

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

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



Office of Retail Market Development
Illinois Commerce Commission

July 2022

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

July 25, 2022

The Honorable JB Pritzker
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.

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

Sincerely,

Tanya Capellan

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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, Public Act 094-1095 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 shall 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. 220 ILCS 5/20-110.

II. Introduction

Electric consumers in the Ameren Illinois, ComEd, and MidAmerican service territories can 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 2022 and includes recommendations for future actions aimed at supporting the development of competitive retail electric markets.

This Report is divided into two main sections based on 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 2007.¹ 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.² The Ameren petition stated that 67% of

¹ ICC Docket No. 07-0478

² 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.

Ameren Illinois is made up of three rate zones from the merger of three legacy companies, but it has been working to consolidate the three rate zones. While some of the information provided in this Report consolidates the three rate zones, there are some sections of the Report that provides detailed information for the individual rate zones.

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 **ABC**.

III. Executive Summary

A. Market Participation

Statewide, the number of ARES certified by the ICC to serve retail customers has decreased from 2021 to 2022. 2022 also saw a 14.1% decrease in total customers served by an ARES and a 3.5% 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
	2021	2022		
Number of Customers with an ARES	1,800,773	1,546,230	↓	-14.1%
ComEd	1,068,096	867,824	↓	-18.8%
Non-Residential	126,099	120,289	↓	-4.6%
Residential	941,997	747,535	↓	-20.6%
Ameren(All RZ)	732,677	678,406	↓	-7.4%
Non-Residential	97,004	90,940	↓	-6.3%
Residential	635,673	587,466	↓	-7.6%
kW Usage Provided to Customers by an ARES	5,463,256,475	5,655,001,786	↑	3.5%
ComEd	3,471,472,967	3,533,251,809	↑	1.8%
Non-Residential	3,000,017,483	3,136,464,281	↑	4.5%
Residential	471,455,484	396,787,528	↓	-15.8%
Ameren(All RZ)	1,991,783,508	2,121,749,977	↑	6.5%
Non-Residential	1,605,730,350	1,723,669,524	↑	7.3%
Residential	386,053,158	398,080,453	↑	3.1%

2022 Snapshot

211,229
non-residential
customers on ARES supply, compared to 223,103 last year.

1.33 million
residential
customers on ARES supply, compared to 1.57 million last year.

4.86 billion
non-residential
usage provided by ARES supply.

100 ARES
certified in the state, compared to 106 last year.

The percentages in Table 2 compare:

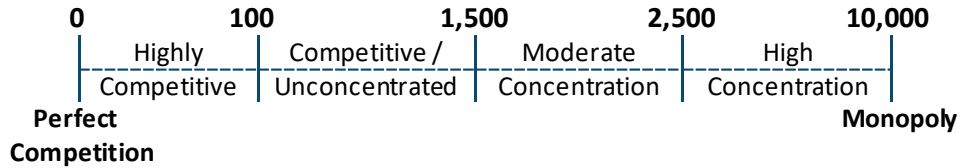
1. The total number of customers on ARES supply to the total number of customers in the market.
2. The total usage provided by ARES as a percent of the total usage provided to the market.

TABLE 2: SUMMARY OF MARKET INDICATORS (PERCENT)

	Percent of Total Market		Trend	Percent Change
	2021	2022		
Number of Customers with an ARES	35%	30%	↓	-5%
ComEd	27%	22%	↓	-5%
Non-Residential	43%	40%	↓	-3%
Residential	26%	21%	↓	-5%
Ameren (All RZ)	60%	55%	↓	-4%
Non-Residential	57%	53%	↓	-4%
Residential	60%	56%	↓	-4%
kW Usage Provided to Customers by an ARES	71%	68%	↓	-3%
ComEd	66%	63%	↓	-3%
Non-Residential	83%	83%	-	0%
Residential	29%	22%	↓	-7%
Ameren (All RZ)	81%	79%	↓	-2%
Non-Residential	88%	87%	↓	-1%
Residential	60%	56%	↓	-4%

B. Market Competitiveness

The competitiveness of the market is also important. The Herfindahl-Hirschmann Index (HHI) is a common indicator used 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 2020-2021 saw an overall increase in competitiveness within the marketplace; however, 2021-2022 saw an overall decrease in competition in the non-residential category. The highest increase in competition was with residential customers within Ameren Rate Zone II and the largest decrease was for non-residential customers within Ameren Rate Zone II. The changes in HHI values indicating decreased competitiveness are not significant enough to shift most of the designations, with the exception of non-residential customers in Ameren Rate Zone II and III who shifted from competitive in 2021 to moderate concentration in 2022. Table 3 summarizes the market competitiveness in each utility territory and is broken out by non-residential and residential HHI values.

TABLE 3: SUMMARY OF MARKET COMPETITIVENESS

	HHI Value		Current Designation	Trend
	2021	2022		
Concentration of ARES Market				
ComEd				
Non-Residential	1,757	1,701	Moderate Concentration	↓
Residential	819	866	Competitive	↑
AmerenRZ I				
Non-Residential	1,522	1,616	Moderate Concentration	↑
Residential	3,765	3,448	High Concentration	↓
AmerenRZ II				
Non-Residential	1,435	2,844	Moderate Concentration	↑
Residential	7,072	6,588	High Concentration	↓
AmerenRZ III				
Non-Residential	1,455	1,755	Moderate Concentration	↑
Residential	4,895	4,469	High Concentration	↓

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. At the end of May 2022, 64 unique residential offers were posted in the ComEd service territory while 32 unique residential offers were posted for the Ameren Illinois territory. A majority of these were fixed rate offers, lasting 12 months.

PlugInIllinois also lists municipal aggregation program³ offerings. As of May 2022, 514 active municipal aggregation programs were posted in the ComEd and/or Ameren territories. The number of active aggregation programs has decreased from 2021. During the reporting period, the average rate for a municipal aggregation program in the ComEd territory was 6.202 cents per kWh and 4.498 cents per kWh in the Ameren territory.⁴

- On average, residential ARES customers in the ComEd territory paid around \$10.16 million more per month during the past twelve months when compared to the ComEd Price-to-Compare (PTC)⁵ and \$9.35 million more per month during the last twelve months when compared to the ComEd PTC including the Purchased Electricity Adjustment (PEA).⁶ In terms of cents per kWh, residential ARES customers in the ComEd territory paid about 1.662 cents/kWh more when compared to the ComEd PTC only, and about 1.529 cents/kWh more when including the PEA.
- In the Ameren Illinois territory, residential ARES customers on average paid around \$1.97 million more per month during the last twelve months when compared to the Ameren Illinois PTC and \$2 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 0.351 cents/kWh more when compared to the Ameren Illinois PTC, and about 0.356 cents/kWh more when including the PEA.

³ Effective January 1, 2010, Public Act 96-0176 allows 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.

⁴ 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.

⁵ The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

⁶ 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 2019 through May 2022 that have obtained ICC certification pursuant to Section 16-115. Overall, data this year shows a decrease in the number of certified ARES.

TABLE 4: CERTIFIED ARES STATEWIDE

	2019	2020	2021	2022	Trend	Percent Change from 2020 to 2021
Total Quantity of Certified ARES	108	103	106	100	Decrease	-6%
Subpart B (Nonresidential > 1 MW)	2	2	2	4	Increase	50%
Subpart C (Nonresidential > 15,000 kWh)	9	10	10	9	Decrease	-10%
Subpart D (All customers, Including Residential)	86	84	83	77	Decrease	-6%
Subpart E (Themselves or Affiliates)	11	11	12	10	Decrease	-17%

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.⁷ 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.

⁷ 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 TERRITORY⁸

	2018	2019	2020	2021	2022	Trend	Percent Change from 2021 to 2022
ComEd Territory							
Completed ARES Registrations	83	93	91	94	94	Steady	0%
Active ARES	73	90	91	112	79	Decrease	-29%
Ameren Illinois Territory							
Completed ARES Registrations	44	47	46	48	43	Decrease	-10%
Active ARES	37	39	41	42	42	Steady	0%

Overall, 2022 has shown a decrease in ARES that have completed their registration in Ameren but no change in the number of ARES registered with ComEd. The number of active participants in the Ameren territory has remained the same but the ComEd territory has seen a decrease.

C. Agents, Brokers and Consultants

A significant change between 2021 and 2022 is the 37% 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 has been steadily decreasing. Over the last twelve months, 12 ABCs received a license from the ICC and 35 entities filed to withdraw their licenses or had their licenses removed. The number of ABC licenses withdrawn or removed over the past two years is larger than those withdrawn or removed 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

	June 2018 - May 2019	June 2019 - May 2020	June 2020 - May 2021	June 2021 - May 2022	Trend	Percent Change
New Licenses	40	26	19	12	Decreasing	-37%
Withdrawn or Removed Licenses	6	26	19	35	Increasing	84%
Total ABCs with Active ICC Licenses	406	431	429	402	Decreasing	-6%

⁸ In previous years, if a supplier had different dbas under which they conducted business, each dba was counted as an individual ARES. This has been changed in this year's report to only count each entity once.

From June 2021 to May 2022, Staff opened a total of 28 ABC citation cases for failure to comply with 83 Ill. Adm. Code 454. Out of the 28 dockets, all have been closed and resulted in the license being revoked.

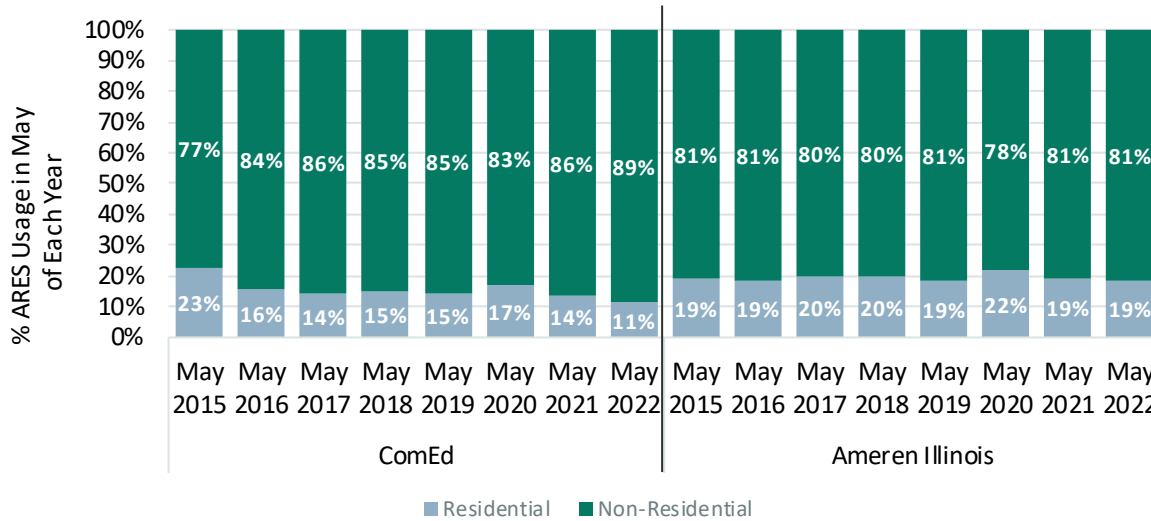
TABLE 7: OVERVIEW OF AGENT, BROKER, AND CONSULTANT CITATION CASES

	Number of ABCs	Percent
License Revoked	28	100%
Case Dismissed	0	0%
Suspended for 2 Years	0	0%
Suspended for 180 Days	0	0%
Suspended for 90 Days	0	0%
Ongoing Cases	0	0%

D. Comparing ARES-Provided Load

Over the last year, the number of ComEd non-residential customers on competitive supply decreased by 4.6% and the number of Ameren non-residential customers in all rate zones on competitive supply decreased by 6.3%. 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 1.33 million in 2022. ARES continue to have significantly more residential customers than 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 ARES 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



The active suppliers in the ComEd territory provided 3.1 billion monthly kWh to their non-residential customers in May 2022. The non-residential usage provided by the ARES continues to be the 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 11% 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 decreased to 84% in 2022. 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 last year saw a return to 85% and a 1% decrease this year.

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

	May-16	May-17	May-18	May-19	May-20	May-21	May-22	Trend
Statewide	85%	84%	85%	85%	71%	85%	84%	Decreasing
ComEd	84%	83%	82%	83%	65%	83%	83%	Steady
Ameren	87%	86%	89%	88%	89%	88%	86%	Decreasing

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

1. ComEd Territory

As of May 2022, ARES provided 83% of the total electric usage of ComEd non-residential customers, which remained steady from 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 2015.

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

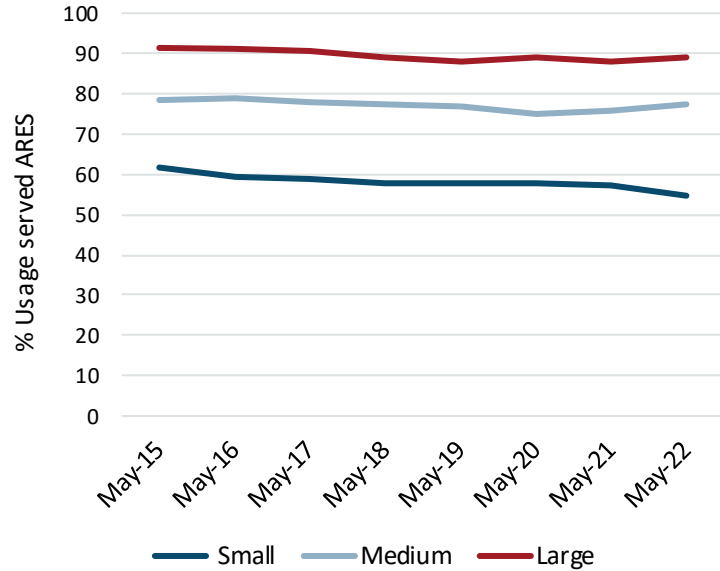


TABLE 9: PERCENT OF COMED NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	May 2022	Trend
Small (0 – 100 kW)	60%	59%	58%	58%	58%	57%	55%	Decreasing
Medium (100 – 400 kW)	79%	78%	77%	77%	75%	76%	77%	Increasing
Large (400 kW – 1 MW)	91%	90%	89%	88%	89%	88%	89%	Increasing
Greater than 1 MW	96%	97%	95%	97%	58%	97%	97%	Steady

2. Ameren Illinois Territory

While Ameren has consolidated its three rate zones (RZ), this Report will provide individual usage information for each rate zone. Non-residential ARES usage decreased in the small commercial customer category in all three rate zones. Rate Zone I saw an increase in usage in the medium and large commercial classes, but Rate Zone III saw a decrease in usage in the medium and large customer classes.

a) Ameren Illinois Rate Zone I

As of May 2022, ARES provided 87% of the total non-residential electric usage of RZ I customers, a decrease of 1% from 2021. 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 seven years.⁹

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

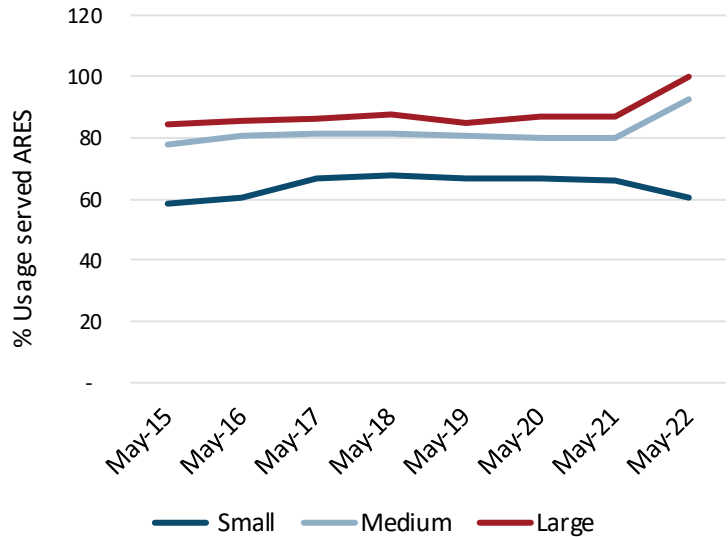


TABLE 10: PERCENT OF AMEREN RZ I NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	May 2022	Trend
Small (0 – 100 kW)	61%	67%	68%	67%	67%	66%	60%	Decreasing
Medium (100 – 400 kW)	81%	81%	82%	81%	80%	80%	93%	Increasing
Large (400 kW – 1 MW)	86%	86%	87%	85%	87%	87%	100%	Increasing

⁹ Data as of May 31 of each year.

b) *Ameren Illinois Rate Zone II*

As of May 2022, the total non-residential electric usage of RZ II customers provided by ARES remained steady at 91%. Electric usage provided by ARES to small and medium customers both saw decreases while usage for large customers increased, as seen in Table 11. Figure 4 shows the electric usage provided by ARES to the various non-residential customer classes for the past seven years.¹⁰

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

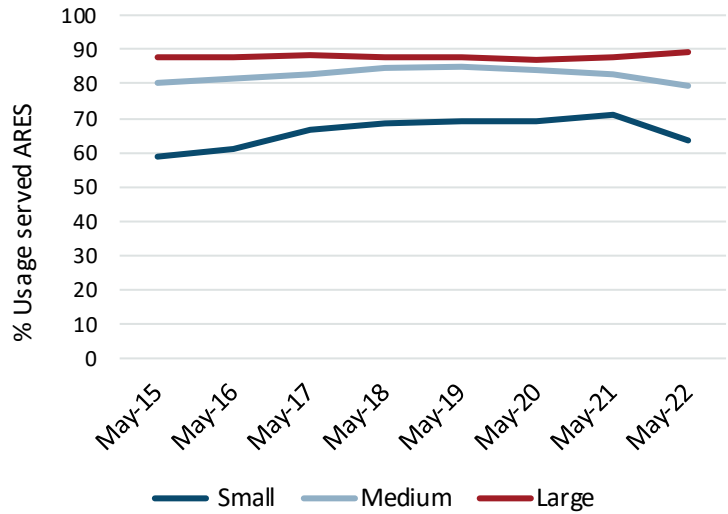


TABLE 11: PERCENT OF AMEREN RZ II NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	May 2022	Trend
Small (0 – 100 kW)	61%	67%	68%	69%	69%	71%	64%	Decreasing
Medium (100 – 400 kW)	81%	83%	85%	85%	84%	83%	79%	Decreasing
Large (400 kW – 1 MW)	88%	88%	88%	88%	87%	88%	89%	Increasing

¹⁰ Data as of May 31 of each year.

c) *Ameren Illinois Rate Zone III*

As of May 2022, ARES provided 86% of the total non-residential electric usage of RZ III customers, a 1.5% decrease from previous years. Figure 5 shows the electric usage provided by ARES to the various Ameren non-residential customer classes for the past eight years.¹¹

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

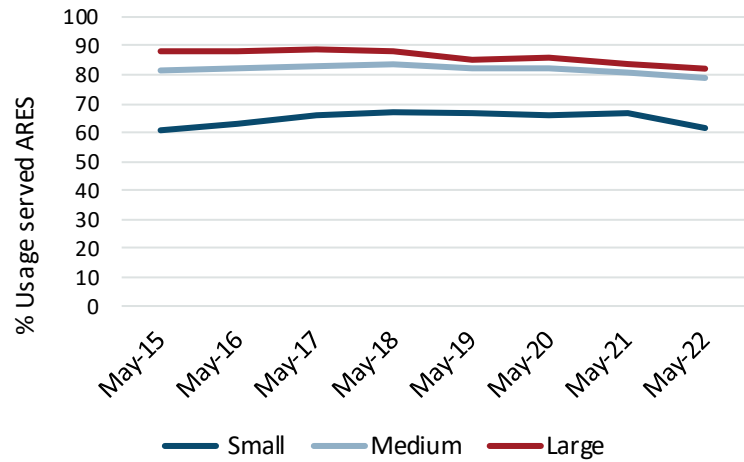


TABLE 12: PERCENT OF AMEREN RZ III NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2016	May 2017	May 2018	May 2019	May 2020	May 2021	May 2022	Trend
Small (0 – 100 kW)	63%	66%	67%	67%	66%	67%	62%	Decreasing
Medium (100 – 400 kW)	82%	83%	84%	82%	82%	81%	79%	Decreasing
Large (400 kW – 1 MW)	88%	89%	88%	85%	86%	84%	82%	Decreasing

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 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.”

¹¹ Data as of May 31 of each year.

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-18	May-19	May-20	May-21	May-22	Trend	Percent Change
ComEd							
Non-Residential	60	67	70	70	67	Decreasing	-4%
Residential	59	64	65	64	61	Decreasing	-5%
AmerenIllinois							
Non-Residential	28	28	30	32	30	Decreasing	-6%
Residential	26	27	29	29	28	Decreasing	-3%

C. Non-Residential Market Competitiveness

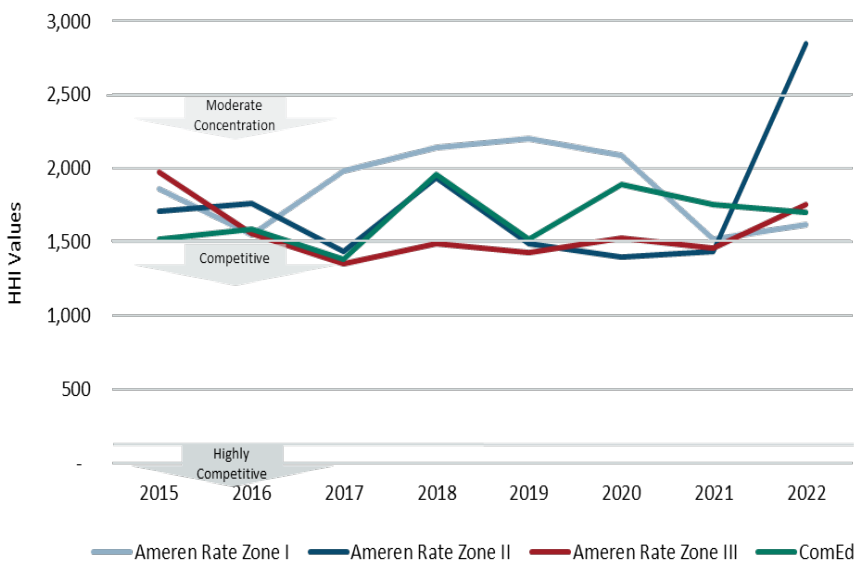
As in previous annual reports, this Report includes an analysis of non-residential market competitiveness using the Herfindahl-Hirschmann Index (HHI), which is a common indicator to measure competition among firms in a defined market. This analysis ranks each market on a scale of perfectly competitive (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 2015 to 2022.

In 2021, two of the four markets were moderately concentrated. A year later, in 2022, all four markets are moderately concentrated, showing that the overall retail market was less competitive in 2022 than in the previous year.

Figure 6: HHI VALUES FOR THE ENTIRE NON-RESIDENTIAL MARKET



Herfindahl-Hirschmann Index

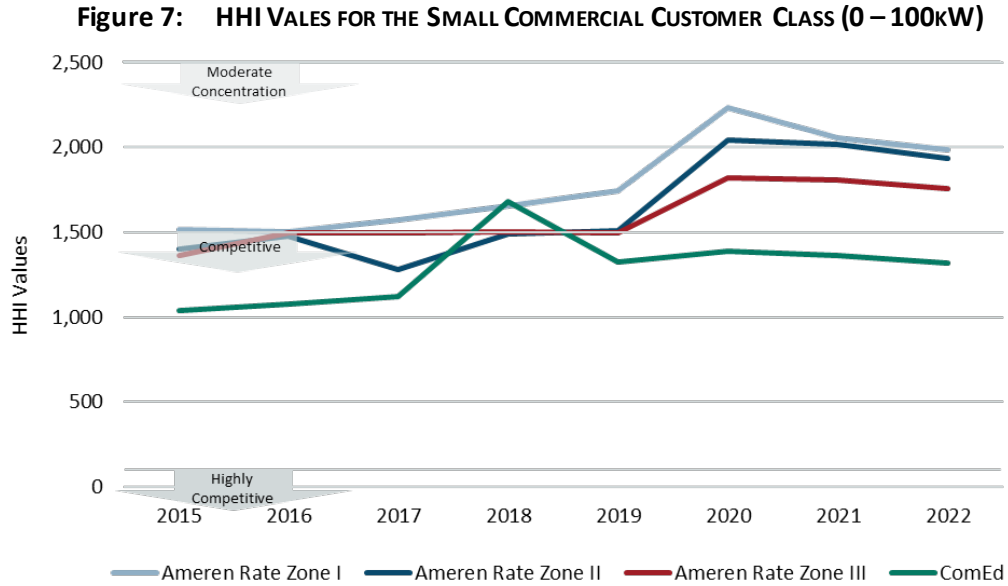
In order to put the market concentration values into perspective, Staff looked at the revised 2010 Horizontal Merger Guidelines by the Department of Justice (DOJ) and the Federal Trade Commission (FTC), which divide the spectrum of market concentration into three regions.

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.

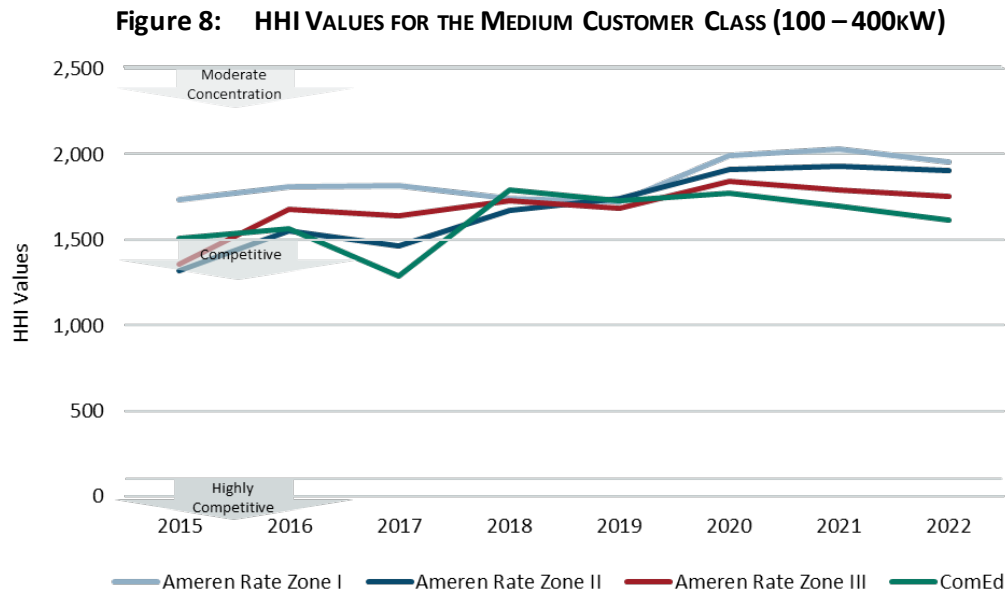
1. Small Commercial Class Market Competitiveness (0 – 100 kW)

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 indicate the increased competitiveness but not significant enough to shift the HHI designations.



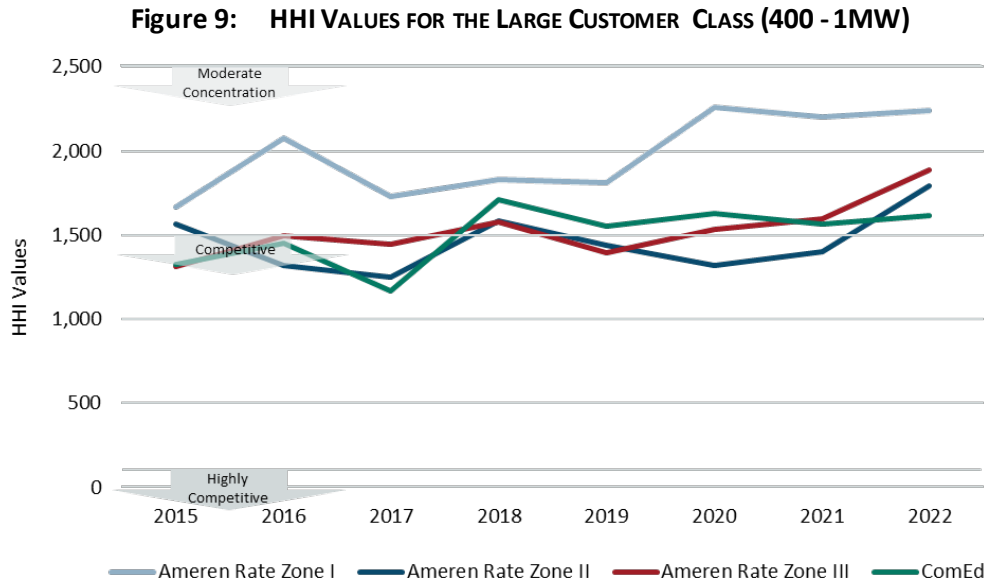
2. Medium Commercial Class Market Competitiveness (100 – 400 kW)

All four medium commercial class HHI values saw a slight decrease, meaning that there was a slight increase in competition for the medium customer class. All four territories have remained moderately concentrated.



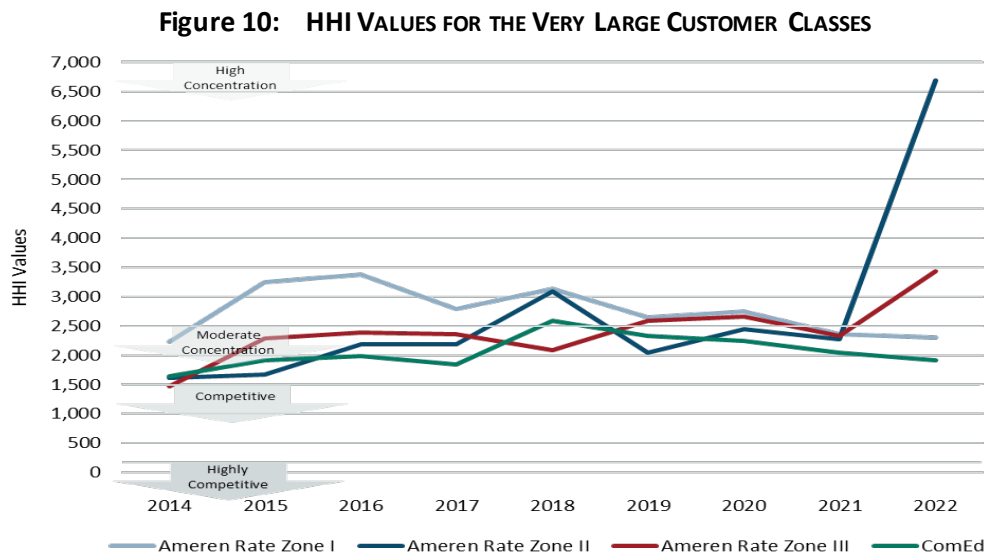
3. Large Commercial Class Market Competitiveness (400 kW – 1 MW)

In the large commercial class market, all four territories saw an increase in HHI values which would indicate a decrease in competition.



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 customer class and the Ameren switching activity for the 1 – 3MW and 3 – 6MW customer classes combined. 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 utility territories;
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 difference (in dollars) the residential customers paid 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. Over the last several of years, the number of residential customers receiving their supply from an ARES has fluctuated with no definitive pattern. As of the end of May 2022, approximately 1.33 million residential customers were on ARES service, compared to roughly 1.57 million customers in 2021 and over 3 million customers eight 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-18	May-19	May-20	May-21	May-22
ComEd	1,150,368	1,149,911	1,065,354	941,997	747,535
AmerenIllinois	624,014	627,513	609,425	635,673	587,466
Total	1,774,382	1,777,424	1,674,779	1,577,670	1,335,001
Percent of Customers in the Utility Territory on ARES Supply					
ComEd	32.40%	32.15%	29.40%	26.06%	20.37%
AmerenIllinois	59.11%	59.51%	57.49%	59.98%	55.51%

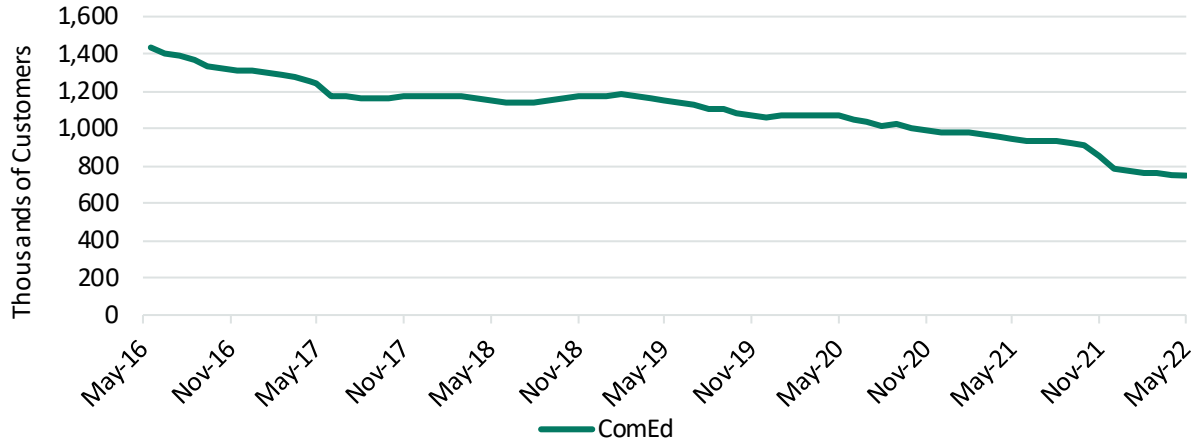
The share of residential aggregation customers decreased from 57% of all residential ARES customers in May 2021 to 55% as of May 2022.

Broken down by utility area, of the 587,466 residential ARES customers in the Ameren Illinois areas, 83% are municipal aggregation customers. In other words, 83% of residential customers participated in retail choice because they did not opt out of their municipality's aggregation program. This represents an increase of 5% compared to the 78% aggregation share from 2021. In the ComEd area, 33% of customers are municipal aggregation customers. This is a decrease of 10% compared to 2021.

1. ComEd Territory

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

Figure 11: COMED RESIDENTIAL CUSTOMERS ON ARES SUPPLY

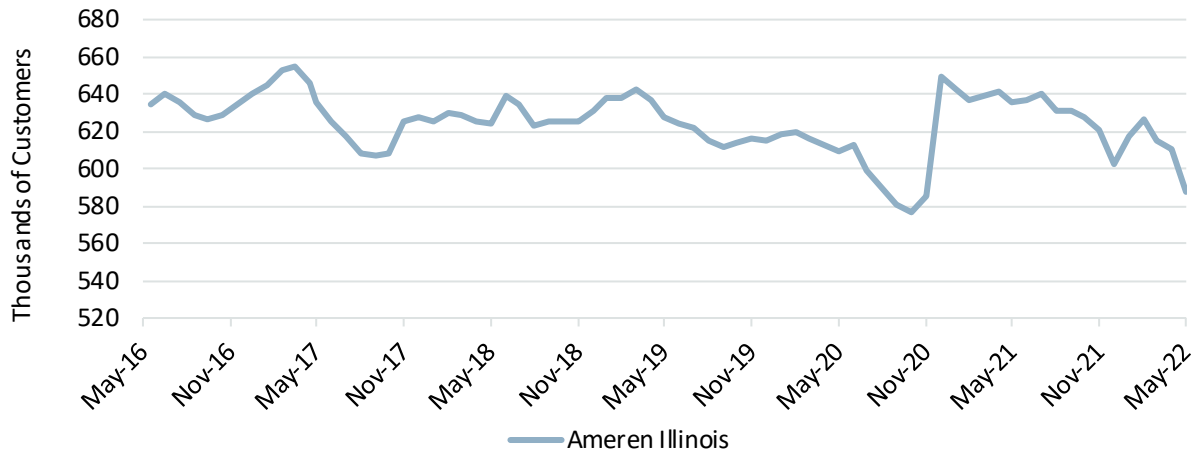


The ComEd territory has seen a steady decline from the peak in the number of residential ARES customers in 2014. At that time, more than 2.4 million residential customers, or 70% of the total residential customers in the ComEd territory, received electric service from an ARES. As of May 2022, the number of ARES residential customers in the ComEd territory is less than half the 2014 peak and comprises 20% 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.

Figure 12: AMEREN ILLINOIS RESIDENTIAL CUSTOMERS ON ARES SUPPLY



Overall, Ameren has seen a decrease in residential customer on ARES supply over the last year. As of May 2022, about 55% of residential customers in the Ameren territory were on ARES supply compared to almost 60% the previous year.

B. Municipal/Government Aggregation

Effective January 1, 2010, Public Act 96-0176 amended the Illinois Power Agency Act (“IPA Act”) to allow 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.

Statewide a total of 749 communities have 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
Referendums Passed	20	246	207	204	52	12	2	2	4
Aggregation Programs Announced or Implemented	19	244	192	187	48	8	2	2	4
# of Unique “Winning” Suppliers – ComEd	4	8	8	7	7	1	1	1	N/A
# of Unique “Winning” Suppliers – Ameren Illinois	N/A	3	5	3	1	1	1	1	1
Average Rate – ComEd	5.75	4.85	5.11	5.82	7.04	6.47	6.59	6.29	N/A
Average Rate – Ameren Illinois	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 May 2022.

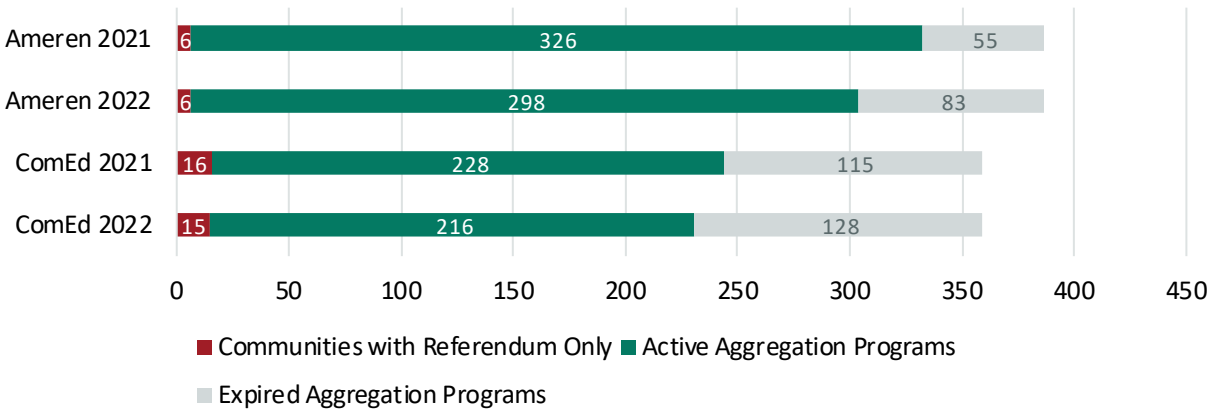
TABLE 16: MUNICIPAL AGGREGATION ACTIVITY BY UTILITY TERRITORY

	Communities Passing a Referendum	Aggregation Programs Implemented	Active Aggregation Programs	Expired Aggregation Programs	Average Rate (in cents per kWh) ¹²
ComEd	359	344 (96%)	216 (60%)	128 (36%)	6.202
Ameren	387	381 (98%)	298 (77%)	83 (21%)	4.498
Total	746	725 (97%)	514 (69%)	211 (28%)	4.95

¹² 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.

As of May 2022, 211 of the 746 communities (about 28%) 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 May 2022, 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.

Figure 13: MUNICIPAL AGGREGATION STATUS FOR COMMUNITIES WITH REFERENDUMS



C. Active Suppliers

Having looked at the customer switching numbers, Table 17 shows a decrease in residential ARES activity over the last year in the ComEd territory and no change in the Ameren territory. This year has seen an increase in the number of ICC certified ARES in Ameren and a decrease in ComEd.

TABLE 17: RESIDENTIAL SUPPLIERS

	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21	May-22
ComEd										
ICC Certified	57	61	60	67	72	84	80	76	81	77
Active	42	51	48	57	55	60	68	69	69	59
Ameren Illinois										
ICC Certified	26	33	36	34	41	43	41	31	31	45
Active	10	17	23	22	25	27	27	29	27	27

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 saw a decrease in the number of individual ARES posting offers this year.

TABLE 18: ARES POSTING OFFERS ON PLUGINILLINOIS.ORG

	May-18	May-19	May-20	May-21	May-22
ComEd	35	38	36	36	26
Ameren Illinois	19	19	17	17	13

Correspondingly, Table 19 shows how the number of posted offers decreased over the last year in both Ameren and ComEd.

TABLE 19: RESIDENTIAL OFFERS POSTED ON PLUGINILLINOIS.ORG

	May-18	May-19	May-20	May-21	May-22
ComEd	103	104	103	96	64
Ameren Illinois	42	46	53	48	32

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

	May-18	May-19	May-20	May-21	May-22
Total	103	104	103	96	64
Fixed	91 (88%)	90 (86%)	84 (81%)	80 (83%)	52 (81%)
• Fixed with Early Termination Fee	65 (71%)	56 (62%)	31 (37%)	28 (35%)	22 (42%)
• Fixed without Early Termination Fee	21 (23%)	34 (38%)	53 (63%)	52 (65%)	30 (58%)
Custom	5 (5%)	4 (4%)	4 (4%)	3 (3%)	2 (3%)
Variable	12 (12%)	10 (10%)	15 (15%)	13 (14%)	10 (16%)
< 12-month Term	35 (34%)	29 (28%)	32 (31%)	27 (28%)	14 (22%)
12-month Term	38 (37%)	42 (40%)	33 (32%)	33 (34%)	20 (31%)
13-23 month Term	5 (5%)	9 (9%)	7 (7%)	6 (6%)	5 (8%)
24-month Term	18 (17%)	20 (19%)	21 (20%)	21 (22%)	13 (20%)
> 24-month Term	7 (7%)	4 (4%)	10 (10%)	9 (9%)	12 (19%)
Green/Renewable	31 (30%)	20 (19%)	28 (27%)	26 (27%)	19 (30%)

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 four 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:** 2022 saw an increase of offer terms lasting longer than two years from 9 of 96 offers in 2021 to 12 of 64 offers in 2022.
- **Green/Renewable:** 19 of the 64 offers contain a green/renewable component.

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

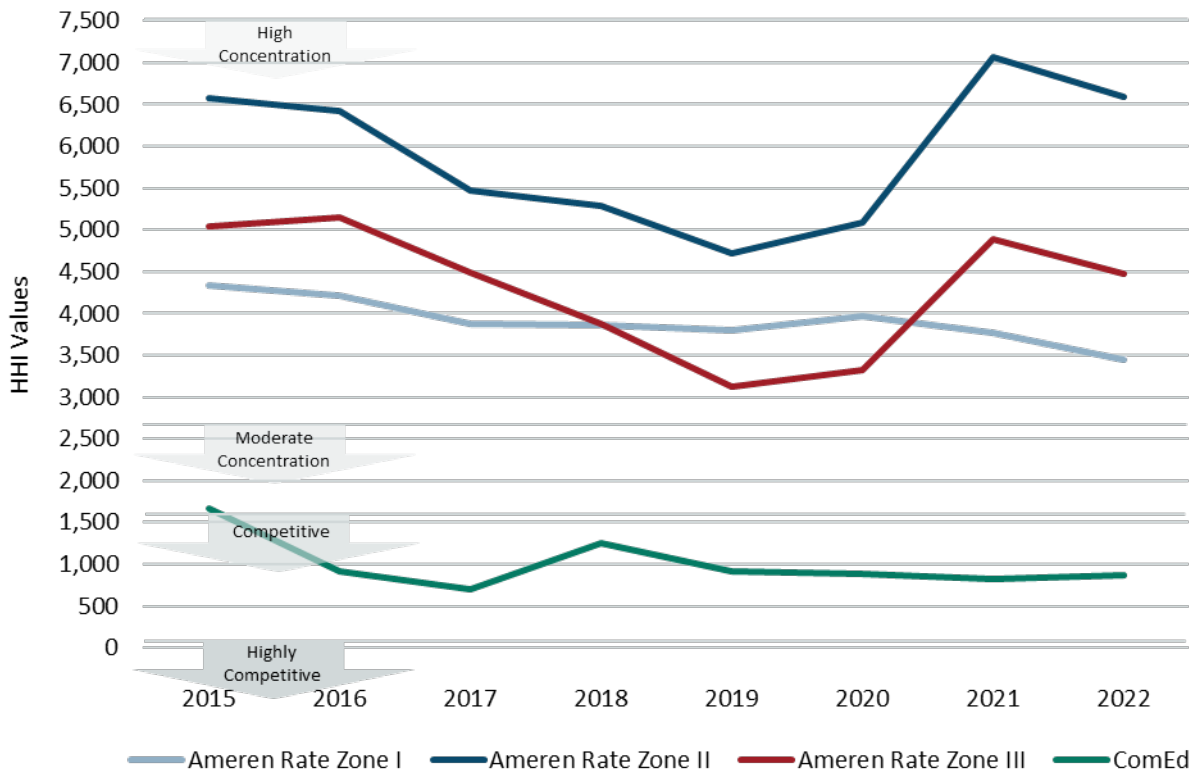
	May-18	May-19	May-20	May-21	May-22
Fixed	8.42 (+10%)	8.03 (-5%)	7.83 (-2%)	8.07 (+3%)	10.34 (+28%)
• Fixed with Early Termination Fee	8.58 (+10%)	8.37 (-3%)	7.75 (-7%)	8.05 (+4%)	8.78 (+9%)
• Fixed without Early Termination Fee	8.25 (+11%)	7.47 (-10%)	7.91 (+6%)	8.09 (+2%)	11.90 (+47%)
Variable	7.82 (+4%)	7.46 (-5%)	7.17 (-4%)	7.44 (+4%)	11.33 (+52%)
< 12-month Term	7.76 (+9%)	7.25 (-7%)	7.26 (+0.2%)	7.45 (+2%)	10.10 (+50%)
12-month Term	8.98 (+15%)	8.37 (-7%)	7.43 (-11%)	6.72 (-10%)	10.99 (+48%)
13-23 month Term	7.85 (-5%)	7.93 (+1%)	7.58 (-4%)	8.16 (+8%)	9.66 (+18%)
24-month Term	8.91 (+10%)	9.06 (+2%)	7.35 (-19%)	7.44 (+1%)	8.20 (+10%)
> 24-month Term	8.80 (-6%)	8.76 (-0.5%)	8.50 (-3%)	9.06 (+7%)	10.34 (+14%)
Green/Renewable	8.32 (+6%)	8.28 (-0.5%)	7.73 (-7%)	7.51 (-3%)	11.34 (+51%)
ComEd PTC incl. PEA	6.818 (+17%)	6.719 (-1.5%)	7.572 (+13%)	7.239 (-4%)	8.135 (+12%)

The comparison shows that the average price of the various types of offers was higher, in most cases, in May 2022 than in May 2021. The largest increase occurred in the offers with a variable rate 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 Ameren. The residential market in the Ameren Illinois territory has become a little less concentrated in the last year, but more concentrated than in 2019.

Figure 14: HHI VALUES FOR THE RESIDENTIAL CUSTOMER CLASS



The graph illustrates several trends:

- The ComEd residential market continues to be unconcentrated for the seventh 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 fact that 83% 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, helps 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-15	May-16	May-17	May-18	May-19	May-20	May-21	May-22
Share of largest 3 suppliers	61%	44%	42%	48%	42%	41%	31%	31%
# of suppliers with >15% share	1	1	1	1	1	1	0	0
# of suppliers with >5% and <15% share	2	3	3	3	4	3	5	5
# of suppliers with <5% share	45	53	52	49	47	48	63	54
# of suppliers with < 1% share	29	34	33	31	28	29	47	35

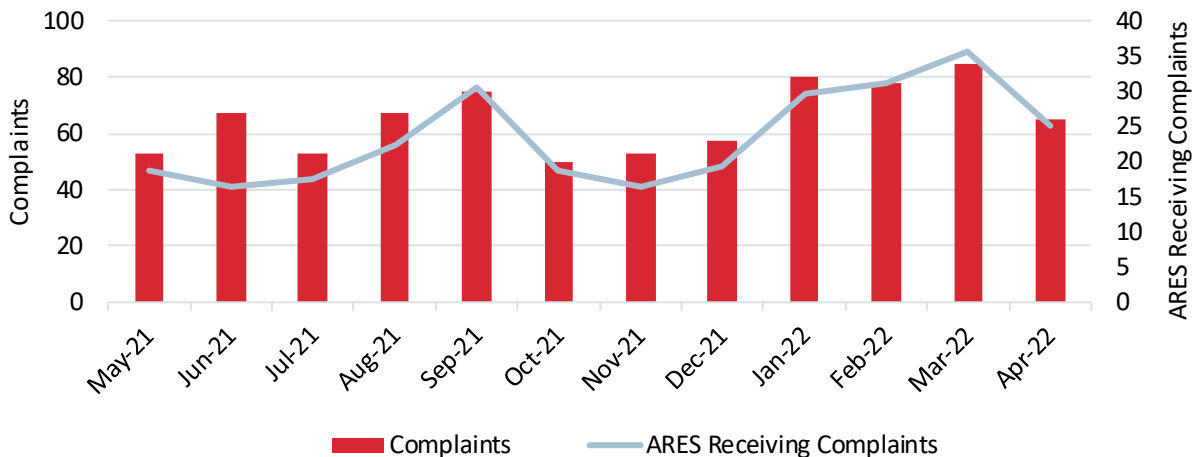
Table 22 shows that the total market share of the three ARES with the highest individual market share of residential customers has remained steady from 2021 numbers. It is also worth pointing out that:

- 54 of the 59 ARES with residential customers had a market share of less than 5%;
- 35 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 41 – 89 informal complaints per month for 21 – 34 ARES, which is down significantly from last year where CSD received 67 – 176 complaints per month for 29 – 39 ARES. These complaint quantities represent 0.003% - 0.006% of ARES customers per month.

Figure 15: STATEWIDE COMPLAINTS BY MONTH



F. Residential Cost Estimates

Starting in 2012, the 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 utility fixed-price bundled service,¹³ also known as the Price-to-Compare (PTC).¹⁴ Each year, Staff calculates the savings with and without the effects of the Purchased Electricity Adjustment (PEA).¹⁵ The same analysis has been completed for this year's report, allowing for an eleven-year total review. In addition, Staff has performed this analysis for the seventh 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.¹⁶

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

¹³ As of June 2013, there are no separate utility supply rates for residential customers with electric space heat.

¹⁴ The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

¹⁵ 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.

¹⁶ Two 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 ARESs' 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)
Six-year total	\$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 2021	(\$11,866,442)	\$480,654	(\$11,385,788)	(1.763)	(1.691)
July 2021	(\$15,462,750)	\$3,463,710	(\$11,999,039)	(1.864)	(1.446)
August 2021	(\$16,414,745)	\$4,313,837	(\$12,100,909)	(1.887)	(1.391)
September 2021	(\$17,184,039)	\$3,637,599	(\$13,546,440)	(1.940)	(1.530)
October 2021	(\$6,077,791)	(\$2,987,278)	(\$9,065,070)	(1.009)	(1.506)
November 2021	(\$4,916,744)	(\$2,242,154)	(\$7,158,898)	(1.090)	(1.586)
December 2021	(\$6,654,040)	(\$2,628,643)	(\$9,282,682)	(1.265)	(1.765)
January 2022	(\$8,982,818)	(\$1,434,896)	(\$10,417,714)	(1.452)	(1.684)
February 2022	(\$10,159,971)	\$2,952,004	(\$7,207,968)	(1.721)	(1.221)
March 2022	(\$8,831,345)	\$2,414,403	(\$6,416,942)	(1.829)	(1.329)
April 2022	(\$7,392,134)	\$473,611	(\$6,918,523)	(1.795)	(1.680)
May 2022	(\$8,017,228)	\$1,292,870	(\$6,724,359)	(2.022)	(1.696)
Totals	(\$121,960,047)	\$9,735,715	(\$112,224,333)	(1.662)	(1.529)
Average	(\$10,163,337)	\$811,310	(\$9,352,028)		

Table 24 demonstrates that, on average, residential ARES customers paid around \$10.16 million more per month during the last twelve months when compared to the ComEd PTC. The PEA was a credit in four of the twelve months during the June 2021 through May 2022 period, so the gap between the ComEd supply price and the average ARES price decreased by about an average of \$800,000 per month. In terms of cents per kWh, residential ARES customers paid about 1.662 cents/kWh more when compared to the ComEd PTC only, and about 1.529 cents/kWh more when including the PEA.

Taking the most recent twelve-month period into account, the eleven-year tables look as follows¹⁷:

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)
June 2021 - May 2022	(\$122.0)	(\$112.2)
Eleven-year Total	(\$708.4)	(\$779.7)

¹⁷ 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)
June 2021 - May 2022	(\$121,960,047)	\$9,735,715	(\$112,224,333)	(1.662)	(1.529)

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 nine years when compared to the ComEd PTC. It also shows that the PEA had been mostly a credit until this year.

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 although we saw a decrease this year compared to last year. For the most recent June through May period, the average ARES rate was about 1.662 cents above the ComEd PTC and 1.529 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 \$92 more during the planning year that ended in May 2022.

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 \$220 more during the planning year that ended in May 2022. 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 seventh 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. Other than this additional step, the same steps that were used for the ComEd calculations were followed.

Table 27 provides an overview of the Ameren Illinois territory.

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 2021	(\$2,462,688)	\$105,893	(\$2,356,794)	(0.473)	(0.453)
July 2021	(\$3,009,652)	\$764,952	(\$2,244,700)	(0.432)	(0.322)
August 2021	(\$3,734,028)	\$757,866	(\$2,976,163)	(0.528)	(0.421)
September 2021	(\$3,975,351)	\$456,124	(\$3,519,227)	(0.556)	(0.492)
October 2021	(\$1,831,159)	(\$101,057)	(\$1,932,216)	(0.344)	(0.362)
November 2021	(\$295,734)	(\$193,329)	(\$489,063)	(0.070)	(0.116)
December 2021	(\$917,110)	(\$390,000)	(\$1,307,110)	(0.182)	(0.259)
January 2022	(\$818,830)	(\$401,259)	(\$1,220,089)	(0.131)	(0.195)
February 2022	(\$1,738,389)	(\$344,796)	(\$2,083,185)	(0.266)	(0.319)
March 2022	(\$1,908,934)	(\$310,502)	(\$2,219,436)	(0.352)	(0.410)
April 2022	(\$1,477,439)	(\$340,564)	(\$1,818,003)	(0.338)	(0.416)
May 2022	(\$1,565,051)	(\$319,238)	(\$1,884,289)	(0.393)	(0.474)
Totals	(\$23,734,363)	(\$315,911)	(\$24,050,274)	(0.351)	(0.356)
Average	(\$1,977,864)	(\$26,326)	(2,004,189.48)		

Table 27 reveals that, on average, residential ARES customers (which were overwhelmingly municipal aggregation customers), paid about 0.356 cents more per kWh than Ameren Illinois bundled service customers between June 2021 and May 2022 when considering the impacts of the PEA.

Reviewing the table above shows that, on average, an ARES customer consuming 500 kWh/month paid \$21 more during the planning year that ended in May 2022. An average ARES residential customer that uses 1,200 kWh/month during the planning year that ended in May 2022 paid \$51 more.

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 83 ARES licensed to serve residential customers between June 2021 and May 2022, the four companies below failed to provide the information required.¹⁸

- Aspiry Energy LLC (failure to file docket 21-0780);
- EcoPlus Power, LLC (received their license 5/12/22);
- Entrust Energy East, Inc (certificate removed 03/07/22);
- Starion Energy PA Inc (certificate removed 03/03/22).

Similar to most of the data in this report, the ARES rate information covered the period of June 1, 2021, through May 31, 2022. Although some ARES charged three to six rates during the timeframe indicated, other ARES charged over 26,000 different fixed and variable rates throughout the Ameren and ComEd territories.¹⁹ The lowest rate charged in the Ameren territory was a variable rate product of 3.4 cents per kWh in May 2022. The highest rate charged in the Ameren territory also consists of a variable rate of 21.99 cents per kWh in May 2022. In the ComEd territory, the lowest reported rate was 1.14 cents per kWh in June 2021, which was a variable product. The highest rate charged in the ComEd territory was a fixed rate charged from November 2018 through December 2021 of 28.37 cents per kWh. While none of these rates included additional fees, several suppliers charged separate fees in addition to the reported rates, ranging from \$0.19 a day to \$15 a month, in the past year. Additionally, several ARES offer subscription or flat fee products pursuant to which customers pay the same monthly amount throughout the life of the contract, which tends to be twelve months. These products ranged from \$19 to \$389 a month.

¹⁸ While Staff received the Rate Reports of 79 ARES licensed to serve residential customers, 22 ARES currently licensed to serve residential customers have not formally filed their Rates Reports with the Chief Clerk’s Office.

¹⁹ 220 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.

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. 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 aesthetic changes to 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 others 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.²⁰ 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 in-person solicitations to resume subject to certain conditions.

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 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

²⁰ The Emergency Orders can be found in Dockets 20-0310 and 20-0311.

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.²¹

In November 2021, Staff filed enforcement dockets against 16 different ARES for failure to file quarterly and annual reports. Two of the 16 ARES complied with the filings and petitioned to withdraw their certificate; eight of the 16 ARES filed their delinquent reports and were ordered to pay penalties; six dockets are still outstanding.

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.

On May 27, 2022, the Governor approved Public Act 102-0958 which amends the Public Utilities Act and the Consumer Fraud and Deceptive Business Practices Act. The Act states that a license to operate for an ARES, AGS, or an ABC is not property, and the granting of a certificate or license does not create property interest. Additionally, the Act aligns the remedies available to a complainant to the Commission, regardless of whether a complaint is brought pursuant to the PUA or the CFA, thus streamlining the enforcement process. The Act also requires ARES and AGS contracts to include an internet address, instead of an email address, to which a consumer complaint may be directed to the Commission under the CFA.

²¹ The Docket Numbers for the open proceedings are as follows: 21-0362; 21-0363; 21-0364; 22-0107.