

## **Ameren Electric Rate Increase: Frequently Asked Questions**

On April 20, 2022, Ameren electric received electric rate results from the regional grid operator (MISO), which include an increase from \$5/megawatt to \$236/megawatt and will now cause Ameren electric rates to increase beginning June 1.

This increase is unrelated to the increase in natural gas prices and different from what was experienced beginning in Fall 2021 when Ameren gas rates increased, causing heating bills to rise over the winter months.

Additionally, there is the potential that customers could experience electricity disruptions this summer, such as controlled brownouts due to reliability issues within the MISO territory.

### **1. Why is my bill increasing so dramatically?**

The increase is a result of many factors that have created the perfect storm. Power supply prices are going up because of global market pressures, and recent public policy has prioritized renewable energy (solar and wind)—which has resulted in many fossil fuel plants closing, creating a capacity shortage in the region that covers Ameren Illinois customers. Not only will this lead to higher electric bills, but there will also be the potential for controlled outages and brownouts this summer.

### **2. Ameren is my gas provider, will this rate increase impact me?**

No. The increases announced in April 2022 are limited to Ameren electric rate prices.

### **3. Ameren is not my electric company; will my bill still increase?**

No, not due to electric rate increases. However, all Illinois customers will see increased fees on electric bills due to Governor Pritzker's Energy Transition Tax.

### **4. Ameren is not my electric company; will I see any impact?**

Currently, the new market prices are only having an impact on Ameren electric customers; however, all service providers that rely on the MISO grid for power may be impacted and affected by potential future brownouts due to a lack of energy capacity.

### **5. I'm a ComEd customer; why are Ameren electric prices going up but not ComEd's?**

ComEd customers are in the PJM transmission grid, which is not the same territory as Ameren customers. PJM already did their capacity auction three years ago and locked in lower prices. Ameren is in the MISO grid and only does one year auction results. The result for Ameren was historically bad and therefore, prices are spiking for Ameren and the rest of MISO.

However, ComEd customers were already paying more on their bills for the nuclear plant subsidy due to the Pritzker Climate law (SB 2408) which passed in September of 2021. But, with energy prices soaring, the subsidy will begin to disappear this summer. In fact, ComEd customers are expected to receive a rebate of about 3.1 cents per kilowatt-hour because the law guarantees those nuclear plants a flat price and doesn't allow them to collect more. This rebate should offset the increase in power prices, but only for now. If power prices continue to rise and there's no further action to lock in a forward cost, ComEd ratepayers could see a future rate increase.

## **6. When can I expect to see my Ameren electric bill increase?**

The increased rates will go into effect in June, which will be payable by customers in late June/early July. Customer billing cycles vary.

## **7. I can't afford my bill, what can I do?**

There are several opportunities for individuals to seek out assistance with energy bills, both electric and gas, including the following:

- Many utility companies offer budget billing programs, which set monthly bill amounts at predictable amounts for which customers can financially plan. Ameren Illinois offers a program, and more information can be found on their website at the following: <https://www.ameren.com/illinois/account/customer-service/bill/budget-billing>
- Low Income Home Energy Assistance Program (LIHEAP) is a federally funded program that provides qualifying households with monetary relief for their energy bills. More information can be obtained by calling 1-877-411-WARM (9276) or visiting <https://www.ameren.com/illinois/residential/energy-assistance/liheap>.
- United Way
- The Salvation Army

## **8. What can I do to lower my energy bill?**

There are a variety of simple things you can do in your home to lower the cost of your bill this summer, including the following:

- Turn off the air conditioning and open your windows on cooler evenings or in mild weather.
- Close your shades to block out the sun's heat during the daytime.
- Set your thermostat up by 5 degrees when leaving home for more than 3 hours. Dialing up your thermostat can save up to 10% on your air conditioning bill.
- Whenever a light bulb burns out, replace it with a compact fluorescent light bulb.
- Set your refrigerator to keep your food at 38 degrees. Don't let the food compartment get too cold; it will freeze your fruits and vegetables and waste energy.

- Keep your air conditioning duct vents clean and clear. Don't block the cool air from getting to you.

Ameren Illinois has several videos on their websites with tools and tips:

<https://amerenillinoisavings.com/residential/energy-savings-center-tips-tools/>

The U.S. Department of Energy recommends detailed energy-saving tips for spring and summer to use your windows to keep out heat, operate your thermostat efficiently, use fans and ventilation strategies to cool your home, keep your cooling system running efficiently and much more. Detailed tips and tricks can be found on the Department's website at: <https://www.energy.gov/energysaver/spring-and-summer-energy-saving-tips>

#### **9. What are the biggest energy wasting habits that could be increasing my bill?**

- Leaving the Lights On
- Using Incandescent Bulbs
- Leaving Electronics Plugged In
- Powering an Empty Chest Freezer
- Browsing Your Refrigerator
- Running the Dishwasher Half-Full
- Washing Clothes in Hot Water
- Setting the Thermostat Too High
- Not Programming Your Thermostat
- Forgetting to Change Air Filters

#### **10. Should I be worried that I won't have air conditioning this summer?**

It is a valid concern that Illinoisans might have electricity disruptions this summer, likely by planned brownouts. This would be caused by consistently high weather temperatures and added pressures to the electric service grid. Should Ameren need to implement a controlled brownout, customers can expect to get notice ahead of time.

#### **11. What is a controlled brownout?**

A controlled brownout is when an energy company plans to turn off connectivity for a set amount of time (example: 1-2 hours per day). This is done to avoid unexpected blackouts, which could leave customers without power for days or weeks.

#### **12. What is the difference between brownouts and blackouts?**

The biggest distinction between brownouts and blackouts is that **brownouts are partial outages while blackouts are a complete shutdown of electricity**. During a brownout, the system capacity is reduced, and the voltage is typically reduced by at least 10 to 25 percent. Should Ameren need to implement a controlled brownout, customers can expect to get notice ahead of time.

**13. Is Ameren electric or the State of Illinois going to profit from this rate increase?**

No. Ameren Illinois does not profit from energy supply. The cost of energy supply makes up about one-half to two-thirds of a customer's energy bill and is passed directly, dollar-for-dollar, with no mark-up. The State of Illinois does not regulate supply rates, they are based on the market. Illinois does regulate delivery (formula) rates, which comprise one-third of customer's bills.