

Questions & Answers

How Time-Of-Use Pricing works with interconnection to PECO's system

If you get your electricity supply from PECO, Time-Of-Use Pricing may help you save energy and money depending on what day and time you use electricity. Shifting your energy use to lower-priced, off-peak periods, you can save on your energy bill.

Time-Of-Use Pricing is broken into **peak**, **off-peak**, and **super off-peak** hours, with energy costing the most during peak hours and the least during super off-peak hours.

PEAK

- Weekdays from 2 pm to 6 pm are Peak Hours, when energy is most in demand.

OFF-PEAK

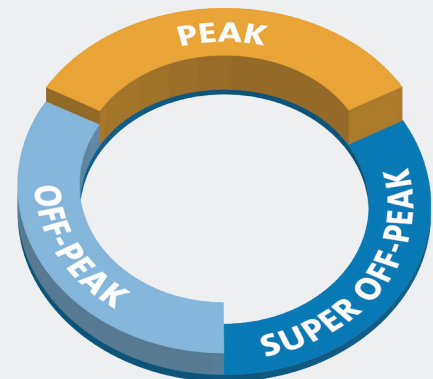
- Off-Peak hours occur twice daily on weekdays, from 6 am to 2 pm, and from 6 pm to Midnight. On weekends and holidays, all hours between 6 am to midnight are Off-Peak!

SUPER OFF-PEAK

- Midnight to 6 am every day are Super Off-Peak hours -- when energy is least in demand.

Time-Of-Use may be right for you if:

- You are an **electric vehicle owner**
- You are a **net-metered solar customer**, or
- Your household or business **can shift energy use to lower-priced, off-peak hours**



You can learn more by visiting peco.com/TOU or by calling 1-800-494-4000.



What are Time of Use (TOU) rates?

TOU rates charge customers different prices for energy based on a pre-determined schedule of peak and off-peak hours and prices. Customers pay more for usage during peak hours under PECO's TOU generation rates but also pay less for usage during off-peak hours.

PECO's TOU rates may help residential and small commercial customers save money by paying a different rate for energy supply during different times of the day. When you shift your energy use to lower-priced off-peak periods, you can save on your energy bill. (Participation does not guarantee future savings over PECO's standard fixed-price generation rate.)

How will Time of Use (TOU) rates affect interconnection compensation?

For net metered customers on PECO's TOU generation rates, PECO will separately track excess power exported to the distribution system by net metering customers within the TOU peak, off-peak, and super off-peak periods. Excess generation in each TOU period will be "banked" for use by the customer in subsequent billing months. Limitations apply, however, on the ability to export power that your system generated during the off-peak or super off-peak periods, which most likely would be stored in a battery during an on-peak period. TOU customers who take and store power from the distribution system outside of peak hours may use that stored energy to support their own loads during higher-price hours. However, PECO prohibits net metering customers on TOU from exporting that lower-priced stored energy to the grid during higher-priced hours for the sole purpose of receiving compensation under net metering.

Customers owning both generation and battery storage must provide technical documentation to PECO guaranteeing that their battery only has the capability to be charged with power sourced directly from their generation and not from PECO's distribution grid (based on inverter setup behind the meter).

A customer on PECO's TOU generation rates who wants to convert to virtual net metering must leave the TOU program.

A customer already on the virtual net metering program can enroll the host account for PECO's TOU generation rates, but the satellite accounts cannot participate in TOU.

Important information about Time-of-Use rates:

- (a) Time of Use rates may not be appropriate for customers who cannot change the time of day they rely on electricity, such as those with medical devices that require electricity or customers who are home during peak hours.
- (b) If you are a low income customer, other programs and rate assistance may be available to help you to afford your bill. Contact PECO at 1-800-774-7040 for more information and to apply.
- (c) The information above is for illustrative purposes only. Time-Of-Use Pricing may not be appropriate for all customers. PECO recommends reviewing your bills and considering when your business relies on electricity to determine whether Time-Of-Use Pricing is right for you. (Participation requires choosing PECO for your electric supply. If you currently have an agreement with an alternative supplier, check your supplier contract or ask your supplier to see if there are any penalty/switching fees or cancellation fees before switching or cancelling.)

How does TOU impact my solar production?

Net-metered customers with solar or another qualifying alternative energy resource may benefit from TOU by generating and exporting excess energy back to the electric distribution system during weekday peak periods, but individual results may vary.

If the customer is a Virtual Net Metered customer, only the "host" account is eligible for PECO's TOU generation rates. The customer's "satellite" accounts are not eligible for TOU.

Will the "Cash Out" procedure change?

PECO will settle your generation bank during Annual Cash Out and when you switch between PECO's TOU and non-TOU rates. Cash out for generation exported under PECO's TOU generation rates will be done according to when the solar production was generated. If you are on a TOU rate, PECO will settle your Peak, Off-Peak, and Super Off-Peak banks during Cash Out. (Cash out procedures for distribution will not change.)

What are PJM holidays?

PECO's TOU rates will price energy used on PJM holidays at off-peak prices. PJM generally observes New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Day After Thanksgiving, and Christmas Day. The specific holidays observed may vary from year to year.

Headquartered in Valley Forge, Pa., PJM is a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Learn more about PJM and its holiday schedule at www.pjm.com.

Where can I find information about the expected differences in prices during those periods?

To learn the currently available rates for Time of Use Pricing, please visit peco.com/TOU.

How often will prices change?

PECO's TOU generation prices will be adjusted every three months, at the same time and on the same schedule as PECO's standard fixed-price generation prices.

I own an electric vehicle. Should I switch to TOU?

Customers owning electric vehicles could benefit from this rate by charging their electric vehicles overnight, taking advantage of lower-cost Super Off-Peak period pricing. However, PECO's TOU generation rates apply to all of the energy supply flowing through the meter, and not just to the electric vehicle. So, you should consider how you use electricity throughout your home or business, and not just your electric vehicle charging habits, before deciding whether a switch to TOU is the right fit for you.

Can I use my battery to participate in TOU rates?

If the battery is charged directly from the production of solar or another qualifying alternative energy resource, you may export that energy back to the

electric distribution system. However, energy stored in the battery from the electric distribution system does not qualify for export back to the electric distribution system. Customers owning both generation and battery storage must provide technical documentation to PECO guaranteeing that their battery only has the capability to be charged with power sourced directly from their generation and not from PECO's distribution grid (based on inverter setup behind the meter).

Chapter 75 Alternative Energy rules are stated below.

§ 75.13. General provisions.

(a) EDCs and DSPs shall offer net metering to customer-generators that generate electricity on the customer-generator's side of the meter using Tier I or Tier II alternative energy sources, on a first-come, first-served basis. To qualify for net metering, the customer-generator shall meet the following conditions

§ 75.1. Definitions.

Tier I alternative energy source—Energy derived from:

- (i) Solar photovoltaic and solar thermal energy.
- (ii) Wind power.
- (iii) Low-impact hydropower.
- (iv) Geothermal energy.
- (v) Biologically derived methane gas.
- (vi) Fuel cells.
- (vii) Biomass energy.
- (viii) Coal mine methane.

Tier II alternative energy source—Energy derived from:

- (i) Waste coal.
- (ii) Distributed generation systems.
- (iii) Demand-side management.
- (iv) Large-scale hydropower.
- (v) Municipal solid waste.
- (vi) Generation of electricity utilizing by-products of the pulping process and wood manufacturing process, including bark, wood chips, sawdust and lignin in spent pulping liquors from alternative energy systems located outside this Commonwealth.
- (vii) Integrated combined coal gasification technology.

[Click here](#) for further information on PA Chapter 75.

Is TOU available to all customers?

No. TOU is only available to residential default service customers who are not enrolled in PECO's Customer Assistance Program (CAP) and small commercial default service customers with annual peak demands of less than 100kW. Customers must also have a smart meter configured for watt-hour resolution. PECO's Smart Grid Services team can reconfigure your meter if necessary.

Participation also requires choosing PECO for your energy supply. If you currently have an agreement with an alternative supplier, check with your supplier contract to determine if there are any fees associated with switching or cancelling your agreement prior to choosing PECO for your electric supply.

PECO already offers market-priced generation to larger C&I default service customers with peak demands greater than 100 kW.

How can I determine if TOU is right for me?

Time-Of-Use Pricing may not be appropriate for customers who cannot change the time of day they rely on electricity, such as those with medical devices that require electricity or customers who are home during peak hours.

If you are a low-income customer, other programs and pricing assistance may be available to help you to afford your bill. Contact PECO at 1-800-774-7040 or visit peco.com/Help for more information and to apply.

Once I switch to TOU, how long am I locked into that rate?

You are not locked into the TOU rate for more than one billing period and may unenroll at any time. If you unenroll from TOU, you will receive at least one more bill from PECO at the TOU rate before returning to standard non-TOU rates. However, if you unenroll from TOU, you may not re-enroll on the TOU rate again for at least twelve billing periods.

If I connect a battery to the PECO distribution system, how will exporting from my battery work?

Only energy from qualifying alternative energy resources is allowed to be exported to the PECO distribution system. If you have solar or some other type of alternative energy resource that has charged your battery, you can export that stored energy to the PECO distribution system. If the battery has been charged directly from the PECO distribution system, that energy cannot be exported back to the PECO distribution system, but your battery can be used for load management during higher priced hours.

How will PECO determine if I can export energy from the battery to the PECO distribution system?

PECO will need to review your single line diagram, inverter specifications, and operations manual to confirm your system's settings.

