

AESP Brown Bag - Showcase of Largest Residential Dynamic Pricing Programs

*Ameren Illinois Power Smart Pricing
ComEd Residential Real-Time Pricing*

January 9th, 2014



Who We Are

- CNT Energy's mission is to provide economic and environmental benefits to households, building owners and communities through energy efficiency and conservation.
- We work in three main areas:
 - Dynamic Pricing and Smart Grid → *To save households money*
 - Energy Efficiency in Buildings → *To reduce costs for building owners*
 - Energy Planning and Consulting → *To save communities energy*



Dynamic Pricing & Smart Grid

Power Smart Pricing

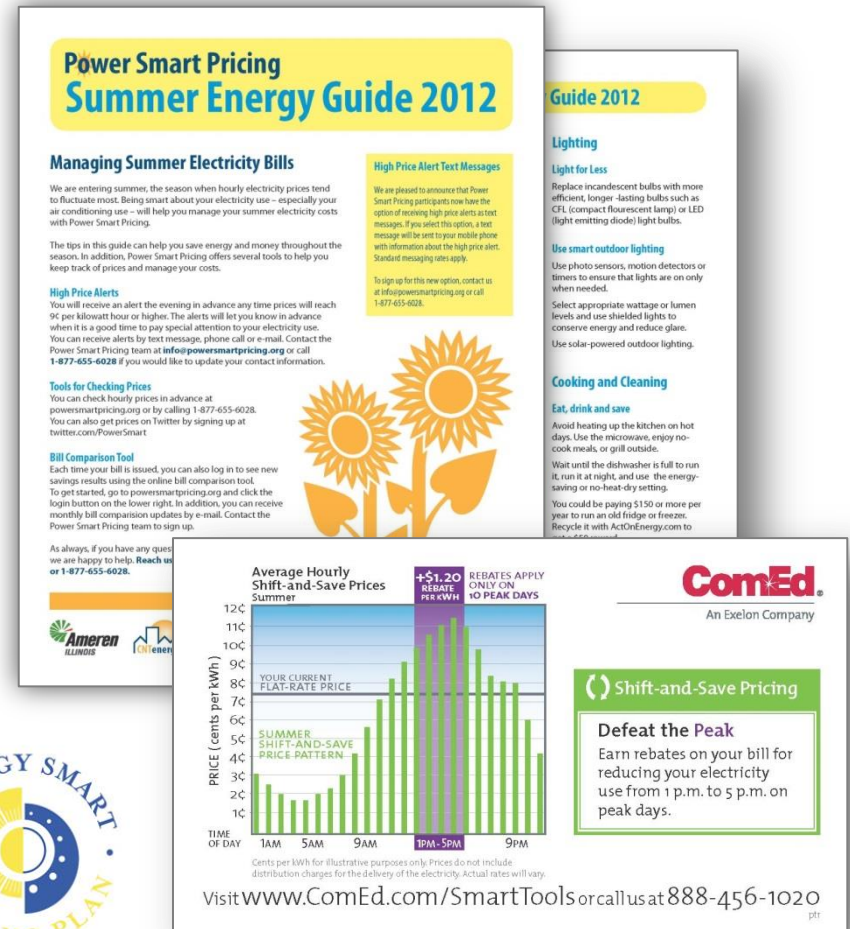
- 13,000 households
- More than \$9 million saved

ComEd Residential Real-Time Pricing

- 10,000 households
- More than \$13 million saved

ComEd Smart Meter Pilot (2010)

Energy Smart Pricing Plan (2003 – 2007)



Illinois Marketplace

Deregulated (1997)

- Electric utilities are wires companies, but remain default supplier
- Competitive electric suppliers began targeting residential customers less than 5 years ago

Illinois Power Agency

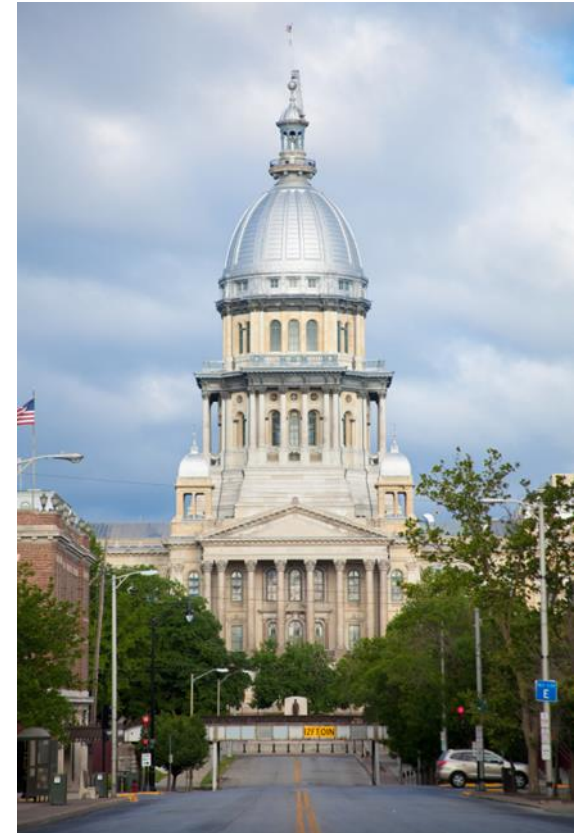
- Brokers power purchases for utilities' remaining flat-rate residential and small business customers

Real-Time Pricing

- Beginning January 2, 2007, a residential real-time pricing option is required
- 3rd party administrator

Municipal Aggregation

- Hundreds of municipal deals with competitive suppliers to serve residential customers



3rd Party Administrator

- Customer service support – **dedicated call center**
- **Marketing** and **outreach**
- **Education** and enrollment
- On-line **bill comparison tool** to show customers how they perform
- **High price alerts** and notifications to prepare customers for higher prices
- On-going customer communication to help existing customers maintain and **improve savings**



Illinois – Hourly Pricing Overview

Power Smart Pricing

- Opt-in program
- Monthly participation fee: \$2.25
- 12-month initial requirement
- Customers are notified on day-ahead prices
- Customers are billed on **day-ahead** prices



powering lives

- Opt in program
- Monthly participation fee: \$0.39
- 12-month initial requirement
- Customers are notified on day-ahead prices and real-time prices
- Customers are billed on **real-time** prices

Illinois – Hourly Pricing Overview

Power Smart Pricing

- 2007 - Present
- Current Participants: **13,600**
- Total Customer Savings: **\$9.3 million (26%)**
- Peak Demand Reduction: - **0.50 kW/Customer**
- Inconsistent conservation effect



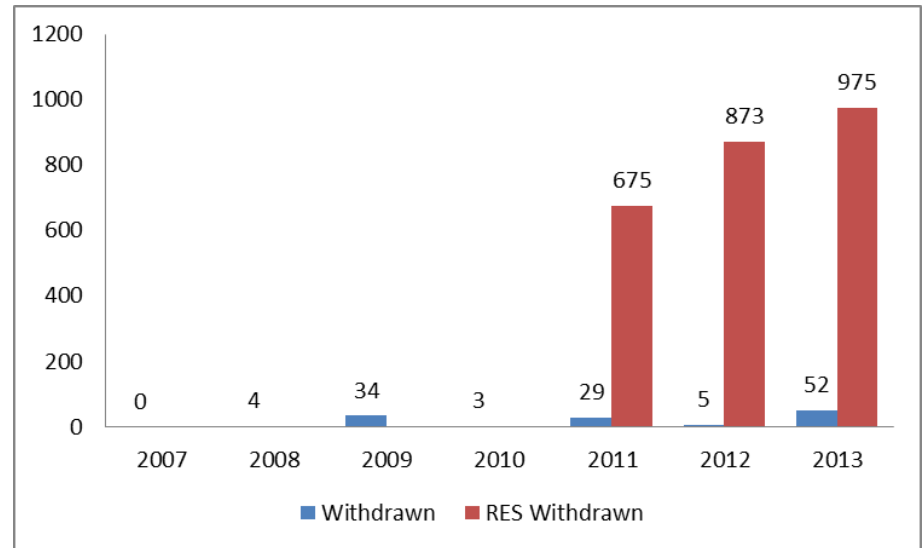
- 2007 - Present
- Current Participants: **9,750**
- Total Customer Savings: **\$13.6 million (28%)**
- Peak Demand Reduction: - **0.50 kW/customer**
- Average conservation effect of 4%

Current Trends

- Increased competition
- Smart meter deployment
- Technology advancement

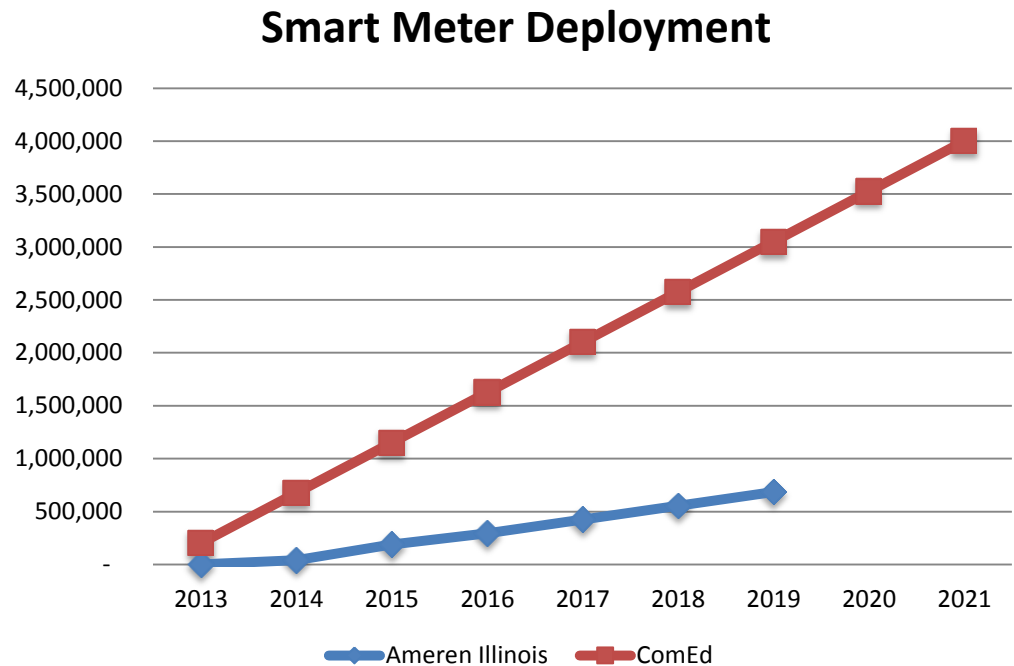
Increased Competition

- Roughly 70% of Illinois residential electricity customers receive supply through a 3rd party retail electric supplier (RES)
- Historically, 99% retention rate for Power Smart Pricing
- In 2011, sharp increase in the number of RES offerings
- Courtesy outbound phone calls to PSP participants who switch to a RES

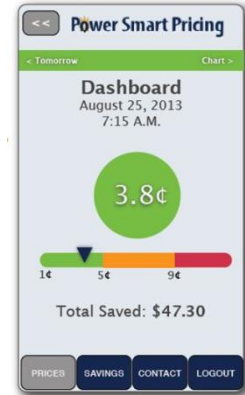


Smart Meter Deployment

- **ComEd RRTP:**
Target marketing to Smart Meter households only
- **Ameren Illinois Power Smart Pricing:**
Target marketing to Smart Meter households and households that will not obtain a smart meter.

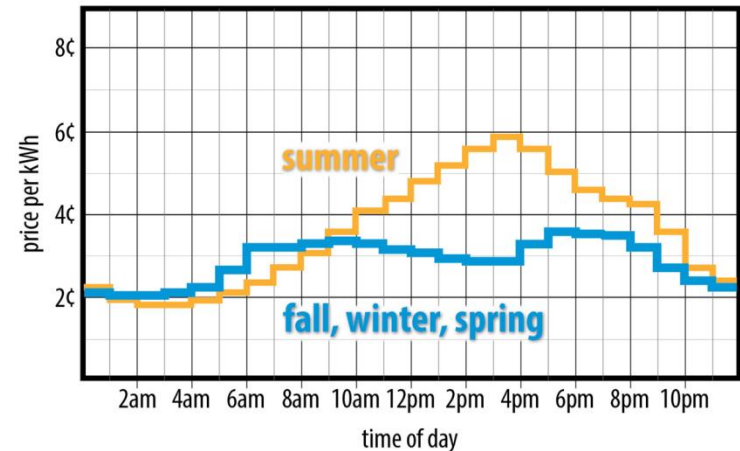


Technology Advancements



Lessons Learned

- Emphasize savings message
- Keep it simple



- Offer multiple engagement channels



Going Forward

How do we turn this...



Into this....

Thank you!

David Becker
Director of Dynamic Pricing
CNT Energy
www.cntenergy.org
773.269.4009
becker@cntenergy.org

