

# Successful Pricing Case Study

Peak Time Savings at ComEd



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# Peak Time Savings Overview

**Peak Time Savings (PTS)** is an opt-in residential demand response program that ComEd offers to all residential customers who have smart meters. PTS pays customers for reducing energy use on select summer Peak Time Savings Hours.

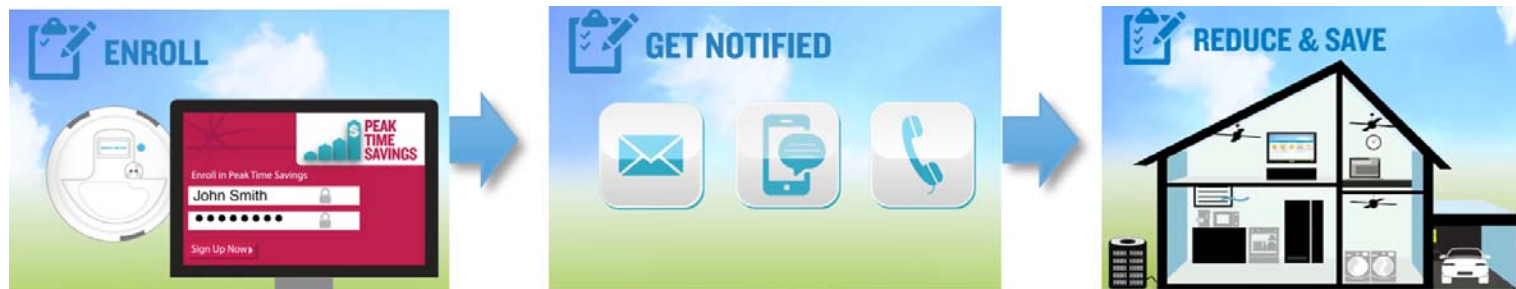
**Incentive:**

- \$1 per 1 KWh saved
- ComEd receives funding through the PJM energy and capacity markets for customer bill credits.

**Background:**

- In October 2014, ComEd launched PTS as required under the Illinois Energy Infrastructure Modernization Act
- Smart Meters are a key part of ComEd's effort to demonstrate the value of the Smart Grid. PTS offers customers a tangible benefit from the investment in AMI.

**Customer Eligibility:** Enrollment runs annually. Any customer with an AMI meter is eligible to enroll. Recently filed a tariff update to allow customers to enroll during the summer season.

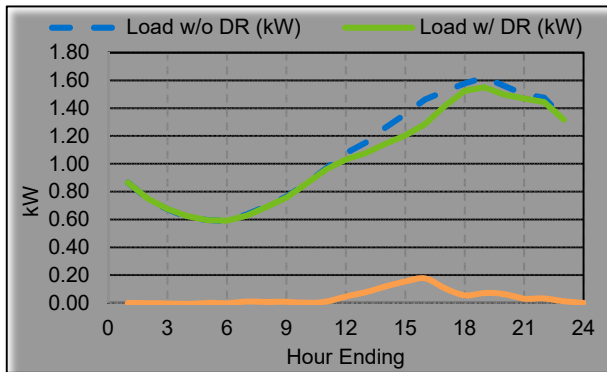




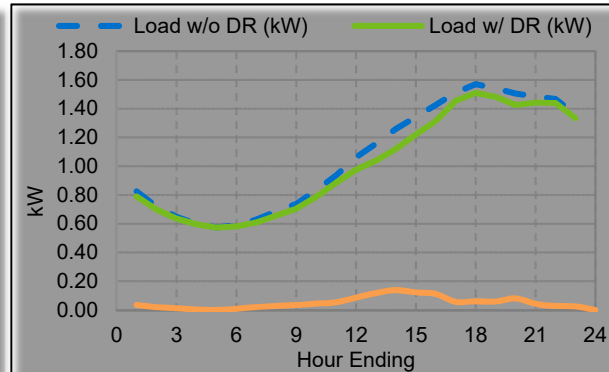
- A total of approximately **205,000 customers** are currently enrolled in PTS
  - 56,000 customers enrolled in 2015, 149,000 in 2016
  - Achieved enrollment rate of 7.2% for all eligible customers who received PTS direct mailings
- The cost of acquisition via direct mail was **\$8.49/customer**
- Total bill credits earned across all events was **\$867,716**
  - Three Peak Time Savings Hours were called in 2016
  - Average credits across events: \$9.51 for Single Family, \$5.01 for multi-family
- PTS has delivered participating customers more than **\$1.2M in total bill credits** for reducing electricity usage.
- Cleared 85 MW of DR capacity for PTS in the 2019/20 BRA auction @ \$182.77 MW-Day, providing **\$5.7M for customer incentives**

# Load Curve Impact from Customer Behavior

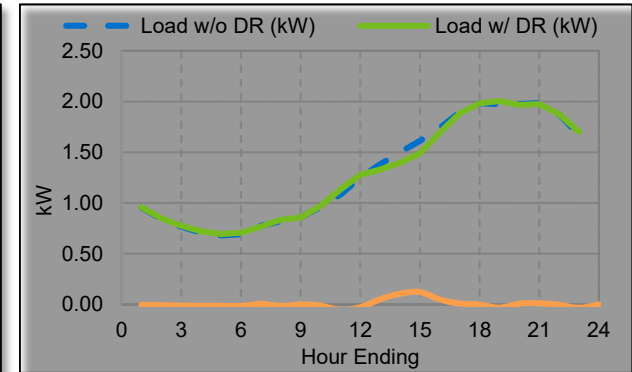
July 23, 2015 PTS Event



August 13, 2015 PTS Event



September 1, 2015 PTS Event



- Based on a 10:1 sample of PTS customers to similar control group customers
- Single family customers reduced load by 9.5% while the multi-family customers reduced load by 8.6% during PTS event hours
- The load reductions were about 2.5 times for single family customers than for multi-family customers

Customer Segment	Load w/o DR (kW)	Load w/ DR (kW)	Impact (kW)	Impact (%)
Residential Single Family Combined	1.67	1.51	0.16	9.5%
Residential Multi-Family Combined	0.69	0.63	0.06	8.6%
All Event Participants	1.36	1.23	0.13	9.3%

# PTS Customer Testimonials

ComEd @ComEd  
Peak Time Savings Hours are in effect! Participants earn \$1/kWh reduced between 2-5PM today: [ComEd.com/PTS](http://ComEd.com/PTS)

Peak Time Savings Participant

Wendy P. ELMHURST

“We save about \$10 a month”

ComEd.com

7 likes  
12:15 PM - 4 Aug 2016

maggie rimnac @chitownmags · Aug 4  
@ComEd we saved about \$8 last month!

ComEd @ComEd · Aug 4  
@chitownmags Thanks for sharing. We're save money through this program!

ComEd @ComEd · Aug 19  
Peak Time Savings Hours are in effect! Participants earn \$1/kWh reduced between 1-3PM today: [ComEd.com/PTS](http://ComEd.com/PTS)

Peak Time Savings Participant

Angelique T. CHICAGO

“There's nothing to lose.”

ComEd.com/PTS

4 retweets, 8 likes

ComEd shared their video. 3 hrs ·

It's Peak Time Savings Hours today between 1-3PM! Peak Time Savings participants can earn a credit on their electric bill by reducing their electricity use this afternoon. Last summer, Mark participated and saved! "Peak Time Savings is just a great way to save. You'll see it in the form of bill credits. You'll see it in lower energy usage overall. It's really easy." If your home has a smart meter, you may be able to enroll in Peak Time Savings next summer! Learn more at [ComEd.com/PTS](http://ComEd.com/PTS).

The video thumbnail shows four individuals (three men and one woman) smiling, positioned above four smart meters. The smart meters are arranged in a row and show various digital displays.

# Cost Effective and Sustainable Program Design

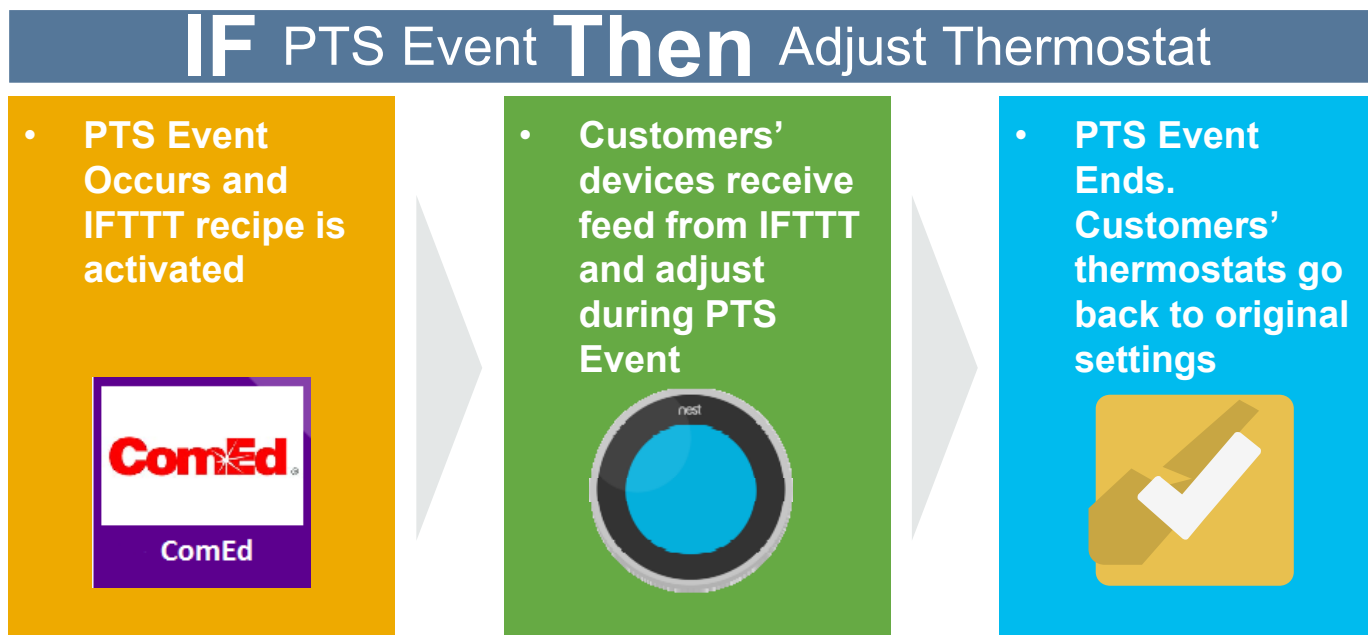
- Values represent the Net Present Value (NPV) over a 15 year analysis period
- Due to the substantially smaller load impacts for multi-family customers, this customer group is not cost-effective

Cost effectiveness perspective	Scenario	Benefits (\$million)	Costs (\$million)	Net Benefits (\$million)	Benefit/Cost Ratio
Total Resource Cost Test	Single Family PTS	\$47.2	\$24.4	\$22.8	1.94
	Multi-Family PTS	\$9.1	\$11.3	(\$2.2)	0.81
	Overall PTS	\$56.3	\$35.7	\$20.6	1.58

- An additional analysis showed that if multi-family participants were not assessed any fixed PTS program costs, the multi-family participants as a group would be cost effective with a TRC of 1.42.
- The same analysis showed that if the single family participants were assessed the entire fixed PTS program costs, the single family participants as a group would still be cost effective with a TRC of 1.61.



- Rolling Enrollments
  - Currently, customers must enroll by April 30<sup>th</sup> to participate during the upcoming summer
  - Effective 3/20/2017, customers enrolling after April are considered active and participate in events immediately
- IoT Enablement (Tentative Enhancement)
  - PTS Events to trigger adjustment of customer connected home technologies via “IFTTT”



- Increasing DR interruption obligation from Regional Transmission Operator (RTO)
  - Currently Summer Only DR, new PJM policy mainly driven from polar vortex now requiring year-round resource availability
- Marketing efforts must reach a wider audience as AMI deployment reaches 4 Million customers in ComEd Territory, while maintaining similar acquisition costs
- Continue to keep current participants engaged and responding during DR events in order to maintain program performance
- Meet increasing customer demands from service providers and utilities



**Let's Discuss!**



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