEd</b>	31%	27%	↓	-3%
Non-Residential	44%	42%	↓	-2%
Residential	29%	26%	↓	-3%
<b>Ameren (All RZ)</b>	57%	60%	↑	2%
Non-Residential	56%	57%	↑	1%
Residential	57%	60%	↑	2%
<b>Ameren RZ I</b>	51%	51%	↑	0%
Non-Residential	53%	53%	↓	0%
Residential	51%	51%	↑	0%
<b>Ameren RZ II</b>	67.6%	73.5%	↑	5.8%
Non-Residential	60%	63%	↑	2%
Residential	68.7%	75.1%	↑	6.3%
<b>Ameren RZ III</b>	58%	60%	↑	2%
Non-Residential	56%	57%	↑	1%
Residential	58%	60%	↑	2%
<b>Usage Provided to Customers by an ARES</b>	<b>62%</b>	<b>71%</b>	<b>↑</b>	<b>9%</b>
<b>ComEd</b>	55%	66%	↑	11%
Non-Residential	65%	83%	↑	18%
Residential	32%	29%	↓	-3%
<b>Ameren (All RZ)</b>	79%	81%	↑	2%
Non-Residential	89%	88%	↓	0%
Residential	57%	60%	↑	3%
<b>Ameren RZ I</b>	78%	79%	↑	1%
Non-Residential	89%	88%	↓	-1%
Residential	50%	51%	↑	1%
<b>Ameren RZ II</b>	82%	87%	↑	4%
Non-Residential	89%	91%	↑	2%
Residential	68%	76%	↑	7%
<b>Ameren RZ III</b>	79%	81%	↑	2%
Non-Residential	88%	88%	↓	0%
Residential	58%	61%	↑	3%

## B. Market Competitiveness

The competitiveness of the market is also important. The Herfindahl-Hirschmann Index (HHI) is a common indicator to measure competition among firms in a defined market. HHI values consider the market share of each firm to rank a market on the following scale, with an HHI of zero being a perfectly competitive market (lots of firms competing) and an HHI of 10,000 being a monopoly (one firm dominates the market):



Changes in the electric supply market from 2019-2020 saw a decrease in competitiveness within the marketplace, however, 2020-2021 saw an overall increase. The highest increase in competitiveness was with non-residential customers within Ameren Rate Zone I and the largest decrease was for residential customers within Ameren Rate Zone III. The decreases in HHI values indicating increased competitiveness are not significant enough to shift most of the designations, with the exception of non-residential customers in Ameren Rate Zone III who shifted from moderate concentration in 2020 to competitive in 2021. Table 3 summarizes the market competitiveness in each utility territory and is broken out by non-residential and residential HHI values. A decreasing trend in HHI values indicates that the market is becoming more competitive.

**TABLE 3: SUMMARY OF MARKET COMPETITIVENESS**

	HHI Value		Current Designation	Trend	Percent Change
	2020	2021			
<b>Concentration of ARES Market</b>					
<b>ComEd</b>					
Non-Residential	1,893	1,757	Moderate Concentration	↓	-7.2%
Residential	881	819	Competitive	↓	-7.1%
<b>Ameren RZ I</b>					
Non-Residential	2,087	1,522	Moderate Concentration	↓	-27.1%
Residential	3,968	3,765	High Concentration	↓	-5.1%
<b>Ameren RZ II</b>					
Non-Residential	1,398	1,435	Competitive	↑	2.7%
Residential	5,087	7,072	High Concentration	↑	39.0%
<b>Ameren RZ III</b>					
Non-Residential	1,527	1,455	Competitive	↓	-4.7%
Residential	3,325	4,895	High Concentration	↑	47.2%

### C. Consumer Offers and Spending

PlugInIllinois.org is the Office of Retail Market Development's consumer resource website dedicated to educating Illinoisans about the electric marketplace, including what products ARES currently offer. It is important to note that ARES are not statutorily required to list offers on the PlugInIllinois website; ARES' participate based on internal business determinations. Accordingly, the list of offers is not comprehensive of all ARES offers within the State. As of June 2021, 96 unique residential offers were posted in the ComEd service territory while 48 unique residential offers were posted for the Ameren Illinois territory. A majority of these were fixed rate offers, lasting between 1-12 months.

PlugInIllinois also lists municipal aggregation program offerings. As of June 2021, 555 active municipal aggregation programs were posted in the ComEd and/or Ameren territories. This number of active aggregation programs has remained steady from 2020. During the reporting period, the average rate for a municipal aggregation program in the ComEd territory was 6.570 cents per kWh and 4.521 cents per kWh in the Ameren territory.<sup>3</sup>

- On average, residential ARES customers in the ComEd territory paid around \$19.4 million **more** per month during the past twelve months when compared to the ComEd Price-to-Compare (PTC)<sup>4</sup> and \$20.01 million **more** per month during the last twelve months when compared to the ComEd PTC including the Purchased Electricity Adjustment (PEA).<sup>5</sup> In terms of cents per kWh, residential ARES customers in the ComEd territory paid about 2.738 cents/kWh **more** when compared to the ComEd PTC only, and about 2.819 cents/kWh **more** when including the PEA.
- In the Ameren Illinois territory, residential ARES customers paid around \$12.97 million **more** per month during the last twelve months when compared to the Ameren Illinois PTC and \$13.93 million **more** per month during the last twelve months when compared to the Ameren Illinois PTC including the PEA. In terms of cents per kWh, residential ARES customers in the Ameren Illinois territory paid about 2.362cents/kWh **more** when compared to the Ameren Illinois PTC, and about 2.537 cents/kWh **more** when including the PEA.

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<sup>3</sup> Consistent with previous years, the average rate for municipal aggregation programs does not include contracts that contain "green" offerings or those offering the same rate as the Price to Compare of their respective electric utility.

<sup>4</sup> The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

<sup>5</sup> 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.

## IV. General Market Activity

### A. ARES Requirements

ARES that wish to provide services to the retail electric market in Illinois must fulfill several requirements prior to participation. First and foremost, ARES must become certified with the ICC through an official application process and must register with the electric utility in the service territory in which they intend to serve customers. In order to remain certified and active in the state, ARES must adhere to marketing, sales, tele-sales, consumer information, and reporting requirements as dictated in the Illinois Public Utilities Act.

### B. Certified, Registered, and Active ARES

Table 4 lists the number of ARES as of May 2018 through May 2021 that have obtained ICC certification pursuant to Section 16-115. Overall, data this year shows an increase in the number of certified ARES.

**TABLE 4: CERTIFIED ARES STATEWIDE<sup>6</sup>**

	2018	2019	2020	2021	Trend	Percent Change from 2020 to 2021
<b>Total Quantity of Certified ARES</b>	103	108	103	106	Increase	+3%
<b>Subpart B (Nonresidential &gt; 1 MW)</b>	2	2	2	2	Steady	0%
<b>Subpart C (Nonresidential &gt; 15,000 kWh)</b>	9	9	10	10	Steady	0%
<b>Subpart D (All customers, Including Residential)</b>	81	86	84	83	Decrease	-1%
<b>Subpart E (Themselves or Affiliates)</b>	11	11	11	12	Increase	+9%

Aside from receiving a certificate from the ICC, ARES must also register with the electric utility and complete certain technical testing before they can begin offering retail electric service in Illinois. The registration quantities below are for all certificates. Table 5 also shows the number of active ARES each year by utility territory.<sup>7</sup> An ARES is considered active when a utility reports the ARES has at least one customer receiving supply, even if it is only to themselves or an affiliate.

<sup>6</sup> During our review we noted in some previous years, the number of certified ARES was not accurate. This has now been corrected for this year's report.

<sup>7</sup> In order to maintain consistency with the reporting of previous years, the table includes ARES providing power to themselves or their subsidiaries. Also, several suppliers operate in more than one utility territory.

**TABLE 5: REGISTERED AND ACTIVE ARES BY UTILITY TERRITORY<sup>8</sup>**

	2017 <sup>9</sup>	2018	2019	2020	2021	Trend	Percent Change from 2020 to 2021
<b>ComEd Territory</b>							
Completed ARES Registrations	84	83	93	91	94	Increase	+3%
Active ARES	66	73	90	91	112	Increase	+23%
<b>Ameren Illinois Territory</b>							
Completed ARES Registrations	39	44	47	46	48	Increase	+4%
Active ARES	32	37	39	41	42	Increase	+2%

Two of the active suppliers are either electric utilities or affiliates of electric or natural gas utilities. In early 2015, the MidAmerican territory, a relatively small market, saw market entry by an ARES.

Overall, 2021 has shown an increase of both ARES that have completed their registration and are active participants in the Ameren and ComEd territories.

### C. Agents, Brokers and Consultants

A large change between 2020 and 2021 is the 27% decrease of newly licensed ABCs pursuant to Section 16-155C of the Public Utilities Act. This area of the retail electric market in recent years had been steadily decreasing. Over the last twelve months, 19 ABCs received a license from the ICC and 19 entities filed to withdraw their licenses. The number of withdrawn licenses for the past two years is larger than those withdrawn in previous years, which may be in part due to enforcement measures the Office of Retail Market Development took within recent years to address ABCs that failed to meet reporting requirements.

**TABLE 6: OVERVIEW OF AGENTS, BROKERS, AND CONSULTANTS CERTIFICATIONS<sup>10</sup>**

	June 2017 - May 2018	June 2018 - May 2019	June 2019 - May 2020	June 2020 - May 2021	Trend	Percent Change
<b>New Licenses</b>	33	40	26	19	Decreasing	-27%
<b>Withdrawn Licenses</b>	1	6	26	19	Decreasing	-27%
<b>Total ABCs with Active ICC Licenses</b>	371	406	431	429	Decreasing	-0.5%

<sup>8</sup> During our review we noted in some previous years, the percentage change was not accurate. This has been corrected in this year's report.

<sup>9</sup> The values for the June 2016 – May 2017 year were collected in December 2016.

<sup>10</sup> During our review we noted, the percentage change was not accurate in some previous years. This has been corrected in this year's report.

In 2020, Staff opened a total of 83 ABC citation cases for failure to comply with 83 Ill. Adm. Code 454. Out of the 83 dockets, 15 are still ongoing and 68 are closed with results ranging from dismissal, license revocation, or suspension.

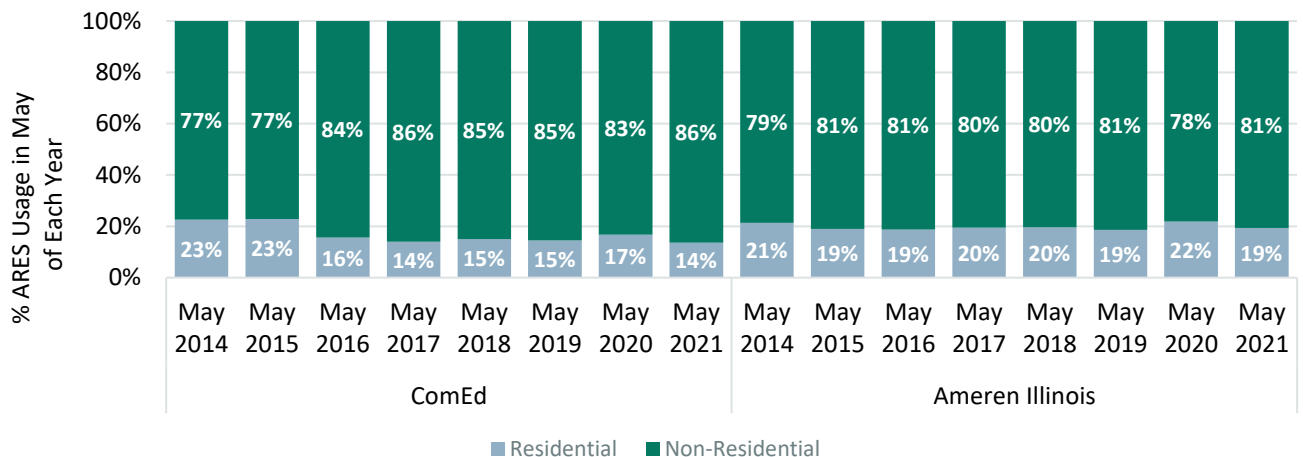
**TABLE 7: OVERVIEW OF AGENTS, BROKERS, AND CONSULTANTS CITATION CASES**

	Number of ABCs	Percent
License Revoked	4	5%
Case Dismissed	35	42%
Suspended for 2 Years	18	22%
Suspended for 180 Days	6	7%
Suspended for 90 Days	5	6%
Ongoing Cases	15	18%

#### D. Comparing ARES-Provided Load

After a pattern of slow growth, the number of ComEd non-residential customers on competitive supply decreased by 4.1% and the number of Ameren non-residential customers in all rate zones on competitive supply increased by 1.9%. The number of residential ARES customers has experienced greater fluctuations, going from virtually zero in 2011 to more than 3 million in 2013 and then back down to slightly more than 1.57 million in 2021. ARES now have about seven times as many residential customers as they have non-residential customers. Of course, looking at the number of customers provides only a portion of the overall picture. The following chart shows that even though they serve a larger number of residential customers, ARES provide substantially more electricity to non-residential than to residential customers.

**Figure 1: RESIDENTIAL AND NON-RESIDENTIAL SHARE OF ARES SUPPLY**



In terms of monthly kilowatt hours, the active suppliers in the ComEd territory provided 3 billion kWh to their non-residential customers in May 2021. The non-residential usage provided by the ARES continues to be a majority of ARES-provided usage; this phenomenon is largely driven by the various competitive

declarations. The electricity provided to residential customers has decreased slightly to 14% of the total ARES usage in the ComEd territory. Additionally, the active suppliers in the Ameren Illinois territory have steadily provided about 80% of their supply to non-residential customers for the past eight years (this is also largely driven by the various competitive declarations).

## v. Non-Residential Market

Non-residential market activity is captured by looking at three different indicators:

1. ARES-provided usage of non-residential customers over the previous twelve months and for each of the utility service territories;
2. ARES use of Utility Consolidated Billing (UCB)/Purchase of Receivables (POR) for non-residential customers; and
3. The competitiveness of each non-residential market.

### A. Non-Residential Customer Switching

The percent of electric consumption by non-residential Illinois customers on ARES supply increased to 85% in 2021. After a jump from 75% in 2009 to 80% in 2011, the percent of the electric consumption provided by ARES to non-residential Illinois customers hovered between 84% and 85% from 2014 to 2019. In 2020, this decreased to 71%, however this year saw a return to 85%.

**TABLE 8: PERCENT OF NON-RESIDENTIAL USAGE PROVIDED BY ARES**

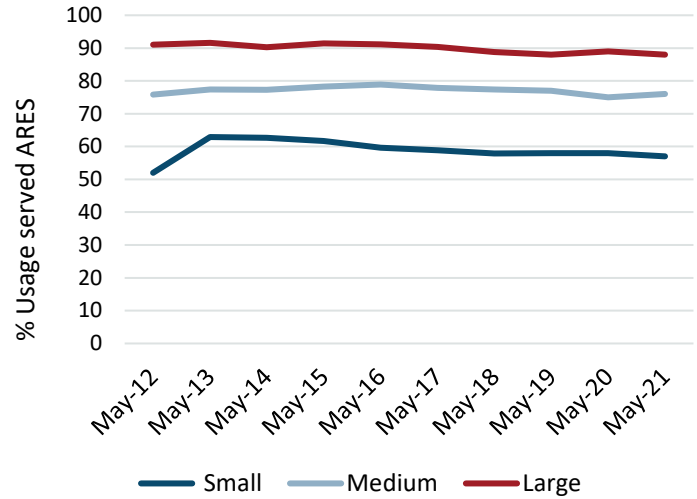
	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	Trend
<b>Statewide</b>	85%	84%	85%	85%	71%	85%	Increasing
<b>ComEd</b>	84%	83%	82%	83%	65%	83%	Increasing
<b>Ameren</b>	87%	86%	89%	88%	89%	88%	Decreasing

The following provides detailed non-residential usage information for the individual utility territories.

1. ComEd Territory

As of May 2021, ARES provided 83% of the total electric usage of ComEd non-residential customers, a large increase compared to 65% last year. Table 9 breaks out the percent of usage provided by ARES for each non-residential class by year. As can be seen in Figure 2, usage provided to non-residential customers in the Small, Medium, and Large categories has been steady in the ComEd territory since 2013.

**Figure 2: PERCENT OF COMED NON-RESIDENTIAL USAGE PROVIDED BY ARES**



**TABLE 9: PERCENT OF COMED NON-RESIDENTIAL USAGE PROVIDED BY ARES**

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	Trend
<b>Small (0 – 100 kW)</b>	60%	59%	58%	58%	58%	57%	Decreasing
<b>Medium (100 – 400 kW)</b>	79%	78%	77%	77%	75%	76%	Increasing
<b>Large (400 kW – 1 MW)</b>	91%	90%	89%	88%	89%	88%	Decreasing
<b>Greater than 1 MW</b>	96%	97%	95%	97%	58%	97%	Increasing



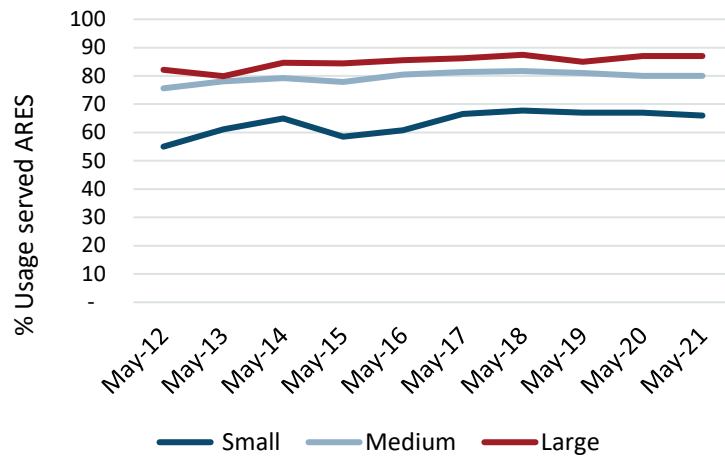
2. Ameren Illinois Territory

The Ameren territory consists of three rate zones (RZ) for which usage data is broken out below. Non-residential ARES usage decreased in the Medium category in both Ameren RZ I and RZ II.

a) Ameren Illinois Rate Zone I

As of May 2021, ARES provided 88% of the total non-residential electric usage of RZ I customers, a decrease of 1% from 2020. Table 10 breaks out the percent of usage provided by ARES for each non-residential class by year. Figure 3 shows the electric usage provided by ARES to the various non-residential customer classes for the past ten years.<sup>11</sup>

**Figure 3: PERCENT OF AMEREN RZ I NON-RESIDENTIAL USAGE PROVIDED BY ARES**



**TABLE 10: PERCENT OF AMEREN RZ I NON-RESIDENTIAL USAGE PROVIDED BY ARES**

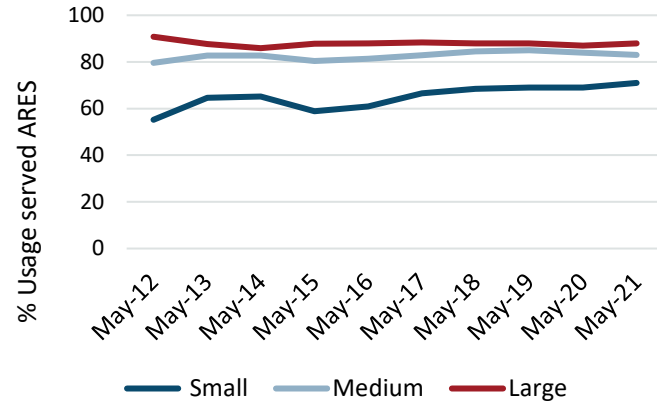
	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	Trend
<b>Small (0 – 100 kW)</b>	61%	67%	68%	67%	67%	66%	Decreasing
<b>Medium (100 – 400 kW)</b>	81%	81%	82%	81%	80%	80%	Steady
<b>Large (400 kW – 1 MW)</b>	86%	86%	87%	85%	87%	87%	Steady

<sup>11</sup> Data as of May 31 of each year.

b) *Ameren Illinois Rate Zone II*

As of May 2021, ARES provided 91% of the total non-residential electric usage of RZ II customers, an increase of 2% compared to 2020. Electric usage provided by ARES to small and large customers both saw increases while usage for medium customers decreased, as seen in Table 11. Figure 4 shows the electric usage provided by ARES to the various non-residential customer classes for the past ten years.<sup>12</sup>

**Figure 4: PERCENT OF AMEREN RZ II NON-RESIDENTIAL USAGE PROVIDED BY ARES**



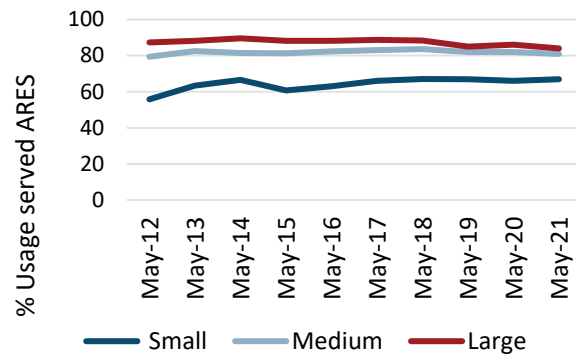
**TABLE 11: PERCENT OF AMEREN RZ II NON-RESIDENTIAL USAGE PROVIDED BY ARES**

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	Trend
<b>Small (0 – 100 kW)</b>	61%	67%	68%	69%	69%	71%	Increasing
<b>Medium (100 – 400 kW)</b>	81%	83%	85%	85%	84%	83%	Decreasing
<b>Large (400 kW – 1 MW)</b>	88%	88%	88%	88%	87%	88%	Increasing

c) *Ameren Illinois Rate Zone III*

As of May 2021, ARES provided 88% of the total non-residential electric usage of RZ III customers, steady with the previous year. Figure 5 shows the electric usage provided by ARES to the various Ameren non-residential customer classes for the previous ten years.<sup>13</sup>

**Figure 5: PERCENT OF AMEREN RZ III NON-RESIDENTIAL USAGE PROVIDED BY ARES**



**TABLE 12: PERCENT OF AMEREN RZ III NON-RESIDENTIAL USAGE PROVIDED BY ARES**

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	Trend
<b>Small (0 – 100 kW)</b>	63%	66%	67%	67%	66%	67%	Increasing
<b>Medium (100 – 400 kW)</b>	82%	83%	84%	82%	82%	81%	Decreasing
<b>Large (400 kW – 1 MW)</b>	88%	89%	88%	85%	86%	84%	Decreasing

<sup>12</sup> Data as of May 31 of each year.

<sup>13</sup> Data as of May 31 of each year.

## B. Supplier Use of UCB/POR for Non-Residential Customers

ComEd and Ameren Illinois are required to offer utility consolidated billing (UCB) and the purchase of receivables (POR) to ARES per Sections 16-118 (c) and (d).

ARES customers may receive a single bill containing both electric supply and delivery through UCB. The process occurs when 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 the customer bill.

The POR process allows an ARES to sell its accounts 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.”

Although 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 combines the purchase of receivables with utility consolidated billing. That is, if an ARES enrolls a customer with utility consolidated billing, the supplier may then sell the corresponding receivables to the utility at a discount. Because the POR provision in Section 16-118(c) is limited to customers with demands less than 400 kW, this combination of utility consolidated billing with the purchase of receivables is therefore also limited to customers with demands less than 400 kW.

**TABLE 13: ARES USING UCB/POR SERVICE FOR CUSTOMERS**

	May-17	May-18	May-19	May-20	May-21	Trend	Percent Change
<b>ComEd</b>							
Non-Residential	58	60	67	70	70	Steady	0%
Residential	56	59	64	65	64	Decreasing	-2%
<b>Ameren Illinois</b>							
Non-Residential	24	28	28	30	32	Increasing	7%
Residential	24	26	27	29	29	Steady	0%

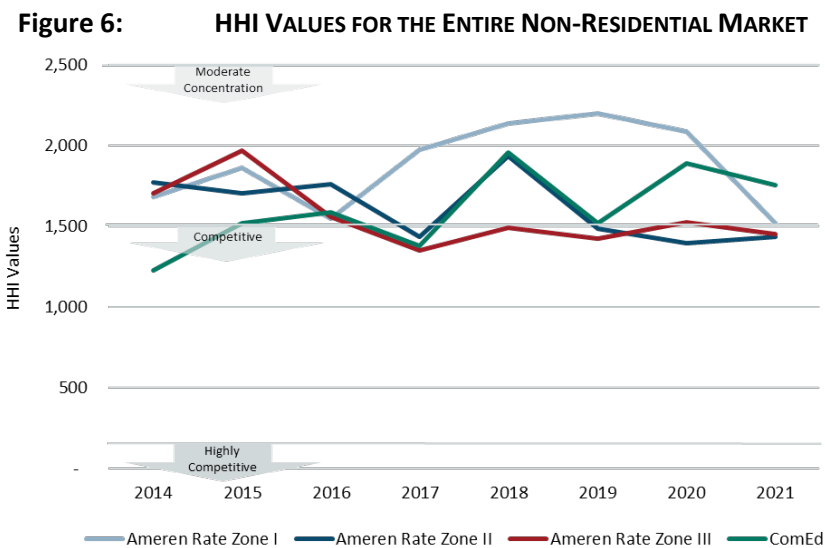
### C. Non-Residential Market Competitiveness

As in previous annual reports, this Report includes an analysis of non-residential market competitiveness using the Herfindahl-Hirschmann Index (HHI), which is a common indicator to measure competition among firms in a defined market. This analysis ranks each market on a scale of perfectly competitive (HHI of zero) to monopoly (HHI of 10,000). In order to estimate market share, the share of electric usage provided by an ARES was used instead of the share of customers served by individual ARES. Either approach would be informative, but the amount of kWh served might be more closely related to the financial success of an ARES than the number of customers served.

Retail electric suppliers that provide electric supply only to themselves or their subsidiaries or affiliates were excluded from HHI analyses. The numbers below reflect only the segments of the non-residential market that have already switched to an ARES. In other words, the market concentration analysis shown here does not include the customers on utility fixed-price service or utility-provided hourly spot service.

Figure 6 shows the HHI values for the total non-residential market among the four utility territories, displaying the trend in non-residential market concentration from 2014 to 2021.

In 2020, three of the four markets were moderately concentrated. A year later, in 2021, two of the four markets are moderately concentrated and two are competitive, showing that the overall retail market was more competitive in 2021 than in the previous year.



## Herfindahl-Hirschmann Index

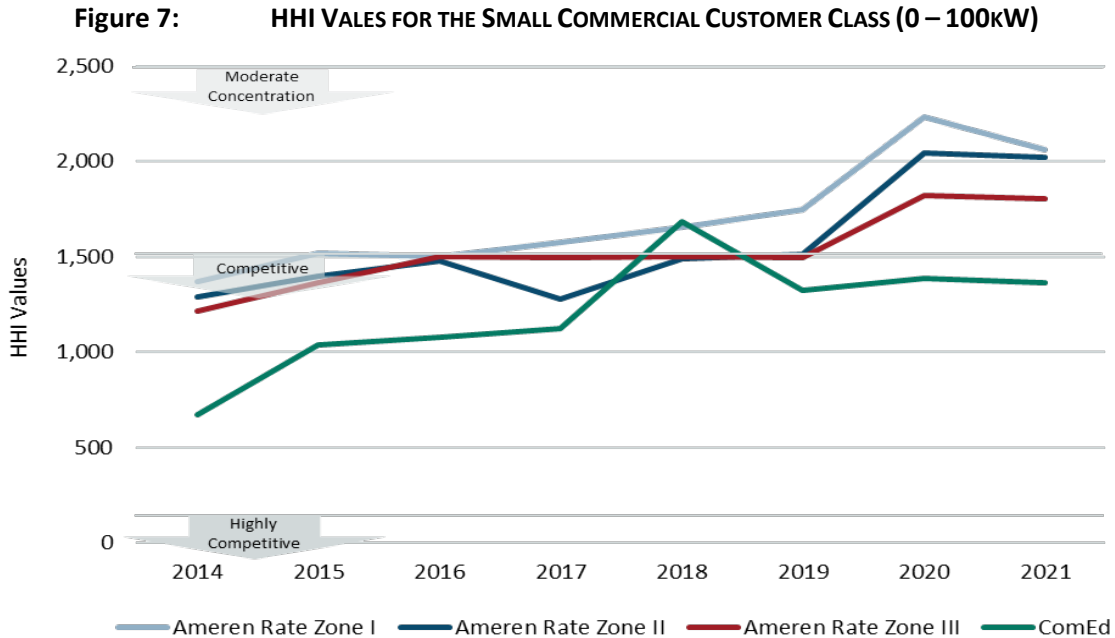
In order to put the market concentration values into perspective, Staff looked at the revised 2010 Horizontal Merger Guidelines by the Department of Justice (DOJ) and the Federal Trade Commission (FTC), which divide the spectrum of market concentration into three regions.

Generally speaking, the revised guidelines state that the DOJ and the FTC view markets as follows:

- **Less than 100** is highly competitive, meaning many similarly sized firms compete for the same customers.
- **Less than 1,500** is competitive or unconcentrated.
- **Between 1,500 and 2,500** is moderately concentrated.
- **Greater than 2,500** is highly concentrated, meaning very few firms dominate the market.
- **10,000** is the highest HHI and the market would be considered a monopoly.

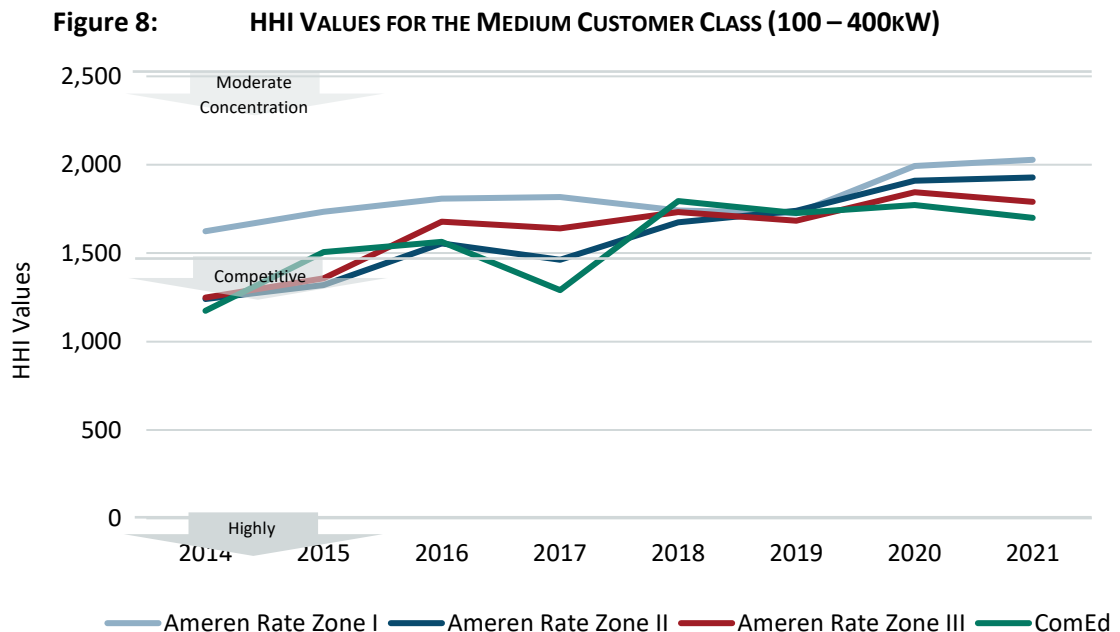
1. Small Commercial Class Market Competitiveness (0 – 100 kW)

The following graph shows the HHI values for the small commercial class. All four territories saw a slight decrease in the HHI value; the decreases in HHI values, however, indicate the increased competitiveness is not significant enough to shift the HHI designations.



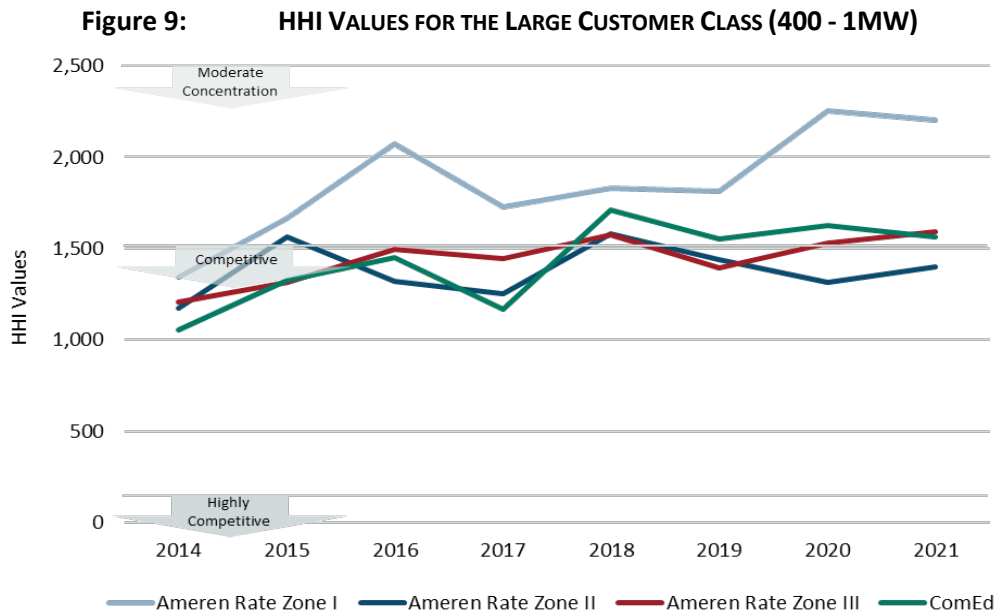
2. Medium Commercial Class Market Competitiveness (100 – 400 kW)

Two of the four medium commercial class HHI values saw a slight increase, while the remaining two saw a slight decrease. All four territories have remained designated moderately concentrated.



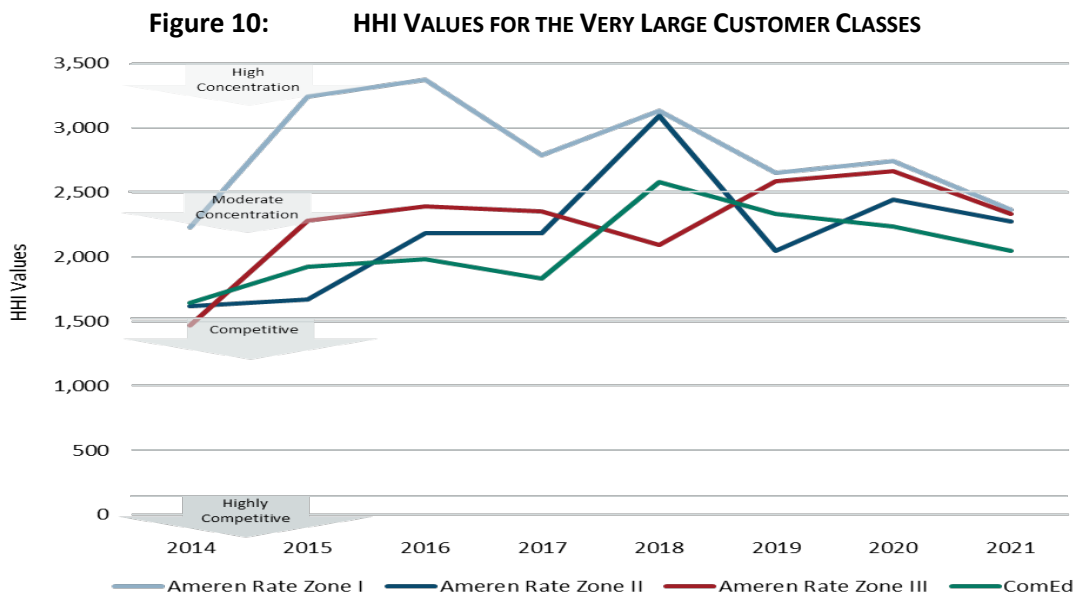
3. Large Commercial Class Market Competitiveness (400 kW – 1 MW)

In the large commercial class market, Ameren Rate Zone I and ComEd both slightly decreased in HHI value while Ameren Rate Zone II and III slightly increased.



4. Very Large Commercial Class Market Competitiveness

The retail market for the very large commercial class continues to exhibit the highest HHI values for non-residential and is therefore the least competitive in the non-residential market. The following graph differs from the three previous graphs because the customer sizes are not uniform among the utility areas. This analysis includes ComEd switching activity for the 1 – 10MW class and the Ameren switching activity for the 1 – 3MW combined with the 3 – 6MW. As a result, the HHI values are not necessarily comparable among the four utility areas; nonetheless, they show some trends.



## VI. Residential Market

Residential market activity has been captured by looking at six different indicators:

1. The number of residential customers switching away from the utility supply service over the previous twelve months and for each of the four utility areas;
2. Municipal aggregation activity;
3. 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;
4. Market competitiveness analysis and a deep dive into the ComEd residential market to look at ARES market share;
5. The number of informal customer complaints over the last twelve months; and
6. Estimate of the savings (in dollars) realized by the residential customers that have been on ARES service during the last year.

### A. Residential Customer Switching

The number of residential customers receiving supply from an ARES has decreased year-over-year in ComEd since May 2014, and yearly in Ameren RZ 1 since 2017. As in the prior two years, Ameren Rate Zone II continued to see small increases. As of the end of May 2021, approximately 1.58 million residential customers were on ARES service, compared to roughly 1.67 million customers in 2020 and over 3 million customers seven years ago. Table 14 shows the number, as well as the percentage, of residential customers who are receiving supply from an ARES.

**TABLE 14: RESIDENTIAL CUSTOMERS ON COMPETITIVE SUPPLY**

	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21
<b>ComEd</b>	2,312,654	2,356,669	2,126,674	1,434,319	1,244,899	1,150,368	1,149,911	1,065,354	941,997
<b>Ameren Illinois RZ I</b>	147,513	185,251	172,449	180,480	182,073	174,540	171,114	163,241	163,623
<b>Ameren Illinois RZ II</b>	138,163	140,439	129,211	126,871	127,439	125,587	129,931	130,376	142,053
<b>Ameren Illinois RZ III</b>	277,229	345,911	308,554	326,904	326,723	323,887	326,468	315,808	329,997
<b>Total</b>	2,875,559	3,028,270	2,736,888	2,068,574	1,881,134	1,774,382	1,777,424	1,674,779	1,577,670
<b>Percent of Customers in the Utility Territory on ARES Supply</b>									
<b>ComEd</b>	67.70%	68.50%	61.50%	40.90%	35.20%	32.40%	32.15%	29.40%	26.06%
<b>Ameren Illinois RZ I</b>	45.20%	63.90%	53.00%	55.60%	56.30%	54.00%	53.20%	50.53%	50.78%
<b>Ameren Illinois RZ II</b>	73.20%	74.50%	68.50%	67.10%	67.40%	66.40%	68.91%	68.72%	75.05%
<b>Ameren Illinois RZ III</b>	51.20%	63.90%	56.90%	60.20%	60.10%	59.60%	59.98%	57.71%	60.19%

The share of residential aggregation customers decreased from 61% of all residential ARES customers in May 2020 to 57% as of May 2021.

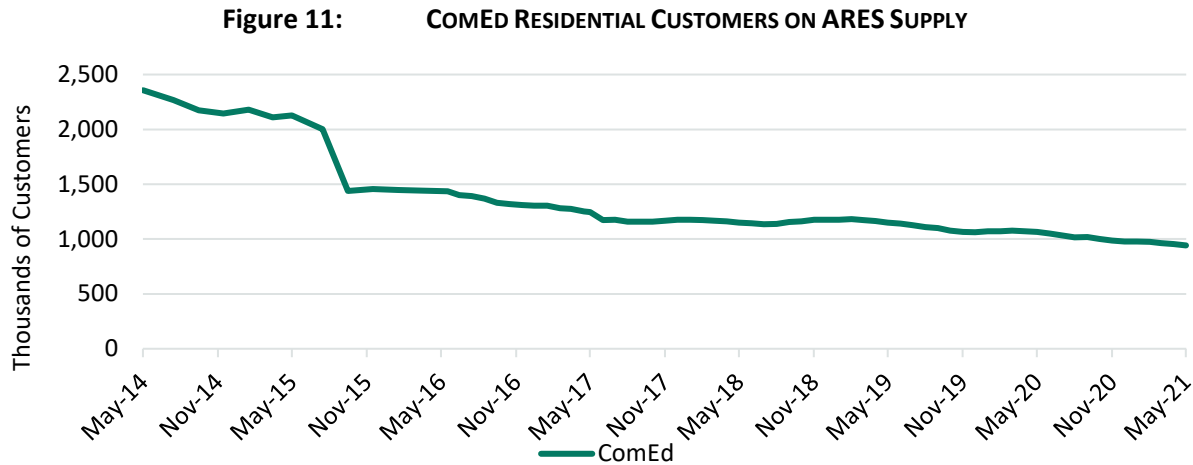
Broken down by utility area, of the 635,673 residential ARES customers in the Ameren Illinois areas, 78% are municipal aggregation customers. In other words, 78% of residential customers participated in retail

choice because they did not opt out of their municipality’s aggregation program. The remaining 22% of residential customers individually selected ARES service. This represents an increase of 10% compared to the 68% aggregation share from 2020.

In the ComEd area, 43% of customers are municipal aggregation customers. This is a decrease of 14% compared to 2020.

1. ComEd Territory

Figure 11 shows the residential switching levels for the ComEd territory.

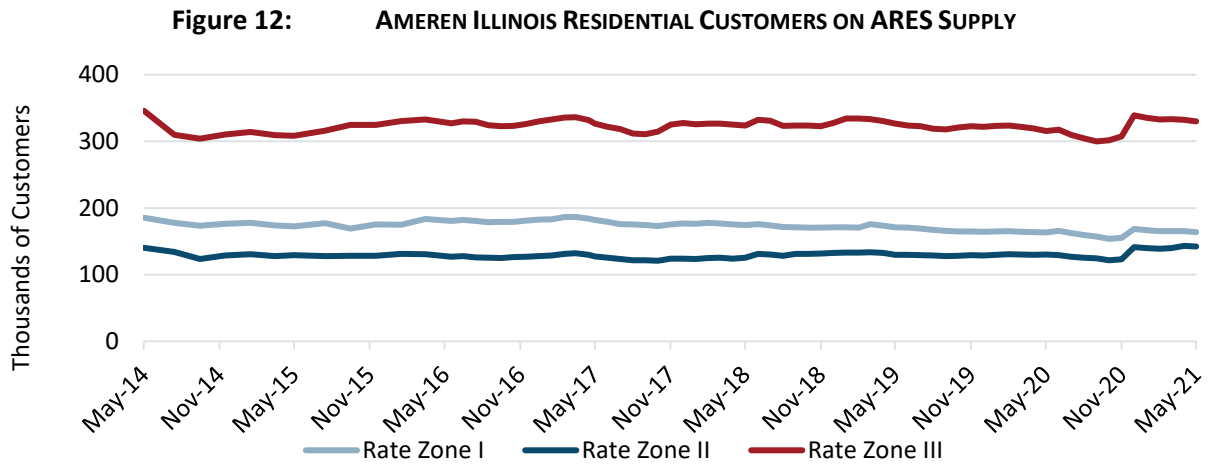


The graph shows a drop in September 2015, which correlates to when the City of Chicago ended its municipal aggregation program. The graph also shows a steady decline from the peak in the number of residential ARES customers in 2014. At that time, more than 2.4 million residential customers, or 70% of the total residential customers in the ComEd territory, received electric service from an ARES. As of May 2021, the number of ARES residential customers in the ComEd territory is less than half the 2014 peak and comprises 26% of the total ComEd residential market - including both non-aggregation and aggregation.



2. Ameren Illinois Territories

Figure 12 represents the residential switching levels for all three Ameren Illinois rate zones.



All three Ameren rate zones have experienced increases in their numbers of ARES residential customers. As of May 2021, about 50% of residential customers in RZ I, 75% in RZ II, and 60% in RZ III have switched to an ARES.

**B. 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 they may aggregate electrical load. It specifically allows municipal corporate authorities or county boards to do this for residential and small non-residential 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 the aggregation program shall operate as an opt-out program for residential and small non-residential customers prior to the adoption of an ordinance for the aggregation of these loads.

Originally, statewide a total of 749 communities passed referendums approving aggregation programs.

Table 15 compares the municipal aggregation activity over the various election dates:

**TABLE 15: MUNICIPAL AGGREGATION ACTIVITY**

	Apr 2011	Mar 2012	Nov 2012	Apr 2013	Mar 2014	Nov 2014	Feb 2015	Mar 2016	Nov 2016
<b>Referendums Passed</b>	20	246	207	204	52	12	2	2	4
<b>Aggregation Programs Announced or Implemented</b>	19	244	192	187	48	8	2	2	4
<b># of Unique “Winning” Suppliers – ComEd</b>	4	8	8	7	7	1	1	1	N/A
<b># of Unique “Winning” Suppliers – Ameren Illinois</b>	N/A	3	5	3	1	1	1	1	1
<b>Average Rate – ComEd</b>	5.75	4.85	5.11	5.82	7.04	6.47	6.59	6.29	N/A
<b>Average Rate – Ameren Illinois</b>	N/A	4.12	4.42	4.31	5.34	5.67	5.80	6.19	4.95

A number of communities that implemented aggregation programs from 2011 to 2014 have seen their initial contracts expire. Several of them renewed with the incumbent supplier, others have continued with the aggregation but with a different ARES, and some of them have allowed their aggregation programs to expire. Table 16 provides a status of municipal aggregation programs, by utility service territory, as of June 2021.

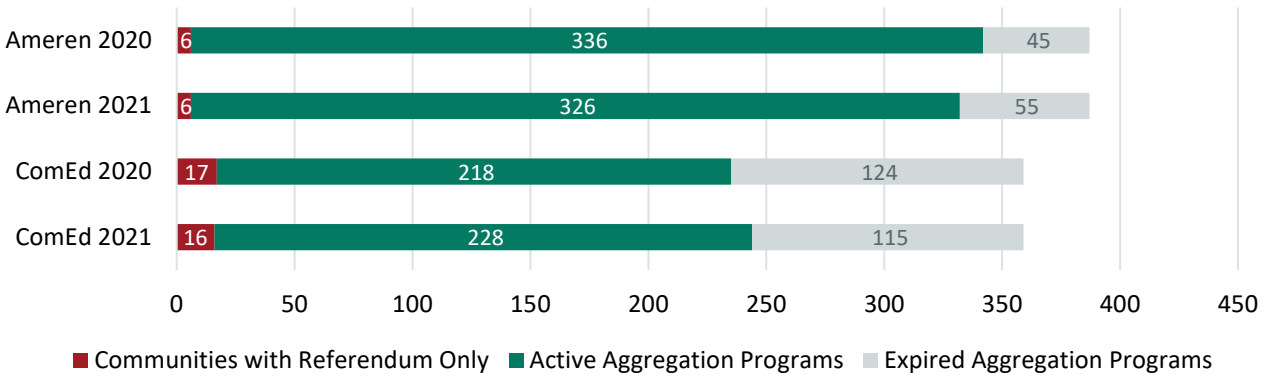
**TABLE 16: MUNICIPAL AGGREGATION ACTIVITY BY UTILITY TERRITORY**

	Communities Passing a Referendum	Aggregation Programs Implemented	Active Aggregation Programs	Expired Aggregation Programs	Average Rate (in cents per kWh) <sup>14</sup>
<b>ComEd</b>	359	343 (95%)	228 (63%)	115 (32%)	6.570
<b>Ameren</b>	387	342(88%)	326 (84%)	55 (14%)	4.521
<b>Total</b>	746	685 (92%)	554 (74%)	170 (23%)	5.09

As of June 2021, 170 of the 746 communities (about 23%) that implemented municipal aggregation programs allowed their aggregation programs to end. Table 16 lists the number of communities with active or expired programs. Additionally, a simple average rate of the active aggregation programs, as of June 2021, was calculated. The snapshot of the average municipal aggregation rate is composed of a wide range of programs, including ones that are near the end of a two- or three-year term and recently implemented or renewed programs.

<sup>14</sup> Consistent with previous years, the average rate for municipal aggregation programs does not include contracts with “green” offerings or those offering the same rate as the Price to Compare of their respective electric utility.

**Figure 13: MUNICIPAL AGGREGATION STATUS FOR COMMUNITIES WITH REFERENDUMS**



**C. Active Suppliers**

Having looked at the customer switching numbers, Table 17 shows an increase in residential ARES activity over the past ten years up until 2021. This year has seen an increase in the number of ICC certified ARES in ComEd and in Ameren. Ameren saw an increase in active suppliers, whereas ComEd remained steady.

**TABLE 17: RESIDENTIAL SUPPLIERS**

	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21
<b>ComEd</b>									
ICC certified	57	61	60	67	72	84	80	76	81
Active	42	51	48	57	55	60	68	69	69
<b>Ameren Illinois</b>									
ICC certified	33	36	34	41	43	41	31	31	46
Active	17	23	22	25	27	27	29	27	32

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. Table 18 shows that both ComEd and Ameren remained steady for the individual ARES posting offers this year. Having stated that, however, Table 19 shows how the number of posted offerings decreased over the last year in both Ameren and ComEd.

**TABLE 18: ARES POSTING OFFERS ON PLUGINILLINOIS.ORG**

	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20	May-21
ComEd	28	29	30	31	34	35	38	36	36
Ameren Illinois	10	11	10	13	15	19	19	17	17

**TABLE 19: RESIDENTIAL OFFERS POSTED ON PLUGINILLINOIS.ORG**

	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20	May-21
ComEd	63	59	75	94	106	103	104	103	96
Ameren Illinois	20	22	24	34	36	42	46	53	48

Given the large number of residential offers for ComEd customers, additional detail is provided below on types of offers posted over the years.

**TABLE 20: BREAKDOWN OF OFFERS AVAILABLE TO COMED CUSTOMERS ON PLUGINILLINOIS.ORG**

	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20	May-21
<b>Total</b>	63	59	75	94	106	103	104	103	96
<b>Fixed</b>	46 (73%)	41 (69%)	57 (76%)	73 (78%)	90 (85%)	91 (88%)	90 (86%)	84 (81%)	80 (83%)
• Fixed with Early Termination Fee	29 (63%)	28 (68%)	37 (65%)	45 (62%)	54 (60%)	65 (71%)	56 (62%)	31 (37%)	28 (35%)
• Fixed without Early Termination Fee	17 (37%)	13 (32%)	20 (35%)	28 (38%)	36 (40%)	21 (23%)	34 (38%)	53 (63%)	52 (65%)
<b>Custom</b>						5 (5%)	4 (4%)	4 (4%)	3 (3%)
<b>Variable</b>	17 (27%)	17 (31%)	16 (21%)	17 (18%)	14 (13%)	12 (12%)	10 (10%)	15 (15%)	13 (14%)
<b>&lt; 12-month Term</b>	23 (37%)	22 (37%)	24 (32%)	32 (34%)	38 (36%)	35 (34%)	29 (28%)	32 (31%)	27 (28%)
<b>12-month Term</b>	28 (44%)	26 (44%)	29 (39%)	33 (35%)	37 (35%)	38 (37%)	42 (40%)	33 (32%)	33 (34%)
<b>13-23 month Term</b>	2 (3%)	5 (8%)	6 (8%)	6 (6%)	6 (6%)	5 (5%)	9 (9%)	7 (7%)	6 (6%)
<b>24-month Term</b>	10 (16%)	4 (7%)	11 (15%)	18 (19%)	21 (20%)	18 (17%)	20 (19%)	21 (20%)	21 (22%)
<b>&gt; 24-month Term</b>	0 (0%)	2 (3%)	5 (6%)	5 (5%)	3 (3%)	7 (7%)	4 (4%)	10 (10%)	9 (9%)
<b>Green/Renewable</b>	18 (29%)	23 (39%)	21 (28%)	26 (28%)	28 (26%)	31 (30%)	20 (19%)	28 (27%)	26 (27%)

Table 20 allows us to make several observations:

- **Fixed-Price Offers:** The share of fixed price offers slightly decreased this year.
- **Early Termination Fees:** An important note regarding termination fees: The Home Energy Affordability and Transparency (HEAT) Act, which became effective on January 1, 2020, states as follows, “residential and small commercial retail customers shall have a right to terminate their contracts with alternative retail electric suppliers at any time without any termination fees or penalties.” Despite the implementation of the HEAT Act, ARES continue to offer products that include some form early termination fees.
- **< 12-Month Contract Terms:** Offers with a term of less than one year make up less than a third of all offers and have for about the last three years.
- **One- or Two-Year Contract Terms:** Every year, about half of the posted offers contain either a one- or two-year contract term.
- **> 24-Month Contract Terms:** 2021 saw a decrease of terms lasting longer than two years from 10 of 103 offers in 2020 to 9 of 96 offers in 2021.
- **Green/Renewable:** Twenty-six of the 96 offers contain a green/renewable component higher than what is required by the state’s renewable portfolio standard.

Besides analyzing the type of offers, the prices for the various posted offers and how those prices might have changed during that same time period were evaluated. Table 21 demonstrates the average prices for the different types of offers posted on PlugInIllinois.org. The bottom of the table shows the ComEd fixed-price supply service rate, also referred to as the Price-to-Compare (PTC), for the five months in question. The ComEd rates shown include the Purchased Electricity Adjustment (PEA).

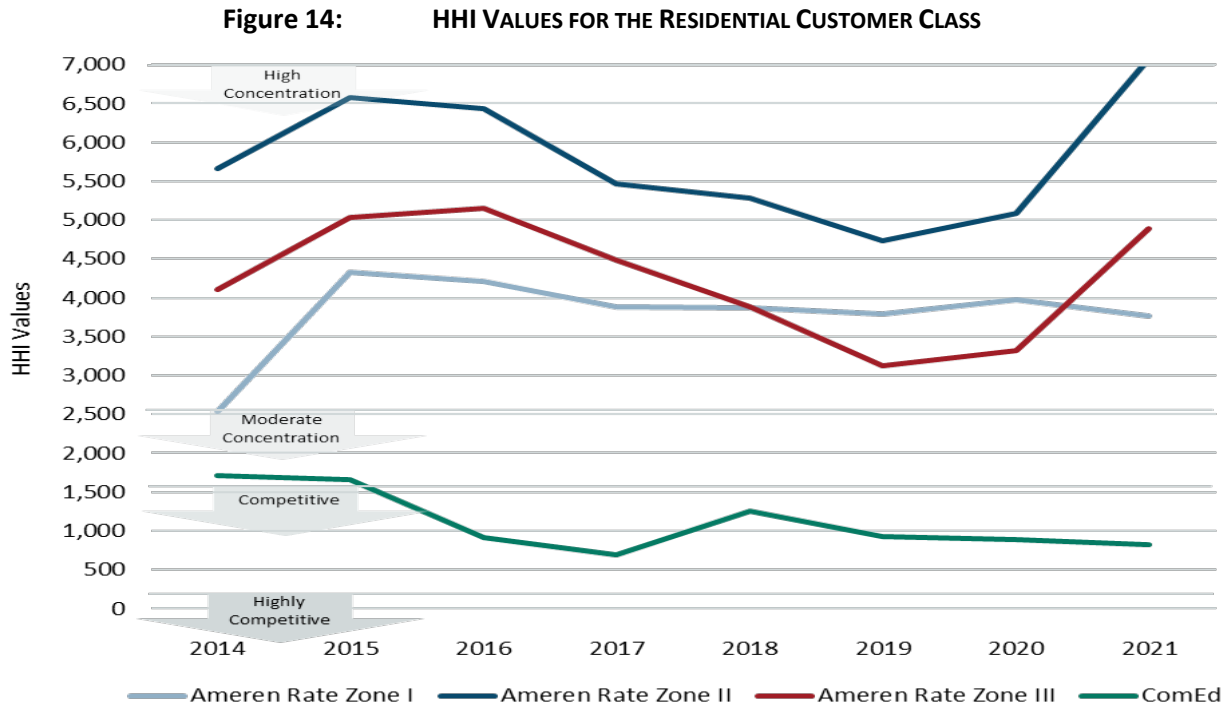
Table 21: Average Prices (cents/kWh) of Offer Types on PlugInIllinois.org

	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20	May-21
<b>Fixed</b>	6.21 (-3%)	7.76 (+25%)	7.78 (+0.26%)	7.23 (-7%)	7.67 (+6%)	8.42 (+10%)	8.03 (-5%)	7.83 (-2%)	8.07 (+3%)
• Fixed with Early Termination Fee	6.00 (-6%)	7.80 (+30%)	7.60 (-3%)	7.51 (-1%)	7.79 (+4%)	8.58 (+10%)	8.37 (-3%)	7.75 (-7%)	8.05 (+4%)
• Fixed without Early Termination Fee	5.64 (-12%)	6.97 (+24%)	7.89 (+13%)	6.80 (-14%)	7.46 (+9%)	8.25 (+11%)	7.47 (-10)	7.91 (+6%)	8.09 (+2%)
<b>Variable</b>	7.07 (+1%)	8.49 (+20%)	8.48 (-0.12%)	7.86 (-7%)	7.4 9 (-5%)	7.82 (+4%)	7.46 (-5%)	7.17 (-4%)	7.44 (+4%)
<b>&lt; 12-month Term</b>	6.78 (+9%)	7.79 (+15%)	7.89 (+1%)	7.31 (-7%)	7.09 (-3%)	7.76 (+9%)	7.25 (-7%)	7.26 (+0.2%)	7.45 (+2%)
<b>12-month Term</b>	5.92 (-10%)	7.64 (+29%)	8.07 (+6%)	7.05 (-13%)	7.78 (+9%)	8.98 (+15%)	8.37 (-7%)	7.43 (-11%)	6.72 (-10%)
<b>13-23 month Term</b>	6.22 (-2%)	7.59 (+22%)	7.28 (-4%)	7.58 (+4%)	8.22 (+8%)	7.85 (-5%)	7.93 (+1%)	7.58 (-4%)	8.16 (+8%)
<b>24-month Term</b>	5.60 (-10%)	5.92 (+6%)	7.65 (+29%)	7.55 (-1%)	8.07 (+6%)	8.91 (+10%)	9.06 (+2%)	7.35 (19%)	7.44 (+1%)
<b>&gt; 24-month Term</b>	N/A	7.58	8.27 (+9%)	8.84 (+7%)	9.39 (+6%)	8.80 (-6%)	8.76 (-0.5%)	8.50 (-3%)	9.06 (+7%)
<b>Green/Renewable</b>	6.83 (-2%)	8.57 (+25%)	8.60 (+0.35%)	8.05 (-6%)	7.87 (-2%)	8.32 (+6%)	8.28 (-0.5%)	7.73 (-7%)	7.51 (-3%)
<b>ComEd PTC incl. PEA</b>	8.8	5.97	8.07	6.55	5.818	6.818 (+17%)	6.719 (-1.5%)	7.572 (+13%)	7.239 (-4%)

The comparison shows that the average price of the various types of offers was higher, in most cases, in May 2021 than in May 2020. The largest increase occurred in the offers with a 13-23 month term and the largest decrease occurred in the offers with a 12-month term.

## D. Residential Market Competitiveness

This analysis of the residential marketplace using the Herfindahl-Hirschmann Index (HHI) model shows that ComEd continues to be a more competitive market for ARES' residential customers than for those in Ameren. Although the residential market in the Ameren Illinois territory has become a little less concentrated in recent years, the uptick of HHI values in the three Ameren RZs in 2021 show that the market is becoming less competitive, as compared to previous years, in Ameren.



The graph illustrates several trends:

- The ComEd residential market continues to be unconcentrated for the sixth consecutive year. A big part of the unconcentrated nature of the ComEd market is the end of the City of Chicago municipal aggregation program in 2015, which led to a substantial share of the market concentrated in one ARES.
- Although all three Ameren Illinois RZs are very high market concentrations, Ameren Illinois RZ II continues to be the most concentrated residential market by a considerable margin. The facts that 78% of the residential ARES market in Ameren Illinois' areas consists of municipal aggregation customers, and the vast majority of the aggregation programs are with the same ARES, help explain this phenomenon.

Specifically considering the ComEd residential market, the HHI values above show that the current market would be considered an unconcentrated, competitive market.

Table 22 highlights the changing market dynamics over the last few years:

**TABLE 22: ARES MARKET SHARE IN COMED TERRITORY (BY CUSTOMERS)**

	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21
Share of largest 3 suppliers	69%	66%	61%	44%	42%	48%	42%	41%	31%
# of suppliers with >15% share	2	2	1	1	1	1	1	1	0
# of suppliers with >5% and <15% share	2	2	2	3	3	3	4	3	5
# of suppliers with <5% share	37	46	45	53	52	49	47	48	63
# of suppliers with < 1% share	30	38	29	34	33	31	28	29	47

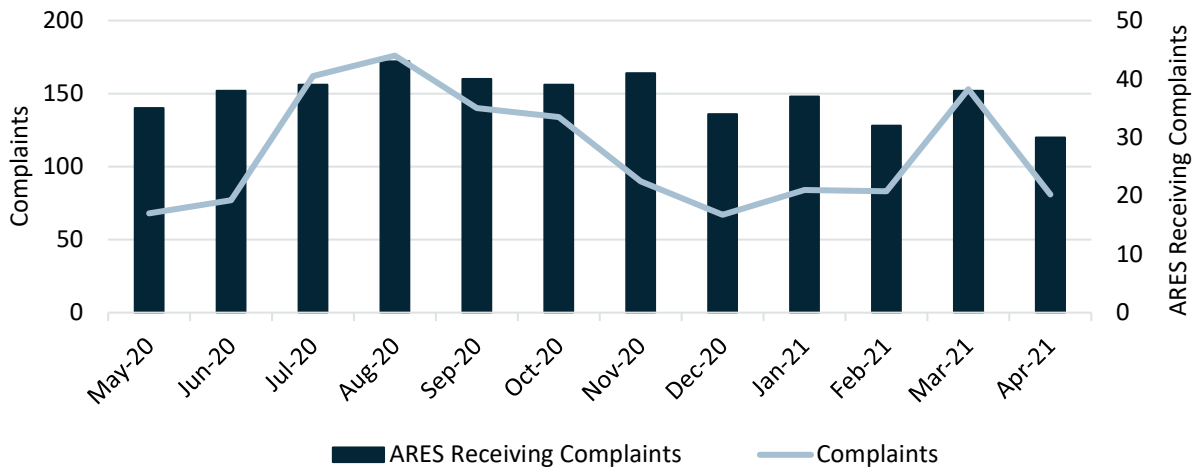
Table 22 shows that the total market share of the three ARES with the highest individual market share of residential customers has decreased from 2020 numbers. It is also worth pointing out that:

- 63 of the 68 ARES with residential customers had a market share of less than 5%;
- 47 of the ARES with residential customers had a market share of less than 1%;
- Five suppliers have a market share between 5% and 15%; and
- No supplier had a market share above 15%

#### E. Residential Complaints

The Consumer Services Division (CSD) of the ICC includes a team of professional consumer counselors who address consumer inquiries and complaints. The number of informal complaints the team receives per ARES are logged each month. Figure 15 shows the total number of informal customer complaints that CSD received per month during the past year. The blue line indicates the quantity of informal complaints per month (reference left vertical axis). The black bars indicate the quantity of unique ARES receiving complaints per month (reference right vertical axis). CSD received between 67-176 informal complaints per month for 29-39 ARES, which is down significantly from last year where CSD received 150-250 complaints per month for 30-45 ARES. These complaint quantities represent 0.004% - 0.01% of ARES customers per month.

**Figure 15: STATEWIDE COMPLAINTS BY MONTH**



## F. Residential Cost Estimates

The previous nine annual reports have included an estimate of the total annual savings realized by residential ARES customers in the ComEd territory. Staff reviewed the preceding twelve-month period and compared the dollar amount residential customers as a whole spent on ARES service to the amount those customers would have spent had they been on the ComEd fixed-price bundled service,<sup>15</sup> also known as the Price-to-Compare (PTC).<sup>16</sup> Each year, Staff calculates the savings with and without the effects of the Purchased Electricity Adjustment (PEA).<sup>17</sup> The same analysis has been completed for this year's report, allowing for a ten-year total review. In addition, Staff has performed this analysis for the sixth time for the Ameren Illinois territories.

Three sets of data are utilized to calculate how much residential customers have or have not saved by switching away from the utility:

1. Cents/kWh rate the customers would have paid under the utility's default service (PTC);
2. Cents/kWh rate the customers actually paid while on ARES; and
3. Amount of electrical usage each ARES provided to their residential customers.

Monthly reports from ComEd and Ameren Illinois provide Staff with the necessary usage information, and the utilities' default rates are tariffed rates. As for the ARES prices, suppliers are requested to comply with a Staff issued Data Request to provide their monthly average residential rates for the past twelve months.<sup>18</sup>

While reviewing these estimates, it is important to keep in mind several caveats:

1. These are total, or aggregate, savings. The savings for almost all individual customers differ from these averages;
2. These calculations are ex-post calculations and do not take into account how the ComEd default rates would have been different had more or fewer customers stayed on the utility's default supply service;
3. Most of the ARES that serve residential customers have at least one offer that features a renewable energy or "green" component that is higher than what is required under the Illinois Renewable Portfolio Standard. The average rate information collected from the ARES include the (usually higher) prices associated with those offers;
4. Not captured in these numbers are rewards and incentives that are not part of the ARES electric supply rates. For example, several ARES offer one-time gift cards as an incentive to sign up for a particular offer; other offers contain rewards such as airline miles and other non-rate benefits. However, those non-rate benefits are difficult to quantify and include in such calculations. Additionally, Staff would have to make several more assumptions and receive far more

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<sup>15</sup> For the first two years Staff performed this analysis, Staff took into account the fact that some customers switched away from the discounted utility space-heat rate. As of June 2013, there are no separate utility supply rates for residential customers with electric space heat.

<sup>16</sup> The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

<sup>17</sup> 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.

<sup>18</sup> A number of ARES did not respond to the Data Request in a timely manner; therefore, the monthly average residential rates are not inclusive of all ARES.



additional detailed data from the ARES community to quantify the non-rate benefits offered by ARES.

1. ComEd Territory

The ComEd results for the first six years of this report are included in Table 23. To recap, the first six years produced an aggregate residential savings deficit of around (\$20.3 million), with about \$4.4 million in savings resulting from comparing the ARES' average rates to the ComEd PTC. The difference of (\$15.9 million) in total negative savings results from the application of the PEA for ComEd supply customers. As noted elsewhere, the PEA can, and often does, change monthly and it can be a charge or a credit for ComEd supply customers.

**TABLE 23: HISTORICAL COMED RESIDENTIAL SAVINGS ESTIMATES**

	Annual Savings compared to ComEd PTC (in million)	Annual Savings inclusive of the PEA Impact (in million)
June 2011 – May 2012	\$17.20	\$24.20
June 2012 – May 2013	\$250.80	\$257.50
June 2013 – May 2014	(\$40.20)	\$38.70
June 2014 – May 2015	(\$12.30)	(\$73.40)
June 2015 – May 2016	(\$79.70)	(\$115.20)
June 2016 – May 2017	(\$131.40)	(\$152.10)
<b>Six-year total</b>	\$4.40	(\$20.30)

Table 24 shows the monthly comparisons for the most recent twelve-month period:

**TABLE 24: CURRENT YEAR COMED RESIDENTIAL SAVINGS ESTIMATES (MONTHLY)**

	Savings compared to ComEd PTC	PEA Impact	Savings inclusive of the PEA Impact	Savings compared to ComEd PTC (cents/kWh)	Savings inclusive of the PEA (cents/kWh)
June 2020	(\$14,770,229)	\$909,019	(\$13,861,210)	-2.030	-1.905
July 2020	(\$20,710,277)	(\$1,665,502)	(\$22,375,779)	-2.038	-2.202
August 2020	(\$19,471,867)	\$3,932,495	(\$15,539,372)	-1.950	-1.556
September 2020	(\$23,847,931)	(\$3,220,633)	(\$27,068,564)	-2.679	-3.041
October 2020	(\$15,460,542)	(\$2,819,546)	(\$18,280,088)	-2.740	-3.240
November 2020	(\$15,622,897)	(\$2,735,278)	(\$18,358,175)	-2.854	-3.354
December 2020	(\$18,349,831)	(\$3,318,296)	(\$21,668,128)	-2.764	-3.263
January 2021	(\$21,301,240)	(\$3,912,138)	(\$25,213,377)	-2.721	-3.221
February 2021	(\$24,769,323)	\$331,621	(\$24,437,702)	-3.434	-3.388
March 2021	(\$23,386,687)	\$3,188,255	(\$20,198,431)	-3.666	-3.166
April 2021	(\$18,074,029)	\$1,471,138	(\$16,602,891)	-3.635	-3.339
May 2021	(\$17,449,388)	\$899,705	(\$16,549,683)	-3.703	-3.512
<b>Totals</b>	(\$233,214,240)	(\$6,939,160)	(\$240,153,400)	-2.738	-2.819
<b>Average</b>	(\$19,434,520)	(\$578,263)	(\$20,012,783)		

Table 24 demonstrates that, on average, residential ARES customers paid around \$19.4 million **more** per month during the last twelve months when compared to the ComEd PTC. In addition, given that the PEA was a credit in six of the twelve months during the June 2020 through May 2021 period, the gap between the ComEd supply price and the average ARES price **increased** even **more**. In terms of cents per kWh, residential ARES customers paid about 2.738 cents/kWh **more** when compared to the ComEd PTC only, and about 2.819 cents/kWh **more** when including the PEA.

Taking the most recent twelve-month period into account, the ten-year tables look as follows<sup>19</sup>:

**TABLE 25: COMED RESIDENTIAL SAVINGS ESTIMATES (YEARLY)**

	Annual Savings compared to ComEd PTC (in million)	Annual Savings inclusive of the PEA Impact (in million)
June 2011 – May 2012	\$17.2	\$24.2
June 2012 – May 2013	\$250.8	\$257.5
June 2013 – May 2014	(\$40.2)	\$38.7
June 2014 – May 2015	(\$12.3)	(\$73.4)
June 2015 – May 2016	(\$79.7)	(\$115.2)
June 2016 – May 2017	(\$131.4)	(\$152.1)
June 2017 – May 2018	(\$123.3)	(\$138.2)
June 2018 – May 2019	(\$97.5)	(\$124.2)
June 2019 - May 2020	(\$136.7)	(\$144.5)
June 2020 - May 2021	(\$233.3)	(\$240.2)
<b>Ten-year Total</b>	<b>(\$586.5)</b>	<b>(\$667.5)</b>

<sup>19</sup> All amounts are absolute amounts and have not been adjusted for inflation.

**TABLE 26: DETAILED COMED RESIDENTIAL SAVINGS ESTIMATES (YEARLY)**

	Annual Savings compared to ComEd PTC	Annual PEA Impact	Annual Savings inclusive of the PEA Impact	Savings compared to ComEd PTC (cents/kWh)	Savings inclusive of the PEA (cents/kWh)
June 2011 – May 2012	\$17,219,337	\$7,023,472	\$24,242,809	0.984	1.386
June 2012 – May 2013	\$250,827,896	\$6,681,912	\$257,509,807	2.148	2.315
June 2013 – May 2014	(\$40,238,809)	\$78,936,788	\$38,697,979	-0.211	0.190
June 2014 – May 2015	(\$12,338,179)	(\$61,101,792)	(\$73,439,971)	-0.081	-0.446
June 2015 – May 2016	(\$79,723,261)	(\$35,481,059)	(\$115,204,320)	-0.643	-0.948
June 2016 – May 2017	(\$131,391,493)	(\$20,716,588)	(\$152,108,081)	-1.210	-1.449
June 2017 – May 2018	(\$123,315,376)	(\$14,927,712)	(\$138,243,088)	-1.289	-1.445
June 2018 - May 2019	(\$97,507,771)	(\$26,675,815)	(\$124,183,586)	-1.302	-1.658
June 2019 - May 2020	(\$136,748,943)	(\$7,757,952)	(\$144,506,896)	-1.694	-1.790
June 2020 - May 2021	(\$233,305,106)	(\$6,939,160)	(\$240,244,266)	-2.738	-2.819

The tables show that, on average, ARES customers saved during the first two years of residential choice when compared to the ComEd PTC and paid more during the last eight years when compared to the ComEd PTC. It also shows that the PEA was mostly a credit during the last seven years, which increased the overall negative savings during that period.

Looking at this from a cents/kWh perspective, during the June 2012 through May 2013 period the average savings per kWh was about 2.1 cents when compared to the ComEd PTC and about 2.3 cents when taking into account the PEA. For the June 2013 through May 2014 period, the average ARES rate was about 0.2 cent above the ComEd PTC and 0.19 cent below the ComEd supply rate when taking into account the PEA. Since then, the difference in the ARES rates and the ComEd PTC/PEA have continued to increase with this year's difference the largest yet. For the most recent June through May period, the average ARES rate was about 2.738 cents above the ComEd PTC and 2.819 cents above the ComEd supply rate when including the PEA.

Reviewing the tables above shows that, on average, an ARES customer consuming 500 kWh/month saved approximately \$139 for the year during the planning year that ended in May 2013. The same average ARES residential customer saved just over \$11 during the planning year that ended in May 2014 but paid \$169 more during the planning year that ended in May 2021.

An average ARES residential customer that uses 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 and paying \$406 more during the planning year that ended in May 2021. Again, these numbers are averages and almost all customers are either below or above the average.

2. Ameren Illinois Territory

As mentioned above, a residential savings analysis was completed for the Ameren Illinois territory for the sixth year in a row. In comparison to the analysis for the ComEd area, one additional factor is considered: the two-block residential rate for the non-summer months. From October to May, the Ameren Illinois residential supply rate consists of a lower rate for usage above 800 kWh. In order to account for this, Ameren Illinois provided the weighted average rate based on actual residential usage during those months. Given that usage characteristics vary across the three RZs, the savings calculations were performed separately for each of the RZs, even though most ARES did not differentiate their residential rates based on RZs. Other than this additional step, the same steps that were used for the ComEd calculations were followed.

Table 27 combines the results of the three Ameren RZs to give an overview of the entire Ameren Illinois area:

**TABLE 27: CURRENT YEAR AMEREN ILLINOIS RESIDENTIAL SAVINGS ESTIMATES (MONTHLY)**

	Savings compared to Ameren PTC	PEA Impact	Savings inclusive of the PEA Impact	Savings compared to Ameren PTC (cents/kWh)	Savings inclusive of the PEA (cents/kWh)
June 2020	(\$12,214,840)	(\$971,217)	(\$13,186,058)	-2.360	-2.547
July 2020	(\$17,927,979)	(\$1,516,971)	(\$19,444,950)	-2.540	-2.755
August 2020	(\$17,499,412)	(\$1,718,964)	(\$19,218,376)	-2.555	-2.806
September 2020	(\$14,419,726)	(\$1,738,875)	(\$16,158,601)	-2.369	-2.655
October 2020	(\$9,847,171)	(\$1,119,492)	(\$10,966,663)	-2.419	-2.694
November 2020	(\$9,220,873)	(\$726,909)	(\$9,947,782)	-2.343	-2.528
December 2020	(\$12,186,302)	(\$665,818)	(\$12,852,120)	-2.246	-2.369
January 2021	(\$15,809,233)	(\$986,446)	(\$16,795,679)	-2.294	-2.437
February 2021	(\$14,860,628)	(\$765,260)	(\$15,625,888)	-2.278	-2.396
March 2021	(\$13,844,726)	(\$406,210)	(\$14,250,936)	-2.379	-2.449
April 2021	(\$9,281,909)	(\$226,984)	(\$9,508,893)	-2.211	-2.265
May 2021	(\$8,522,277)	(\$674,283)	(\$9,196,560)	-2.208	-2.382
<b>Totals</b>	<b>(\$155,635,077)</b>	<b>(\$11,517,428)</b>	<b>(\$167,152,505)</b>	<b>-2.362</b>	<b>-2.537</b>
<b>Average</b>	<b>(\$12,969,590)</b>	<b>(\$959,786)</b>	<b>(\$13,929,375)</b>		

Table 27 reveals that, on average, residential ARES customers (which were overwhelmingly municipal aggregation customers), paid about 2.54 cents **more** per kWh than Ameren Illinois bundled service customers between June 2020 and May 2021 when taking into account the impacts of the PEA. In Ameren Illinois territory, the PEA was a bill credit every month during the last year.

Table 28 breaks down the annual numbers by rate zone for the past six years:

**TABLE 28: DETAILED AMEREN ILLINOIS RESIDENTIAL SAVINGS ESTIMATES BY RZ (YEARLY)**

	Savings compared to Ameren PTC	PEA Impact	Savings inclusive of the PEA Impact	Savings compared to Ameren PTC (cents/kWh)	Savings inclusive of the PEA (cents/kWh)
<b>June 2015 – May 2016</b>					
RZ I	(\$4,880,734)	(\$2,605,697)	(\$7,486,431)	-0.358	-0.490
RZ II	\$3,523,105	(\$1,824,501)	\$1,698,604	0.243	0.111
RZ III	(\$664,637)	(\$4,180,380)	(\$4,845,017)	-0.044	-0.172
<b>June 2016 – May 2017</b>					
RZ I	(\$11,606,248)	(\$6,284,848)	(\$17,891,096)	-0.582	-0.898
RZ II	(\$3,482,116)	(\$4,276,724)	(\$7,758,840)	-0.255	-0.569
RZ III	(\$10,972,004)	(\$9,234,493)	(\$20,206,497)	-0.341	-0.628
<b>June 2017 – May 2018</b>					
RZ I	(\$25,719,473)	(\$5,186,539)	(\$30,906,012)	-1.253	-1.506
RZ II	(\$11,548,340)	(\$3,444,847)	(\$14,993,187)	-0.865	-1.123
RZ III	(\$34,808,416)	(\$8,636,476)	(\$43,444,892)	-1.044	-1.304
<b>June 2018 – May 2019</b>					
RZ I	(\$34,885,191)	(\$3,511,531)	(\$38,396,721)	-1.378	-1.516
RZ II	(\$20,367,563)	(\$2,541,113)	(\$22,908,676)	-1.373	-1.544
RZ III	(\$54,433,799)	(\$6,140,072)	(\$60,573,871)	-1.536	-1.709
<b>June 2019 – May 2020</b>					
RZ I	(\$30,799,216)	(\$2,786,598)	(\$33,585,814)	-1.657	-1.807
RZ II	(\$18,938,504)	(\$2,059,722)	(\$20,998,227)	-1.387	-1.538
RZ III	(\$47,947,979)	(\$4,900,498)	(\$52,848,477)	-1.484	-1.635
<b>June 2020 – May 2021</b>					
RZ I	(\$45,061,572)	(\$3,146,363)	(\$48,207,935)	-2.426	-2.595
RZ II	(\$32,652,446)	(\$2,527,676)	(\$35,180,121)	-2.274	-2.450
RZ III	(\$77,921,059)	(\$5,843,390)	(\$83,764,449)	-2.364	-2.542

## G. The HEAT Act Rate Reports

Effective January 1, 2020, Public Act 101-0590 amended the Public Utilities Act (“PUA”) to require all ARES to provide the Commission and the Office of the Attorney General the rates “charged to residential customers in the prior year, including each distinct rate charged and whether the rate was a fixed or variable rate, the basis for the variable rate, and any fees charged in addition to the supply rate, including monthly fees, flat fees, or other service charges” by May 31st of each year. To provide additional context, Staff requested that ARES identify the territory where each rate was charged.

The statute does not require, and ARES did not provide, a description of the types of products associated with the various rates charged or how many customers are enrolled on each rate. Given the amount of non-rate benefits, such as airline miles and smart devices, that the ARES utilize in their marketing promotions, this omission often renders it difficult to accurately reflect the benefits provided to customers. Additionally, the reports do not include information about how the various rate products were marketed to customers.

Of the 80 ARES licensed to serve residential customers, the eight companies below failed to file the information required:

- American Illuminating Company, LLC;
- American PowerNet Management, LP;
- Aspurity Energy LLC;
- Entrust Energy East, Inc (certificate removal pending);
- Hudson Energy Services LLC;
- Oasis Power, LLC d/b/a Oasis Energy (certificate removed 7/8/21);
- Starion Energy PA Inc; and
- StateWise Energy Illinois LLC.

While Just Energy Solutions Inc. provided rate data to Staff, the Company is revising the information provided to ensure compliance with the statute. Receipt of this data is pending as of the publication of this Report. Additionally, Staff asked for clarification of the data they provided from several ARES, and responses are still pending from Clearview Electric Inc. d/b/a Clearview Energy and Santanna Energy Services.

Similar to most of the data in this report, the ARES rate information covered the period of June 1, 2020, through May 31, 2021. Although some ARES charged three to six rates during the timeframe indicated, other ARES charged over 29,000 different fixed and variable rates throughout the Ameren and ComEd territories.<sup>20</sup> The lowest rate charged in the Ameren territory was a variable rate product of 2.87 cents

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<sup>20</sup> 220 ILCS 20-110 requires ORMD to include the ARES rate information in this report. Because of the volume of different fixed and variable rates charged by a large number of ARES throughout the service territories, the rate information is presented in the aggregate in this report in order to give a broad overview of the state of the competitive market. Individual annual rate reports from any of the 72 ARES that filed annual rate reports are available upon request.

(rounded) per kWh from August to October of 2020. The highest rate charged in the Ameren territory also consists of a variable rate of 16.69 cents per kWh from March through May of 2021. In the ComEd territory, the lowest reported rate was 3.44 cents (rounded) per kWh, which is a fixed rate product for the time period of November 2019 through November 2022. The highest rate charged in the ComEd territory was a variable rate charged in January and February 2021 of 25.09 cents per kWh. While none of these rates included additional fees, several suppliers charged separate fees in addition to the reported rates, ranging from \$0.50 a day to \$10 a month, in the past year. Additionally, several ARES offer subscription or flat fee products pursuant to which customers pay the same amount throughout the life of the contract, which tends to be twelve months. These products ranged from \$29.99 to \$299.99 a month.

## VII. Consumer Resources for Residential and Small Commercial Electric Customers

### A. [PlugInIllinois.org](https://www.pluginillinois.org)

PlugInIllinois.org is the ICC's electric choice consumer education website aimed at providing residential and small commercial customers with a better understanding of their electric supply options. Pursuant to Public Act 97-0222, both ComEd and Ameren Illinois have included the PlugInIllinois.org website address on their monthly bills since May 2012. The law also requires all ARES to provide the PlugInIllinois.org website address to residential and small commercial customers.

The website provides information including electric choice basics, utility bill and pricing information, a Frequently Asked Questions (FAQ) guide, and a glossary. Details to assist a consumer shopping for electric supply options are also provided. A shopper may review a list of ARES, current offers as posted by ARES, and the price-to-compare—current and historical—in both the Ameren and ComEd service territories. Historical price-to-compare information also includes the Purchased Electricity Adjustment (PEA) as these known values are part of the actual price paid by utility supply customers.

On the website, a consumer has the opportunity to compare and shop ARES' offers through the "Compare Offers Now" link and matrix of contract options. Customers may select their utility territory to see the ARES offers available and compare the offers to their respective utility rate as well as to other competing offers. For each offer posted, the comparison matrix displays the supplier's logo as well as the offer name; both items link 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, and a brief description of the offer. The customer may also review the offer's cost for monthly usage levels of 500, 1,000 and 1,500 kWh. Customers can sort the offers by supplier, by price, or by the length of the term. As a condition to posting on PlugInIllinois.org, ARES are required to honor the prices of the offers they post.

Further, a customer may review some performance metrics related to individual ARES. Each monthly Complaint Scorecard ranks suppliers by their number of complaints compared to the average rate of complaints for the entire residential market. Additionally, within the Customer Complaint Statistics section is a Complaint Summary, which 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 Consumer Services Division receives about each ARES.

A list of communities utilizing municipal aggregation programs can also be found on [PluginIllinois.org](http://PluginIllinois.org). The Municipal Aggregation List 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, utility territory, and referendum date. Additionally, a sort function was added to the list allowing website visitors to sort by community name, status, supplier name, aggregation rate, contract end date, territory, or referendum date.

In collaboration with IT Staff, ORMD Staff is working to make esthetic changes to [PluginIllinois.org](http://PluginIllinois.org). The planned changes are meant to improve navigation throughout the website without changes to the content.

## B. Other Regulatory Activities

### 1. Moratorium on In-Person Solicitation by ARES and AGS

Due to the global Covid-19 pandemic, many states across the country declared public health emergencies. On March 9, 2020, Governor JB Pritzker declared that a public health emergency existed in the State of Illinois within the meaning of Section 4 of the Illinois Emergency Management Agency Act (IEMA Act). The Governor urged all Illinois citizens to avoid large assemblies and close contact with other to the extent possible. Additionally, the Governor urged employers to permit teleworking and other remote work to the extent possible.

Therefore, on March 18, 2020, the Commission unanimously concluded that it was vital to place a moratorium on in-person solicitations by ARES and AGS to slow the spread of Covid-19 and protect the citizens of Illinois<sup>21</sup>. As the State has moved to Phase 5 of the Governor's Restore Illinois framework, the Emergency Orders declaring the moratorium have been amended to allow certain in-person solicitations to resume, but door-to-door solicitations to residential and small commercial customers continue to be prohibited.

### 2. The Home Affordability and Transparency Act and Rulemakings

On August 27, 2019, Governor Pritzker signed into law the Home Energy Affordability and Transparency (HEAT) Act, which aims to enhance consumer protections and create transparency in the market. It is imperative for consumers to understand the transactions they are participating in when engaging with alternative retail electric suppliers. Consumer education and transparency are essential to a successfully competitive market.

To increase market transparency, the HEAT Act required a number of additional disclosures on marketing materials, the Uniform Disclosure Statement (UDS), etc. Among the new requirements, the Act mandates that the Utility Electric Supply Price to Compare (PTC) be included on all marketing materials and on all bills. Both Ameren and ComEd had already undertaken the necessary steps to add this information on their bills in 2019. Additionally, the HEAT Act eliminated ARES early termination

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<sup>21</sup> The Emergency Orders can be found in Dockets 20-0310 and 20-0311.



fees, increased ARES bond requirements, and added a new bond requirement for ARES who engage in in-person solicitation.

The HEAT Act expands on consumer protections found in the Public Utility Act and the Consumer Fraud Act. As a result, Staff has initiated several rulemaking proceedings to ensure the Commission rules reflect changes brought about by the HEAT Act. As of the publication of this report, the rulemaking proceedings are ongoing.

### 3. Enforcement Activity

ORMD Staff, in collaboration with Staff from the Office of General Counsel and CSD, regularly evaluate informal complaints and ARES' behaviors in the context of 83 Ill. Admin. Code 412 to ensure ARES compliance with the rules. Amended Code Part 412 was implemented on May 1, 2018. Since then, the Commission has issued a Notice of Apparent Violation to several ARES and initiated several formal investigative proceedings.<sup>22</sup>

The Commission approved a settlement and release agreement in Docket No. 18-1773 regarding Great American Power, LLC (the Company) signed by the Commission, the Illinois Attorney General (AG), the Citizen's Utility Board (CUB), and the Company. In the agreement, the Company agreed to pay a total of \$325,000 in customer refunds and other payments and to stop marketing and enrolling customers in Illinois for five years. The settlement and release agreement were contingent on GAP entering into a compliance plan with Staff; GAP's failure to comply with the terms of the Compliance Plan may lead Staff, CUB, or the AG to request the Commission reopen the docket.

## VIII. Suggested Administrative and Legislative Action

In collaboration with Staff from OGC and CSD, ORMD Staff has reviewed the HEAT Act and initiated rulemakings to make the necessary amendments to the rules to accurately reflect the new legislation.

The PUA authorizes the ICC to review and grant licenses to entities seeking to become ABCs but is silent on the ICC's authority to revoke an ABC license. Therefore, Staff recommends that the PUA be amended to include language that provides the ICC with explicit authority to revoke ABC certificates.

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<sup>22</sup> The Docket Numbers for the open proceedings are as follows: 18-1652; 18-1653; 21-0362; 21-0363; 21-0364.