



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CONTACT:

Jim Chilsen, 312-513-1784

CUB Statement on Another CEJA Victory: \$480 Million in Tax-Related Refunds

JULY 11, 2022, CHICAGO – The Citizens Utility Board (CUB) is pleased that the Illinois Commerce Commission (ICC) has approved a plan made possible by the Climate & Equitable Jobs Act (CEJA) to deliver \$480 million in tax refunds to Illinois electric customers beginning in 2023. At a time of high energy prices across the globe, this is welcome news. We are thankful that other consumer advocates like Illinois Attorney General Kwame Raoul never gave up on this battle, fighting to ensure that electric customers received these refunds over just a few years, rather than the decades the utilities favored. And we also thank CEJA proponents, including Illinois Gov. J.B. Pritzker, for advocating for consumer protections in the legislation. CEJA is about holding utilities accountable and building a clean, affordable energy future for Illinois consumers, and this is yet another example of the significant benefits this landmark energy law holds for electric customers.

Background:

- On July 7, the Illinois Commerce Commission (ICC) approved a schedule for the return of hundreds of millions of dollars in excess taxes for ComEd (\$434 million) and Ameren Illinois (\$50.8 million) customers.
- The refunds will begin to flow back to consumers through their power bills over three years, beginning in 2023.
- The refunds are tied to the federal corporate tax cut that went into effect in 2018, and a dispute among utilities and consumer advocates like CUB and the Illinois Attorney General’s Office over the time period over which utilities should return the excess taxes.
- Back in 2017, Congress approved cutting the corporate tax rate from 35 percent to 21 percent. That left the utilities with excess money (technically called “EDIT,” for excess deferred income taxes) since under their accounting procedures the higher taxes were included in the rates customers pay.
- The utilities supported giving that money back to customers over decades—more than 39 years in the case of ComEd and 35 years for Ameren. CUB and the Attorney General’s Office argued for a more reasonable time period—a few years.
- CUB and other advocates were not successful in requiring utilities to follow a more consumer-friendly schedule. However, in 2021, consumer advocates added a provision in CEJA that required ComEd and Ameren, Illinois’ largest electric utilities, to pass through a portion of the refunds by the end of 2025.
- In the most recent case before the Illinois Commerce Commission, consumer advocates and ComEd and Ameren agreed on how the money will be spread through the three years. The ICC approved that schedule Thursday.

309 W. Washington St., Suite 800, Chicago, IL 60606

Phone (312) 263-4282 | Toll Free 800-669-5556 | Fax (312) 263 4329



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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 its website, www.CitizensUtilityBoard.org.

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