

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>COMMONWEALTH EDISON COMPANY</b>	)	
	)	
	)	
<b>Proposed general increase in electric rates, and revision of other terms and conditions of service</b>	)	Docket No. 07-0566
	)	

**REPLY BRIEF OF CONSTELLATION NEWENERGY, INC.**

VII. NEW RIDERS

B. Rider SMP

Certain parties have criticized the collaborative process proposed by Constellation NewEnergy, Inc. (“CNE”), and as modified by Commonwealth Edison Company (“ComEd”), based in part on resource constraints. (AARP Initial Brief, p. 10; Commercial Group Initial Brief, p. 5; REACT Initial Brief, pp 16-18). CNE recognizes and appreciates the fact that exploring and developing an appropriate Advanced Metering Infrastructure (“AMI”) and other Smart Grid technologies will indeed require an investment of time and resources on the part of stakeholders. Such is always the case when making a change from the status quo, and moving into the future. Yet the question is not whether AMI and other Smart Grid technologies should be developed. As noted by Illinois Commerce Commission (“Commission”) Staff (“Staff”), the clear direction under the Energy Independence Security Act of 2007 is for states to consider Smart Grid topics. (Staff Initial Brief at 69.) The central issue is the framework under which these technological advances should be studied and developed.

Evaluating potential Smart Grid technologies through a collaborative stakeholder process has a number of benefits, which no party disputes. First, collaborative

stakeholder processes such as that advocated by CNE have been used successfully in the past, on a number of different issues. (Fein Reb., CNE Ex. 2.0, pp. 3-4). Second, the collaborative stakeholder process provides the greatest opportunity for stakeholders to provide meaningful input to shape what is ultimately proposed for Commission approval. Third, a collaborative process affords parties the opportunity to work together to answer questions and explore alternatives, and is likely to be significantly less costly than fully litigating all of the issues associated with the potential initiatives.

A collaborative stakeholder process in conjunction with Rider SMP is supported by several parties, in addition to CNE and ComEd. The Building Offices and Managers Association of Chicago (“BOMA”), composed of sophisticated customers in ComEd’s service territory and a leader in the area of technological improvements, actively supports the Rider SMP stakeholder collaborative. (BOMA Initial Brief, pp. 4-6). The Retail Energy Supply Association (“RESA”) likewise supports approval of Rider SMP in this proceeding in conjunction with the initiation of structured workshops to identify specific investments. (RESA Initial Brief, pp. 2-6).

Even certain parties that do not necessarily support the adoption of Rider SMP in its current form advocate a stakeholder process for consideration of Smart Grid technologies. For instance, Staff notes that AMI and Smart Grid investments are “important issues that deserve more consideration and attention than they can be given in this proceeding” and advocates the use of a collaborative process, either as a separate proceeding or as a forum to discuss potential projects if Rider SMP is approved. (Staff Initial Brief, pp. 69-70). Additionally, the Citizens Utility Board (“CUB”) acknowledges the potential benefits of a Smart Grid, and advocates the use of a collaborative

stakeholder process. (CUB Initial Brief, pp. 36-46). The Illinois Attorney General's Office ("AG") similarly indicates that the Commission should open a docket to investigate Smart Grid-related issues. (AG Initial Brief, pp. 61-62).

Looking to and planning for the future requires bold action by the Commission. The collaborative stakeholder process and timeline proposed by CNE (and supported, with modification by ComEd) provides the means by which stakeholders can explore and identify the project alternatives that can bring long-term benefits to customers sooner, rather than later.

#### X. CONCLUSION

Based on the foregoing, Constellation urges the Commission to establish a schedule for the collaborative stakeholder process for discussion and evaluation of projects proposed for recovery through Rider SMP, consistent with the timeline recommended in Constellation's rebuttal testimony and as refined in ComEd witness Crumrine's surrebuttal testimony.

Respectfully Submitted,



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