



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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STATEMENT BY CUB EXECUTIVE DAVID KOLATA ON FERC RULING

In the wake of today's ruling by the Federal Energy Regulatory Commission (FERC), consumers throughout the Chicago-area and Northern Illinois could face the largest hit to electric bills in state history—unless state lawmakers move swiftly to pass the Clean Energy Jobs Act (CEJA), pending legislation designed to protect customers from soaring bills.

In effect, FERC's ruling would alter the PJM capacity market to bankroll dirty power generators at the expense of states like Illinois, where consumer-friendly, clean-energy investments have led to declining costs for consumers. And in light of President Trump's repeatedly harsh statements about the City of Chicago, the ruling fuels concerns that it represents a politically motivated punishment of area consumers, forcing them to pay for more dirty power they don't need.

Although CUB is still analyzing the ruling, an initial estimate concluded that this decision will raise bills for ComEd customers by up to \$864 million a year, believed to be the largest electric increase in Illinois history. We urge Gov. Pritzker and the Illinois General Assembly to pass CEJA quickly to defend Illinois' energy policy and protect consumers from higher bills, and we look forward to working with them to do so.

CEJA would take advantage of an existing PJM program that allows states to take charge of their own energy future. Implemented correctly, this program would allow us to lower consumer bills while transitioning to 100% clean energy and significantly increasing renewable investment in the state. CEJA is the best way to secure clean, affordable energy for Illinois consumers. Learn how to protect your power bills at CUBActionCenter.com.

BACKGROUND:

- On Thursday, Dec. 19, the Federal Energy Regulatory Commission (FERC) voted 2-1 on a plan to revamp a special electricity market, called the "capacity market." This decision will inflate market prices to prop up natural gas and coal power plants and, in effect, make ComEd customers pay higher power bills for dirty power they don't need.
- The vote in favor of this plan was led by two commissioners appointed by President Trump. The Administration has been on a campaign to prop up dirty power plants that can't compete in the face of modern technology, like solar and wind farms, and state policies that promote cleaner forms of energy.
- An analysis, "Consumer Impacts of FERC Interference with State Policies," by Michael Goggin and Rob Gramlich of the consulting firm Grid Strategies, estimates that FERC's decision could raise costs for Northern Illinois consumers by up to \$864 million a year.
- Capacity refers to extra payments consumers give power plant operators to ensure adequate electricity is available if demand suddenly spikes. The price for capacity for ComEd customers is determined through auctions run by PJM Interconnection, the power grid operator for Northern Illinois and all or part of 12 other states and Washington, D.C. The FERC ruling impacts the rules that govern these auctions.
- The Clean Energy Jobs Act, a proposal supported by CUB in Springfield, includes provisions that would shield electric customers from these skyrocketing bills; create jobs; and transition to 100% clean energy.

CUB is Illinois' leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping block rate hikes, secure refunds, and fight for clean, low-cost energy. For more information, call CUB's Consumer Hotline, 1-800-669-5556, or visit CitizensUtilityBoard.org.

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