

**ILLINOIS COMMERCE COMMISSION
OFFICE OF RETAIL MARKET DEVELOPMENT
2020 ANNUAL REPORT**



**SUBMITTED PURSUANT TO SECTION 20-110 OF THE
ILLINOIS PUBLIC UTILITIES ACT**

JULY 2020

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

July 31, 2020

The Honorable Governor J. B. Pritzker

The Honorable Members of the Illinois General Assembly

The Honorable Members of the Illinois Commerce Commission

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

Sincerely,

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

Tanya Capellan
Acting Director, Office of Retail Market Development

Contents

- I. Statement of Purpose1**
- II. Introduction2**
- III. Executive Summary.....4**
 - A. Market Participation 4
 - Table 1: Summary of Market Indicators (Quantity)..... 4*
 - Table 2: Summary of Market Indicators (Percent)..... 5*
 - B. Market Competitiveness..... 6
 - Table 3: Summary of Market Competitiveness 6*
 - C. Consumer Offers and Spending 7
- IV. General Market Activity8**
 - A. ARES Requirements..... 8
 - B. Certified, Registered, and Active ARES 8
 - Table 4: Certified ARES Statewide 8*
 - Table 5: Registered and Active ARES by Utility Territory 9*
 - C. Agents, Brokers and Consultants 9
 - Table 6: Overview of Agents, Brokers and Consultants Certifications 9*
 - D. Comparing ARES-Provided Load 10
 - Figure 1: Residential and Non-Residential Share of ARES Supply 10*
- V. Non-Residential Market10**
 - A. Non-Residential Customer Switching 11
 - Table 7: Percent of Non-Residential Usage Provided by ARES..... 11*
 - 1. ComEd Territory 11
 - Figure 2: Percent of ComEd Non-Residential Usage Provided by ARES..... 11*
 - Table 8: Percent of ComEd Non-Residential Usage Provided by ARES..... 11*
 - 2. Ameren Illinois Territories 12
 - Figure 3: Percent of Ameren RZ I Non-Residential Usage Provided by ARES 12*
 - Table 9: Percent of Ameren RZ I Non-Residential Usage Provided by ARES 12*
 - Figure 4: Percent of Ameren RZ II Non-Residential Usage Provided by ARES 13*
 - Table 10: Percent of Ameren RZ II Non-Residential Usage Provided by ARES 13*
 - Figure 5: Percent of Ameren RZ III Non-Residential Usage Provided by ARES 13*
 - Table 11: Percent of Ameren RZ III Non-Residential Usage Provided by ARES 13*
 - B. Supplier Use of UCB/POR for Non-Residential Customers 14
 - Table 12: ARES Using UCB/POR Service for Customers..... 14*
 - C. Non-Residential Market Competitiveness 15
 - Figure 6: HHI Values for the Entire Non-Residential Market..... 15*
 - 1. Small Commercial Class Market Competitiveness (0 – 100 kW) 16
 - Figure 7: HHI Vales for the Small Commercial Customer Class (0 – 100kW) 16*
 - 2. Medium Commercial Class Market Competitiveness (100 – 400 kW) 16
 - Figure 8: HHI Values for the Medium Customer Class (100 – 400kW)..... 16*
 - 3. Large Commercial Class Market Competitiveness (400 kW – 1 MW) 17

	<i>Figure 9: HHI Values for the Large Customer Class (400 - 1MW)</i>	17
4.	Very Large Commercial Class Market Competitiveness	17
	<i>Figure 10: HHI Values for the Very Large Customer Classes</i>	17
VI.	Residential Market	18
A.	Residential Customer Switching	18
	<i>Table 13: Residential Customers on Competitive Supply</i>	18
1.	ComEd Territory	19
	<i>Figure 11: ComEd Residential Customers on ARES Supply</i>	19
2.	Ameren Illinois Territories	19
	<i>Figure 12: Ameren Illinois Residential Customers on ARES Supply</i>	19
B.	Municipal/Government Aggregation.....	20
	<i>Table 14: Municipal Aggregation Activity</i>	20
	<i>Table 15: Municipal Aggregation Activity by Utility Territory</i>	20
	<i>Figure 13: Municipal Aggregation Status for Communities with Referendums</i>	21
C.	Active Suppliers.....	21
	<i>Table 16: Residential Suppliers</i>	21
	<i>Table 17: ARES Posting Offers on PlugInIllinois.org</i>	22
	<i>Table 18: Residential Offers Posted on PlugInIllinois.org</i>	22
	<i>Table 19: Breakdown of Offers Available to ComEd Customers on PlugInIllinois.org</i>	22
	<i>Table 20: Average Prices (cents/kWh) of Offer Types on PlugInIllinois.org</i>	23
D.	Residential Market Competitiveness	24
	<i>Figure 14: HHI Values for the Residential Customer Class</i>	24
	<i>Table 21: ARES Market Share in ComEd Territory (by Customers)</i>	25
E.	Residential Complaints	25
	<i>Figure 15: Statewide Complaints by Month</i>	25
F.	Residential Savings Estimate.....	26
1.	ComEd Territory	27
	<i>Table 22: Historical ComEd Residential Savings Estimates</i>	27
	<i>Table 23: Current Year ComEd Residential Savings Estimates (Monthly)</i>	27
	<i>Table 24: ComEd Residential Savings Estimates (Yearly)</i>	28
	<i>Table 25: Detailed ComEd Residential Savings Estimates (Yearly)</i>	28
2.	Ameren Illinois Territories	29
	<i>Table 26: Current Year Ameren Illinois Residential Savings Estimates (Monthly)</i>	30
	<i>Table 27: Detailed Ameren Illinois Residential Savings Estimates by RZ (Yearly)</i>	31
VII.	Consumer Resources for Residential and Small Commercial Electric Customers	32
A.	PlugInIllinois.org.....	32
B.	Other Regulatory Activities.....	33
1.	The Home Affordability and Transparency Act and Rulemakings	33
2.	Enforcement Activity	33
VIII.	Suggested Administrative and Legislative Action	33

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

Electricity 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 directly access the wholesale electric markets and potentially:

Contract for lower supply prices;
Avail themselves of a wider array of services; and
Customize pricing, terms, and conditions of service

This Report aims to provide an overview of the current state of the market, including ARES activity and customer switching trends. The data has been analyzed to identify trends that have occurred through May 2020 and inform future recommendations aimed at supporting the development of competitive retail electricity markets.

This study is divided into two main customer markets:

1. **Non-Residential:** This market includes all commercial and industrial customers with peak electric demand ranging from less than 100 kW to more than 1 MW. The terms “non-residential” and “commercial” are used throughout this report to refer to this market.
 - a. **Small:** In this report the small non-residential market is comprised of 0 – 100 kW customers in the ComEd and Ameren Illinois territories.
 - b. **Medium:** The medium non-residential market is comprised 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) gives both ComEd and Ameren Illinois the ability to declare the provision of power and energy to customers with peak demands of at least 100 kilowatts but less than 400 kilowatts to be competitive if certain conditions are met. In 2007, ComEd filed a petition for competitive declaration and the ICC found that ComEd had satisfied the statutory requirements and, accordingly, 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, are taking supply service from the utility on an hourly-pricing basis or are receiving service 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 Ameren Illinois customers with peak demands between 150 and 400 kilowatts

¹ ICC Docket No. 07-0478

² ICC Docket No. 11-0192

were currently 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 defined as customers 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 a competitive service. In subsequent years, and in accordance with Commission requirements, Ameren Illinois and ComEd discontinued fixed-price bundled service to these customers.
 - d. **Very Large:** Very large customers are 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 territory and three rate zones of the Ameren Illinois territory.

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 respective demands less than 100kW and Ameren Illinois customers with demand below 150kW. All other non-residential customers receive their power from a competitive supplier, or they take service on the utility's hourly-priced option.

Note that due to the relatively small size of the MidAmerican territory in Illinois, data from the 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 decreased from 2019 to 2020. 2020 also saw a 5% decrease in total customers served by ARES and a 12.7% decrease in the amount of electricity supplied by ARES to customers 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
	2019	2020		
Quantity of Customers with an ARES	2,006,144	1,901,401	↓	-5.2%
ComEd	1,282,919	1,196,812	↓	-6.7%
Non-Residential	133,008	131,458	↓	-1.2%
Residential	1,149,911	1,065,354	↓	-7.4%
Ameren (All RZ)	723,225	704,589	↓	-2.6%
Non-Residential	95,712	95,164	↓	-0.6%
Residential	627,513	609,425	↓	-2.9%
Ameren RZ I	203,266	194,836	↓	-4.1%
Non-Residential	32,152	31,595	↓	-1.7%
Residential	171,114	163,241	↓	-4.6%
Ameren RZ II	146,845	147,313	↑	0.3%
Non-Residential	16,914	16,937	↑	0.1%
Residential	129,931	130,376	↑	0.3%
Ameren RZ III	373,114	362,440	↓	-2.9%
Non-Residential	46,646	46,632	↓	0.0%
Residential	326,468	315,808	↓	-3.3%
Usage Provided to Customers by an ARES	5,877,441,302	5,132,986,145	↓	-12.7%
ComEd	3,784,527,443	3,314,720,192	↓	-12.4%
Non-Residential	3,234,341,690	2,757,917,057	↓	-14.7%
Residential	550,185,753	556,803,135	↑	1.2%
Ameren (All RZ)	2,092,913,859	1,818,265,953	↓	-13.1%
Non-Residential	1,702,777,740	1,419,915,124	↓	-16.6%
Residential	390,136,119	398,350,829	↑	2.1%
Ameren RZ I	718,492,043	626,254,067	↓	-12.8%
Non-Residential	607,247,218	514,038,431	↓	-15.3%
Residential	111,244,825	112,215,636	↑	0.9%
Ameren RZ II	335,342,085	311,207,527	↓	-7.2%
Non-Residential	253,247,735	224,231,862	↓	-11.5%
Residential	82,094,350	86,975,665	↑	5.9%
Ameren RZ III	1,039,179,731	880,804,359	↓	-15.2%
Non-Residential	842,382,787	681,644,831	↓	-19.1%
Residential	196,796,944	199,159,528	↑	1.2%

2020 Snapshot

226,622
non-residential
customers on ARES supply, compared to 228,720 last year.

1.67 Million
residential
customers on ARES supply, compared to 1.78 Million last year.

103 ARES
certified in the state, compared to 108 last year.

431 ABCs
certified in the state, compared to 406 last year.

The percentages in Table 2 compare:

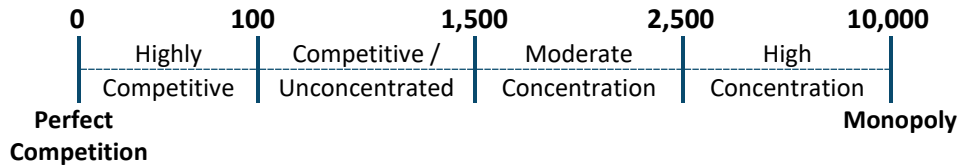
1. The total number of customers on ARES supply to the total number of customers in the market.
2. The total usage provided by ARES as a percent of the total usage provided to the market.

TABLE 2: SUMMARY OF MARKET INDICATORS (PERCENT)

	Percent of Total Market		Trend	Percent Change
	2019	2020		
Quantity of Customers with an ARES	39%	37%	↓	-2.5%
ComEd	33%	31%	↓	-2.6%
Non-Residential	45%	44%	↓	-1.0%
Residential	32%	29%	↓	-2.7%
Ameren (All RZ)	59%	57%	↓	-1.9%
Non-Residential	57%	56%	↓	-1.3%
Residential	60%	57%	↓	-2.0%
Ameren RZ I	53%	51%	↓	-2.5%
Non-Residential	54%	53%	↓	-1.3%
Residential	53%	51%	↓	-2.7%
Ameren RZ II	67.9%	67.6%	↓	-0.2%
Non-Residential	61%	60%	↓	-0.3%
Residential	68.9%	68.7%	↓	-0.2%
Ameren RZ III	60%	58%	↓	-2.2%
Non-Residential	58%	56%	↓	-1.6%
Residential	60%	58%	↓	-2.3%
Usage Provided to Customers by an ARES	73%	62%	↓	-11.3%
ComEd	70%	55%	↓	-14.3%
Non-Residential	83%	65%	↓	-18.7%
Residential	36%	32%	↓	-3.0%
Ameren (All RZ)	81%	79%	↓	-1.7%
Non-Residential	88%	89%	↑	0.7%
Residential	60%	57%	↓	-2.7%
Ameren RZ I	80%	78%	↓	-2.0%
Non-Residential	88%	89%	↑	0.8%
Residential	53%	50%	↓	-3.4%
Ameren RZ II	84%	82%	↓	-2.0%
Non-Residential	91%	89%	↓	-1.1%
Residential	70%	68%	↓	-1.4%
Ameren RZ III	80%	79%	↓	-1.6%
Non-Residential	87%	88%	↑	1.1%
Residential	61%	58%	↓	-2.7%

B. Market Competitiveness

The competitiveness of the market is also an important indicator. The Herfindahl-Hirschman 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 2018-2019 saw increasing competition, however 2019 – 2020 saw a move back to less competition within the marketplace. The increases in HHI values indicating decreased competitiveness are not significant enough to shift most of the designations, with the exception of residential customers in ComEd, which shifted from highly competitive in 2019 to competitive in 2020, and non-residential customers in Ameren Rate Zone III, which shifted from competitive to moderate HHI concentration. 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
	2019	2020			
Concentration of ARES Market					
ComEd					
Non-Residential	1,519	1,893	Moderate Concentration	↑	24.6%
Residential	921	881	Competitive	↓	-4.3%
Ameren RZ I					
Non-Residential	2,200	2,087	Moderate Concentration	↓	-5.2%
Residential	3,797	3,968	High Concentration	↑	4.5%
Ameren RZ II					
Non-Residential	1,487	1,398	Competitive	↓	-6.0%
Residential	4,726	5,087	High Concentration	↑	7.6%
Ameren RZ III					
Non-Residential	1,426	1,527	Moderate Concentration	↑	7.1%
Residential	3,120	3,325	High Concentration	↑	6.6%

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 are currently offering. As of June 2020, the ComEd territory had 103 different residential offers posted, and the Ameren Illinois territory had 53 different residential offers posted. A majority of these were fixed rate offers, lasting between 1-12 months.

Municipal aggregation program offerings are also listed on PlugInIllinois.org. As of June 2020, 554 active aggregation programs existed between the ComEd and Ameren territories, which is an increase of 6% from 2019. The average rate for a municipal aggregation program in the ComEd territory is currently 6.759 cents per kWh. In the Ameren territory, it is 5.439 cents per kWh.

On average, all residential ARES customers in the ComEd territory combined paid around \$11.4 million more per month during the last twelve months when compared to the ComEd Price-to-Compare (PTC)³, and \$12.04 million more per month during the last twelve months when compared to the ComEd PTC plus the Purchased Electricity Adjustment (PEA).⁴ In terms of cents per kWh, residential ARES customers in the ComEd territory paid about 1.694 cents/kWh more when compared to the ComEd PTC only, on average 1.79 cents/kWh more when including the PEA.

In the Ameren Illinois territory, all residential ARES customers combined paid around \$8.14 million more per month during the last twelve months when compared to the Ameren Illinois PTC and \$8.95 million more per month during the last twelve months when compared to the Ameren Illinois PTC plus the PEA. In terms of cents per kWh, residential ARES customers in the Ameren Illinois territory paid, on average, 1.513 cents/kWh more when compared to the Ameren Illinois PTC only, and about 1.664 cents/kWh more when including the PEA.

³ The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

⁴ 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 customers in the Illinois retail electric market have several requirements they must fulfill prior to participation. Chief among these requirements is to meet all technical, financial, and managerial requirements of the Commission, which is conferred on the prospective ARES through an official application process. Prospective ARES must also register with the electric utility in the 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 2016 through May 2020 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

	2016	2017	2018	2019	2020	Trend	Percent Change from 2019 to 2020
Total Quantity of Certified ARES	89	98	103	108	103	Decrease	-5%
Subpart B (Nonresidential > 1 MW)	2	2	2	1	1	Steady	0%
Subpart C (Nonresidential > 15,000 kWh)	2	2	2	11	11	Steady	0%
Subpart D (All customers, including Residential)	67	89	85	84	79	Decrease	-5%
Subpart E (Themselves or Affiliates)	10	10	14	12	12	Steady	0%

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 service territory.⁵ An ARES is considered “active” when a utility reports the ARES has at least one retail customer receiving supply, even if it is only to themselves or to an affiliate.

⁵ 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

	2016 ⁶	2017 ⁷	2018	2019	2020	Trend	Percent Change from 2018 to 2019
ComEd Territory							
Completed ARES Registrations	62	84	83	93	91	Decreasing	-2%
Active ARES	59	66	73	90	91	Increasing	+1%
Ameren Illinois Territory							
Completed ARES Registrations	39	39	44	47	46	Decreasing	-2%
Active ARES	36	32	37	39	41	Increasing	+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, 2020 has shown a decrease in ARES completing their registrations in ComEd and Ameren Illinois territories, but an increase in active participants in both territories of both ARES.

C. Agents, Brokers and Consultants

In stark contrast to prior years, the Illinois retail electricity market experienced a 14% decrease of newly licensed ABCs from 2019 to 2020. Over the last twelve months, 26 ABCs received licenses from the ICC and 26 entities filed to withdraw their licenses. It is important to note that the number of new licenses, withdrawn licenses, and total licenses are not mutually exclusive given that ABCs may enter and exit the market within the same year. The increase in withdrawn licenses may be due in part to increased enforcement measures taken by the Office of Retail Market Development within the last year to address ABCs that had failed to meet reporting requirements.

TABLE 6: OVERVIEW OF AGENTS, BROKERS AND CONSULTANTS CERTIFICATIONS

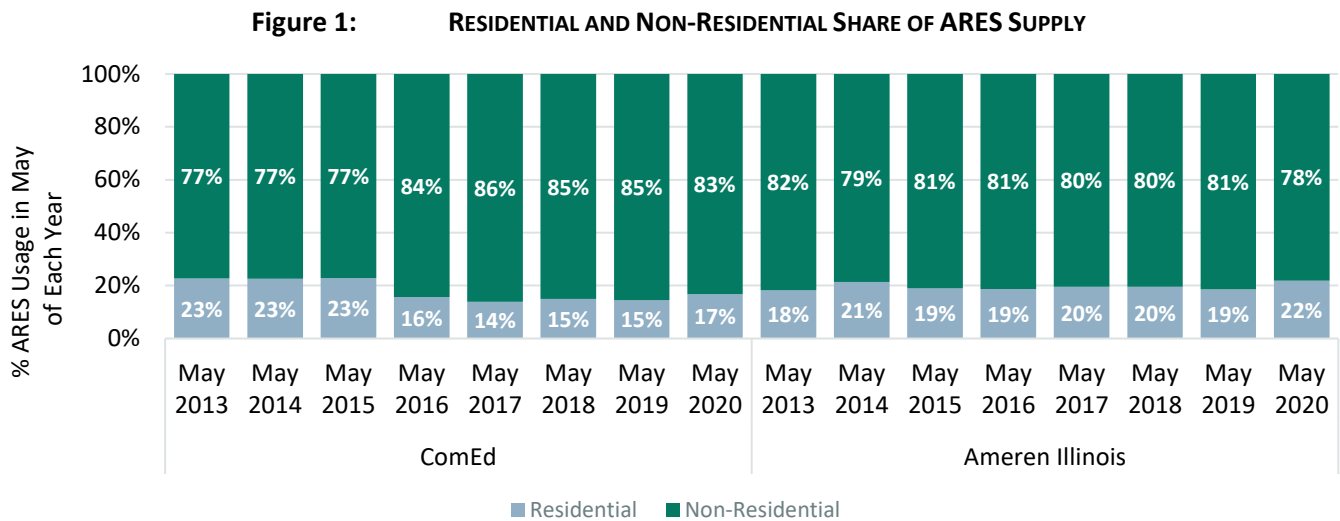
	June 2016 - May 2017	June 2017 - May 2018	June 2018 - May 2019	June 2019 - May 2020	Trend	Percent Change
New Licenses	18	33	40	26	Decrease	-14%
Withdrawn Licenses	8	1	6	26	Increase	20%
Total ABCs with Active ICC Licenses	339	371	406	431	Increase	25%

⁶ The values for the June 2015 – May 2016 year were collected in December 2015

⁷ The values for the June 2016 – May 2017 year were collected in December 2016

D. Comparing ARES-Provided Load

After a pattern of slow growth, the number of statewide non-residential customers taking competitive supply decreased by 1.2% from 2019 to 2020. 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 1.67 million in 2020. ARES now have roughly 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 quantity of residential customers, ARES provide substantially more electricity to non-residential than to residential customers.



In terms of monthly kilowatt hours, the active ARES in the ComEd service territory provided 2.76 billion kWh to their non-residential customers in May 2020. The non-residential ARES customer usage continues to comprise the majority of ARES-provided usage. Moreover, the electricity provided to residential customers has remained steady at around 18% of the total ARES usage in the ComEd service territory over the past seven years. Additionally, the active suppliers in the Ameren Illinois territory have steadily provided about 80% of their supply to non-residential customers for the past seven years.

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 four utility areas;
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

This is the first year since 2014 that the percent of electric consumption of non-residential ARES customers did not increase. From 2011 to 2019, the percent of the electric consumption of non-residential Illinois customers provided by ARES has steadily increased to 84% and 85%. However, in 2020, this statistic decreased to 71% largely due to a significant increase in the amount of non-residential customer usage being supplied by ComEd rather than an ARES.

TABLE 7: PERCENT OF NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2015	May 2016	May 2017	May 2018	May 2019	May 2020	Trend
Statewide	84%	85%	84%	85%	85%	71%	Decreasing
ComEd	85%	84%	83%	82%	83%	65%	Decreasing
Ameren	82%	87%	86%	89%	88%	89%	Increasing

The following provides detailed non-residential usage information for ComEd and Ameren Illinois.

1. ComEd Territory

As of May 2020, 65% of the total electric usage of ComEd non-residential customers was provided by ARES, a large decrease compared to 83% last year. As noted above, this can be attributed to an increase in non-residential usage supplied by ComEd specifically in the Extra Large category (> 10,000 kW). Table 8 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

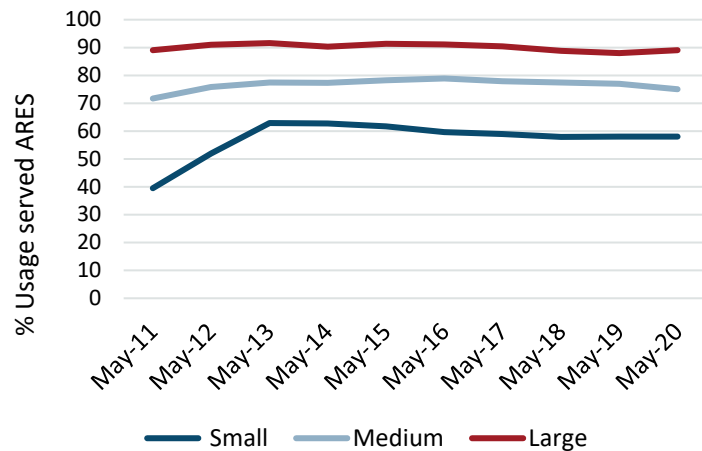


TABLE 8: PERCENT OF COMED NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2015	May 2016	May 2017	May 2018	May 2019	May 2020	Trend
Small (0 – 100 kW)	62%	60%	59%	58%	58%	58%	Steady
Medium (100 – 400 kW)	78%	79%	78%	77%	77%	75%	Decreasing
Large (400 kW – 1 MW)	91%	91%	90%	89%	88%	89%	Increasing
Greater than 1 MW	96%	96%	97%	95%	97%	58%	Decreasing

2. Ameren Illinois Territories

The Ameren territory is comprised of three rate zones (RZ) for which usage data can be seen 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 2020, 89% of the total non-residential electric usage of RZ I customers was provided by ARES, decrease of +1% from 2019. Table 9 reflects 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.⁸

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

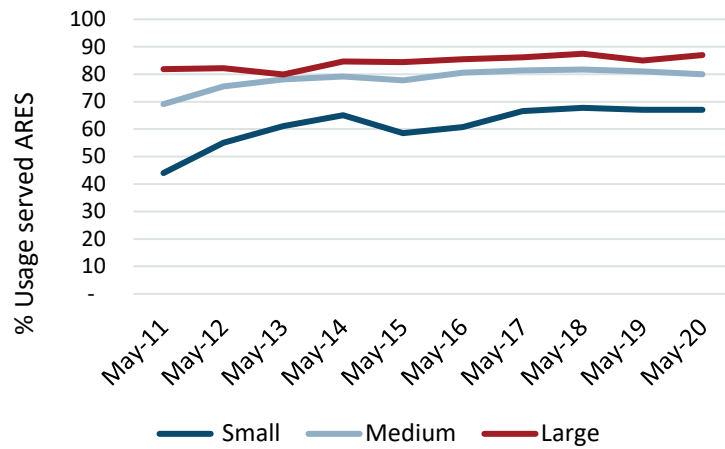


TABLE 9: PERCENT OF AMEREN RZ I NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2015	May 2016	May 2017	May 2018	May 2019	May 2020	Trend
Small (0 – 100 kW)	59%	61%	67%	68%	67%	67%	Steady
Medium (100 – 400 kW)	78%	81%	81%	82%	81%	80%	Decreasing
Large (400 kW – 1 MW)	84%	86%	86%	87%	85%	87%	Increasing

⁸ Data as of May 31 of each year.

b) *Ameren Illinois Rate Zone II*

As of May 2020, 89% of the total non-residential electric usage of RZ II customers was provided by ARES, steady with the previous year. Electric usage provided by ARES to medium and large customers both saw decreases, seen in Table 10. Figure 4 shows the electric usage provided by ARES to the various non-residential customer classes for the past ten years.⁹

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

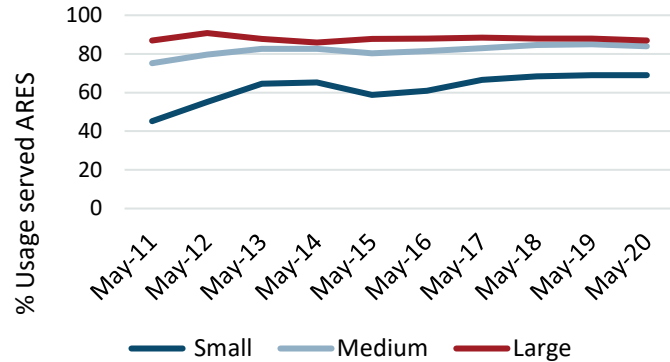


TABLE 10: PERCENT OF AMEREN RZ II NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2015	May 2016	May 2017	May 2018	May 2019	May 2020	Trend
Small (0 – 100 kW)	59%	61%	67%	68%	69%	69%	Steady
Medium (100 – 400 kW)	80%	81%	83%	85%	85%	84%	Decreasing
Large (400 kW – 1 MW)	88%	88%	88%	88%	88%	87%	Decreasing

c) *Ameren Illinois Rate Zone III*

As of May 2020, 88% of the total non-residential electric usage of RZ III customers was provided by ARES, an increase of +1% compared to 2019. Figure 5 shows the electric usage provided by ARES to the various non-residential customer classes for the past ten years.¹⁰

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

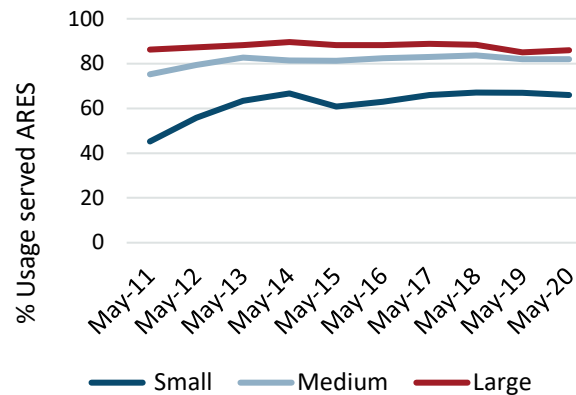


TABLE 11: PERCENT OF AMEREN RZ III NON-RESIDENTIAL USAGE PROVIDED BY ARES

	May 2015	May 2016	May 2017	May 2018	May 2019	May 2020	Trend
Small (0 – 100 kW)	61%	63%	66%	67%	67%	66%	Decreasing
Medium (100 – 400 kW)	81%	82%	83%	84%	82%	82%	Steady
Large (400 kW – 1 MW)	88%	88%	89%	88%	85%	86%	Increasing

⁹ Data as of May 31 of each year.

¹⁰ 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) per Sections 16-118 (c) and (d).

ARES customers have the convenience of receiving one single bill comprised of both electric supply costs and delivery charges through UCB. The process occurs when an ARES electronically submits its monthly customer charges for power and energy to the utility in which the ARES operates, which then places those charges, along with its delivery charges, on the customer’s bill.

The POR process allows an ARES to sell its receivables—the amount that customers owe to that ARES—to the utility at a discount. The POR requirement encourages ARES to offer their services to every utility customer rather than serve only those above certain credit thresholds, thereby furthering the statutory goal of an “effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers.”

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

TABLE 12: ARES USING UCB/POR SERVICE FOR CUSTOMERS

	May-16	May-17	May-18	May-19	May-20	Trend	Percent Change
ComEd							
Non-Residential	55	58	60	67	70	Increasing	4%
Residential	56	56	59	64	65	Increasing	2%
Ameren Illinois							
Non-Residential	21	24	28	28	30	Increasing	7%
Residential	22	24	26	27	29	Increasing	7%

C. Non-Residential Market Competitiveness

As in past annual reports, this report includes an analysis of non-residential market competitiveness using the Herfindahl-Hirschman 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 employed rather than 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 to the number of customers served.

Retail electric suppliers that provide electric supply only to themselves or their subsidiaries or affiliates were excluded. The numbers below reflect only the segments of the non-residential market that have already switched to a competitive supplier. In other words, the market concentration analysis shown here does not include the non-residential customers taking utility fixed-price service or utility-provided hourly 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 2013 to 2020.

In 2019, two of four markets were competitive and a third was nearly in the competitive range. Now, in 2020, three of the four markets are in the moderately concentrated range, showing that the overall market is less competitive than last year.

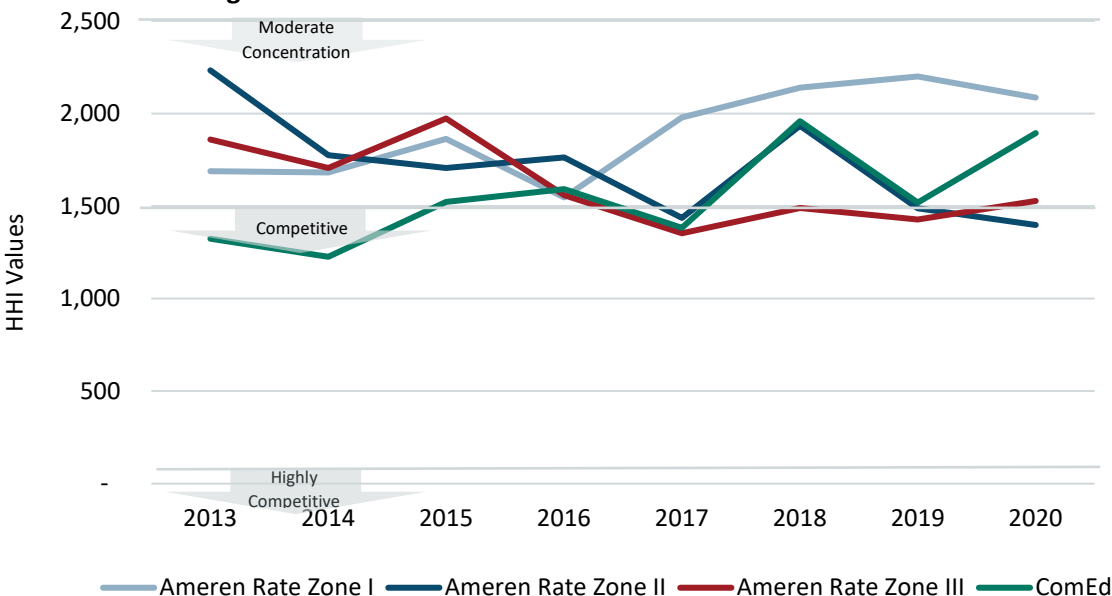
Herfindahl-Hirschman Index

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:

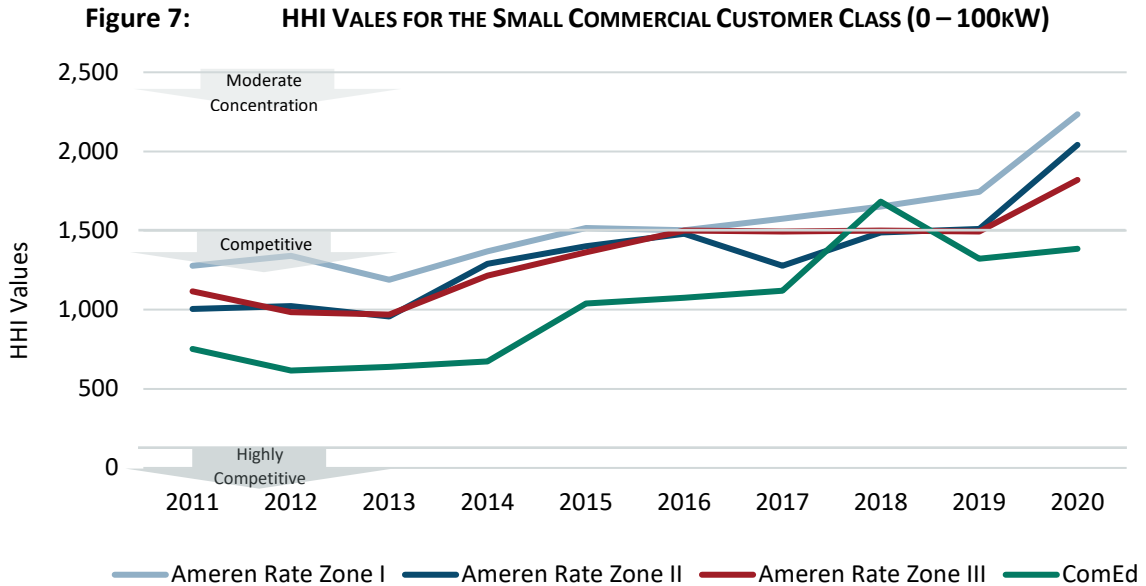
- **Less than 100** is highly competitive, meaning many similarly sized firms compete for the same customers.
- **Less than 1,500** is competitive or unconcentrated.
- **Between 1,500 and 2,500** is moderately concentrated.
- **Greater than 2,500** is highly concentrated, meaning very few firms dominate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

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



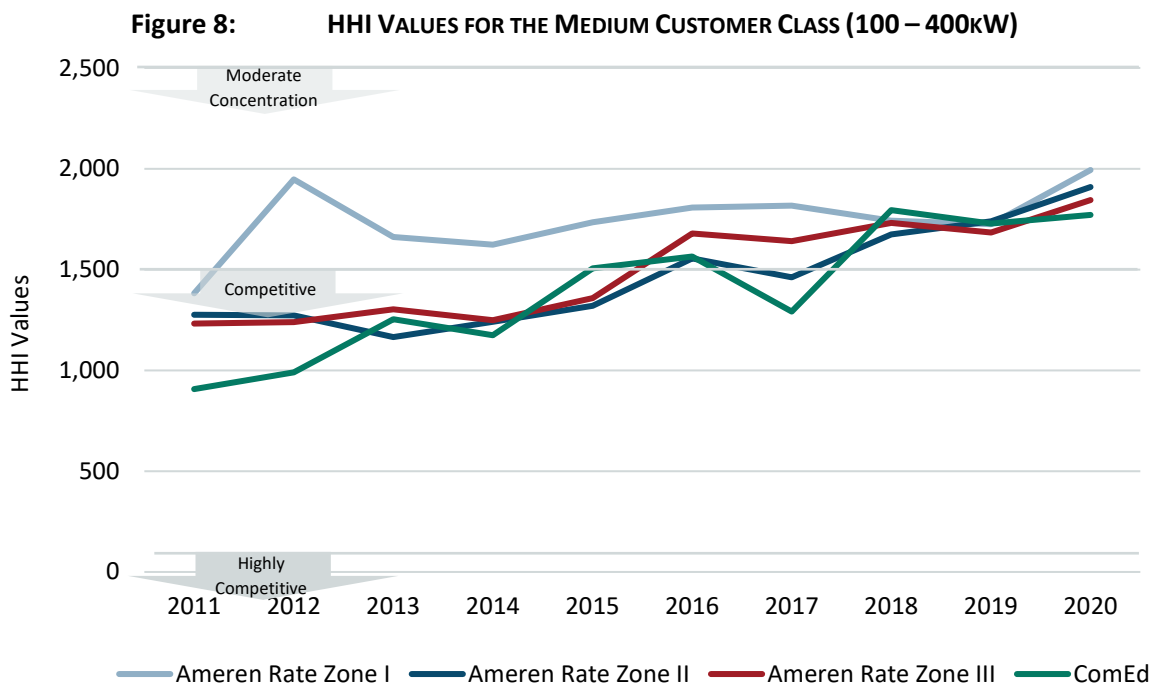
1. Small Commercial Class Market Competitiveness (0 – 100 kW)

The following graph shows the HHI values for the small commercial class. All four territories are steadily becoming less competitive. Ameren Rate Zone 1 saw a big increase in its HHI score and, therefore, a large decrease in competitiveness, from 2019 to 2020.



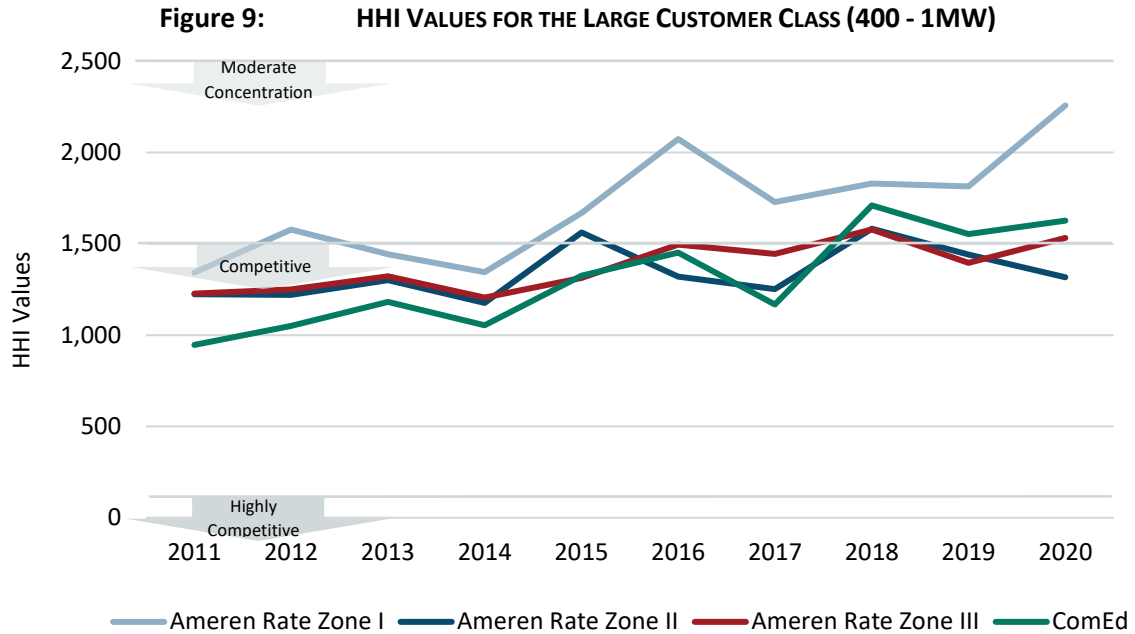
2. Medium Commercial Class Market Competitiveness (100 – 400 kW)

The medium commercial class HHI values are between 1,700 – 2,000, which is an increase in the HHI scores compared to those of last year and, therefore, a decrease in competitiveness for the subset of this market.



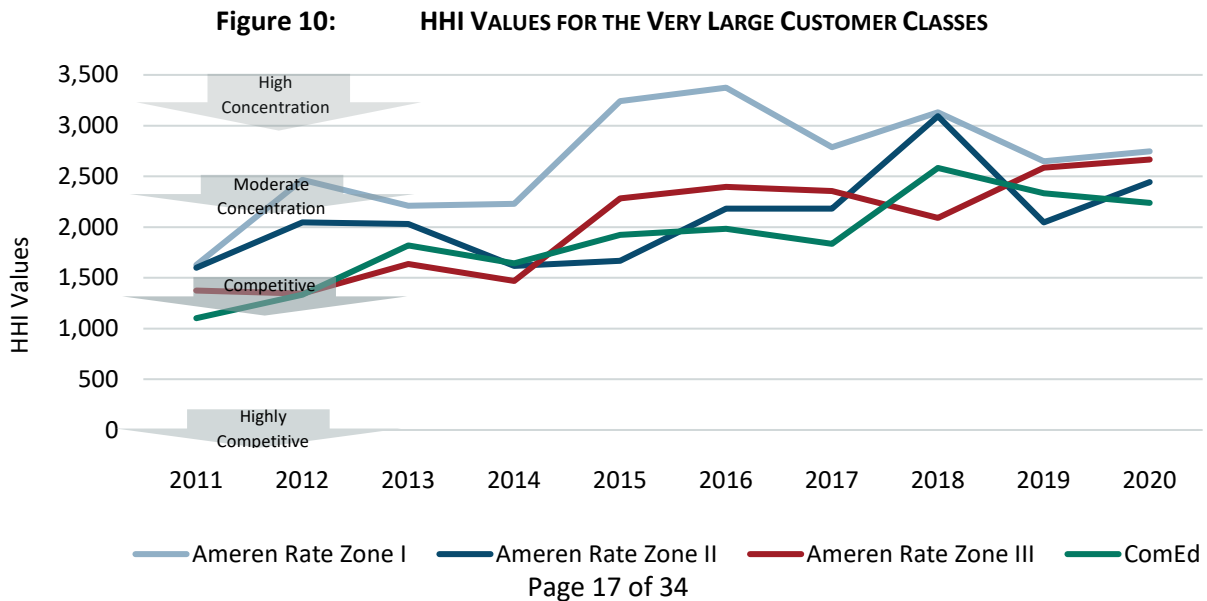
3. Large Commercial Class Market Competitiveness (400 kW – 1 MW)

In the large commercial class market, Ameren Rate Zone II continues to become more competitive, while Ameren Rate Zone III and ComEd have moved to moderate concentration of market power. The most notable change is the large decrease in competitiveness for Ameren Rate Zone I.



4. Very Large Commercial Class Market Competitiveness

The market for the very large commercial class continues to exhibit the highest non-residential HHI values and is, therefore, the least competitive in the non-residential market. The following graph is different 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 but, nonetheless, they exhibit some important trends.



VI. Residential Market

Residential market activity is 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. Like the prior two years, Ameren Rate Zone II continued to see small increases. As of the end of May 2020, about 1.67 million residential customers were on ARES service, compared to about 1.78 million customers a year earlier and over 3 million customers six years ago. Table 13 shows the number, as well as the percentage, of residential customers who are receiving supply from a competitive supplier.

TABLE 13: RESIDENTIAL CUSTOMERS ON COMPETITIVE SUPPLY

	May-12	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20
ComEd	406,144	2,312,654	2,356,669	2,126,674	1,434,319	1,244,899	1,150,368	1,149,911	1,065,354
Ameren Illinois RZ I	28,459	147,513	185,251	172,449	180,480	182,073	174,540	171,114	163,241
Ameren Illinois RZ II	12,752	138,163	140,439	129,211	126,871	127,439	125,587	129,931	130,376
Ameren Illinois RZ III	47,124	277,229	345,911	308,554	326,904	326,723	323,887	326,468	315,808
Total	494,479	2,875,559	3,028,270	2,736,888	2,068,574	1,881,134	1,774,382	1,777,424	1,674,779
Percent of Customers in the Utility Territory on ARES Supply									
ComEd	11.90%	67.70%	68.50%	61.50%	40.90%	35.20%	32.40%	32.15%	29.40%
Ameren Illinois RZ I	8.70%	45.20%	63.90%	53.00%	55.60%	56.30%	54.00%	53.20%	50.53%
Ameren Illinois RZ II	6.80%	73.20%	74.50%	68.50%	67.10%	67.40%	66.40%	68.91%	68.72%
Ameren Illinois RZ III	8.70%	51.20%	63.90%	56.90%	60.20%	60.10%	59.60%	59.98%	57.71%

The share of residential aggregation customers increased from 52% of all residential ARES customers in May 2019 to 61% as of May 2020.

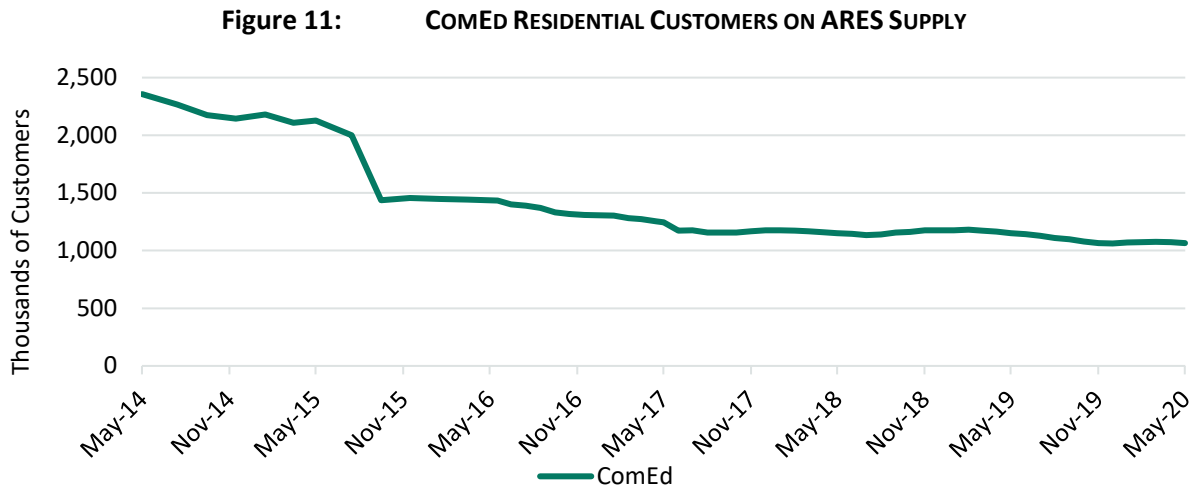
Broken down by utility area, of the 609,425 residential ARES customers in the Ameren Illinois service territory, 68% are government aggregation customers. This represents a decrease of 2% compared to

the 70% aggregation share from a year earlier. These numbers remain relatively steady, compared to the large decreases observed in aggregation share of the marketplace from 2017 to 2018.

In the ComEd area, 57%, are government aggregation customers. This is an increase of 15% compared to 2019.

1. ComEd Territory

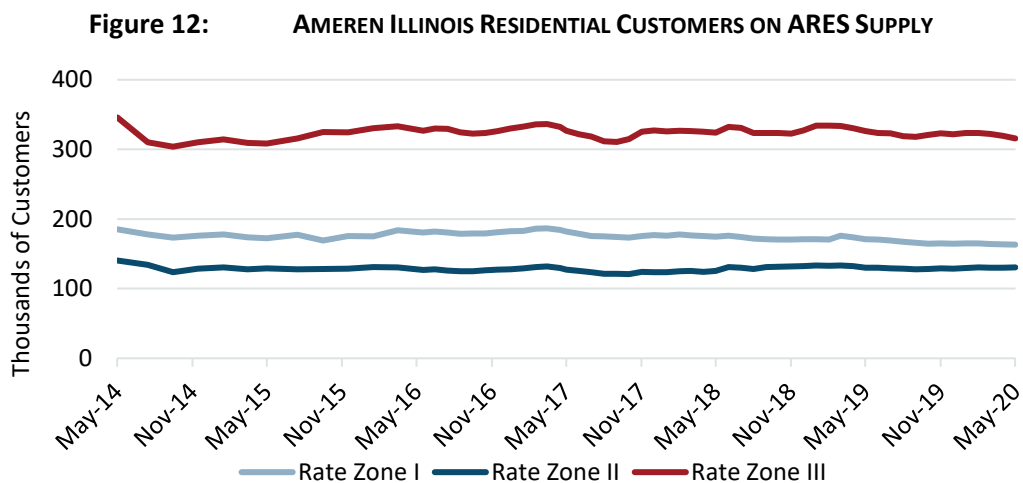
Figure 11 shows the residential switching levels for the ComEd territory.



The graph shows the drop in September 2015 when the City of Chicago ended its 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 2020, the number of residential customers in the ComEd territory receiving electric service from an ARES is less than half the 2014 peak and comprises 29% of the marketplace - including both non-aggregation and aggregation.

2. Ameren Illinois Territories

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



All three Ameren rate zones have experienced very small decreases in their numbers of residential customers. As of May 2020, about 51% of residential customers in RZ I, 68.7% in RZ II, and about 58% 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, a statewide total of 749 communities have passed referendums approving aggregation programs. Table 14 compares the municipal aggregation activity over the various election dates:

TABLE 14: 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

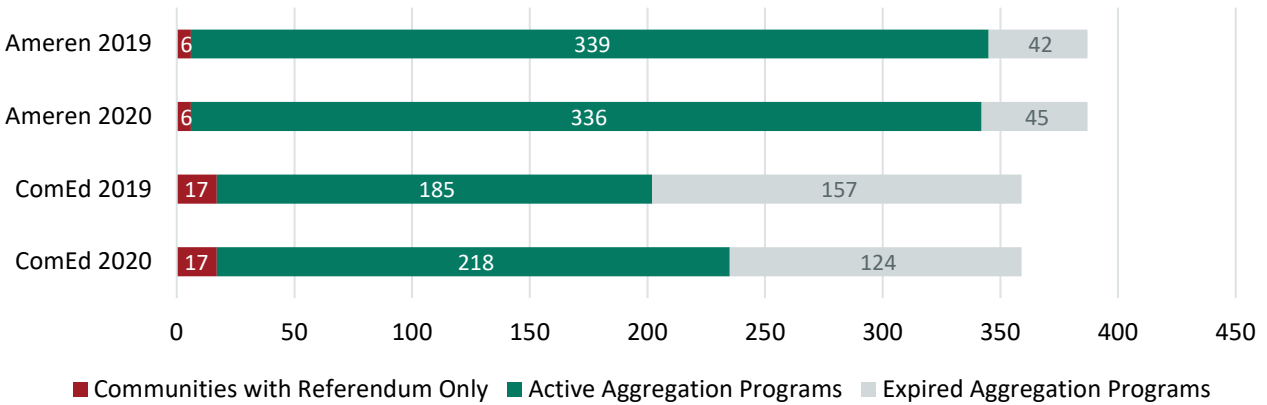
A number of communities that implemented aggregation programs from 2011 to 2014 have seen their initial contracts expire. Several of them have renewed with the incumbent ARES, others have continued with the aggregation but with a different ARES, and some have allowed the aggregation program to expire. Table 15 provides an overview as of June 2020.

TABLE 15: 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)
ComEd	359	342 (95%)	218 (61%)	124 (35%)	6.759
Ameren	387	381 (98%)	336 (87%)	45 (12%)	5.439
Total	746	723 (97%)	554 (74%)	169 (23%)	6.099

As of June 2020, 169 of the 746 communities (about 23%) that implemented an aggregation program let their aggregation end. Besides including the number of communities with active or expired programs in Table 15, the simple average rate of the active aggregation programs as of June 2020 was also calculated. The snap shot of the average rate is composed of a wide range of programs, including ones that are near the end of a two- or three-year term as well as 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 16 shows an increase in residential supplier activity over the last eight years up until 2020. This year has seen another large decrease in the number of ICC-certified ARES in ComEd, and a steady number of ICC-certified ARES in Ameren. ComEd saw a small increase in active suppliers, whereas Ameren saw a small decrease.

TABLE 16: RESIDENTIAL SUPPLIERS

	May-12	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20
ComEd									
ICC certified	40	57	61	60	67	72	84	80	76
Active	27	42	51	48	57	55	60	68	69
Ameren Illinois									
ICC certified	26	33	36	34	41	43	41	31	31
Active	10	17	23	22	25	27	27	29	27

An additional indicator of ARES activity is the number of residential offers posted on PlugInIllinois.org. The “Compare Offers Now” portion of the website became active in 2011 and has seen a steady stream of additional suppliers and residential offers since then. Table 17 and Table 18 show that potential customers in both the ComEd and Ameren Illinois territories saw fewer individual ARES posting offers this year. The number of offerings posted has remained steady for the ComEd territory, between 103-104 since May 2018. Ameren saw an increase in quantity of offers from May 2019 to May 2020.

TABLE 17: ARES POSTING OFFERS ON PLUGINILLINOIS.ORG

	May-12	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20
ComEd	20	28	29	30	31	34	35	38	36
Ameren Illinois	6	10	11	10	13	15	19	19	17

TABLE 18: RESIDENTIAL OFFERS POSTED ON PLUGINILLINOIS.ORG

	May-12	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20
ComEd	61	63	59	75	94	106	103	104	103
Ameren Illinois	11	20	22	24	34	36	42	46	53

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

TABLE 19: BREAKDOWN OF OFFERS AVAILABLE TO COMED CUSTOMERS ON PLUGINILLINOIS.ORG

	May-12	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20
Total	61	63	59	75	94	106	103	104	103
Fixed	51 (84%)	46 (73%)	41 (69%)	57 (76%)	73 (78%)	90 (85%)	91 (88%)	90 (86%)	84 (81%)
• Fixed with Early Termination Fee	34 (67%)	29 (63%)	28 (68%)	37 (65%)	45 (62%)	54 (60%)	65 (71%)	56 (62%)	31 (37%)
• Fixed without Early Termination Fee	17 (33%)	17 (37%)	13 (32%)	20 (35%)	28 (38%)	36 (40%)	21 (23%)	34 (38%)	53 (63%)
Custom							5 (5%)	4 (4%)	4 (4%)
Variable	10 (16%)	17 (27%)	17 (31%)	16 (21%)	17 (18%)	14 (13%)	12 (12%)	10 (10%)	15 (15%)
< 12-month Term	6 (12%)	23 (37%)	22 (37%)	24 (32%)	32 (34%)	38 (36%)	35 (34%)	29 (28%)	32 (31%)
12-month Term	26 (51%)	28 (44%)	26 (44%)	29 (39%)	33 (35%)	37 (35%)	38 (37%)	42 (40%)	33 (32%)
13-23 month Term	3 (6%)	2 (3%)	5 (8%)	6 (8%)	6 (6%)	6 (6%)	5 (5%)	9 (9%)	7 (7%)
24-month Term	16 (31%)	10 (16%)	4 (7%)	11 (15%)	18 (19%)	21 (20%)	18 (17%)	20 (19%)	21 (20%)
> 24-month Term	1 (2%)	0 (0%)	2 (3%)	5 (6%)	5 (5%)	3 (3%)	7 (7%)	4 (4%)	10 (10%)
Green/Renewable	21 (34%)	18 (29%)	23 (39%)	21 (28%)	26 (28%)	28 (26%)	31 (30%)	20 (19%)	28 (27%)

Table 19 allows us to make several observations:

Fixed-Price Offers: The share of fixed price offers has steadily increased since 2014.

Early Termination Fees: An important note regarding termination fees: The Home Energy Affordability and Transparency (HEAT) Act, effective 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.”

< 12-Month Contract Terms: Offers with a term of less than one year make up more 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 have either a one- or two-year contract term.

> 24-Month Contract Terms: 2020 saw an increase of terms lasting longer than two years from 4 of 104 offers in 2019 to 10 of 103 offers now.

Green/Renewable: Twenty-eight of the 103 offers have a green/renewable content higher than what is required by the state’s renewable portfolio standard.

In addition to analyzing the type of offerings, the prices for the various posted offerings and how those prices might have changed during that same time period were evaluated. Table 20 shows the average prices for the different types of offerings 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).

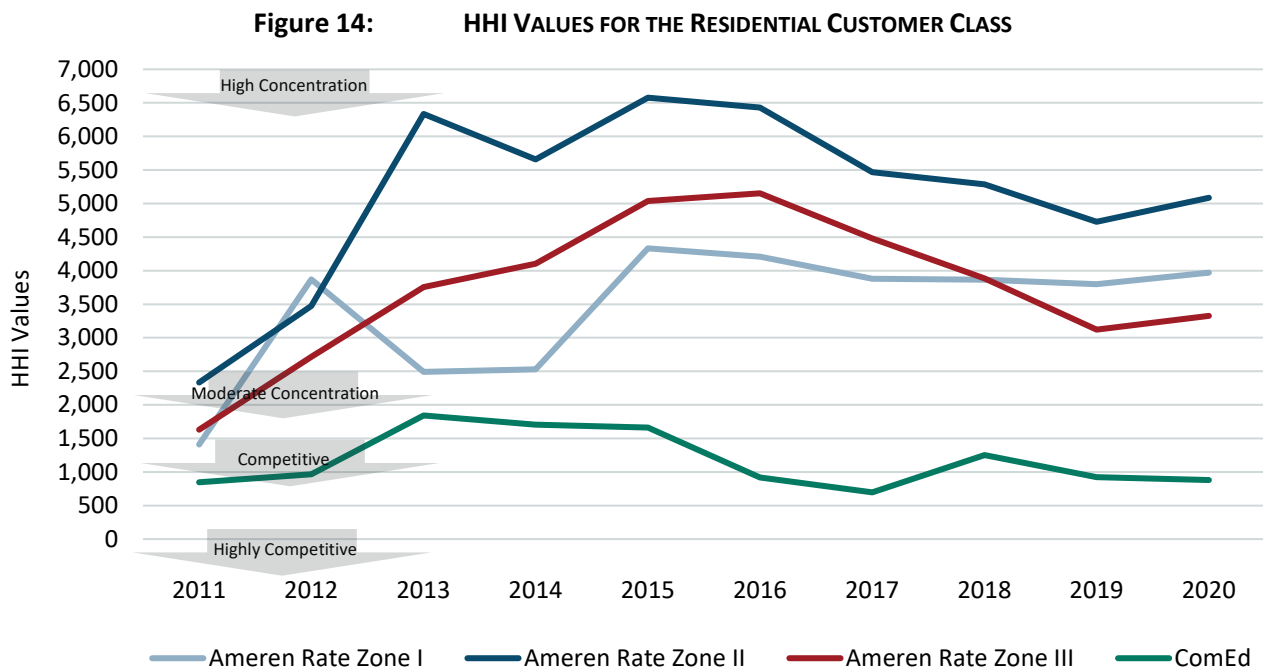
TABLE 20: AVERAGE PRICES (CENTS/KWH) OF OFFER TYPES ON PLUGINILLINOIS.ORG

	May-12	Apr-13	Apr-14	Apr-15	Apr-16	Apr-17	May-18	May-19	May-20
Fixed	6.37	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%)
· Fixed with Early Termination Fee	6.35	6.00 (-6%)	7.80 (+30%)	7.60 (-3%)	7.51 (-1%)	7.79 (+4%)	8.58 (+10%)	8.37 (-3%)	7.75 (-7%)
· Fixed without Early Termination Fee	6.32	5.64 (-12%)	6.97 (+24%)	7.89 (+13%)	6.80 (-14%)	7.46 (+9%)	8.25 (+11%)	7.47 (-10)	7.91 (+6%)
Variable	7	7.07 (+1%)	8.49 (+20%)	8.48 (-0.12%)	7.86 (-7%)	7.49 (-5%)	7.82 (+4%)	7.46 (-5%)	7.17 (-4%)
< 12-month Term	6.14	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%)
12-month Term	6.52	5.92 (-10%)	7.64 (+29%)	8.07 (+6%)	7.05 (-13%)	7.78 (+9%)	8.98 (+15%)	8.37 (-7%)	7.43 (-11%)
13-23 month Term	6.33	6.22 (-2%)	7.59 (+22%)	7.28 (-4%)	7.58 (+4%)	8.22 (+8%)	7.85 (-5%)	7.93 (+1%)	7.58 (-4%)
24-month Term	6.15	5.60 (-10%)	5.92 (+6%)	7.65 (+29%)	7.55 (-1%)	8.07 (+6%)	8.91 (+10%)	9.06 (+2%)	7.35 (-19%)
> 24-month Term	6.3	N/A	7.58	8.27 (+9%)	8.84 (+7%)	9.39 (+6%)	8.80 (-6%)	8.76 (-0.5%)	8.50 (-3%)
Green/Renewable	6.98	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%)
ComEd PTC incl. PEA	8.23	8.8	5.97	8.07	6.55	5.818	6.818 (+17%)	6.719 (-1.5%)	7.572 (+13%)

The comparison shows that the average price of the various types of offerings was lower in May 2020 than it had been in May 2019 in most cases. The largest decrease occurred in the offers with a 12-month term and offerings with a 24-month term.

D. Residential Market Competitiveness

This analysis of the residential marketplace using the Herfindahl-Hirschman Index (HHI) model shows that ComEd continues to be a more competitive market for ARES’ residential customers than the rate zones in the Ameren Illinois territory. Although the residential market in the Ameren Illinois rate zones had become a little less concentrated in recent years, the uptick of HHI values in the three Ameren RZs in 2020 show that the market is not continuing its trend of further competitiveness in the Ameren Illinois RZs.



The graph illustrates several trends:

The ComEd residential market remains unconcentrated for the fifth consecutive year. A big part of the unconcentrated nature of the ComEd market is the end of the Chicago municipal aggregation program in 2015, which had a substantial share of the market concentrated in one ARES.

Although all three Ameren Illinois RZs have very high market concentrations, Ameren Illinois RZ II continues to be the most concentrated residential market by a wide margin. The fact that 70% of the residential ARES market in Ameren Illinois’ rate zones consists of aggregation customers, and the vast majority of the aggregation programs are with the same supplier 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 21 highlights the changing market dynamics over the last few years:

TABLE 21: ARES MARKET SHARE IN COMED TERRITORY (BY CUSTOMERS)

	May-12	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20
Share of largest 3 suppliers	44%	69%	66%	61%	44%	42%	48%	42%	41%
# of suppliers with >15% share	1	2	2	1	1	1	1	1	1
# of suppliers with >5% and <15% share	5	2	2	2	3	3	3	4	3
# of suppliers with <5% share	21	37	46	45	53	52	49	47	48
# of suppliers with < 1% share	11	30	38	29	34	33	31	28	29

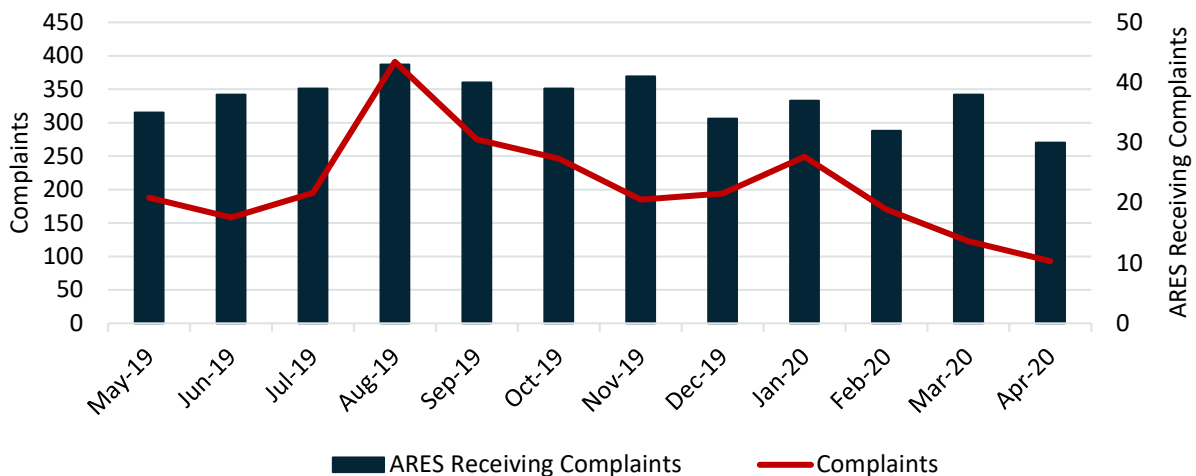
Table 21 shows that the total market share of the three ARES with the highest individual market share of residential customers has remained relatively level with 2019. It is also worth pointing out that:

- 48 of the 55 ARES with residential customers had a market share of less than 5%;
- 29 of the ARES with residential customers had a market share of less than 1%;
- Three suppliers have a market share between 5% and 15%; and
- Only 1 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 complaints per month during the past year. The red line indicates the quantity of informal complaints per month (reference left vertical axis). The blue bars indicate the quantity of unique ARES receiving complaints per month (reference right vertical axis). CSD generally receives 150-250 informal complaints per month for 30-45 ARES. These complaint quantities represent 0.006% - 0.01% of ARES customers per month.

Figure 15: STATEWIDE COMPLAINTS BY MONTH



F. Residential Savings Estimate

The last eight annual reports have included an estimate of the total annual savings realized by residential ARES customers in the ComEd service 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 remained on the ComEd fixed-price bundled service,¹¹ also known as the Price-to-Compare (PTC).¹² Each year, Staff calculated the savings with and without the effects of the Purchased Electricity Adjustment (PEA).¹³ The same analysis has been completed for this year's report, allowing for a nine-year total review. In addition, Staff have performed this analysis for the fifth time for the three Ameren Illinois rate zones.

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 Data Request to provide their monthly average residential rates for the past twelve months.

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

1. These are total, or aggregate, savings and 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 with residential customers have at least one offer that features a renewable energy component greater 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 these offers; and
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 to prospective customers as an incentive to sign up for a particular offering. Other offerings contain rewards such as airline miles and other non-rate benefits. However, these non-rate benefits are difficult to quantify and would require Staff to make several more assumptions as well as request additional detailed data from the ARES.

¹¹ 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, no separate utility supply rates for residential customers with electric space heat exist.

¹² The PTC is the monthly Electric Supply Charge plus the Transmission Services Charge (cents/kWh) that a customer would be charged by the utility.

¹³ 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.

1. ComEd Territory

The ComEd results for the first six years of this analysis are included in Table 22. As a 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 suppliers' average rate to the ComEd PTC. The difference of -\$15.9 million in total savings deficit results from the application of the PEA for ComEd supply customers.

The PEA can, and often does, change monthly and it can be a charge or a credit for ComEd supply customers.

TABLE 22: 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 23 shows the monthly comparisons for the most recent twelve-month period:

TABLE 23: 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 2019	(\$10,984,641)	(\$458,541)	(\$11,443,183)	-1.916	-1.996
July 2019	(\$16,730,347)	(\$3,697,091)	(\$20,427,438)	-1.887	-2.304
August 2019	(\$19,628,873)	\$4,148,859	(\$15,480,014)	-1.982	-1.563
September 2019	(\$14,448,057)	(\$45,405)	(\$14,493,462)	-1.909	-1.915
October 2019	(\$9,289,373)	\$704,589	(\$8,584,784)	-1.543	-1.426
November 2019	(\$7,979,437)	(\$2,632,023)	(\$10,611,460)	-1.516	-2.016
December 2019	(\$10,192,711)	(\$3,319,427)	(\$13,512,137)	-1.526	-2.023
January 2020	(\$11,153,727)	(\$1,547,003)	(\$12,700,730)	-1.500	-1.708
February 2020	(\$10,239,339)	\$1,393,755	(\$8,845,584)	-1.557	-1.345
March 2020	(\$9,200,165)	(\$2,650,671)	(\$11,850,836)	-1.538	-1.981
April 2020	(\$8,544,723)	(\$1,710,860)	(\$10,255,584)	-1.543	-1.852
May 2020	(\$8,357,552)	\$2,055,866	(\$6,301,685)	-1.614	-1.217
Totals	(\$136,748,943)	(\$7,757,952)	(\$144,506,896)	-1.694	-1.790
Average	(\$11,395,745)	(\$646,496)	(\$12,042,241)		

It shows that, on average, residential ARES customers paid around \$11.4 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 nine of the twelve months during the June 2019 through May 2020 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 1.694 cents/kWh more when compared to the ComEd PTC only, and about 1.790 cents/kWh more when including the PEA.

Taking the most recent twelve-month period into account, the nine-year tables look as follows¹⁴:

TABLE 24: 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)
Nine-year Total	(\$353.2)	(\$427.2)

TABLE 25: 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

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 seven years when compared to the

¹⁴ All amounts are absolute amounts and have not been adjusted for inflation.

ComEd PTC. It also shows that the PEA was mostly a credit during the last six 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 1.694 cents above the ComEd PTC and 1.79 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 customer saved just over \$11 during the planning year that ended in May 2014 and paid \$107 more during the planning year that ended in May 2020.

An average ARES customer using 1,200 kWh/month during the planning year that ended in May 2013 saved around \$333 while saving just over \$27 during the planning year that ended in May 2014 and paying \$258 more during the planning year that ended in May 2020. Again, these numbers are averages and almost all customers are either below or above the average.

2. Ameren Illinois Territories

As mentioned above, a savings analysis was completed for the Ameren Illinois territory for the fifth time this year. In comparison to the analysis for the ComEd area, one additional factor was considered: the two-block rate for the non-summer months. From October to May, the Ameren Illinois supply rate has a lower rate for usage above 800 kWh. In order to account for this, Ameren Illinois provided the weighted average rate based on actual usage during those months. Given that the 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 26 combines the results of the three RZs to give an overview of the entire Ameren Illinois area:

TABLE 26: 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 2019	(\$6,863,785)	(\$620,741)	(\$7,484,526)	-1.394	-1.520
July 2019	(\$10,461,889)	(\$772,380)	(\$11,234,269)	-1.615	-1.734
August 2019	(\$11,433,181)	(\$990,662)	(\$12,423,843)	-1.598	-1.737
September 2019	(\$9,499,938)	(\$1,342,933)	(\$10,842,871)	-1.552	-1.771
October 2019	(\$8,160,882)	(\$1,480,250)	(\$9,641,132)	-1.553	-1.834
November 2019	(\$6,221,626)	(\$840,767)	(\$7,062,394)	-1.483	-1.683
December 2019	(\$8,379,289)	(\$158,214)	(\$8,537,503)	-1.549	-1.578
January 2020	(\$9,102,108)	(\$174,390)	(\$9,276,498)	-1.515	-1.544
February 2020	(\$8,262,974)	(\$540,365)	(\$8,803,338)	-1.466	-1.562
March 2020	(\$7,446,911)	(\$866,641)	(\$8,313,551)	-1.457	-1.626
April 2020	(\$6,112,864)	(\$1,017,068)	(\$7,129,932)	-1.408	-1.642
May 2020	(\$5,740,253)	(\$942,407)	(\$6,682,660)	-1.463	-1.703
Totals	(\$97,685,700)	(\$9,746,818)	(\$107,432,518)	-1.513	-1.664
Average	(\$8,140,475)	(\$812,235)	(\$8,952,710)		

Table 26 reveals that, on average, residential ARES customers (which were overwhelmingly aggregation customers), paid about 1.66 cents more per kWh than Ameren Illinois bundled service customers between June 2019 and May 2020 when taking into account the PEA. In Ameren Illinois territory, the PEA was a credit every month during the previous year.

Table 27 breaks down the annual numbers by rate zone for the past five years:

TABLE 27: 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)
June 2015 – May 2016					
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
June 2016 – May 2017					
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
June 2017 – May 2018					
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
June 2018 – May 2019					
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
June 2019 – May 2020					
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

VII. Consumer Resources for Residential and Small Commercial Electric Customers

A. 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 aid 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' offerings through the "Compare Offers Now" link and matrix. Customers may select their utility territory to see the ARES offerings available and compare the offerings to their utility rate as well as to other competing offerings. For each offering posted, the comparison matrix displays the supplier's logo as well as the offering name; both items link to further offering-specific information on the supplier's website. The offering comparison matrix lists the price in cents per kWh, any potential additional monthly fees, the term in months, and a brief description of the offering. The customer may also review the offering's cost for monthly usage levels of 500, 1,000 and 1,500 kWh. Customers can sort the offerings 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 offerings they post.

Further, a customer may review some performance metrics related to individual ARES. Each monthly Complaint Scorecard ranks ARES by their rate 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.

Moreover, with the assistance of IT Staff, the ORMD is working to improve the functionality and user experience of the PlugInIllinois website.

B. Other Regulatory Activities

1. The Home Energy 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 ARES. Consumer education and transparency are essential to a successfully competitive market.

To increase transparency in the market, the HEAT Act requires 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. Ameren Illinois and ComEd had already undertaken the necessary steps to add this information on their bills in 2019. Additionally, the HEAT Act also eliminates early termination fees, increased bond requirements, and adds a new bond requirement for suppliers 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 and will initiate others in the coming year to ensure the Commission rules reflect changes brought about by the HEAT Act.

2. Enforcement Activity

ORMD Staff, in collaboration with Staff from CSD and ICC's Office of General Counsel (OGC), regularly evaluate informal complaints received by the ICC and ARES' behaviors in context with Code Part 412 to ensure compliance with the rules. Since the implementation of amended Code Part 412 on May 1, 2018, the Commission has issued a Notice of Apparent Violation to several ARES and initiated formal investigative proceedings concerning four ARES. Three of those investigations are currently ongoing¹⁵.

A decision was reached in Docket No. 18-1540 regarding LifeEnergy, LLC (the Company), which the Company has recently appealed. During the case, the Company filed a Verified Notice of Suspension of Certificate of Service Authority and Surrender of Certificate of Service Authority to surrender their certificate and sold their customer book to another supplier. The Commission found that the Company had violated several Commission rules, leading the Commission to impose financial penalties at \$1 million and order the Company to refund its former customers.

VIII. Suggested Administrative and Legislative Action

On March 9, 2020, Governor Pritzker declared a state of emergency in response to the rapid increase of COVID-19 cases in the State. On March 13, 2020, Governor Pritzker and public health officials issued guidance for Illinois residents related to the COVID-19 pandemic. As a result, the Commission issued a moratorium on ARES in-person solicitations to slow the spread of the disease and protect the public. The moratorium is memorialized in Docket No. 20-0310. The ICC, including the ORMD, will continue to respond to the needs of the state and its residents.

¹⁵ The Docket Numbers belonging to the three ongoing investigative proceedings are as follows: 18-1652; 18-1653; 18-1773.

Given the rulemaking proceedings as indicated above in Section VII.B.1, the ORMD has no suggestions for administrative or legislative actions at this time.

Other initiatives Staff will continue to explore include:

1. Market Participation: Staff began requesting data by geographic location this past year. In the coming year, Staff will continue to explore appropriate methods to evaluate, represent and display the data.