

Don't miss our emails! [Add to your address book.](#)  
Having trouble with this message? [View it online.](#)

# WATT'S UP?



theWattSpot.com

## Shedding some light on rates

As you may have noticed, beginning in June 2008 there were some changes to the line items and rates that appear on our RRTP bills. The new bills reflect changes that took effect on June 1, 2008. In this newsletter, we thought we'd focus on two (2) bill components, the Purchased Electricity Adjustment (PEA), and the Capacity Charge, as these tend to be the most confusing.

A ComEd RRTP Program Guide will also be sent to you soon. In this Guide, there will be additional information to help you better understand the line items and charges on your RRTP bill.

All charges on ComEd bills are based on tariffs and riders approved by the Illinois Commerce Commission. ComEd's full rate book is available at [www.exeloncorp.com/ourcompanies/comed/comedres/energy\\_rates/our\\_rates\\_and\\_prices.htm](http://www.exeloncorp.com/ourcompanies/comed/comedres/energy_rates/our_rates_and_prices.htm) and should be considered the official record for these items.

What is the Purchase of Electricity Adjustment (PEA)?



What is the Capacity Charge?



## The Great Prius Giveaway!

Take the ComEd Residential Real-Time Pricing online survey and be entered to win a 2009 Toyota Prius!



Take the Survey

## Purchased Electricity Adjustment (PEA)

[Back to top](#)

The Purchased Electricity Adjustment (PEA) acts as a balancing mechanism to assure that ComEd's supply charges exactly match its supply costs over time. This balance is reviewed monthly and the charge rate is adjusted accordingly. ComEd's revenues track the actual payments that ComEd must make to procure supply service.

The Purchased Electricity Adjustment can be a debit or credit on a standard fixed-rate bill or on an RRTP bill. It reflects the difference, if any, between the actual amount of money collected from ComEd's customers for electricity supplied and the cost incurred for supplying that electricity. ComEd is taking steps to limit the amount that the PEA will vary from one month to the next.

**The Purchased Electricity Adjustment reflects the difference, if any, between the actual amount of money collected from ComEd's customers for electricity supplied and the cost incurred for supplying that electricity.**

The supply cost are tracked (and the PEA is adjusted) separately for different customer groups. As a result, the Purchased Electricity Adjustments may differ between RRTP customers and customers on the standard fixed-rate service.

In 2007 there were five months when this charge was the same for hourly and fixed rate customers. There also were two months when it was higher for hourly customers and five months when it was higher for fixed rate customers. During the first half of 2008, there have been three months when it was higher for hourly customers and three months when it was higher for fixed rate customers.

The PEA is calculated by multiplying something called the "Accuracy Assurance Factors" ("AAFs") by your monthly usage (in kWh). Each ComEd rate has a different corresponding AAF – this is one of the reasons why your PEA on the RRTP rate might differ from a PEA for the fixed-rate (in a given month).

## Capacity Charge

[Back to top](#)

The Capacity Charge covers ComEd's costs to reserve enough electricity to meet demand at all times, including peak hours. All electricity suppliers are required to reserve capacity to cover their customer's Capacity Obligation. The Capacity Obligation represents your expected level of hourly usage in the afternoon on a hot summer day.

**The Capacity Charge covers ComEd's costs to reserve enough electricity to meet demand at all times, including peak hours.**

For residential customers who pay the standard fixed-rate, capacity costs are included in their fixed kilowatt hour Electric Supply Charge. For RRTP Participants, however, the Electricity Supply Charge does not include these capacity costs. Instead, ComEd reserves capacity for RRTP Participants through the regional electricity market, and lists this charge as a separate line item on RRTP bills (labeled as the Capacity Supply Charge). ComEd does not profit from the Capacity Charge. Like with the cost of electricity, ComEd simply passes through capacity costs to its customers without mark up.

**ComEd does not profit from the Capacity Charges. Like with the cost of electricity, ComEd simply passes through capacity costs to its customers without mark up.**

There are two components to this charge, your Capacity Obligation and the Capacity Charge rate. Multiplied together, they make up the Capacity Charge item on your bill. The method used to calculate your individual Capacity Charge depends on when your RRTP meter was first installed.

### Capacity Obligation

If you were enrolled in the RRTP program during the summer of 2007, your Capacity Obligation is based on your individual electricity usage data from last summer. In this case, ComEd calculates your highest electricity demand for the five hours of the summer when the overall system demand was highest (this has historically occurred between 2 p.m. and 4 p.m.). These numbers are then averaged and adjusted to determine your contribution to the system load creating your Capacity Obligation. Your Capacity Obligation is then used to calculate your Capacity Charge. So the higher your demand was during the five peak hours of last summer, the higher your Capacity Charge will be this year beginning June 1, 2008.

If you did not have an RRTP meter in place during the summer of 2007, your Capacity Obligation is set by using averages for your customer class. (ComEd's four residential customer classes are: Single Family Non-Electric Space Heating, Single Family Electric Space Heating, Multi-Family Non-Electric Space Heating, and Multi-Family Electric Space Heating.) In future years, your Capacity Obligation will be based on your individual energy use during the highest demand hours of the previous summer.

### Capacity Charge Rate

The Capacity Charge rate is updated annually based on the cost of capacity in the PJM wholesale market. On June 1, the Capacity Charge rate increased from \$1.24 per kW-Month to \$3.45 per kW-Month. The increase in the Capacity Charge rate certainly can have a significant impact on your bill. For example, a typical single family home has a Capacity Obligation of around 3.5 kW. (Most apartments will have a much smaller Capacity Obligation.) The increase in the rate will mean that the Capacity Charge for a typical single family home would increase from \$4.35 per month to \$12.06 per month.

**Reducing your electricity usage during peak hours (this has historically occurred between 2 p.m. – 4 p.m.) may help to reduce the Electricity Supply Charge portion of your bills this summer, and could reduce the Capacity Charge portion of your future bills.**

In general, the price of electricity goes up when demand is high, so the peak system load is likely to correspond with higher real-time prices. This means that if you can reduce your electricity use when prices are high, you'll also have a good chance of reducing your demand during peak system load. This in turn may result in a lower Capacity Obligation, and thus, a lower Capacity Charge in the future.

I hope this information is helpful.

Sincerely,

Katie Papadimitriou  
ComEd RRTP Program Manager  
theWattSpot.com

"Toyota" and "Prius" are registered trademarks of Toyota Jidosha Kabushiki Kaisha AKA Toyota Motor Corporation. The Toyota Jidosha Kabushiki Kaisha AKA Toyota Motor Corporation does not sponsor and is not affiliated with this sweepstakes.

Copyright © 2008 Converge Inc.

[Forward this message to a friend](#)

This email was sent to [EMAIL]. You subscribed to this list December 9, 2008.  
[Unsubscribe](#) | [Privacy Policy](#)

Converge, Inc.  
120 Eagle Rock Ave.  
Suite 190  
East Hanover, NJ 07936

 **Email Transmit**  
THE PROFESSIONAL CHOICE FOR EMAIL MARKETING