

RES Requirements and Processes

In 1999 Illinois restructured the electric industry, allowing other entities to sell electric supply to the retail electric customers in the host utility's service area. One of these entities is the Retail Electric Supplier (RES). The RES sells electric supply to retail customers in the utility's service area. Since May 2002, all retail customers in ComEd's service area are eligible to select a RES for supply of their electricity.

ComEd interacts with RESs and facilitates their entry into the open access marketplace to promote customer choice. ComEd's Electric Supplier Services Department (ESSD) is the RESs' liaison with ComEd. ESSD helps RESs in their preparation to enter and participate in the new marketplace, assists RESs in resolving issues and manages the business relationship between the RESs and ComEd.

This chapter describes the prerequisites, certification process, and obligations that RESs must fulfill in order to do business in ComEd's service territory. In addition, this chapter describes the resources and services that ComEd provides to assist RESs in the electric marketplace.

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❖ **Action Items:**

- Obtain ICC certification to sell electric supply to retail customers (if planning to serve as an ARES)
- Complete registration form
- Obtain and verify PJM Membership
- Have the ability to procure electric supply
- Have the ability to obtain transmission services
- Be current on all payments to ComEd
- Demonstrate EDI
- Enter into appropriate contracts or election forms with ComEd
- Meet financial qualifications, if applicable

❖ **Documentation:**

Document	Where Found
ICC Certification Application	ICC web site www.icc.illinois.gov/forms
ICC Supplier List	ICC web site: www.pluginillinois.org/suppliers
RES Registration Form	ComEd web site: www.comed.com/My Account/My Service - Customer Choice/Retail Electricity & Metering/RES Resources
OATT Service Agreement	PJM web site: www.pjm.com
Retail Electric Supplier Service Election Form	Provided by ComEd's ESSD Account Manager
EDI Trading Partner Agreement	Provided by ComEd's ESSD Account Manager
SBO Election Form & Proof of creditworthiness (as certified)	SBO Election Form and RES Credit application, provided by ComEd's ESSD Account Manager
Rider PORCB Election Form	Rider PORCB Election Form, provided by ComEd's ESSD Account Manager

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PREREQUISITES

A RES must be a PJM Member and establish a business relationship with ComEd before it can begin supplying electricity to retail customers located in ComEd's service territory. To become a PJM Member or to establish a business relationship with ComEd, a RES must meet certain initial conditions, including meeting the requirements of PJM and the requirements of ComEd as described in the applicable tariffs on file with the Federal Energy Regulatory Commission (FERC) or the Illinois Commerce Commission (ICC).

❖ Obtain ICC Certification

An ARES must be certified by the ICC to operate within ComEd's service territory. Illinois jurisdictional electric utilities are not required to obtain ICC certification to sell electric supply to retail customers in ComEd's service territory.

The ICC established ARES certification requirements as described in 83 Illinois Administrative Code 451. The ICC may establish additional certification requirements from time to time. Information about this process can be obtained from the ICC web site.

❖ Complete and Submit Retail Electric Supplier Registration Form

Each RES must submit a registration form to notify ComEd that it intends to become certified to sell electric supply to retail customers in ComEd's service territory after receiving ICC certification. Submitting the registration form begins the formal certification process between the RES and ComEd.

ComEd will accept an ARES's registration form and begin certifying the ARES only after the ICC has certified the ARES.

Registration forms can be obtained on the ComEd.com web site under Customer Service, Rates & Pricing, Retail Electricity and Metering, RES Resources or from ComEd's ESSD by E-mailing ESSD@comed.com.

The form asks for the following information:

- Corporate name
- Mailing address
- Telephone and fax numbers
- Corporate contact information
- Marketing contact information
- Billing/Customer Service information
- Corporate affiliations
- Dun & Bradstreet identification number

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- ICC certification number and last date certified
- Federal and state tax identification numbers

Completed forms are to be submitted via email to ESSD@comed.com

ComEd will respond to the RES within five working days after receiving the registration form.

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CERTIFICATION PROCESS

When ComEd receives a properly completed registration form, the process of certifying with ComEd as a RES begins. At this point, ComEd assigns the RES an account manager, who sends the RES a certification email. The Account Manager serves as the RES's primary contact with ComEd.

To register as a RES with ComEd, the RES must complete the following additional activities:

- Obtain and verify PJM Membership
- Have the ability to procure electric supply
- Have the ability to procure transmission services
- Be current with all payments to ComEd
- Demonstrate EDI
- Enter into appropriate contracts and election forms, if applicable, with ComEd
- Meet financial qualifications, as applicable

❖ Obtain and Verify PJM Membership

Each RES must become a Load Serving Entity (LSE) with PJM to procure sufficient electric supply services to meet the needs of its retail customers, including providing for any transmission and distribution system losses.

The RES must execute all required forms with PJM to register as an LSE with PJM. See www.pjm.com for more information on the PJM membership process. Upon completion of PJM membership, an affidavit from PJM indicating full membership is to be submitted to ComEd to meet ComEd's RES certification requirements.

❖ Have the Ability to Procure Electric Supply

Each RES must be able to procure sufficient electric supply to meet the needs of its retail customers, including providing for any transmission system and distribution losses. (NOTE: Transmission losses are the same for all retail customers as defined in the applicable Open Access Transmission Tariff (OATT) while distribution losses are different depending upon applicable customer class, as defined in Rate RDS – Retail Delivery Service (Rate RDS).

❖ Have the Ability to Procure Transmission Services

To supply electricity to eligible retail customers via the transmission system located in ComEd's service territory, the RES must become a Transmission Customer of PJM under the applicable OATT.

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❖ **Be Current with All Payments to ComEd**

Each RES must be up-to-date on all payments to ComEd. These payments may be for the purchase of any other product or service provided by ComEd, or other receivables owed to ComEd.

❖ **Demonstrate EDI Capability**

Information on customer enrollment, customer billing, and customer payment and remittance must be communicated electronically to ComEd. The RES and ComEd will enter into an Electronic Data Interchange (EDI) Trading Partner Agreement, stating that they will send and receive information via EDI using the Internet, ComEd's preferred method of transport.

If a RES elects to use the Rider Single Bill Option (SBO), the RES bills the customer for electric supply as well as presents ComEd delivery services charges. The RES must be able to remit funds via Electronic Funds Transfer (EFT) and electronically transmit detailed account information to ComEd.

If a RES elects to use the Rider PORCB (Purchase of Receivables with Consolidated billing), ComEd prepares one bill for the customer, which contains both the RESs electric supply charges and ComEd's delivery service charges. ComEd purchases the RESs receivables at a discount. The RES must be able to receive funds via Electronic Funds Transfer (EFT).

Each RES must successfully complete a testing program to demonstrate that it can fulfill EDI requirements. For RESs electing Rider SBO or Rider PORCB, the RES must also confirm EFT capabilities.

For specific information about electronic requirements, see Chapter 5 of this guide, *Electronic Communications Requirements and Procedures*.

❖ **Enter into Appropriate Contracts and Election Forms with ComEd**

The RES must sign an EDI Trading Partner Agreement, Rate RESS Election Form, Rider SBO Election Form and Rider PORCB Election Form, as applicable. The agreement and election forms reflect the following tariffs including but not limited to:

Rate RESS – Retail Electric Supplier Service
Rate RDS- Retail Delivery Service
Rider SBO – Single Bill Option
Rider PORCB – Purchase of Receivables with Consolidated Billing
General Terms and Conditions

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❖ Meet Financial Qualifications, if applicable

Rider SBO – Single Bill Option allows RESs to provide retail customers with a single bill covering the RES's charges for electric supply as well as ComEd's charges for delivery services. RESs electing to take service under Rider SBO must be able to remit payments that they collect and must provide ComEd with assurance that payments can be covered. Creditworthiness for this purpose can be demonstrated in one of four ways:

- **Bond** – Post and maintain a bond in favor of ComEd for an amount equal to 15 percent of a good-faith estimate of the total amount the RES expects to remit annually to ComEd under Rider SBO. The bond is to be updated quarterly.
- **Letter of credit** – Deliver an irrevocable letter of credit in favor of ComEd for an amount equal to 15 percent of a good-faith estimate of the total amount the RES expects to remit annually to ComEd under Rider SBO. The letter of credit must meet the long-term obligation ratings of financial institutions as stated in 83 Illinois Administrative Code 451 and Rider SBO. The letter of credit must be updated quarterly.
- **Commercial paper ratings** – Maintain at least two of the commercial paper ratings of financial institutions as required by the ICC and in Rider SBO. The commercial paper ratings must be updated quarterly.
- **Affiliate guarantee** – Unconditionally guarantees, by a RES affiliate, the obligations of the RES to ComEd. The affiliate must maintain at least two of the commercial paper ratings of financial institutions as stated in Rider SBO. The affiliate guarantee must be updated quarterly.

❖ Rider PORCB Payments to RES

ComEd will remit payments to a RES 32 calendar days after each bill issuance for eligible accounts that a RES enrolls with the PORCB bill option and include the RESs supply charges. Payment is net of the discount rate and implementation recovery fee.

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ONGOING OBLIGATIONS

A RES has obligations to uphold during its relationship with ComEd. Additionally, ComEd provides certain ongoing services.

❖ RES Continuing Obligations

After the RES has met the initial requirements for operating in ComEd's service territory, the RES has several continuing obligations.

- **Obtain verifiable authorization from retail customers** – To provide electric supply to a retail customer, the RES must have verifiable authorization from the retail customer. The RES must keep this customer authorization for at least two years. See Chapter 4 of this guide, *Customer Switching and Direct Access Service Requests*, for more information.
- **Submit a DASR for each retail customer** – The RES must submit an enrollment Direct Access Service Request (DASR) via EDI for each retail customer it plans to supply. The RES must keep an electronic copy of the DASR for at least two (2) years. See Chapter 4 of this guide, *Customer Switching and Direct Access Service Requests*, for more information.
- **Maintain initial requirements** – The RES must continue to comply with the applicable tariffs. This includes maintaining PJM membership as outlined in Chapter 8 of this guide, *Control Area Services*.
- **Continue to comply with RES Agreement and applicable Election Forms** – The RES must continue to comply with the terms of the Retail Electric Supplier Election Form and, if applicable, the Rider SBO Election Form, the Rider PORCB Election Form, as well as all applicable tariffs and FERC and ICC rules.

❖ ComEd Ongoing Services

ComEd will continue to provide the following services to the RES.

- **Metering** – For those customers that remain on ComEd metering service, ComEd retains responsibility for metering and meter reading. ComEd continues to own, furnish, install, read, control, and maintain the revenue-metering and associated equipment for each metered retail customer. The metering devices will measure, as applicable, the demand and energy consumption for the retail customer's entire premises. ComEd determines standard metering requirements, offers Automated Meter Reading (AMR) upon request on a contractual basis, and leases meters in excess of standard metering equipment under Rider ML- Meter-Related Facilities Lease (Rider ML).

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For any customer that chooses a Metering Service Provider (MSP) for metering service and a Retail Electric Supplier (RES) for electric supply, ComEd is responsible for collecting meter usage data from the MSP. ComEd then sends the usage data via EDI to the customer's RES for billing.

- **Meter usage data** – ComEd furnishes meter data to the RES for each billing cycle. See Chapter 6 of this guide, *Metering and Meter Reading*, for more information.
- **Customer specific information** – ComEd provides customer specific information about customer billing and usage. See Chapter 3 of this guide, *Information About and For Customers*, for more information.
- **Historical load profile information** – ComEd provides historical load profile information. See Chapter 3 of this guide, *Information About and For Customers*, for more information.

Peak Load Contribution (PLC) – A customer's peak summer power requirement coincident with PJM's peak load. PLCs are aggregated by LSE and reported by the EDC to PJM in order to establish the LSE's capacity obligation, which is the basis for generation related capacity charges.

Network Service Peak Load (NSPL) – A customer's peak summer power requirement for the zone. NSPLs are aggregated by LSE and reported by the EDC to PJM to establish the LSE's transmission Peak Load and form the basis for PJM's calculation of Network Integration Transmission Services charges.

- **ComEd issues a separate bill to RESs for other ComEd-provided business services** - These services include data request responses, additional meter rentals, or other services noted in Rate RESS, the Rate RESS Election Form or in any other service agreement between ComEd and the RES. This invoice does not include any customer charges related to Rider SBO.

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COMED RESOURCES FOR THE RES

ComEd provides resources to assist RESs in understanding Customer Choice related business processes.

- **ESSD Account Manager** – Each RES is assigned an Account Manager who guides the RES through the certification process. Additionally, the Account Manager acts as the primary point of contact with ComEd.
- **ComEd web site** – All the information in this guide is available on ComEd’s web site www.comed.com under My Account/My Service - Customer Choice/Retail Electricity & Metering.

This web site also includes:

- Historical customer billing and usage data (*Access to customer specific data requires customer consent*).

To obtain this information and other data, including historic load profile information and links to sites containing information about transmission services and ancillary transmission services, please go to ComEd’s web site: www.comed.com.

- **Training and Informational sessions** – Supplier informational sessions are offered when customer choice processes change. Individual training sessions are available upon request by contacting your ESSD Account Manager.

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