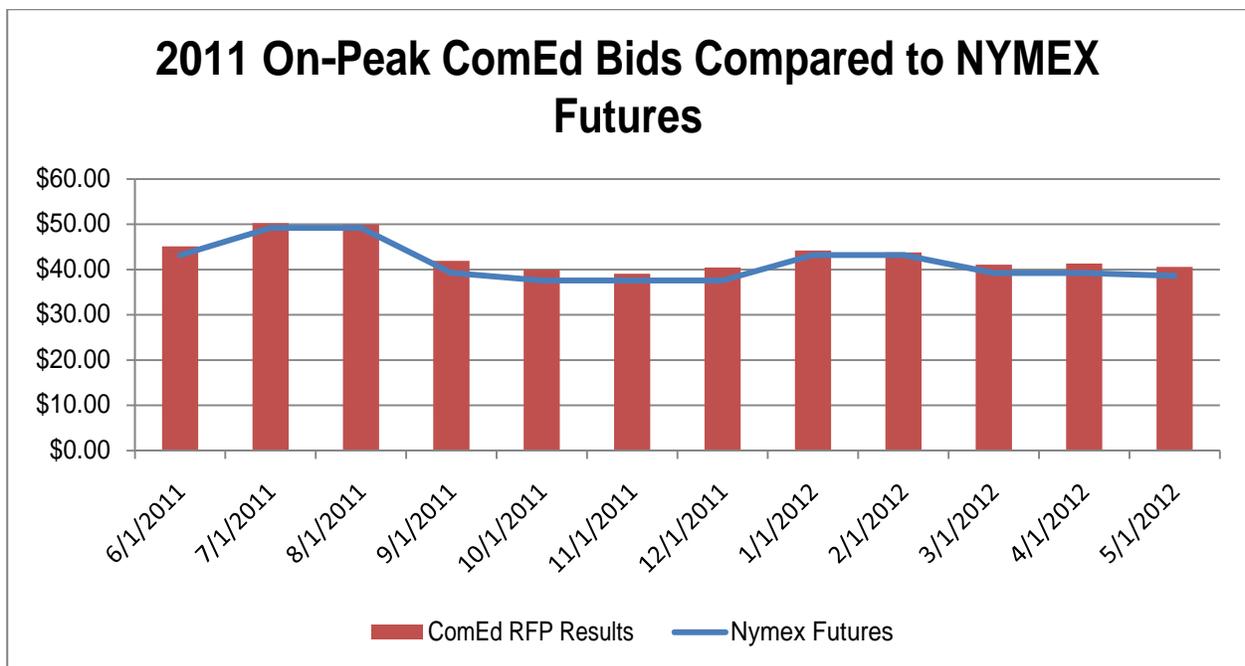


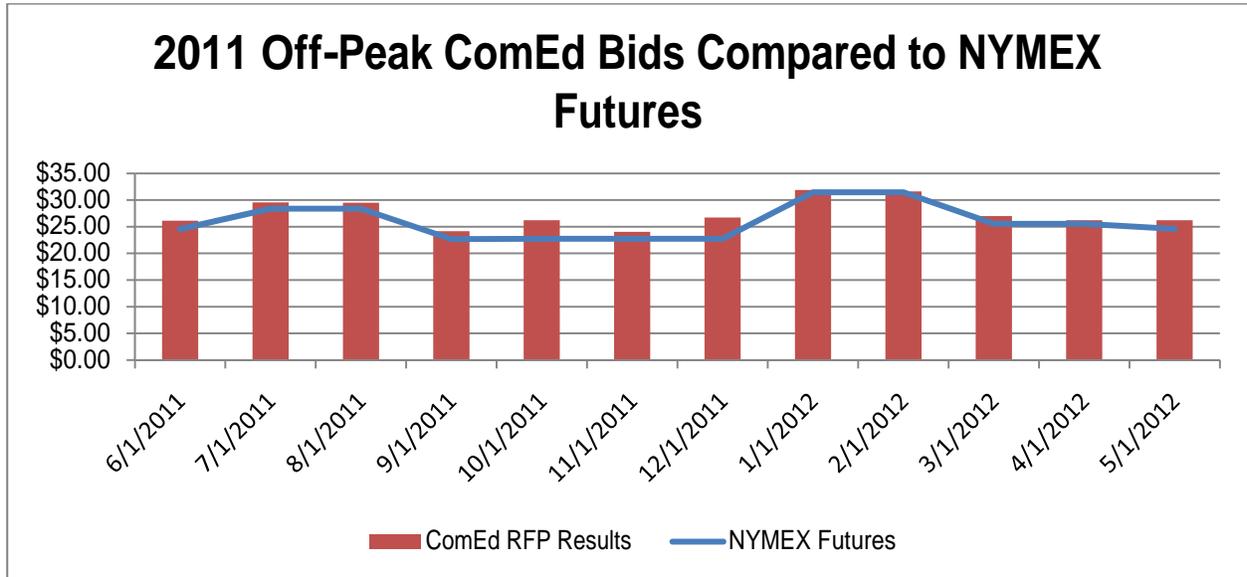
**COMMENTS OF THE PEOPLE OF THE STATE OF ILLINOIS
ON THE SPRING 2011 ELECTRICITY PROCUREMENT
JUNE 22, 2011**

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 June 1, 2011.

1. The ComEd Winning Bids Closely Tracked PJM Wholesale Electricity Market Prices.

Consistent with the results of the 2009 and 2010 procurement, this year the winning bids for Commonwealth Edison (“ComEd”) customers closely tracked 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 show that the IPA’s procurement for ComEd benefits consumers.





In their 2009 and 2010 Comments, the People also compared the Ameren prices to the MISO price data. However, this year MISO dismantled the web site containing that information. and as of this filing, the People have not been able to analyze the Ameren energy and capacity prices relative to MISO prices.

2. The Reduction In REC Prices Shows That Consumers Are Benefiting Both From Increased Renewable Energy Generation and From Lower Prices.

There was again a significant reduction in the price for renewable energy credits (RECs) in this year’s procurement, which used short-term RECs to meet the renewable energy portfolio standard established in the Illinois Power Agency Act. 20 ILCS 3855/1-75(c)(1). REC prices have steadily decreased. The following tables show the REC price decreases over the last few years, and how wind and other renewable energy capacity and generation have grown:

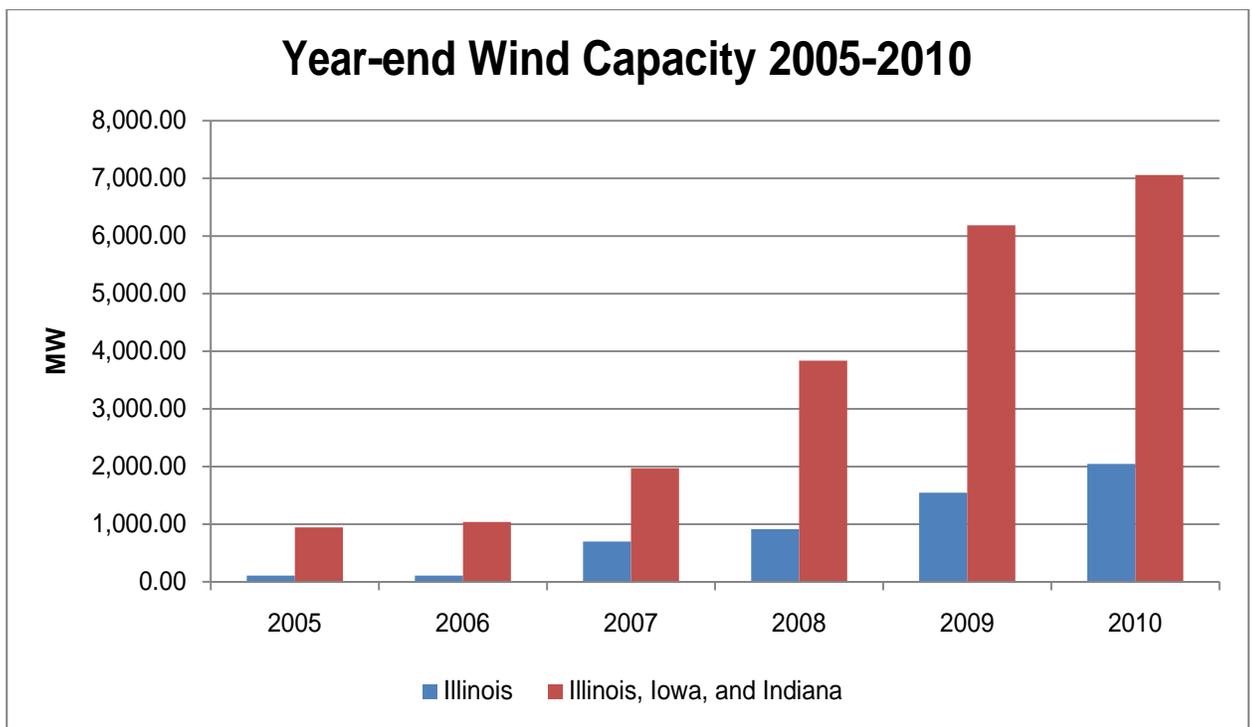
Comparison of Wind and Non-Wind RECs: 2008, 2009, 2010

	ComEd 2010 \$/REC	ComEd 2009 \$/REC	ComEd 2008 \$/REC	Ameren 2010 \$/REC	Ameren 2009 \$/REC	Ameren 2008 \$/REC
Illinois Wind	\$5.00	\$21.13	\$35.72	\$ 4.06	\$16.66	\$29.32
Illinois Non-Wind	\$4.40	\$13.69	\$21.85	\$ 3.90	\$13.46	\$17.50
Adjoining State Wind			\$18.35			\$21.20
Adjoining State Non-Wind			\$5.74			\$5.50
Other State Wind			\$7.34			\$5.65
Other State Non-wind			\$4.25			--

	ComEd 2011- \$/MWH	Ameren 2011 - \$/MWH
Wind	\$1.05	\$0.99
Non-Wind	\$0.65	\$0.72
All Renewable Energy	\$0.95	\$0.92

In December, 2010 the IPA procured, long-term (20 year) wind energy and REC resources, as authorized by the Commission. The IPA was authorized to procure up to 600,000 mwh for Ameren and 1.4 million mwh for ComEd. (ICC Docket 09-0373, Order at 115 ff & 2010-11 Procurement Plan, Appendix K at 2). Twelve bidders were awarded contracts, and more than 1.8 million megawatt hours were procured, including wind and solar photovoltaic resources. Despite the delay and intense contract negotiations associated with the process, sufficient bidders participated in the process to provide 100% of the Ameren quantity and 90% of the ComEd quantity.

The decrease in short-term 2011-2012 REC prices corresponds with the growth of renewable energy resources in Illinois and in the region. In Illinois alone, wind capacity has increased by almost 20 fold since 2006 as the following table demonstrates. Wind capacity in the Illinois, Indiana and Iowa region similarly shows rapid growth. The IPA's procurement plans have successfully incorporated renewable resources into the electricity supply while taking advantage of the development of wind and other resources by competitive and regional developers.



Sources: http://www.windpoweringamerica.gov/wind_installed_capacity.asp and
http://www.eia.doe.gov/cneaf/electricity/page/eia906_920.html

3. Conclusion

The results of the 2011-2012 procurement of electricity and renewable energy resources appear to be consistent with market prices, and to reflect the price changes, including price reductions, in the energy markets.

Respectfully submitted,

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