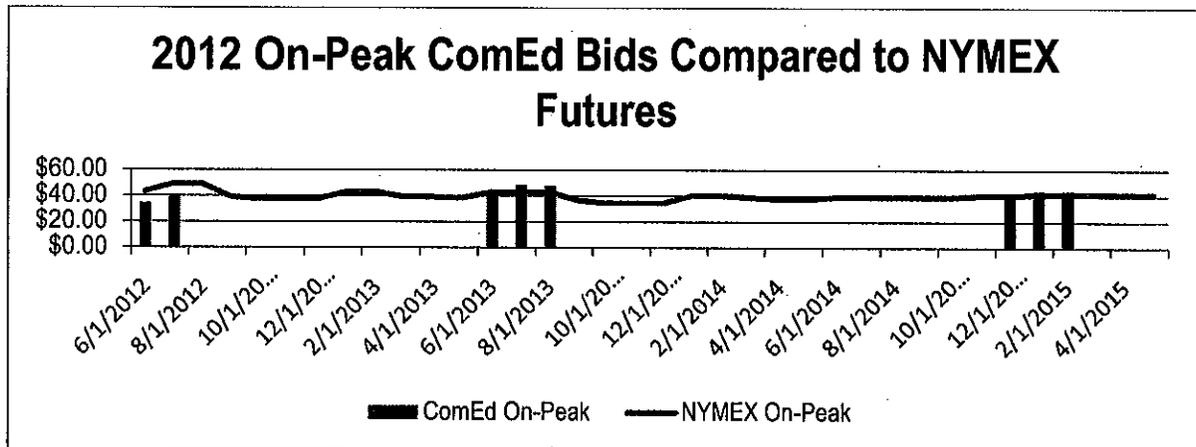


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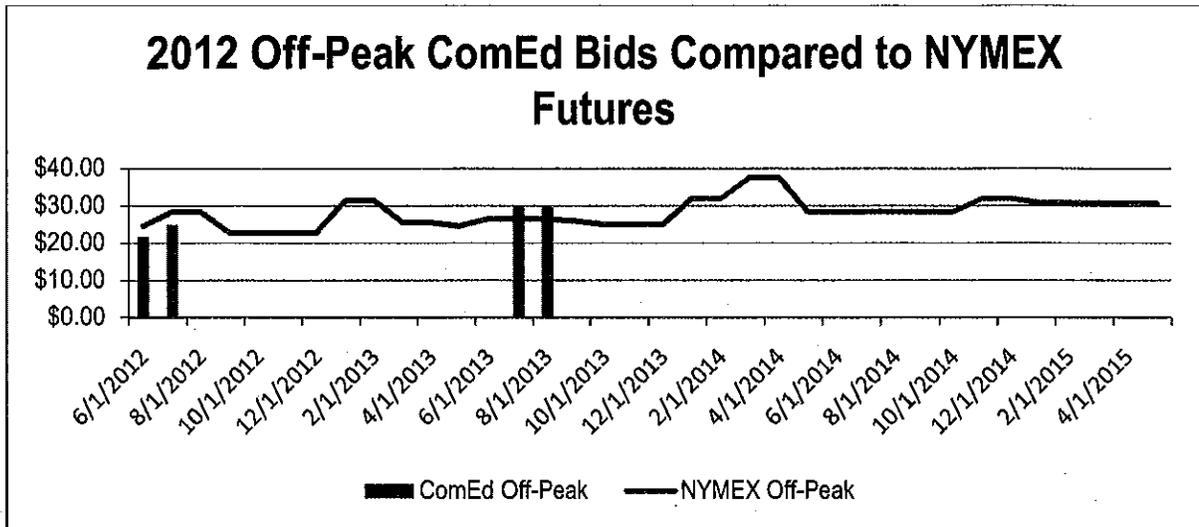
The People of the State of Illinois (“the People”), by and through Illinois Attorney General Lisa Madigan, submit these Comments in response to the Request for Comments issued by the Illinois Commerce Commission (“the Commission” or “the ICC”) on May 17, 2012.

1. The ComEd and Ameren Winning Bids Closely Tracked NYNEX Wholesale Electricity Market Prices.

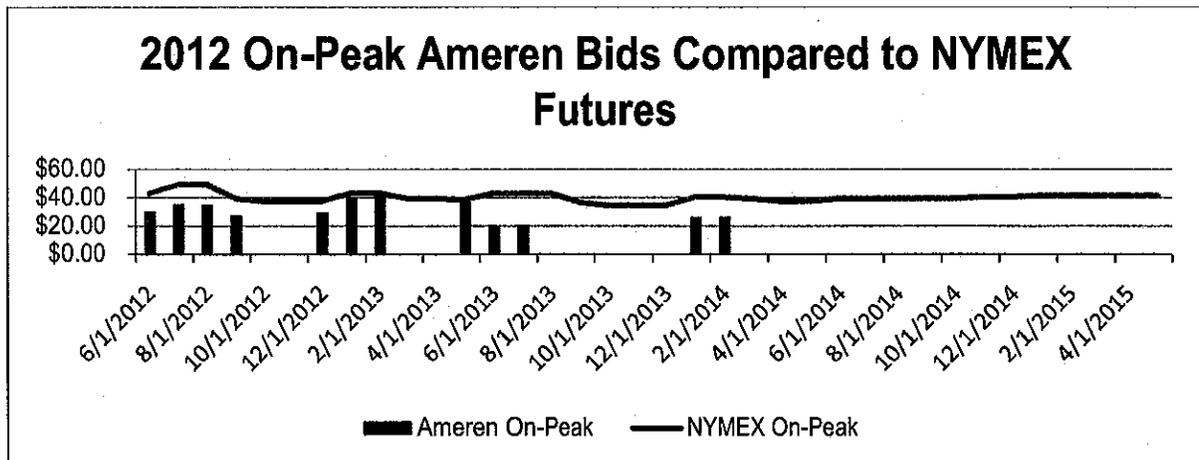
Consistent with prior IPA procurement results, this year the winning bids for Commonwealth Edison (“ComEd”) and Ameren electricity supply track the prices in the wholesale electricity market. The following tables compare the ComEd on-peak and off-peak results with the associated market prices. They show prices slightly below market prices for comparable products and comparable time periods, and demonstrate that the IPA’s procurement for ComEd benefits consumers.

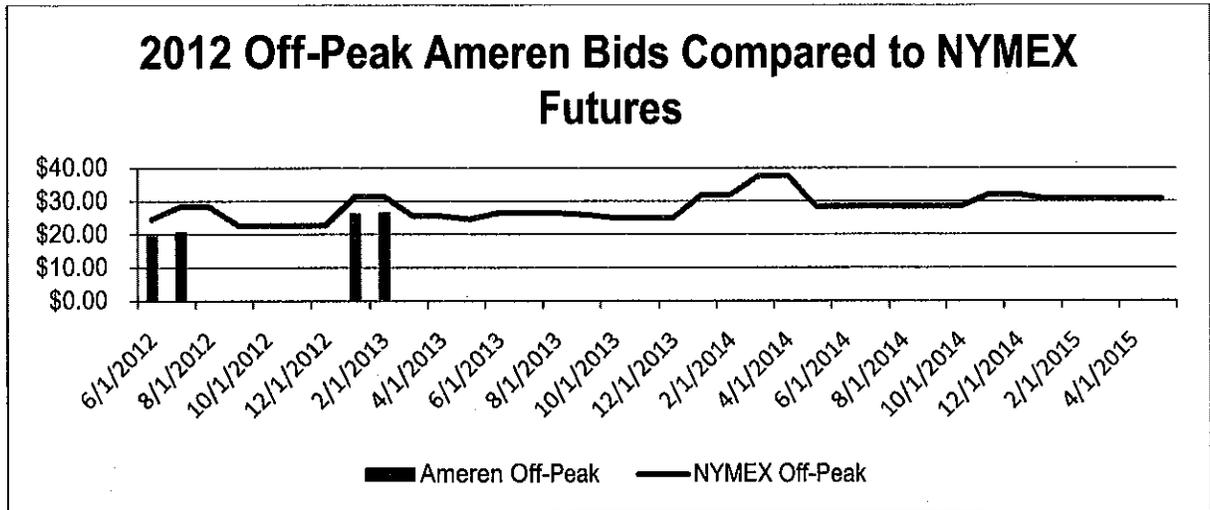


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The Ameren bids are also consistent, and slightly below the wholesale NYMEX process for 2012, as shown in the following tables.





[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This raises questions about the competitive nature of the market serving Ameren customers and whether the benchmarks used by the Procurement Administrators were appropriately set and properly protected from disclosure prior to the auction. The Procurement Administrator for Ameren should address the limited number of successful suppliers, and whether changes in the procurement process are necessary or appropriate.

2. The Reduction In REC Prices Shows That There Is A Surplus Of Renewable Energy Generation Available To Illinois, But [REDACTED] Raises Questions Of Competitiveness And Procurement Design.

The price for renewable energy credits (RECs) continued to decline, reaching \$0.88 and \$0.80 per mwh for wind power, down from last year's rate of \$1.05 and \$0.90 for ComEd and Ameren respectively. This continued drop in short term REC prices is consistent with the large

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supply of wind energy available to Illinois. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] The Procurement Administrators should address the drop in the number of successful REC suppliers, [REDACTED] and consider whether changes in the procurement process are necessary or appropriate.

3. The Ameren Capacity Results Raise Questions About The Efficacy Of The Ameren Capacity Procurement Process.

Although the Ameren procurement process includes obtaining capacity, [REDACTED]

[REDACTED] The People note that there is a glut of capacity in the MISO area serving the Ameren Illinois Utilities, and it is curious that the procurement process did not secure all of the capacity sought for July, 2012, a month when demand could be high due to summer heat. At about the same time that the IPA procurement was held, the MISO voluntary capacity auction produced a clearing price that is significantly lower than the prices bid into the IPA auction. See MISO, VCA Summary Planning Year 2012-2013 (5/26/2012). [REDACTED]

[REDACTED] the IPA procurement July 2012 capacity prices were higher (i.e. \$147.38 average price - \$/MW-Month) than the MISO voluntary capacity auction prices at the time. (i.e. \$50.00 - \$/APRC). The Procurement

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Administrator for Ameren should address [REDACTED] in light of the low capacity charges in the MISO area in comparison with the average procured price, and whether changes in the procurement process are necessary or appropriate.

4. Conclusion

The results of the 2012-2013 procurement of electricity and renewable energy resources appear to be consistent with market prices. However, the reduction in the number of successful bidders for both energy and for RECs, and the failure to secure all capacity sought for July, 2012 in the Ameren areas raise questions about the administration of the procurement. These issues should be addressed by the Illinois Power Agency and the procurement administrators.

Respectfully submitted,

The People of the State of Illinois
By LISA MADIGAN, Attorney General

Janice A. Dale, Chief, Public Utilities Bureau
Susan L. Satter, Sr. Assistant Attorney General
Office of the Illinois Attorney General
Public Utilities Bureau
100 West Randolph Street, Floor 11
Chicago, Illinois 60601
Telephone: (312) 814-3736
(312) 814-1104
Fax: (312) 814-3212
Email: jdale@atg.state.il.us
ssatter@atg.state.il.us