

# ComEd's New Rate Structure

## Midwest Cogeneration Association

### March 6, 2007 Meeting

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Retail Rates

# Overview of ComEd's Procurement Case & Delivery Service Tariff (DST) Rate Case

- Competitive Procurement Process (auction)
  - Blended, Annual, Hourly
  - Defined customer supply groups (incl. self-generators)
- Repackage ComEd's bundled service offerings
  - Update DST revenue requirement
  - Consolidate & restructure customer classes
  - Unbundle prices (supply, transmission, DST)
  - Incorporate certain additional PJM provisions
    - e.g. PJM-based avoided cost compensation for QFs

- Implement Rate Working Group Consensus Items
  - Step 1. Unbundle Prices
  - Step 2. Implement a Single Set of Customer Classes
  - Step 3. Synchronize Unbundled and Bundled Charges
- Develop a Single Set of Tariffs that is Cohesive and Readily Understood
  - Step 4. Reduce / Discontinue Special Use Tariffs
  - Step 5. Reduce Inconsistency and Complexity in Tariff Provisions

# Step 1 - Unbundle Prices

**An unbundled structure enhances the customer's ability to understand the bill and to compare the commodity cost with RES offerings.**

## Old Bundled World

- **Customer Charge** (*\$/month*)
- **Demand Charge** (*\$/kW*)
- **Energy Charge** (*\$/kWh*)
  - Seasonal Variation
  - Size Variation – Blocking
  - Time of Use Variation
    - Peak / Off-Peak
    - Hourly

## New Unbundled World

- **Distribution Services Charge**
  - Customer and Meter Services Charges (*\$/month*)
  - Distribution Charge (*either \$/kWh or \$/kW*)
- **Transmission Services Charge** (*\$/kWh*)
- **Supply Services Charge** (*\$/kWh*)
  - Seasonal Variation
  - Time of Use Variation
    - Peak / Off-Peak
    - Hourly
    - Cap. Obligation (*\$/kW*)

### Issues:

- **Bundled Classes Don't Match Unbundled Classes**
- **Unbundled Classes are Too Numerous**

### Solution:

- **Use Unbundled Customer Classes as the Platform for both Bundled and Unbundled Service**
- **Reduce Number by Consolidating and Restructuring Customer Classes as Appropriate**

# Customer Class Simplification - Summary

## Old Customer Classes

## New Customer Classes

### Non-residential – 12 Classes

- Watt-Hour Only Metered
- 0 kW – 25 kW
- 25 kW – 100 kW
- 100 kW – 400 kW
- 400 kW – 800 kW
- 800 kW – 1,000 kW
- 1,000 kW – 3,000 kW
- 3,000 kW – 6,000 kW
- 6,000 kW – 10,000 kW
- Over 10,000 kW
- Pumping
- Railroad

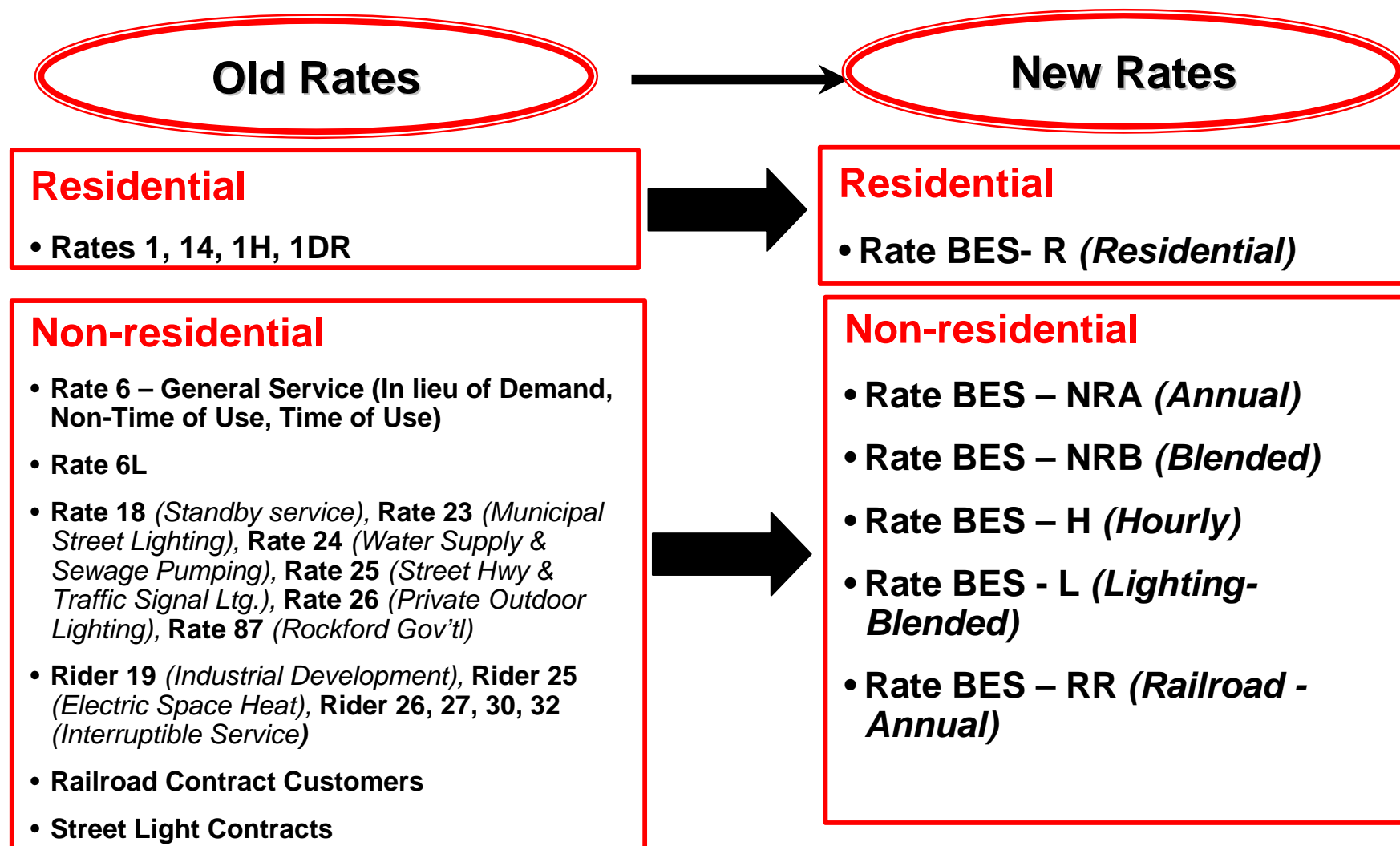
### Non-residential – 8 Classes

- Watt-Hour Metered
- 0 kW – 100 kW
- 100 kW – 400 kW
- 400 kW – 1,000 kW
- 1,000 kW – 10,000 kW
- Over 10,000 kW
- High Voltage ( $\geq 69$  kV)
- Railroad

# New Tariff Structure for Basic Electric Service (BES)

- Use Unbundled Components for Pricing
  - Refers to Rate RDS for Delivery Service Component
  - Refers to Rider TS – CPP for Transmission Services Component  
(*Pass-through of costs*)
  - Refers to Rider CPP for Supply Services Component (*Pass-through of Auction Price*)

# Summary of Proposed BES Tariffs



# Step 4 - Reduce / Replace Special Use Tariffs



## Legacy Tariffs

- Discontinue Electric Space Heating and Pumping Tariffs
  - Replace with BES tariffs

## Demand Response Portfolio

- Restructure Legacy Interruptible / Curtailable Structure
  - Rider 13 Pumping, Rider 26 Interruptible, Rider 27 Self-Generators, Rider 30 Interruptible / Curtailable, and Rider 32 Curtailable Cooperative
- Develop Appropriate Demand Response Tariff Structure for the Post '06 Era
  - Build / Retain Flexible Demand Response Portfolio (Riders VLR7, CLR7 & AC7)
  - Market-Based Programs
  - Compatible with PJM Structure

### Changes

- An Interval Data Recording (IDR) Meter is Standard for Customers At and Above 400 kW
- Match Summer Period to Billing Cycles  
(Change the start of the Summer Period from June 15 to the June Monthly Billing Period)
- Proposed the use of a 24 hour clock for all demand based customers (ICC did not accept this change)

- Any retail customer that (a) owns, operates, and/or is entitled to the output from electric generating facilities located at such retail customer's premises, and (b) such electric generating facilities (1) have a generation capacity of one hundred (100) kW or more, and (2) are used for any purpose other than emergency purposes during such times when electric service from the Company is interrupted.

Note: The electric load of a self-generating customer is procured directly from the PJM administered markets.

- Rate BES –H: Basic Electric Service – Hourly Energy Pricing
  - DST Charges (Rate RDS)
  - Transmission Charge (Rider TS-CPP)
  - PJM real-time LMPs for the ComEd Zone
    - Adjusted for losses (1.0675) & uncollectibles (1.0007)
  - Capacity Supply Charge
    - Highest 30-min. demand (ea. day) X Capacity Supply Charge (\$/kw-day)
    - Adjusted for supply-related losses (1.0675) & uncollectibles (1.0007)
  - Supply Administration Charge (\$19.67)
  - Other generally applicable charges (e.g. taxes, etc)

- Rider POG – Parallel Operation of Retail Customer Generating Facilities
  - Applies to any customer with generating facilities interconnected in parallel to ComEd’s system
  - Provides 4 service options:
    - A: Gross output of generation DELIVERED to ComEd system
    - B: Net output of generation DELIVERED to ComEd system
    - C: Gross output of generation SOLD to ComEd
    - D: Net output of generation SOLD to ComEd
  - Includes provisions for interconnection, distribution and metering facilities, term of service, etc.

## A and B (No ComEd compensation under Rider POG):

- QFs selling to wholesale market
  - Subject to the Operating Agreement, the applicable Reliability Assurance Agreement, and/or the Open Access Transmission Tariff (OATT) of the PJM Interconnection L.L.C. (PJM), or any successor agreement or tariff
- All other customers with non-QF generators interconnected to ComEd's system

## C and D (ComEd Compensation under Rider POG):

- QF NOT selling into wholesale market

- **Fixed Compensation:**

For generating facilities less than 1,000 kW:

- Peak Summer rate \$0.0455/kWh
- Off-Peak Summer rate \$0.0297/kWh
- Peak Non-Summer rate \$0.0364/kWh
- Off-Peak Non-Summer rate \$0.0267/kWh

For generating facilities greater than or equal to 1,000 kW:

- Peak Summer rate \$0.0442/kWh
- Off-Peak Summer rate \$0.0290/kWh
- Peak Non-Summer rate \$0.0355/kWh
- Off-Peak Non-Summer rate \$0.0261/kWh

- **Nodal Compensation:**

For a situation in which:

- the retail customer sells output to ComEd, and
- ComEd is compensated by PJM for such output, with
- the net compensation paid to ComEd by PJM determined by
  - the application of the PJM real time generator nodal locational marginal prices (LMP), offset by
  - balancing operating reserve charges, applicable administrative fees, and any other applicable charges or credits billed in accordance with the provisions of the PJM Agreements and/or Tariffs

The compensation paid by ComEd to the generator customer is equal to:

- the summation, over all the hours in the monthly billing period, of
  - the PJM real time generator nodal LMP for each such hour, in \$/kWh, multiplied by
  - such output, in kWhs, in each such hour, less
- the balancing operating reserve charges, applicable administrative fees, and any other applicable charges or credits billed in accordance with the provisions of the Agreements and/or Tariffs applicable to such output.

- Zonal Compensation:

For any other situation in which:

- the retail customer sells such output to ComEd

The compensation paid by ComEd to such retail customer is equal to:

- the summation, over all the hours in the monthly billing period, of
- the PJM real-time, LMP for the ComEd Zone for each such hour, in \$/kWh, multiplied by
- such output, in kWhs, in each such hour.

# Contract Options

- ComEd standby/PURPA sale to ComEd
  - Rate BES-H
  - Rider POG (D)
    - Fixed or variable option
- ComEd standby/wholesale market sales
  - Rate BES-H/Rider ZSS7
  - Rider POG (B)
  - PJM OATT
- RES standby/PURPA sale to ComEd
  - Rate RDS/RES Supply
  - Rider POG (D)
    - Fixed or variable option
- RES standby/wholesale market sales
  - Rate RDS/Rider ZSS7/RES Supply
  - Rider POG (B)
  - PJM OATT