

Fighting for Illinois Consumers

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CONTACT: Jim Chilsen, CUB (c) 312-513-1784, jchilsen@citizensutilityboard.org

CUB WARNS AMEREN CUSTOMERS OF JUNE 1 ELECTRICITY PRICE SPIKE

Supply Charge On Bills Projected To Spiral By About 50 Percent

CHICAGO-Ameren Illinois' summer price for electricity will soar by an estimated 50 percent on June 1, the Citizens Utility Board (CUB) warned in a consumer alert Thursday, as the watchdog urged the utility to work with customers struggling to pay their bills so they can keep their power on during hot weather.

At a news conference, CUB explained the causes of the price spike – including the regional power grid operator's new methodology for pricing reserve power that unacceptably raised consumer costs. CUB has launched **CUBHelpCenter.com**, which has tips on how to get through an expensive summer.

While cautioning that pricing has not been finalized, CUB said Ameren has reported that its electricity supply rate, also known as the "price to compare," is set to increase by about 50 percent, to about 12 cents per kilowatt-hour (kWh) on June 1. This higher rate, which includes the supply price, a transmission charge and a "supply cost adjustment," will increase summer power bills (June through September) by 18 percent to 22 percent, Ameren has estimated. In October, the price is expected to decrease-to roughly 8 cents to 9 cents per kWh, Ameren said.

"We urge Ameren Illinois to work with customers to keep their power on this summer, so they can stay safe and cool," CUB Executive Director Sarah Moskowitz said. "High bills can be stressful, so we ask people across central and southern Illinois to check on neighbors, friends and family this summer to make sure nobody is taking risks by keeping their homes too hot. Long-term, this price spike just shows we've got to keep working for consumer protections for electric customers."

Moskowitz called for passage of the Clean and Reliable Grid Affordability Act (SB2473/HB3779) in Springfield. The bill would implement a number of pro-consumer clean energy policies, including expanding energy efficiency and other programs that help reduce demand. She also said there is a continuing need for reform at the Midcontinent Independent System Operator (MISO), the regional grid operator for all or parts of 15 states from the upper Midwest through Ameren Illinois' territory in central and southern Illinois and down to Louisiana.

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

What's the cause? The price for reserve power—called "capacity"—skyrocketed in a MISO-run auction that has a major impact on what consumers pay for electricity. In addition to years-long delays in connecting power plants that could help lower prices-which is also a problem with PJM Interconnection, northern Illinois' grid operator-perhaps the biggest factor in the price spike was that MISO introduced a new pricing methodology that CUB said unfairly compromised affordability in the latest capacity auction.

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. Ameren does not profit off this price spike–under law

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309 W. Washington St., Suite 800, Chicago, 1L 60606 **Phone** (312) 263-4282 | **Toll Free** 800-669-5556 | **Fax** (312) 263 4329 the utility is required to pass supply costs onto customers with no markup. (Ameren profits off rate hikes on the delivery side of bills.)

If Ameren doesn't profit off this spike, who does? Big energy companies that sell electricity to utilities.

Moskowitz outlined key consumer tips on <u>CUBHelpCenter.com</u>:

- **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 Ameren to inquire about payment plans to pay off debt. CUB called for Ameren to offer good payment plans to help more utility customers stay connected this summer.
- Ask Ameren Illinois about special programs. Inquire about energy efficiency programs that could help you cut your bills. Also, consider signing up for Ameren's Peak Time Rewards program, which gives residential customers the opportunity to earn bill credits by reducing electricity usage during times of high electricity demand, typically summer afternoons.
- 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. 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. An exception: Many communities in central and southern Illinois have negotiated power deals with a supplier. If your community is one of them, savings aren't guaranteed but it's possible the price is lower than what Ameren's supply rate will be on June 1. 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 rooftop solar. Also, CUB has information about income-qualified solar programs.
- Be a good neighbor. Make sure friends, family and neighbors stay safe and cool this summer.

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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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