



ComEd Hourly Pricing Performance vs. Fixed-Price Rate During 2013

ComEd’s Hourly Pricing program allows participants to pay the hourly, wholesale market price for electricity. The program is administered by Elevate Energy, which provides customer services to participants to help them manage costs. These services include day-ahead and real-time high price alerts by email, phone or text, an online bill comparison tool, a mobile app, and education to help drive behavior change and maximize program benefits.

Elevate Energy conducts ongoing research to inform ComEd’s Hourly Pricing program and drive continuous improvement. This study compared fixed-price and hourly rates by calculating how many fixed-price customers who have a smart meter would have saved money in 2013 if they had been enrolled in Hourly Pricing.

Findings: Savings on Hourly Pricing

In 2013, 97% of ComEd’s fixed-price customers who have a smart meter¹ would have paid less for electricity if they had been enrolled in Hourly Pricing. This is because average hourly prices were distinctly lower than the fixed-price rate. These households on the fixed-price rate were not necessarily aware of hourly rates and were not incentivized to shift their electricity usage, so this analysis indicates that these customers would have saved money without changing their usage patterns at all.

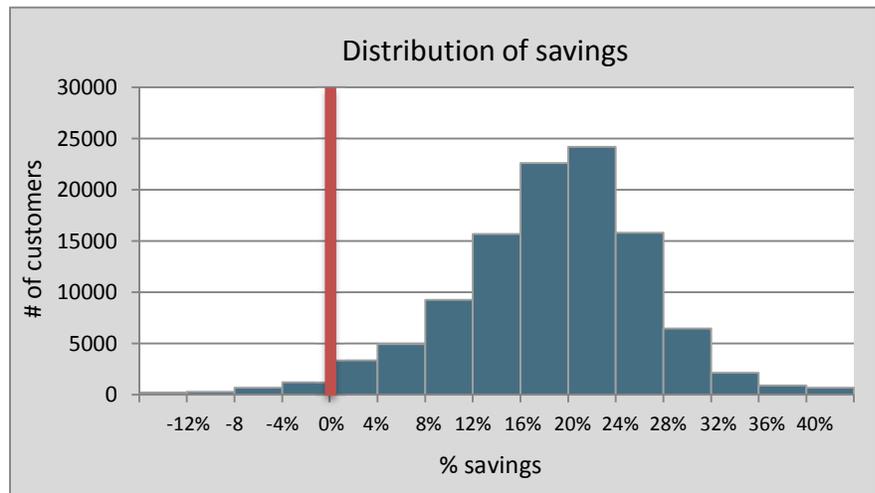
In addition, more than 99% of customers with a smart meter enrolled in the Low-Income Home Energy Assistance

Program (LIHEAP) or Percentage of Income Payment Plan (PIPP) would have saved money on Hourly Pricing. These results indicate that hourly pricing programs are likely to benefit low-income customers.

Previous research found that customers with low energy usage were less likely to save money on Hourly Pricing. Although this study also found that low energy users (monthly usage in the lowest 20%)² are less likely than higher energy users to save money on the hourly rate, 89% of low usage customers would still have saved money on Hourly Pricing.

If they had been enrolled in ComEd’s Hourly Pricing program in 2013...

- 97% of ComEd customers with smart meters¹ would have saved money, with mean annual savings of \$123.52. Customers who would have lost money had mean losses of \$6.29.
- Over 99% of LIHEAP-enrolled customers would have saved money, with mean savings of \$136.52. LIHEAP customers who would have lost money had mean losses of \$6.95.
- 89% of customers with low monthly usage would have saved money, with mean annual savings of \$28.14. Low use customers who would have lost money had mean losses of \$6.39.



	#	% who save \$ on Hourly Pricing	Mean annual savings	Mean annual losses
All customers	108,417	97.0%	\$123.52 (19.3%)	\$6.29 (5.0%)
Enrolled in LIHEAP or PIPP	8,266	99.6%	\$136.43 (20.6%)	\$6.95 (3.5%)
Low energy users (monthly usage in the lowest 20%: <359 kWh for single-family or <170 kWh for multifamily) ²	21,510	89.2%	\$28.14 (10.4%)	\$6.39 (4.9%)

¹ These findings are for customers who had smart meters at the beginning of 2013, and not necessarily transferrable to the rest of the ComEd service territory. See the map below for more information.

² Cut-off points for low energy users are for customers without electric space heat; the 20th percentile of kWh usage would be higher for the 3.9% of customers in this study that have electric space heat.

Geographic Distributions of Savings

Across all ZIP codes in the study, average savings would have been between 17.4% and 22.4%. This is a very small range of values, especially because the ZIP codes in the study cover some very different communities. For example, households in River Forest would have saved about the same percentage as households in West and East Garfield Park, despite having very different demographics.

Discussion: Low Market Prices for Electricity

During 2013, there were 10,403 distinct accounts that were billed on ComEd's Hourly Pricing program, and 99.1% of these customers saved money. Part of the reason that 97% of customers who were not enrolled in Hourly Pricing also would have saved money is that hourly, wholesale market prices for electricity were low and stable in 2013, with few price spikes. In fact, there were only 58 hours during the year when hourly market prices were higher than 10 cents per kWh. Because of these stable and low market prices, residential customers could save money on the hourly rate without reducing electricity usage during times of higher prices. Previous analysis of 2010 through 2012 data also found that the majority of customers would have benefitted from participating in Hourly Pricing. However, additional research will be needed to determine how many customers could save money on Hourly Pricing under less beneficial market conditions. It may be unlikely that such a high percentage of customers would save money if electricity market prices were higher, if weather patterns encouraged more electricity usage during high-price times, or if fixed-price supply contract conditions were more favorable to ComEd fixed-price customers.

Methodology

This study took a retrospective look at 108,417 households with smart electricity meters that were paying the fixed-price electricity rate in 2013. These households were part of the pilot program that involved the installation of 131,000 smart meters in 11 western suburban communities and several Chicago neighborhoods.

The study obtained anonymous hourly energy usage data from smart meters. The data were adjusted to account for vacant homes, customers already enrolled in ComEd's Hourly Pricing program, and similar adjustments that are commonly used to remove potential data errors. The study then calculated the supply and delivery costs that these fixed-price customers would have paid had they been enrolled in Hourly Pricing, including all charges except state and municipal taxes and franchise fees, and compared this to the equivalent costs on ComEd's fixed-price rate.

About Elevate Energy

Elevate Energy is a mission-driven organization that designs and implements programs that help people do more with less energy. We conduct research to inform the energy industry and the programs we administer.

