

How Energy Price Fluctuations Impact Your Bill

PECO works hard to deliver safe and reliable electricity and natural gas service at the lowest price possible. The demand for energy continues to increase, which significantly influences the cost of electricity and natural gas. The price of electricity and natural gas is reflected on customer bills through the supply charge, which is updated either semi-annually for electric or quarterly for natural gas. PECO purchases electric and natural gas supply at the lowest possible cost for customers, and this charge is passed along at exactly the cost the company pays.

What is PJM and how does it impact PECO?

- ▶ Another factor impacting supply charges is what is known as capacity prices. PJM is a [regional transmission organization](#) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia, including Pennsylvania. PJM runs a competitive capacity auction for wholesale power, where utilities purchase electricity on behalf of their customers. Recent capacity auctions have resulted in higher prices because of several factors, including decreased supply due to power plant retirements and increased demand for electricity.
- ▶ The PJM capacity market influences electric supply prices, and recent auctions drove prices up further due to anticipated challenges with availability of resources to meet projected demand. Capacity prices act as a type of insurance for grid reliability under changing circumstances including increases in demand and extreme weather conditions.
- ▶ These capacity prices are not controlled by PECO and are reflected on customer bills as part of the supply charge. Despite appearing on PECO bills, the increase on customer electric bills for capacity **DOES NOT** get paid to PECO. Individual customer impact depends on several factors, including:
 - The amount of electricity used by a customer;
 - If they are purchasing the electricity from a competitive supplier.

What does this mean for electricity customers?

- ▶ The supply charge for electricity is updated semi-annually, on June 1 and December 1. In addition to the changing supply charge, the seasonal temperature fluctuations are typically when customers use the most electricity to keep their homes and businesses comfortable. This increased usage paired with higher supply charges can lead to higher-than-average bills.

What does this mean for natural gas customers?

- ▶ The price of natural gas is updated quarterly, in March, June, September, and December.

How can customers manage their energy costs?

- ▶ PECO offers programs to help income-qualified customers with:
 - Past-due balance forgiveness
 - Energy-saving upgrades
 - Hardship grants and referrals
 - Access to programs like the Low-Income Home Energy Assistance Program (LIHEAP), Customer Assistance Program (CAP), and Matching Energy Assistance Fund (MEAF)
- ▶ For more information about assistance programs, visit peco.com/Help.
- ▶ You can also use PECO's MyAccount to:
 - Track your energy usage
 - Set up account alerts
 - Sign up for AutoPay and eBill
 - Find personalized assistance options
- ▶ To learn more about the changing supply charge, how to track usage, and explore energy efficiency and assistance programs, visit peco.com/BillSupport.