

Comparison of Main Features:

ComEd Proposal, Ameren Proposal, and New Jersey BGS Auctions

Product Design			
Feature	ComEd	Ameren	New Jersey
Name of Auction Process	Illinois Auction	Illinois Auction	New Jersey BGS Auctions (BGS-FP Auction and BGS-CIEP Auction)
Load Categories	<ol style="list-style-type: none"> 1. Residential and smaller 0 – 400 kW 2. Large commercial and industrial (service not declared competitive, not self-generating, 400 kW+) 3. Larger customers whose service has been declared competitive 	<ol style="list-style-type: none"> 1. Residential and small business (0 – < 1 MW) 2. Large commercial and industrial (1 MW+) 	<ol style="list-style-type: none"> 1. Industrial and larger commercial (1250kW and over, and some smaller customers on primary voltage) 2. Residential and smaller commercial (the remaining 0 – 1250kW customers)
Auction products and Term Structure	<ol style="list-style-type: none"> 1. CPP-B 1-year, 3-year and 5-year fixed-price products to serve residential and smaller commercial 0 – 400 kW 2. CPP-A 1-year fixed-price product to serve large commercial and industrial (not declared competitive 400 kW+) 	<ol style="list-style-type: none"> 1. BGS-FP 3-year fixed-price product to serve residential and small business (0 – < 1 MW) 2. BGS-LFP 1-year fixed price product to serve large commercial and industrial that do not opt for BGS-LRTP 	<ol style="list-style-type: none"> 1. BGS-FP 3-year fixed-price product to serve residential and smaller commercial (0 – 1250kW)

	<ol style="list-style-type: none"> 3. CPP-H 1-year hourly price product to serve larger customers whose electric service rate has been declared competitive, other customers who elect real-time pricing, and certain types of self-generators 	<ol style="list-style-type: none"> 3. BGS-LRTP 1-year hourly product to serve large commercial and industrial 	<ol style="list-style-type: none"> 2. BGS-CIEP 1-year hourly product to serve Industrials and other commercials (over 1250kW)
Supplier responsibilities	<ol style="list-style-type: none"> 1. Full requirements 2. ComEd transfers Load Serving Entity (LSE) responsibility to suppliers via Declaration of Authority 3. Supplier is responsible for providing and paying for ancillary services 4. Supplier is PJM transmission customer and provides transmission service. Under the Declaration of Authority, ComEd retains the obligation to pay for those transmission services identified in Appendix C of the Supplier Forward Contract 5. Supplier must be PJM Market Buyer and Market Seller and sign RAA West 	<ol style="list-style-type: none"> 1. Full requirements 2. Ameren Companies retain LSE responsibility 3. Ameren Companies provide ancillary services but supplier is responsible for payment 4. Ameren Companies provide and pay for MISO transmission services 5. Supplier must be MISO Market Participant 	<ol style="list-style-type: none"> 1. Full requirements 2. Supplier is LSE 3. Supplier is responsible for providing and paying for ancillary services 4. Supplier is PJM transmission customer and provides transmission service 5. Supplier must be a PJM member in good standing

Customer Enrollment windows and switching rules	<ul style="list-style-type: none"> Residential and small business customers (0-400 kW) can take service from a RES at any time. If they return, they have a one-year minimum stay Larger commercial customers (400 kW+ whose service has not been declared competitive) either default to, or have a 45-day window to opt-in to a fixed-price service depending on their prior election (50 days in the first auction) Larger commercial customers opting into fixed price service have a one-year minimum stay 	<ul style="list-style-type: none"> Residential and small business customers (0 - < 1 MW) can take service from a RES at any time. If they return, they have a one-year minimum stay Large commercial and industrial customers taking current bundled service just prior to 2007 will be placed onto fixed price product unless they opt-out during the 30-day enrollment period 	<ul style="list-style-type: none"> No restrictions on residential and smaller commercial customers No restrictions on larger commercial and industrials whose only utility option is hourly service
Tranche size	<ul style="list-style-type: none"> A tranche of a product is a set percentage of that load category A tranche represents about 50 MW of eligible load 	<ul style="list-style-type: none"> A tranche of a product is a set percentage of that load category A tranche represents about 50 MW of eligible load 	<ul style="list-style-type: none"> A tranche of a product is a set percentage of the load of a utility A tranche for fixed-price service is about 100 MW of eligible load A tranche for hourly service is about 25 MW of eligible load
Term structure for smaller customers for typical auction	CPP-B <ul style="list-style-type: none"> 40% of load at auction each year Rolling terms of one, three and five years 	BGS-FP <ul style="list-style-type: none"> 33% of load at auction each year Rolling 3-year term 1st auction will procure contracts with terms of 17/29/41 months to step into the rolling 3-year term 	BGS-FP <ul style="list-style-type: none"> 33% of load at auction each year Rolling 3-year term
Auction Format			

Feature	ComEd and Ameren	New Jersey
Timing (Initial Auction)	Sept 06 for Jan 07 delivery	Feb 02 for Aug 02 delivery
(Subsequent Auctions)	January 15-31 for June delivery “The descending clock auction is conducted at approximately the same time each year” for June delivery	First week in February for June delivery
How many Auctions?	One. <ul style="list-style-type: none"> • A single Illinois Auction for both utilities. • The Auction has two Sections. The Fixed Price Section is for fixed price products. The Hourly Price Section is for the hourly products. 	Two. <ul style="list-style-type: none"> • One auction for the Fixed Price (BGS-FP Auction). • A second auction for Hourly Price (BGS-CIEP Auction, CIEP for Commercial and Industrial Electric Pricing). • The auctions are separate but run concurrently.
Can bidders switch across products?	<ul style="list-style-type: none"> • Bidders qualify for the Fixed Price Section, the Hourly Price Section, or both • Bidders in the Fixed Price can switch across all fixed price products • Bidders in the Hourly Price can switch across all hourly products • No switching from fixed-price to hourly price or vice-versa 	<ul style="list-style-type: none"> • Bidders qualify for the Fixed Price, the Hourly Price, or both • Bidders in the Fixed Price can switch across all fixed price products • Bidders in the Hourly Price can switch across all hourly products • No switching from fixed-price to hourly price or vice-versa
Format	Clock Auction	Clock Auction
Uniform or Pay-as-Bid?	Uniform	Uniform
What is the price?	<ul style="list-style-type: none"> • Fixed Price: An all-in price in \$/MWh • Hourly Price: A fixed charge in \$/MW-day for 	<ul style="list-style-type: none"> • Fixed Price: An all-in price in ¢/kWh • Hourly Price: A fixed charge in \$/MW-day for

	capacity, ancillary and transmission services as well as risk management services and renewables	capacity as well as risk management services and renewables <ul style="list-style-type: none"> Starting with the 2006 auction, the price in the Hourly Price auction will be a fixed \$/MWh for the DSSAC (default supply service availability charge)
Load Caps	<ul style="list-style-type: none"> There is a load cap for each utility in the Fixed Price There is a load cap for each utility in the Hourly Price 	<ul style="list-style-type: none"> There is a load cap for each utility in the Fixed Price There is a statewide load cap in the Hourly Price Starting with the 2006 BGS-FP Auction, there will be both a load cap for each utility in the Fixed Price as well as a statewide load cap in the Fixed Price
Bidder Interface		
Basic Principle	Auction Manager is sole point of contact with bidders	Auction Manager is sole point of contact with bidders
Auction Manager provides information	<ul style="list-style-type: none"> Clearing house for all bidder inquiries, information requests and comments Manages a web site to provide timely and fair access to information for all bidders Leads information session and training for bidders Provides information to other stakeholders as well, through the web site and through briefings as appropriate 	<ul style="list-style-type: none"> Clearing house for all bidder inquiries, information requests and comments Manages a web site to provide timely and fair access to information for all bidders Leads information session and training for bidders Provides information to other stakeholders as well through the web site
Auction Manager manages applications	<ul style="list-style-type: none"> Manages qualification and registration of bidders with oversight from Staff (and any expert that Staff may retain for this purpose) Manages application of association and confidential information rules with oversight from Staff (and any expert that Staff may retain for this purpose) 	<ul style="list-style-type: none"> Manages qualification and registration of bidders with oversight from Staff and Board Advisor Manages application of association and confidential information rules with oversight from Staff and Board Advisor
Auction Manager manages actual	<ul style="list-style-type: none"> Manages round-by-round bid process Sets auction parameters under Staff oversight (and any expert that Staff may retain for this purpose) 	<ul style="list-style-type: none"> Manages round-by-round bidding process Sets auction parameters with oversight from Staff and Board Advisor

auction		
Qualification Requirements		
Application Process	<ul style="list-style-type: none"> • Application process is in two parts • Interested parties apply to become qualified bidders • Qualified bidders apply to become registered bidders 	<ul style="list-style-type: none"> • Application process is in two parts • Interested parties apply to become qualified bidders • Qualified bidders apply to become registered bidders
Part 1: Qualification Requirements	<ul style="list-style-type: none"> • Certify that applicant has no impediments to meeting RTO requirements in the supplier contracts • Provide financial information for an assessment of creditworthiness • Agree to comply with Auction Rules • Accept the terms of the applicable supplier contract • Agree that upon winning, would demonstrate compliance with the creditworthiness in the supplier contract within three days • Pay a bid participation fee 	<ul style="list-style-type: none"> • Certify that they have no impediments to meeting RTO requirements in the supplier contracts • Provide financial information for an assessment of creditworthiness • Agree to comply with the Auction Rules • Accept the terms of the applicable supplier contract • Agree that upon winning, would demonstrate compliance with the creditworthiness in the supplier contract within three days
Part 2: Registration Requirements	<ul style="list-style-type: none"> • Provide an indicative offer. This is the number of tranches that the applicant is willing to supply at each of the minimum starting price, and the maximum starting price • Provide a financial guarantee in proportion to indicative offer. Amount of guarantee is \$250,000 per (50 MW) tranche at the maximum starting price 	<ul style="list-style-type: none"> • Provide an indicative offer. For Fixed Price this is the number of tranches that the applicant is willing to supply at each of the minimum starting price, and the maximum starting price. For Hourly Price this is the number of tranches that the applicant is willing to supply at the maximum starting price • Provide a financial guarantee in proportion to indicative offer. Amount of guarantee is \$500,000 per (100 MW) tranche at the maximum starting price for Fixed Price; amount of guarantee is \$125,000 per (25 MW) tranche at the maximum starting price for Hourly Price.

	<ul style="list-style-type: none"> • For applicants to the Fixed Price, depending on the creditworthiness assessment, may be required to provide additional financial guarantees in the form of a Letter of Reference or a Letter of Intent to Provide a Guaranty • Certify compliance with the Association and Confidential Information Rules or provide information disclosures as requested by the Auction Manager 	<ul style="list-style-type: none"> • For applicants to the Fixed Price, depending on the creditworthiness assessment, may be required to provide additional financial guarantees in the form of a Letter of Reference or a Letter of Intent to Provide a Guaranty • Certify compliance with the Association and Confidential Information Rules or provide information disclosures as requested by the Auction Manager 	
Rate Design			
Rate Classes	<p>Groups Residential (blended)</p> <ul style="list-style-type: none"> • Watt-Hour (blended) • Small Load (blended) • Medium (blended) • Large (blended) • Very Large (annual) • Self-Generating (CPP-H) • Competitively Declared (hourly) • Dusk to Dawn Lighting (blended) • General Lighting (blended) 	<p>Simplified structure for FP offerings</p> <ul style="list-style-type: none"> • Fixed Price 1: residential • Fixed Price 2: small commercial 0 – < 150 kW • Fixed Price 3: commercial 150 kW – < 1 MW • Fixed Price 4: large commercial and industrial 1 MW+ • Parallel real-time price offerings 	<p>Each of the four utilities has its own rate classes and its own rate design methodology.</p> <ul style="list-style-type: none"> • Customers in rate classes at primary service must take Hourly Price service regardless of size • Rate classes are not harmonized across utilities
Feature	ComEd	Ameren	New Jersey
Method for Fixed Price	Prism	Prism	Prism

Competitive Safeguards		
Feature	ComEd and Ameren	New Jersey
Load Caps	<ul style="list-style-type: none"> • 35% for each utility in the Fixed Price Section • 35% for each utility in the Hourly Price Section 	<ul style="list-style-type: none"> • Set each year by the utilities. Staff and the Board Advisor review these decisions. • Historically, the statewide load cap for the BGS-CIEP Auction has been set at 33-34% • Historically, the load cap for each utility in the BGS-FP Auction has been set at 33-100%. On a statewide basis the load cap turns out to be 35-38% for each utility in the Fixed Price Section
Association and Confidential Information Rules	<ul style="list-style-type: none"> • Bidders are asked to make a number of certifications to ensure that they follow these rules • If a certification cannot be made the Auction Manager can ask for additional information. The Auction Manager has several remedies including prohibiting participation • Certification ask to bidder to confirm that it is bidding independently, it has no knowledge of bidding by another entity, and that it will not reveal any confidential information about the process 	<ul style="list-style-type: none"> • Bidders are asked to make a number of certifications to ensure that they follow these rules • If a certification cannot be made the Auction Manager can ask for additional information. The Auction Manager has several remedies including prohibiting participation • Certification ask to bidder to confirm that it is bidding independently, it has no knowledge of bidding by another entity, and that it will not reveal any confidential information about the process
Volume Reduction	<ul style="list-style-type: none"> • Would follow guidelines established before hand • Volume cutback possible in the first round • Volume cutback possible later in the auction • If a reduction occurs, new volume is set so as to achieve overall a given ratio of tranches bid to tranches available • If volume reduced, EDCs purchase in RTO-administered market 	<ul style="list-style-type: none"> • Would follow guidelines established before hand • Volume cutback possible in the first round • Volume cutback possible later in the auction • If a reduction occurs, new volume is set so as to achieve overall a given ratio of tranches bid to tranches available • If volume is reduced, EDCs purchase in RTO-administered market

Regulatory Involvement		
Review Process	<ul style="list-style-type: none"> • All stakeholders fully participate in initial auction design docket • Staff monitors all aspects of the implementation of the Auction • Auction Manager briefs Staff at each step of auction process • Auction Manager provides interim report before the auction • Staff and Auction Manager separately present a report on the auction process to the ICC after the auction • ICC decide whether to investigate the auction results • Staff and Auction Manager separately release a public report on the auction process to all stakeholders • Ameren - Formal annual review after first 2 auctions, biennial formal review thereafter. • ComEd - All stakeholders participate in annual auction improvement workshop process. Report on possible improvements presented to the Commission. All stakeholders can participate in proceeding every 3 years to review results and investigate changes • 	<ul style="list-style-type: none"> • All stakeholders fully participate in yearly proceeding • Staff and/or Board Staff participate in all aspects of the implementation of the Auction • Auction Manager briefs Staff and Board Advisor at each step of auction process • Board Advisor and Auction Manager separately present a report on the auction process to the Board • Board decides whether to accept the auction results • Board Advisor releases a public report
Role of Staff	<ul style="list-style-type: none"> • Reviews and plans promotion of the auction • Reviews bidder application process • Consults with Auction Manager and utilities on setting of starting prices 	<ul style="list-style-type: none"> • Reviews bidder application process • Review utilities' decision on auction prices and load caps

	<ul style="list-style-type: none"> • Consults with Auction Manager on setting of auction parameters during the Auction • Monitors bidding • Compiles report for ICC • Convenes process improvement workshop • May hire experts as required to assist in any of these functions 	<ul style="list-style-type: none"> • Monitors bidding • Board Advisor prepares auction checklist at conclusion of auctions for Board • Agrees on protocols for conduct of the auction
Role of Commission / Board	<ul style="list-style-type: none"> • Makes a decision on procurement process • After the Auction is held, decides whether to investigate • Considers recommendations of improvement workshop process 	<ul style="list-style-type: none"> • Makes a decision on procurement process • Decides whether to accept the auction results • Starts a new docket each year to consider suggestions for improvement
Appointment of Auction Manager	Appointed by utilities	Appointed by utilities
Role of Auction Manager	<ul style="list-style-type: none"> • Manages bidder interface (see above) including qualification of bidders, promotion, training, responding bidder questions, managing web site • Manages bidding and makes round-by-round decisions • Provides interim and final report to the ICC 	<ul style="list-style-type: none"> • Manages bidder interface (see above) including qualification of bidders, promotion, training, responding bidder questions, managing web site • Manages bidding and makes round-by-round decisions • Provides final report to the Board

Role of Utilities	<ul style="list-style-type: none"> • Provides data for web site and information which the Auction Manager uses to answer questions • Responds to comments on contracts, applications and credit • Makes creditworthiness assessment of bidders • Ensures that financial guarantees are acceptable • Executes supplier contracts 	<ul style="list-style-type: none"> • Provides data for website and information which the Auction Manager uses to answer questions • Responds to comments on contracts and credit • Primarily responsible for load cap and starting price parameters • Makes creditworthiness assessment of bidders • Ensures that financial guarantees are acceptable • Executes supplier contracts 	
Contingency Plan and Cost Recovery Assurances			
Contingency for supplier default	<ul style="list-style-type: none"> • Auction, RFP or PJM-administered market • Auction if more than 120 days remain and 60 or more tranches needed • RFP if more than 120 days remain but fewer than 60 tranches • Otherwise replacement is from RTO-administered market 	<ul style="list-style-type: none"> • Ameren: Replacement RFP if more than 90 days remain • Otherwise, replacement if from RTO-administered market 	At each utility's discretion, the following methods may be employed; competitive bid (RFP or auction), procure at spot, offer tranches to other suppliers.
Cost recovery assurance	Cost of supply acquired through the auction deemed prudent and can be passed into generation service rates along with a cost tracking mechanism to ensure exact cost recovery.	Cost of supply acquired through the auction deemed prudent and can be passed into generation service rates along with a cost tracking mechanism to ensure exact cost recovery.	<ul style="list-style-type: none"> • Since auction process is approved by the Board, accepted bids would be deemed reasonable and prudent • Utilities ask for Board to recognize prudence of their contingency plans in its Order approving the auction process