

REPORT OF COMMUNICATIONS WITH THE ILLINOIS POWER AGENCY

This form must be completed and submitted to the Illinois Procurement Policy Board within 30 days for each communication report required by 30 ILCS 500/50-39. Submit reports to:

PROCUREMENT POLICY BOARD
511 W. CAPITOL AVENUE, SUITE 102
SPRINGFIELD, IL 62704

Or you may send a signed, scanned copy via email with "IPA Communication Report" in the Subject line to: ppb@illinois.gov

Date of Communication: 3/15/2013

Time of Communication: 1:04 PM

Type of Communication:

- Telephone
 In Person
 Electronic (Email, Fax, Etc.) – Attach A Complete Copy of the Entire Communication String
 Written – Attach Copy
 Other

Initiator:

Initiator of Communication:

Thomas J Russell

Representing:

ComEd

Location:

10 S. Dearborn St., Chicago, IL 60603

Email Address (if communication was via email)

thomas.russell@exelon.corp.com

Telephone Number (if telephonic):

Duration of Call or In-Person Communication:

Is this person a Lobbyist required to register under the Lobbyist Registration Act

Yes No

Recipient(s): (If there are additional persons involved in the communication, attach an additional sheet that lists the other participants' names, job titles, which entity they represent, email address and/or telephone number, if applicable)

Recipient One Name:

Anthony Star; Michael Strong; Henry Kelly

Recipient Title:

Representing:

IPA

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

Recipient Two Name:

Richard Zuraski; John Feeley

Recipient Title:

Representing:

ICC

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

Recipient Three Name:

William McNell; Steven Lesniak; Glenn rippie; Carmen Fosco; Caitlin Shields

Recipient Title:

Representing:

ComEd

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

If any of these additional participants are lobbyists required to register under the Lobbyist Registration Act, they must submit a written report to be submitted with this communications report to the Procurement Policy Board that memorializes the communication that includes, but is not limited to (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information.

Communication Details:

Provide a detailed summary of the points made by each person involved in the communication:

The e-mail was a transmittal of the updated forecasts.

Was a response made? If so, complete the following for each person making the response (attach an additional sheet that lists the other respondents' names, job titles, which entity they represent, email address and/or telephone number, if applicable):

Respondent Name: Same

Respondent Title:

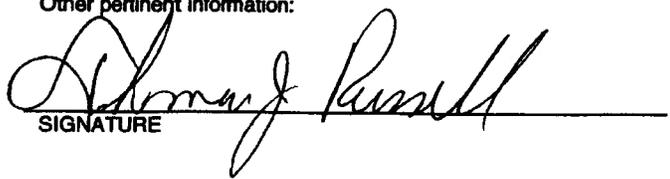
Location:

Telephone Number (if telephonic):

Provide a detailed summary of the response:

See attached e-mail chain.

Other pertinent information:


SIGNATURE


DATE

Grier, Adrienne C:(ComEd)

From: Russell, Thomas J.:(BSC)
Sent: Friday, March 15, 2013 1:04 PM
To: 'rzuraski@icc.illinois.gov'; 'Feeley, John'; 'anthony.star@illinois.gov'; 'Strong, Michael'; 'Kelly, Henry T.'
Cc: McNeil, William P.:(ComEd); Lesniak, Stephen L.:(ComEd); Rippie, Glenn E.; 'Carmen Fosco'; 'Caitlin M. Shields'
Attachments: Forecast March 2013 Update Tables.xlsx; Forecast Mar-13 Summary of Changes.doc; Forecast Mar 13 Muni Agg Community List (2).xlsx; Forecast Mar 13 ProcurementBlocks2012_PY2013-PY2017_March 2013_Update (3).xlsx

All,

Pursuant to the Commission's Order of December 19, 2012 in Docket No. 12-0544 (p. 110), attached please find the following documents:

- "Forecast March 2013 Update Tables.xlsx" – This is ComEd's March 2013 load forecast update. In addition, as provided for in the Illinois Power Agency's 2013 Electricity Procurement Plan (Final Plan, pp. 87-8), this document includes updated tables showing the overall amount of the necessary reductions in purchases under the long-term renewable contracts necessary to keep the purchase of renewables under the statutory cap, as well as a determination of the percentage amount that each long-term contract will need to be reduced.
- "Forecast Mar-13 Summary of Changes.doc" – This is a short memo describing the major changes since the November 2012 forecast update.
- "Forecast Mar 13 Muni Agg Community List (2).xlsx" – This is a list of the municipalities, counties and townships that have municipal aggregation referendums on the upcoming April 2013 general election ballot.
- "Forecast Mar 13 ProcurementBlocks2012 PY2013-PY2017 March 2013 Update (3).xlsx" – These are workpapers supporting the updated forecast.

These documents are also being distributed to all parties in the 12-0544 proceeding.

Please provide your written acceptance of this forecast and the curtailments. A response to this e-mail would be sufficient. Once we have that response, we will notify each supplier as to the amount that supplier's contract will be curtailed. The suppliers will have 30 days to notify ComEd as to their choice of one of 3 options specified in the contracts. The curtailments will take effect June 1, 2013.

If there are any questions you have or additional information that you would like, please let us know. We would appreciate your prompt attention to this matter so that we may meet the tight timeline outlined above.

Thank you.

Grier, Adrienne C:(ComEd)

From: Russell, Thomas J.:(BSC)
Sent: Friday, March 15, 2013 7:20 PM
To: Zuraski, Richard
Cc: Feeley, John; @ Star, Anthony; @ Strong, Michael R; @ Kelly, Henry; McNeil, William P:(ComEd); Lesniak, Stephen L.:(ComEd); Rippie, Glenn E.; @ Fosco, Carmen; @ Shields, Caitlin; Andrew Gisselquist (agisselquist@bostonpacific.com); Katherine Gottshall (kgottshall@bostonpacific.com); Kennedy, Tom
Subject: RE: March forecast

Rich,

Thanks for your response. We do see both events occurring simultaneously to be effective June 1. My plan was to put the REC contract together next week and then get it to you and the IPA. I intended to provide the ACP numbers to you at that time, but I will check on Monday to see if we can provide that sooner. If we have reached a consensus with you and the IPA on the agreement when we send out notice of curtailment to the suppliers, we could include it then. Otherwise, I will forward to the suppliers when we do. But I did not want to hold up sending out the curtailment notices since the suppliers have 30 days to respond to that.

From: Zuraski, Richard [mailto:rzuraski@icc.illinois.gov]
Sent: Fri 3/15/2013 6:47 PM
To: Russell, Thomas J.:(BSC)
Cc: Feeley, John; @ Star, Anthony; @ Strong, Michael R; @ Kelly, Henry; McNeil, William P:(ComEd); Lesniak, Stephen L.:(ComEd); Rippie, Glenn E.; @ Fosco, Carmen; @ Shields, Caitlin; Andrew Gisselquist (agisselquist@bostonpacific.com); Katherine Gottshall (kgottshall@bostonpacific.com); Kennedy, Tom
Subject: March forecast

Tom,

I am writing in response to your email of today concerning ComEd's March 2013 forecast and its implications for curtailment of the long-term renewable energy contracts of 2010. By the way, I forwarded it to the Commission's procurement monitor.

First, I expect that Staff will be able to get back to you early next week with a response to your request for "written acceptance of this forecast and the curtailments."

Second, I was a little surprised that I did not see anything about the balance of ComEd's hourly-customer ACP funds, or the company's plans for using those funds to buy unbundled RECs from the curtailed long-term suppliers, in accordance with the Commission order in 12-0544 (see relevant excerpts, below). I'd like to know how you see the two processes [of (1) curtailing the bundled contracts and (2) entering into the new unbundled contracts] unfolding [simultaneously? sequentially?]. Will the second process be described in the curtailment notice you send to the long-term suppliers?

Thanks for your attention.

Richard J. Zuraski
Phone: 217-785-4150
rzuraski@icc.illinois.gov

The following excerpts are from the Commission's December 19, 2012 Order in Docket 12-0544 ("Order"):

ComEd indicates that the IPA's Plan proposes to use the ACP funds that have been collected by ComEd from its hourly-priced service customers "to mitigate any reductions in delivery of RECs under the long-term contracts due to the operation of the rate cap." ComEd does not object to the use of the ACP funds collected from ComEd's hourly customers being used to offset, in some fashion, the reduced purchases of renewables under the long-term contracts. However, ComEd believes the process needs to be simple and spelled out clearly in the Commission-approved Plan. Otherwise, ComEd suggests that, because the amounts involved are relatively small, the administrative and operational costs could easily use up the bulk of the available funds. (ComEd Objections at 16)

It is not clear to ComEd how the IPA proposes to implement this proposal. ComEd believes that the accumulated hourly ACP funds should be used by ComEd to purchase RECs from the long-term renewable contract counterparties at the applicable imputed REC prices that the IPA is asking the Commission to reaffirm in its Plan. ComEd says the same percentage of original contract quantities that were curtailed for each counter-party would be used to determine the amount of RECs purchased such that the REC purchases did not exceed the available hourly ACP funds. ComEd suggests the parties should be required to use an agreement substantially similar to the standard REC agreement that was used in the 2012 REC procurement, with only such changes as are necessary to reflect any significant differences in this situation. ComEd claims one such change would be to allow the suppliers to supply their RECs at any time over the 2013 planning year term of the agreement. ComEd also notes that the hourly ACP funds are not in the possession of the IPA but rather in the possession of ComEd. With that being said, ComEd does not object to the IPA's proposed use of the hourly-priced customer ACP funds to purchase RECs in a manner as described above. ComEd recommends that the Plan be modified to reflect these clarifications. (ComEd Objections at 16-17)

Order, p. 69

Staff commented on ComEd's proposal to clarify the IPA's proposal to use ACP funds collected from the utilities' hourly priced customers to purchase RECs from the long-term renewable suppliers whose contracts were curtailed. Staff seeks clarification on "whether ComEd is proposing that each supplier be paid the price imputed specifically for that supplier . . ." ComEd is proposing to clarify that each supplier with a contract that was curtailed be paid the price imputed specifically for that supplier. ComEd believes the Commission's Order and the final approved Plan should explicitly provide that ComEd use its accumulated ACP funds collected from hourly priced customers to independently purchase RECs from the suppliers under long-term renewable contracts that were curtailed for a term of one year during the June 2013 - May 2014 period. ComEd says RECs would be purchased from each such supplier at the imputed REC price as derived from its contract price in the same percentage of original contract quantities that were curtailed such that the REC purchases did not exceed the available hourly ACP funds. (ComEd Reply at 26-27)

Order, pp. 77-78

Some parties also seek clarification of the exact use of the hourly utility customers' ACP funds pursuant to Section 1-75(c)(5) of the IPA Act. On this latter point, the Commission finds that the only use to which such funds should be put in the 2013 Plan is to purchase RECs that would otherwise be curtailed from the long-term renewable resource suppliers, effectively supplementing the renewable resource budget, in the manner proposed by ComEd.

Some parties object to the use of ACP funds provided by ARES for the purpose proposed by the IPA. Additionally, there is disagreement regarding the Commission's authority over the disbursement of RERF funds collected from ARES.

Rather than proposing that ComEd use the accumulated hourly ACP payments, totaling approximately \$1.9 million, to conduct an additional REC procurement, the IPA proposes for the

accumulated funds to be used to mitigate any reductions in delivery of RECs under the long-term contracts due to the operation of the rate cap. The IPA developed two alternative plans for using the accumulated hourly-customer ACP balances from AIC customers:

1. The IPA requests that the Commission approve a continued accumulation of hourly ACP balances by AIC in an account to be used in future years to offset any inability to take full delivery under the long-term 2010 bundled REC and energy contracts due to rate cap limits in the AIC service territory. This is expected to occur for AIC in the 2016/2017 delivery year, but could occur as early as 2013/2014 depending on customer switching over the next 12 months.
2. As an alternative, the IPA considered that the Commission could allow AIC to conduct a solar PV renewable resource REC procurement for 2013-14 delivery, funded by the accumulated unspent hourly ACPs collected. After considering the possibility that switching could be higher than anticipated, thus eliminating any remaining budget currently forecast for 2013/14, the IPA recommends this alternative not be pursued.

With regard to ACP funds collected from AIC and ComEd, there is no disagreement that, as part of the procurement plan for eligible retail customers of AIC and ComEd, the Commission has at least some authority over the disbursement of ACP funds. (See Plan at 82-83; IPA Response at 11-12) The Commission hereby approves the IPA's plan for using ACP collected from ComEd hourly-customers. The Commission also finds reasonable, and approves, the primary proposal to continue accumulation of hourly ACP balances by AIC in an account to be used in future years. Given that the rate cap limits are forecasted to be exceeded for AIC in the near future, the Commission concludes this proposal is appropriate.

(Order, p. 111)

