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ComEd's energy price was supposed to rise next month. Now it will fall. Here's why.

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STEVE DANIELS   



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In a welcome surprise, customers of Commonwealth Edison will be seeing a small decrease in their electricity costs, rather than the 8 percent increase that, as of a few months ago, was slated to go into effect next month.

The unexpected reprieve is due to a settlement negotiated by the Illinois Commerce Commission and regulators in other states that make up the regional power grid called PJM Interconnection. The pact affected how the costs of transmission—federally regulated prices for transporting power from plants over high-voltage lines to population centers—are allocated. The settlement cuts the cost of transmission and also reimburses electricity users in northern Illinois and other areas for past overpayments.

Due to the change, ComEd customers will see their cost of power reduced to 7.292 cents per kilowatt-hour, from 7.358 cents right now. Before the change, the price was set to increase to 7.941 cents per kilowatt-hour. The new price is locked in through May 2019.

The average household in ComEd's territory will save about \$33 over that period thanks to the change. For owners of larger, single-family homes, the savings will be more like \$52.

While ComEd customers will immediately see relief, there's no guarantee that customers of alternative power suppliers will. That's despite the fact that suppliers will experience the same cost savings ComEd will.

Suppliers "will see a reduction in their share of transmission costs, but ComEd has no way of knowing whether those savings will be returned to (their) customers," ComEd spokesman David O'Dowd emailed.

Constellation—the largest supplier in Illinois and a unit of Exelon, also the parent of ComEd—said in an email that customers under contract would see no change in their prices until those deals renew. "Pricing for contract renewals will reflect the new transmission rate," a spokeswoman said.

Timing of savings for business customers will depend on whether they're on fixed- or variable-rate deals, she said. Whether residential or commercial, the firm plans to proactively reach out to customers about the changes.

The news is bound to put pressure on suppliers which have come under scrutiny with **repeated state reports** showing their customers pay far more for electricity on average than those of ComEd. None, however, will be under any obligation to pass along the savings. Many customers are under fixed-price contracts, and others are on deals that fluctuate month to month where there's no explanation given for the price changes. As of July, more than 1.1 million—or 31 percent—of households in ComEd's service territory bought their power from a supplier other than ComEd, according to the ICC.

Though suppliers can't be compelled to pass along savings, there is one aspect of the change that regulators can police. Suppliers will have to adjust their marketing messages, delivered by armies of salespeople going door to door, telemarketers and direct mail. Many use [previous news](#) of ComEd's price increasing this coming fall to convince households to sign up with them. Now that ComEd's costs are falling, they won't be able to say that—at least, not legally. How many will, in fact, pivot and how fast?

As for the settlement that provided the relief to ComEd customers, it was the culmination of litigation the ICC first brought against federal regulators 13 years ago. The suit objected to a regional policy that forced customers, say, in Northern Illinois to help pay for new transmission lines that benefited East Coast markets not directly connected to the Chicago area. The Federal Energy Regulatory Commission approved the settlement, which funnels \$318 million back to northern Illinois, on May 31.

Inline Play

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