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CUB WARNS OF JUNE 1 PRICE SPIKE ON COM ED BILLS

CEJA credit will partly offset high power price, but spike highlights urgent need for reforms at PJM and passage of strong state policy, as big power generators make windfall profits off elevated prices

CHICAGO—Commonwealth Edison's summer price for electricity is set to increase significantly on June 1, but Illinois' landmark energy law, the Climate and Equitable Jobs Act (CEJA), will give consumers some relief, the Citizens Utility Board (CUB) said Monday, citing filings by the utility. CUB urged ComEd to work with customers struggling to afford their bills this summer, and said the elevated price highlights the need for long-term reforms.

At a news conference, CUB explained the causes of the price spike and said it has launched <u>CUBHelpCenter.com</u>, which has consumer tips on how to get through an expensive summer.

While cautioning that pricing information could be adjusted before June 1, CUB said its preliminary review of ComEd tariffs filed Friday shows the utility's summer supply rate, June through September, would be about 10 cents per kilowatt-hour (kWh). This rate, which includes the supply price and a transmission charge, would represent about a 45 percent increase over last June's price of 6.9¢ per kWh. The price will change again in October.

CEJA will partly offset the price spike. The law requires a line item on ComEd bills called the Carbon Free Energy Resource Adjustment (CFERA) to subsidize energy generated by Illinois nuclear power plants. But consumer advocates pushed for a provision that changes the charge to a credit when energy prices go above a certain level, as in June. According to CUB's review of ComEd tariffs, this credit will reduce ComEd's price by about 1.7 cents per kWh, or about 17 percent, in June. While it could be adjusted up or down on a monthly basis, a credit of some amount is expected to stay on bills for at least the next 12 months.

"We're glad CEJA gives customers some relief in the short term, and in the long term we will continue to work at fixing the root causes of this price spike, mainly poor policy from PJM Interconnection, the power grid operator for northern Illinois," CUB Executive Director Sarah Moskowitz said. "As we advocate for pro-consumer reforms at PJM and the State Capitol, we also urge ComEd to work with customers to keep them connected this summer."

CUB's Consumers for a Better Grid campaign advocates for better PJM policies, and in Springfield the consumer group is working to pass the Clean and Reliable Grid Affordability Act (SB2473/HB3779). The bill would implement a number of pro-consumer policies, including expanding energy efficiency programs and requiring data centers to pay for their own energy costs, rather than those costs being heaped on consumers.

CUB provided information about the price spike as well as consumer tips:

What's the cause? The price for reserve power—called "capacity"—has skyrocketed. While higher demand sparked by power-hungry data centers is a factor, this problem is largely because of poor policies undertaken by the regional power grid operator in ComEd territory. PJM has been slow to fix a clogged "interconnection queue"—the line of power plants, largely wind and solar generators, waiting to connect to the grid.

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What part of the bill is impacted? Supply, which is the cost of the actual electricity, and transmission. This makes up about a half to two-thirds of bills. ComEd does not profit off this price spike—under law the utility is required to pass supply costs onto customers with no markup. (ComEd profits off of rate hikes on the delivery side of bills.)

If ComEd doesn't profit off this price spike, who does? Big energy companies that sell electricity to utilities stand to make a windfall. These power generators recently saw their PJM capacity revenue jump six-fold to \$14.7 billion.

Moskowitz outlined key consumer tips on CUBHelpCenter.com:

- Practice energy efficiency. Simple things like weatherizing windows and doors—to keep cool air in and
 warm air out—can help soften the blow of this price spike. But don't take unnecessary risks that keep your
 home too hot and threaten your health. Efficiency is about eliminating waste but staying safe and cool this
 summer.
- Stay in contact with your utility. Keep the lines of communication open this summer. Consumers who are struggling should contact their utilities to inquire about payment plans to pay off debt and learn about energy efficiency programs. CUB called for ComEd to offer good payment plans to help more utility customers pay off their debts and stay connected this summer.
- See if you qualify for energy assistance. To learn more about the Low Income Home Energy Assistance Program (LIHEAP), visit www.helpillinoisfamilies.com or call the Help Illinois Families Assistance Line at 1-833-711-0374.
- Beware of alternative supplier rip-offs. Alternative electricity suppliers are impacted by the same market conditions that are causing utility prices to increase, so be careful about getting lured into bad deals. Be wary of low introductory rates that will skyrocket after a short period, and read the fine print for add-on fees that can raise the cost of the plan. Since 2015, Illinois consumers have lost about \$1.8 billion to alternative power suppliers. It's likely, even in this expensive market, that your utility is your best bet. One exception: If your community has negotiated a power deal with a supplier, it's possible the price is lower than ComEd's supply rate. Confirm the price and find out when the offer expires.
- Consider a community solar deal to help ease costs. Community solar offers currently guarantee savings
 compared to the utility's supply price. But be a careful shopper: Get more information at our special
 website, SolarInTheCommunity.com.
- If you're interested in installing solar panels, consider the next steps. Learn more about the <u>Switch</u> <u>Together program</u>, which CUB participates in, and <u>rooftop solar</u> in general. Also, <u>CUB has information</u> about income-qualified solar programs.
- Be a good neighbor. Make sure friends, family and neighbors are staying safe and cool this summer.

For more than 40 years the Citizens Utility Board (CUB) has been Illinois' leading nonprofit utility watchdog group. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has helped save consumers more than \$20 billion by blocking rate hikes and securing refunds. For more information, call CUB's Consumer Hotline, at 1-800-669-5556, or visit CUB's website, www.CitizensUtilityBoard.org.

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