Attachment A
Public

AmerenCILCO's, AmerenCIPS' and AmerenIP's
Response to
Illinois Commerce Commission Data Requests
ICC Docket No. 07-0027
Petition Seeking Approval of Program Administrator and
Program Administrator's Compensation

EPS 1.01: Please provide a summary of the five bids that Ameren received in response to its Request For Proposal.

Response: The RFP included the following provision re confidentiality of information:

M. Disclosure and Confidentiality Terms

The information contained in this RFP (or accumulated through other written or verbal communication) is confidential. It is for proposal purposes only and is not to be disclosed or used for any other purpose. Information received in response to this RFP will be held in strict confidence and not disclosed to any party, other than Ameren Services and its agents or staff of the ICC, without the express written consent of the bidder.

Appendix A: Bidder Evaluation Form - IL Residential RTP Program Administrator

CONFIDENTIAL and PROPRIETARY

Prepared By: Dan G. Laurent
Title: Manager, Regulatory Compliance
Phone: (314) 554-4812
Date: January 16, 2007

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EPS 1.02: Please explain why Ameren chose the second lowest-bidder, rather than the lowest.

Response: Based upon extensive review of the qualified bidders, including follow up discussions and review of materials and analysis, the Community Energy Cooperative was selected to be the Program Administrator. Although not the absolute lowest cost administrator for the program, CEC's proposal had several distinct advantages which made its selection as the successful bidder the most reasonable choice, such as:

- CEC has a demonstrated ability to comply with the scope of the project
- CEC has had four years of extensive experience in providing the services as detailed and required by the RFP, from the 2003 launch and operation of the nation's first large-scale residential electricity pricing program to use hourly, market-based electricity prices in Northern Illinois
- CEC proposed, and has successfully implemented in the pilot program, a marketing strategy which utilizes numerous channels in addition to direct mailings to raise awareness and participation in the program that should lead to higher Rider PRP participation and retention rates (which should translate into a higher likelihood of achieving program success).
- CEC is able to leverage existing community organization and affinity group relationships to capitalize on other energy related programs
- CEC is able to implement the program in the shortest time possible by leveraging the existing processes and experience from the ComEd pilot program. In fact CEC has already implemented functionality on its website for Ameren Illinois utility customers to express an interest in the program and to request to be one of the first contacted when the program begins operation.
- The customer interaction software solution proposed by CEC was far superior to the other offerings
- CEC has the professional expertise and demonstrated ability to meet or comply with the requirements outlined in Section 16-107 (b-15).

CEC's in depth knowledge of the program's intent, extensive plans to promote the program and commitment to state-of-the-art participant management software distinguished them from the other bidders. Further evidence of CEC's commitment to our PRP is evidenced by a letter from Anne Evens - Community Energy Cooperative, General Manager, attached as Appendix C.

See also RFP Proposal Summary and Recommendation attached as Appendix B. A certain portion of Appendix B is **CONFIDENTIAL and PROPRIETARY** and should be treated as such.

Prepared By: Dan G. Laurent
Title: Manager, Regulatory Compliance
Phone: (314) 554-4812
Date: January 16, 2007

Appendix A (EPS 1.02):
Copy of Letter from Anne Evens - Community Energy Cooperative, General Manager

The Ameren Residential Real Time Pricing program will only be successful if it provides net benefits to all Ameren customers through reductions in peak demand. This requires a program that actively works with customers to help them successfully manage the volatility of real-time prices. Although our proposal may have a higher initial cost, it includes the following components that are essential to obtain happy and successful customers and net system benefits:

1. The best technical solution with a user interface that will provide the right information to help customers proactively reduce energy consumption during high price times. The interface will enable customers to view and understand their individual household's energy consumption along with overall price patterns and targeted information about reducing peak demand.

2. On-going customized feedback to participants including educational and efficiency messages as part of the monthly usage report, annual summer readiness kits and annual summaries of participant performance.

3. Annual customer satisfaction surveys to incorporate real customer experiences in the program implementation as it moves forward.

4. On-going monitoring and analysis of customer response in order to better target messaging and make program adjustments to increase price response.

5. A program administrator with residential real-time pricing experience in Illinois. This experience has taught us how to enroll participants who understand what they're signing up for, can respond to high price signals, will save money, and will stay on the program over time.

6. Targeted community- and affinity-based outreach designed to connect with customers through organizations and information outlets they trust, including local media and community institutions.

7. In-depth understanding of the regulatory framework and evaluation criteria for the program. Key stakeholders, including the Illinois Commerce Commission, are looking for careful and credible measurement and evaluation of the impacts of this program. We are committed to quality evaluation and have designed a process for engaging local stakeholders and leading national experts in the evaluation process.

8. A local community-based administrator that is nationally recognized and trusted by Illinois customers and community leaders.

This program will not be successful simply by reaching the enrollment goals. It will be successful **if** it changes the way people think about and use electricity. This program relies on price signals and customer behavior change, not technology, to reduce peak demand. In order to get this behavior change, people need on-going education on their consumption patterns and relevant energy efficiency tools to help them reduce their peak demand and their energy costs.

Our four years of experience has shown us that quality communication and strong customer relationships are critical components to helping customers change their energy use behavior. We are the **only** organization that has successfully implemented a residential real-time electricity pricing program, achieving high satisfaction levels, reduced energy costs and bills, and 95% customer retention. We are eager to bring this proven experience to the development of an innovative and successful real-time pricing program for Ameren.

Sincerely,

Anne Evens

Community Energy Cooperative, General Manager
Energy Programs Manager
Center for Neighborhood Technology
2125 W North Ave
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Program Administrator Services for the Ameren Illinois Residential Real-Time Pricing (RTP), Price Response Program (PRP)

Background

On June 30, 2006, Public Act 094-0977 was enacted which requires the Ameren Illinois Utilities to file tariffs in support of the legislative program, which allow residential retail customers to elect real-time pricing beginning January 2007. The act also requires the utilities to contract with an entity to develop a program of customer outreach, education, and enrollment concerning RTP and to establish and administer information systems and other technical and customer assistance for the management of electricity use. The RFP for the IL Residential Price Response Program Administrator was distributed Monday, December 4, 2006. Copies of the RFP and draft service agreement were sent to 29potential bidders and bids were due back on December 15, 2006. A complete list of potential bidders is attached as Appendix A. Ameren Service Company ("Ameren Services"), on behalf of the utilities, also posted a notice of the RFP on the Midwest Energy Alliance website and in the American Energy Service Professionals newsletter. Ameren Services received five bids to the RFP for the Program Administrator Services.

Bidder Evaluation:

An internal team was formed to evaluate the RFP responses. The team was chaired by a representative of the Strategic Sourcing group and included other members from Energy Delivery, Information Technology, and Regulatory. The initial review of the bids was based upon a weighted average analysis of how the respondent met the criteria of the individual tasks outlined in the RFP, Company experience and price. This summary is attached as Appendix A to EPS 1.01. From this initial evaluation Ameren narrowed the list of bidders down to three, Community Energy Cooperative (CEC), Comverge and eMeter.

All three companies displayed similar capabilities in their abilities to complete the minimum tasks required to administer the Price Response Program. Comverge and eMeter described in-house customer interaction software/website whereas CEC chose to partner with Nexus to supply this software. Members of the Ameren Services evaluation team saw a demonstration of the Nexus capabilities and had some prior knowledge of its capabilities. The CEC/Nexus customer interaction software was found to be very robust and includes customer specific analyses and detailed recommendations for energy savings. The Nexus software provides customer friendly self-service functionality that is expected to eliminate many of the calls to the call center for assistance and should increase customer satisfaction with the program. CEC convinced Ameren Services that the Nexus software will equate to a higher degree of success in terms of participant retention and for energy savings. The software proposed by eMeter and Comverge was also observed by members of the evaluation team. The team concluded that software appeared to have less functionality and flexibility, but would still provide the basic information needed by the participants. All three companies displayed similar capabilities in the areas of call center functionality.

Another area that was of considerable interest to the evaluation team was the customer outreach aspect of the proposals. CEC advanced a more grass roots and tailored approach to educating and targeting customers to enroll, while Comverge and eMeter seemed to rely more on mass market efforts. In fact, in response to our questions to eMeter on this issue, they amended their original proposal to enhance the marketing of the program at a greater cost..

[redacted] CEC was the second lowest bidder among the five qualified bidders, and second lowest among the three final qualifiers. However, the cost difference between CEC and the lowest bidder was largely due to CEC subcontracting for the Nexus state-of-the-art participant management software system that is highly interactive. This system is expected to contribute to

participants realizing greater energy savings, and lead to higher customer satisfaction and retention in the PRP program.

Recommendation:
Based upon extensive review of the qualified bidders, including follow up discussions and review of materials and analysis, the Community Energy Cooperative was selected to be the Program Administrator. Although not the absolute lowest cost solution for the program, CEC's proposal had several distinct advantages which made their selection as the successful bidder the most reasonable choice, such as:

- CEC has a demonstrated ability to comply with the scope of the project
- CEC has had four years of extensive experience in providing the services as detailed and required by the RFP,
- CEC proposed, and has successfully implemented in the pilot program, a marketing strategy which utilizes numerous channels in addition to direct mailings to raise awareness and participation in the program(which should translate into a higher likelihood of achieving program success).
- CEC is able to leverage existing community organization and affinity group relationships to capitalize on other energy related programs
- CEC is able to implement the program in the shortest time possible by leveraging the existing processes and experience from the ComEd pilot program. In fact CEC has already implemented functionality on its website for Ameren customers to express an interest in the program and to request to be one of the first contacted when the program begins operation.
- The customer interaction software solution proposed by CEC was far superior to the other offerings
- CEC has the professional expertise and demonstrated ability to meet or comply with the requirements outlined in Section 16-107 (b-15).

CEC's in depth knowledge of the program's intent, extensive plans to promote the program and commitment to state-of-the-art participant management software distinguished them from the other bidders. Further evidence of CEC's commitment to Ameren Services's RTP PRP is evidenced by a letter from Anne Evens - Community Energy Cooperative, General Manager, attached as Appendix C.

RFP Distribution List

Supplier	Contact Name	Address	City	St	Zip	Phone	Email
Energy Curtailment Specialists	Glen Smith	3735 Genesee Street	Buffalo	NY	14225	716-565-1327	gesmith@ecsny.com
Energy Investment Systems, Inc.	Lewis Kwit	515 Greenwich St, Office 504	New York	NY	10013	(212) 966-6641	lmk@eisincorp.com
AMPS	Bob Friess	356 Veterens Memorial Highway, Ste 8 South	Commack	NY	11725	631-864-1959	raf8825@aol.com
Market Development Group	Ed Thomas	68600 Open Field Dr	Montrose	CO	81401	(970) 209-8347	ethomas@marketdevelop.com
BlueStar Energy Services	George Voorhees	5105 A North Glen Park Plaza	Peoria	IL	61614	(309) 589-1247	gvoorhees@bluestarenergy.com
Association for Energy Affordability	Daniel Harris, PE	505 Eighth Avenue, Suite 1801	New York	NY	10018	(212) 279-3902	dharris@aeanyc.org
Center for Neighborhood Technology	Anthony Star	2125 W North Ave	Chicago	IL	60647	773-269-4017	astar@energycooperative.org
RLX Analytics. Inc.	Ed Smith	48 Fourth St	Troy	NY	12180	518-266-9360	Ed@rlw.com
GoodCents Solutions	Dan Merilatt	1899 Parker Court	Stone Mountain	GA	30087	770-982-4962 ext 106	dan.merilatt@goodcents.com
CRA International	Paul O'Rourke	200 Clarendon Street, T33	Boston	MA	2116	617-425-3060	PORourke@crai.com
AEG, Inc.	Michael Marks	490 Wheeler Rd, Ste 100	Hauppauge	NY	11788	631-434-1414 ext 12	Mmarks@appliedenergygroup.com
Lightstat	Craig Bernier	22 W West Hill Road	Barkhamsted	CT	6063	800-292-2444 x 223	c.bernier@lightstat.com
RETX	Ross Malme	230 Scientific Dr, ste 150	Norcross	GA	30092	770-390-8510	malme@retx.com
Sempra Energy Solutions	Lucy G	1901 Butterfield Road, ste 1000	Downers Grove	IL	60515	630-390-2700	lgschwind@semprasolutions.com
Summit Blue Consulting	Melissa McQuire	1722 14th Street, ste 230	Boulder	CO	80302	720-564-1130	Mmcquire@summitblue.com
Viterra Energy Services	Eugene Cattani	2100 Highway 35, Box 183	Sea Girt	NJ	8750	(732) 528-6819	ecattani@viterrausa.com
KEMA	Dan Waintroob	67 S Bedford St, ste 201E	Burlington	ME	1803	781-273-5700	dwaintroob@kema.com
Christensen Associates	Mike O'Sheasy	4610 University Avenue, Suite 700	Madison	WI	53705	770-993-2336	mtosheasy@lrca.com
Elemco Building Controls	Zach Stern	1324 Motor Parkway	Hauppauge	NY	11749	631-582-8266 x11	zstern@ebcsystems.com
Nexus Energy Software	Tom Perone	16 Lurel Ave	Wellesley	MA	2481	631-476-5858	TPirone@nexusenergy.com
Strategic Energy	Jim Belden	One Tower Lane, ste 1700	Oakbrook Terrace	IL	60181	630-573-4351	jbelden@sel.com
Power Concepts	Tom Sahagian	29 Broadway, 12th Floor	New York	NY	10006	212-419-1900	tsahagian@powerconceptsllc.com
EnerNOC	Phil Giudice	75 Federal Street, ste 300	Boston	MA	2110	617-224-9900	pgiudice@EnerNOC.com
Quadlogic	Jason Kim	520 Eighth Avenue	New York	NY	10018	(212) 930-9300 x471	jkim@quadlogic.com
eMeter Corporation	Sharon Talbott	One Twin Dolphin Drive	Redwood City	CA	94065	650.631.7230 x 117	sharon@emeter.com
Infotility	David Cohen	3000 Executive Parkway, ste 518	San Ramon	CA	94583	303-808-3329	dave@infotility.com
Comverge	Dave Hyland	120 Eagle Rock Ave, ste 190	East Hanover	NJ	7936	614-595-7688	dhyland@comverge.com
Stone & Webster Management Consultants	Joe Pino	One Main st	Cambridge	MA	2142	617-589-2519	joe.pino@shawgrp.com

Copy of Letter from Anne Evens - Community Energy Cooperative, General Manager

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Sincerely,

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EPS 1.03: Does Ameren have an opinion as to why the four-year budget listed in Appendix A for the services that will be provided by the Program Administrator exceeds the four-year budget that was proposed in Docket No. 06-0070 (cons.), CUB Ex. 4.06? For example, are there services that the Program Administrator will be provided as part of the Price Response Program that were not contemplated in Ameren's real-time pricing proposal in Docket No. 06-0070 (cons.)?

Response: The four-year budget from CEC listed in Appendix A of EPS 1.01 is based upon actual cost of satisfying the requirements of the detailed RFP for the Program Administrator that was distributed to potential bidders on December 4, 2006. The cost projections proposed in Docket No.06-0070 (cons.) is an estimate of managing a residential real-time pricing program and was prepared on June 7, 2006, without knowing all the requirements of the detailed Ameren RFP and pending Commission approval of the tariff (Rider PRP). Further, CUB had taken a Commonwealth Edison Company estimate for a comparable program and scaled it back based on the comparative size and load of that utility to the Ameren Illinois Utilities. At best, as far as we are able to determine, it was a reasonable proxy but not intended to be an actual projection of the budget for the Program Administrator. Further, the increase in the actual four-year budget versus the proposed can be contributed to more detailed analysis of the development of customer interaction software, promotion and outreach plan, and IT system to manage data transfer with Ameren.

Prepared By: Dan G. Laurent
Title: Manager, Regulatory Compliance
Phone: (314) 554-4812
Date: January 16, 2007