

Procurement related questions for Suppliers

Rate Translation Process

1. What discussions have suppliers had with utilities concerning the rate translation process? Do suppliers have any concerns about the translation process? Please explain.
2. What concerns do suppliers have with respect to how a single auction price is allocated among rate classes?

Auction Process

Conflict of Interest

Do suppliers have concerns about possible conflicts of interest between the auction manager, the utility and generation affiliates? Please explain and recommend alternatives.

Market Prices

What ratio of summer to non-summer prices would best reflect period cost differences, as well as lowering supplier auction price bids?

How will concerns that large customers may migrate to RES service affect supplier auction price bids?

What interest do suppliers have in interruptible rates as a tool to mitigate summer price spikes?

Auction Specifics

Please explain the extent to which bidders line up their supplies in advance of the auction as well as where and how..

Do suppliers anticipate bidding for either Ameren load or ComEd load, or both?

Do suppliers favor a single auction, or separate auctions, for ComEd and Ameren?

Would it be preferable for the bidders to be able to switch between ComEd and Ameren products during the auctions?

Would it be preferable for the bidders to be able to switch between ComEd and Ameren products during the auctions if the ICC can cancel the results for some products but not the others?

Is the RTO seam so significant that, even if switching between comparable products in ComEd and Ameren procurement auctions is allowed, no efficiency gains or price convergence would be achieved from such flexibility of switching?

Are there any other potential issues that make it impossible/impractical to switch between ComEd and Ameren products if it is allowed?

Is 100 MW an appropriate tranche size or would a different size be preferable? If so what size do you recommend and why?

Are suppliers satisfied with the proposed 50% load caps, or do suppliers believe that some other load cap is better?

What steps do suppliers think should be taken to attract more bidders to the auction?

Would suppliers welcome an opportunity to bid to serve ComEd customers in the 3 MW and above demand class, given that customer group's atypical load characteristics?

What would be the answer, if the customers would have to commit to the service before the auction?

PJM / MISO Seam

What are the difficulties to suppliers in dealing with separate RTOs if suppliers want to bid for both ComEd and Ameren load?

RTO generator deliverability analyses--Both MISO and PJM have done analyses of the capability of generators within each respective RTO to deliver supply to the aggregate of network load within each respective RTO. Deliverable status authorizes a generator to be designated by a load-serving entity as a "designated network resource" for certain resource adequacy and FTR entitlement purposes. Uncertainty concerning the deliverability of generation in one of the RTOs to load in the other RTO appears to be an element of the seam between the RTOs. Are there concerns with the current status of RTO generator deliverability capability? What should the RTOs be doing to reduce this aspect of the seam prior to the date of Illinois' procurement auction so that generators in MISO can better compete with generators in PJM for load in the ComEd procurement auction and generators in PJM can better compete with generators in MISO for load in the Ameren procurement auction? Can concerns on this issue be addressed in some way in the context of the ICC's procurement auction proceedings given that Ameren's witness, Mr. McNamara has testified that to the extent changes are needed in MISO's tariff or business practices to accommodate the Illinois procurement auction, "MISO is committed to working to address such need through the stakeholder process"?

Load Zones

Are there concerns related to Ameren's proposal to define separate load zones for each of its operating companies? Are there concerns related to MISO's specification of the "Illinois Trading Hub" and Ameren's definition of load zones for the procurement auction?

Are there concerns related to PJM's specification of the "Northern Illinois Trading Hub" and ComEd's definition of load zone for the procurement auction?

Network Transmission Service

Are there concerns related to the proposals of Ameren and ComEd to be the purchaser of network transmission service from the RTOs?

Ameren proposes to define a delivery point for each of its operating companies (see, e.g., "Delivery Point" definition in the BGS-FP draft supplier forward contract). Ameren proposes to procure network transmission service "from the Delivery Points to BGS-FP Customers for the BGS-FP Supply" (see Section 2.1c(iii) of the BGS-FP draft supplier forward contract). Ameren also proposes that "the BGS-FP Supplier shall make all necessary arrangements for the delivery of BGS-FP Supply through the MISO" (see, Section 2.2 of the BGS-FP draft supplier forward contract). Does this proposal raise any concerns?

Ancillary Services

ComEd's proposal is for the winning bidders in the procurement auction to be responsible for purchases of ancillary services (see, e.g., the definition of "CPP-B Load in the draft supplier forward contract--ComEd Exhibit 3.1). Are there any concerns with this proposal?

Ameren's proposal is for Ameren to purchase the ancillary services and to charge the winning bidders (see, e.g., Section 2.1c(iii) of the draft BGS-FP Supplier Forward Contract--Ameren Exhibit 3.1). This Ameren proposal appears to preclude winning bidders from self-supplying ancillary services or from obtaining ancillary services through bilateral contract with some supplier other than Ameren. Does this proposal raise concerns?

FTRs

The timing of the procurement auctions and each respective RTO's annual FTR allocation period are such that the winning bidders will be unable to directly acquire FTRs for the period between January 1, 2007 and May 31, 2007. Ameren and ComEd have proposed an FTR transfer process for this period. Does this issue raise concerns? Do you have a recommended proposal to address this issue?

Are there any concerns about the timing of the procurement auctions and each respective RTO's annual FTR allocation period for the period between June 1, 2007 and May 31, 2008 and subsequent annual periods?

Will winning bidders be able to directly participate in the respective RTO's annual FTR allocation process for those periods?