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ComEd to Launch Unprecedented Environmental Measurement Tool

New greenhouse gas metric, created by EDF and CUB, will calculate smart grid benefits

(CHICAGO – March 21, 2016) Illinois utility Commonwealth Edison (ComEd) today agreed to measure the greenhouse gas (GHG) emissions reductions associated with advanced energy infrastructure through a first-of-its-kind metric, proposed by the Citizens Utility Board (CUB) and Environmental Defense Fund (EDF) and developed in concert with ComEd. The ability to calculate the environmental benefits of clean energy investments, like smart meters, is critical to accelerating the new energy economy.

To pave the way for a 21st-century business model, electric utilities must be able to define and measure the results of their environmental efforts, among all others. By outlining the emissions savings and operational benefits of advanced meters, this innovative GHG metric provides ComEd the framework to demonstrate the impact of its investments.

"As the first utility in the country to adopt this greenhouse gas measurement tool, ComEd is leading the way to a cleaner energy future," said <u>Dick Munson</u>, Midwest director of clean energy for EDF. "Utilities should be recognized for putting in place more efficient, smarter energy options, but it's impossible to know the true value of investments without a way to measure results. This metric allows ComEd to definitively show how its smart-grid initiatives are reducing pollution and clearing our air."

After conducting a series of workshops to identify the best approach, EDF, CUB, and ComEd developed methods to calculate emissions savings due to changes in electricity usage for each hour in the year. The resulting measurement determines the variable carbon value of a kilowatthour (kWh) of electricity for all 8,760 hours in the year. For example, a kWh saved during an hour of high-carbon intensity, when marginal power comes from coal, is worth more (carbonwise) than a kWh saved when that power is mostly coming from wind, solar, nuclear, or hydro power. Similarly, a reduction in electric demand that avoids the need for "peaker" plants (dirty power plants typically only used during periods of extreme weather) creates a system-wide environmental benefit.

The metric will capture GHG reductions resulting from a variety of clean energy and smart grid efforts, such as:

- Enabling energy efficiency and conservation;
- Reducing peak electric demand;
- Enabling demand response, an important resource that pays customers to conserve electricity when the grid needs it most; and
- Enabling the integration of clean, renewable generation sources, like rooftop solar.

Additionally, the metric allows ComEd to count operational benefits, such as the reduced use of meter-reading vehicles. Because it can now receive meter data remotely, ComEd will avoid sending employees to read the device, thus saving money and cutting pollution.

"In Illinois, a smarter grid has the potential to make our electricity system more efficient and cleaner," said CUB Executive Director David Kolata. "As the nation tackles the issue of carbon emissions, we owe it to consumers to clearly track such benefits."

While entrepreneurs continue to bring innovation to energy markets in the form of smart appliances, electric vehicles, and affordable, on-site renewable energy generation, utilities need new business models that reward performance and efficiency. Such models depend upon metrics that identify and measure important performance goals, and ComEd is helping to realize that future through the adoption of this metric.

Moreover, by launching its leading smart grid initiative and incorporating 20 different metrics to evaluate its performance, Illinois is at the forefront of grid modernization. The GHG metric is one of those key measures; it allows ComEd to calculate and report on the clean air benefits from advanced metering infrastructure, as well as the programs and technologies they enable. The implementation of this final metric by the state's leading utility solidifies Illinois' place as a trailblazer in the clean energy economy.

"The nation is watching how Illinois builds a better power grid," Kolata added. "Consumer advocates and the Illinois Commerce Commission have worked very hard to make sure that we're using the right metrics to gauge the consumer benefits of the smart grid."

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Environmental Defense Fund (<u>edf.org</u>), a leading international nonprofit organization, creates transformational solutions to the most serious environmental problems. EDF links science, economics, law, and innovative private-sector partnerships. Connect with us on <u>Twitter</u>, <u>Facebook</u>, and our <u>Energy Exchange blog</u>.

CUB is Illinois' leading nonprofit utility watchdog organization. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and smallbusiness utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's award-winning website, <u>www.CitizensUtilityBoard.org</u>.