

# SB2891



## 95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2891

Introduced 2/15/2008, by Sen. Don Harmon

### SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-107

Amends the Public Utilities Act. Makes a technical change in a Section concerning real-time pricing.

LRB095 19574 AMC 45900 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing  
5 Section 16-107 as follows:

6 (220 ILCS 5/16-107)

7 Sec. 16-107. Real-time pricing.

8 (a) Each electric utility shall file, on or before May 1,  
9 1998, a tariff or tariffs which allow nonresidential retail  
10 customers in the ~~the~~ electric utility's service area to elect  
11 real-time pricing beginning October 1, 1998.

12 (b) Each electric utility shall file, on or before May 1,  
13 2000, a tariff or tariffs which allow residential retail  
14 customers in the electric utility's service area to elect  
15 real-time pricing beginning October 1, 2000.

16 (b-5) Each electric utility shall file a tariff or tariffs  
17 allowing residential retail customers in the electric  
18 utility's service area to elect real-time pricing beginning  
19 January 2, 2007. A customer who elects real-time pricing shall  
20 remain on such rate for a minimum of 12 months. The Commission  
21 may, after notice and hearing, approve the tariff or tariffs,  
22 provided that the Commission finds that the potential for  
23 demand reductions will result in net economic benefits to all

1 residential customers of the electric utility. In examining  
2 economic benefits from demand reductions, the Commission  
3 shall, at a minimum, consider the following: improvements to  
4 system reliability and power quality, reduction in wholesale  
5 market prices and price volatility, electric utility cost  
6 avoidance and reductions, market power mitigation, and other  
7 benefits of demand reductions, but only to the extent that the  
8 effects of reduced demand can be demonstrated to lower the cost  
9 of electricity delivered to residential customers. A tariff or  
10 tariffs approved pursuant to this subsection (b-5) shall, at a  
11 minimum, describe (i) the methodology for determining the  
12 market price of energy to be reflected in the real-time rate  
13 and (ii) the manner in which customers who elect real-time  
14 pricing will be provided with ready access to hourly market  
15 prices, including, but not limited to, day-ahead hourly energy  
16 prices.

17 A proceeding under this subsection (b-5) may not exceed 120  
18 days in length.

19 (b-10) Each electric utility providing real-time pricing  
20 pursuant to subsection (b-5) shall install a meter capable of  
21 recording hourly interval energy use at the service location of  
22 each customer that elects real-time pricing pursuant to this  
23 subsection.

24 (b-15) If the Commission issues an order pursuant to  
25 subsection (b-5), the affected electric utility shall contract  
26 with an entity not affiliated with the electric utility to

1 serve as a program administrator to develop and implement a  
2 program to provide consumer outreach, enrollment, and  
3 education concerning real-time pricing and to establish and  
4 administer an information system and technical and other  
5 customer assistance that is necessary to enable customers to  
6 manage electricity use. The program administrator: (i) shall be  
7 selected and compensated by the electric utility, subject to  
8 Commission approval; (ii) shall have demonstrated technical  
9 and managerial competence in the development and  
10 administration of demand management programs; and (iii) may  
11 develop and implement risk management, energy efficiency, and  
12 other services related to energy use management for which the  
13 program administrator shall be compensated by participants in  
14 the program receiving such services. The electric utility shall  
15 provide the program administrator with all information and  
16 assistance necessary to perform the program administrator's  
17 duties, including, but not limited to, customer, account, and  
18 energy use data. The electric utility shall permit the program  
19 administrator to include inserts in residential customer bills  
20 2 times per year to assist with customer outreach and  
21 enrollment.

22 The program administrator shall submit an annual report to  
23 the electric utility no later than April 1 of each year  
24 describing the operation and results of the program, including  
25 information concerning the number and types of customers using  
26 real-time pricing, changes in customers' energy use patterns,

1 an assessment of the value of the program to both participants  
2 and non-participants, and recommendations concerning  
3 modification of the program and the tariff or tariffs filed  
4 under subsection (b-5). This report shall be filed by the  
5 electric utility with the Commission within 30 days of receipt  
6 and shall be available to the public on the Commission's web  
7 site.

8 (b-20) The Commission shall monitor the performance of  
9 programs established pursuant to subsection (b-15) and shall  
10 order the termination or modification of a program if it  
11 determines that the program is not, after a reasonable period  
12 of time for development not to exceed 4 years, resulting in net  
13 benefits to the residential customers of the electric utility.

14 (b-25) An electric utility shall be entitled to recover  
15 reasonable costs incurred in complying with this Section,  
16 provided that recovery of the costs is fairly apportioned among  
17 its residential customers as provided in this subsection  
18 (b-25). The electric utility may apportion greater costs on the  
19 residential customers who elect real-time pricing, but may also  
20 impose some of the costs of real-time pricing on customers who  
21 do not elect real-time pricing, provided that the Commission  
22 determines that the cost savings resulting from real-time  
23 pricing will exceed the costs imposed on customers for  
24 maintaining the program.

25 (c) The electric utility's tariff or tariffs filed pursuant  
26 to this Section shall be subject to Article IX.

1           (d) This Section does not apply to any electric utility  
2 providing service to 100,000 or fewer customers.

3           (Source: P.A. 94-977, eff. 6-30-06.)