



PROTECT ILLINOIS FROM A 'BILLION-DOLLAR GIVEAWAY'

September 2019

By passing the Clean Energy Jobs Act (CEJA), the General Assembly can protect Illinois from new electricity market rules that threaten most consumers in the state with **\$864 million a year** in higher electric bills.

Strong energy policy in Illinois (including the 2016 Future Energy Jobs Act) opens the door to billions of dollars in utility bill savings for consumers, a historic increase in renewable energy, and a clean energy jobs boom for communities throughout Illinois. CEJA, the follow-up to the Future Energy Jobs Act, aims to do even more.

But all our progress is threatened by an electricity market, the PJM capacity market, that has been punishing Illinois consumers for years. And it's about to get worse.

The risk

PJM Interconnection, the power grid operator for northern Illinois and all or parts of 12 states reaching to the East Coast, supports a plan to revamp a key electricity market, called the "capacity market."

The capacity market has already become a significant drain on Illinois electric bills—but the PJM plan before the Federal Energy Regulatory Commission (FERC) will have devastating consequences for electric customers. It will:

- Increase power bills across the PJM region by up to \$5.7 billion a year, up to **\$864 million a year in northern Illinois (ComEd customers)***.
- Interfere with Illinois' right to set its own clean energy policy.
- Undermine the General Assembly's historic Future Energy Jobs Act.

The plan supported by PJM benefits the owners of failing fossil-fuel power plants. In fact, former Illinois Commerce Commission member Ann McCabe and John Moore, of the Natural Resources Defense Council, wrote: "PJM's plan is akin to a billion-dollar giveaway at consumers' expense to a few lucky fossil fuel generators."

***Source:** "Consumer Impacts of FERC Interference with State Policies," by Michael Goggin and Rob Gramlich of the consulting firm Grid Strategies.

**Without the
Clean Energy Jobs Act,
most Illinoisans would see
significant increases in their
power bills because of the
PJM capacity market.**

The opportunity

Because PJM is continuing to undermine Illinois' progress, the state must make a major policy shift to protect clean energy interests and consumer power bills.

The Illinois Power Agency (IPA) already manages the power purchases of the state's biggest electric utilities, and it could give ComEd another option to respond to the plan before FERC. Not only would this change save northern Illinois consumers money on their power bills, but it also would have statewide benefits, promoting renewable energy development across Illinois while keeping a lid on electric bills throughout the state.

Next steps

A PJM capacity auction that helps determine electricity prices is scheduled for early in 2020, **so the General Assembly must act before the end of 2019 to prevent the higher bills from being locked in.**

The Clean Energy Jobs Act calls for the IPA to give the state other options to advance its goals of securing clean energy for Illinois consumers and lowering electric bills.

The General Assembly must step in to pass CEJA and protect Illinois consumers this year. If not, most will pay up to **\$864 million a year** in higher power bills.