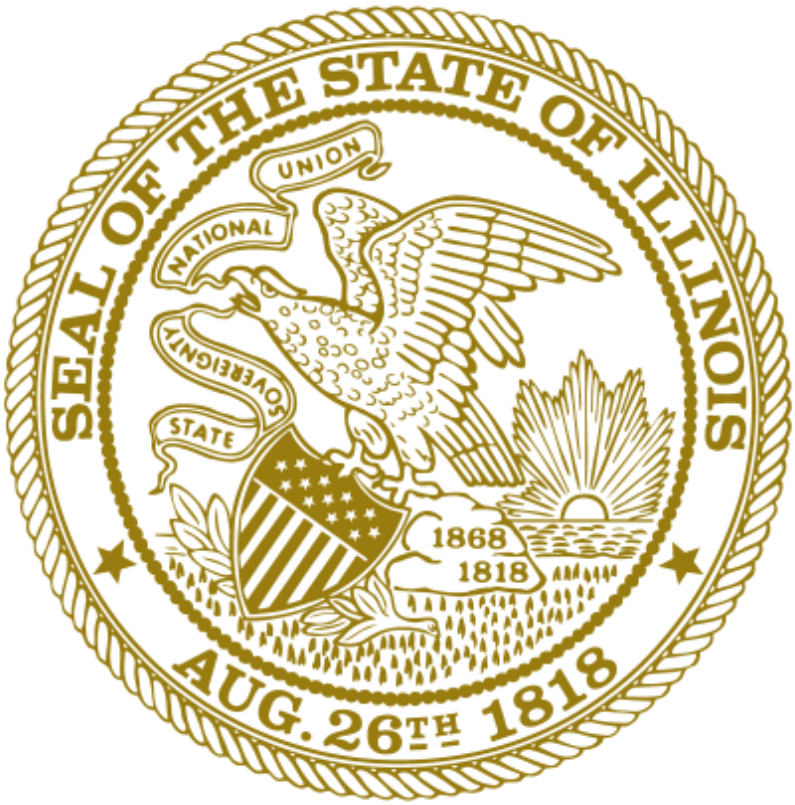
State of Illinois
Pat Quinn, Governor

ILLINOIS POWER AGENCY



FY 2011 Annual Report

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A. IPA Procurement Plan
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1.0 Executive Summary

The Illinois Power Agency ("IPA" or "Agency") was created in 2007 by Public Act 095-0481 ("IPA Act") in response to significant consumer electricity cost increases resulting from a Utility-managed Reverse Auction process. The IPA's task was to procure wholesale electricity on behalf of residential and small commercial consumers receiving service from Commonwealth Edison and Ameren Illinois Corporation ("ComEd" or "Ameren" or "Utilities"). The IPA's mission was to represent the interests of consumers by:

- Reducing electricity costs;
- Ensuring stable prices; and;
- Awarding power supply contracts on the basis of cost and value.

Pursuant to the IPA Act, the IPA submits this annual agency report for fiscal year 2011 to the Governor and the General Assembly. Report highlights include:

- **Consumer Savings.** IPA procurement activities have locked in an estimated $1.64 billion in total savings for consumers since 2009. The agency's planning and methods have capitalized on the improved market pricing opportunities for power supply and renewable energy resources.

    - **$1,451,067,548 in Electricity Supply Savings.** Electricity supply contracts secured through the IPA procurement process captured prices far below those set by the Reverse Auction.

    - **$ 188,595,678 in Renewable Energy Resource Savings.** Strategic planning and aggressive benchmarking have yielded lower than budgeted costs for renewable energy resources even as Renewable Portfolio Standards increased.

- **Procurement Results.** All IPA-managed procurements for energy and capacity were fully subscribed for June 2011 and May 2012 period. A copy of the procurement plan that guided these procurement events is found in Attachment A. A copy of the ruling by the Illinois Commerce Commission authorizing the IPA Procurement Plan is found in Attachment B. Copies of the public announcements concerning the results of the IPA Procurement Process are found in Attachment C.

  The IPA managed the procurement of renewable energy (wind and solar) through 20-year Power Purchase Agreements in December 2010. The long term contracts will deliver renewable energy and Renewable Energy Credits (RECs) to ComEd and Ameren customers starting in June 2012. The Agency also secured RECs to fulfill the Renewable Portfolio Standard (RPS) requirements for the 2010-2011 compliance year at record low prices.

  The IPA also reports that the Utilities have purchased Energy Efficiency and Demand Response commodities to fulfill their obligations under the Energy Efficiency Portfolio Standard (EEPS). The IPA does not directly manage Energy Efficiency and Demand Response purchases on behalf of the Utilities as it does with electricity and renewable energy procurement. The IPA submits in this report the most recent EEPS program results as provided by the Stakeholder Advisory Group and the Illinois Commerce Commission.

- **IPA Plant Generation Results.** The IPA Act established $4 billion in bonding capacity to support the development of power generating assets. The IPA has not been able to develop generating assets due to a statutory prohibition against the sale of electrical outputs from an IPA-developed power plant to the Utilities. Without the ability to sell power outputs to creditworthy counterparties such as the Utilities, the IPA is unable to make progress in financing or developing power generating assets.

- **IPA Financial Statements.** The IPA Act requires the reporting of the Agency's financial results. Statements for the FY 2011 period are found in Attachment D of this report. Though not noted in the financial statements, the IPA notes that the Agency hired a Chief Fiscal Officer in January 2011, raising Agency headcount to 2. Also, the Agency entered into an Interagency Agreement with the Shared Services Center to assist the Agency in managing accounts receivable, payable, and personnel services.

2.0 Background

In 1997, the Illinois General Assembly passed the Electric Service Customer Choice and Rate Relief Act, legislation that restructured electricity markets and phased-in a competitive power market in Illinois. All customers of ComEd and Ameren were given the legal option to purchase electricity from Alternative Retail Energy Suppliers ("ARES") or from their local utility. Regardless of energy supplier, the Utilities were obligated to provide customers non-discriminatory delivery services. The 1997 law created a "mandatory transition period" during which retail electricity rates were reduced and then frozen, and the Utilities were allowed to transfer or sell generation assets to affiliated companies or third parties.

The transition period was extended in subsequent legislation through the end of 2006. After a series of proceedings, the Illinois Commerce Commission entered Orders approving the Utilities' proposals to procure power after the transition period through a full requirements "Reverse Auction". The Reverse Auctions were conducted by the Utilities, and the resulting contract prices substantially increased electricity rates (in some cases as much as 200%) for customers buying power from the Utilities.

SB 1592[1] was approved by the General Assembly and signed into law in the summer of 2007. In addition to providing $1 billion in temporary rate relief to consumers, and creating renewable energy and energy efficiency standards, it established the IPA to develop and manage a new power procurement process. The Act required the Utilities to procure all power for eligible retail customers who purchase electricity from the Utilities in accordance to a Plan developed by the IPA and approved by the Commission.

The IPA is required by statute to meet the electricity supply needs of the bundled rate customers (residential and small commercial ratepayers) of ComEd and Ameren. It does so by developing and implementing electricity procurement plans designed to "ensure adequate, reliable, affordable, efficient and environmentally sustainable" electric service at the "total lowest cost over time,"[2] while taking into account "any benefits of price stability."[3] In the 2011-2012 planning year, the IPA portfolios will supply approximately 57 million MWH to 4.7 million "eligible customers" of ComEd and Ameren.[4]

3.0 Procurement

As noted above, a full requirements Reverse Auction was utilized to establish prices for eligible customers starting in 2007. The prices established through those contracts ranged between $63 and $64/MWh for ComEd customers, and $64 and $66/MWh for Ameren customers. These contracts were for "full requirements" and included energy, capacity and ancillary services. Establishing the individual costs for each element in the contracted supply (energy, capacity and ancillary services) is difficult as the bidding process did not yield transparent results (i.e. the process was operated as a clearing-price auction; bidders were not required to divulge cost breakouts for individual cost components, etc.). Though not definitive, the IPA estimates that the energy-only portion of the Reverse Auction was approximately $52/MWh for ComEd customers and approximately $54/MWh for Ameren customers. These contracts provided for equal unit costs for Peak (Monday through Friday 7AM to 11PM) and Off-Peak (all other hours) periods.

The IPA Act provided for the inclusion of swap contracts between the Utilities and their wholesale affiliates for a portion of the projected electricity supply requirements of eligible retail customers. The swap contracts between Exelon and ComEd extend from June 2008 through May 2013 at prices that escalated annually. The swap contract between Ameren Marketing and Ameren Illinois commenced in June 2008 and extends through December 2012 at prices that also escalated annually. These contracts also provided for equal unit costs for Peak and Off-Peak periods.

Though created by the IPA Act in 2007, the IPA did not receive its first staff appointment until April 2008. Consequently, the Utilities and the Commission managed a series of procurement events in spring 2008 for the June 2008 through May 2009 compliance period. Contracts secured under the Utility/Commission process yielded monthly contracts with discreet prices for Peak and Off-Peak periods.

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[1] Public Act 095-0481

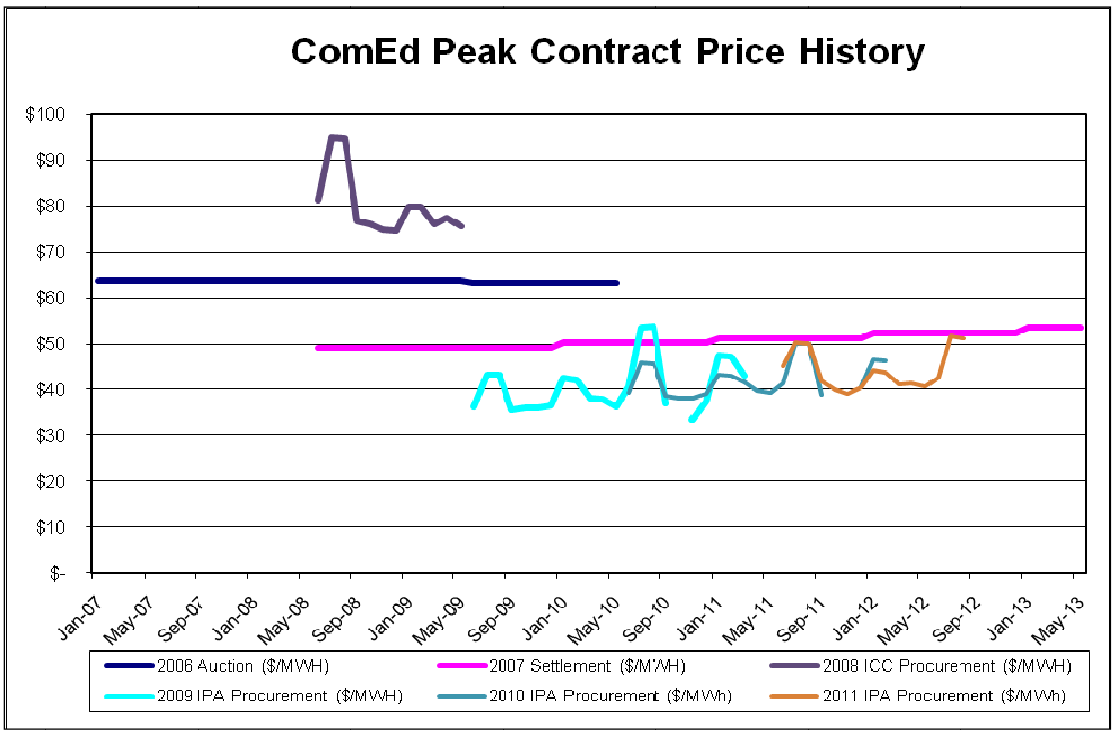
[2] 20 ILCS 3855/1-5.

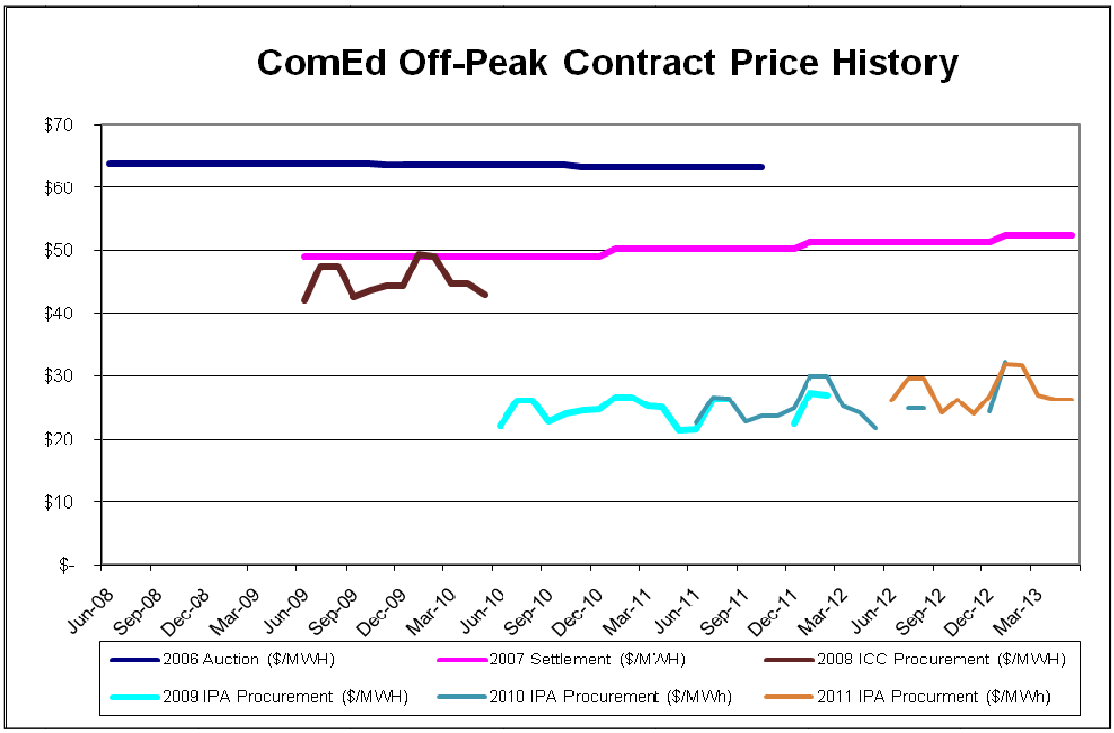
[3] *Id*.

[4] "Eligible customers" are defined by law as those retail customers that purchase power and energy from the electric utility under fixed-price bundled service tariffs. 220 ILCS 5/16-111.5(a). These are customers that take both delivery and supply service from their electric utility.

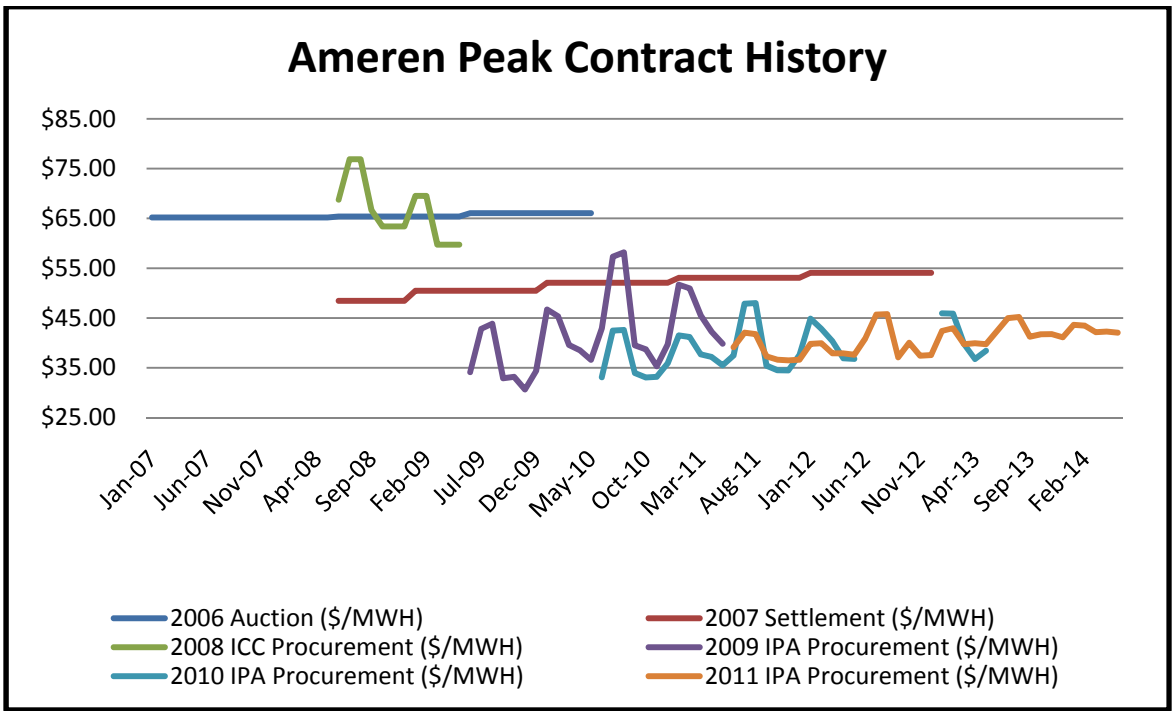
The IPA managed its first procurement events during the spring of 2009. Contracts negotiated since 2009 have secured supply contracts with unique unit costs for Peak and Off-Peak periods for each month of the year.

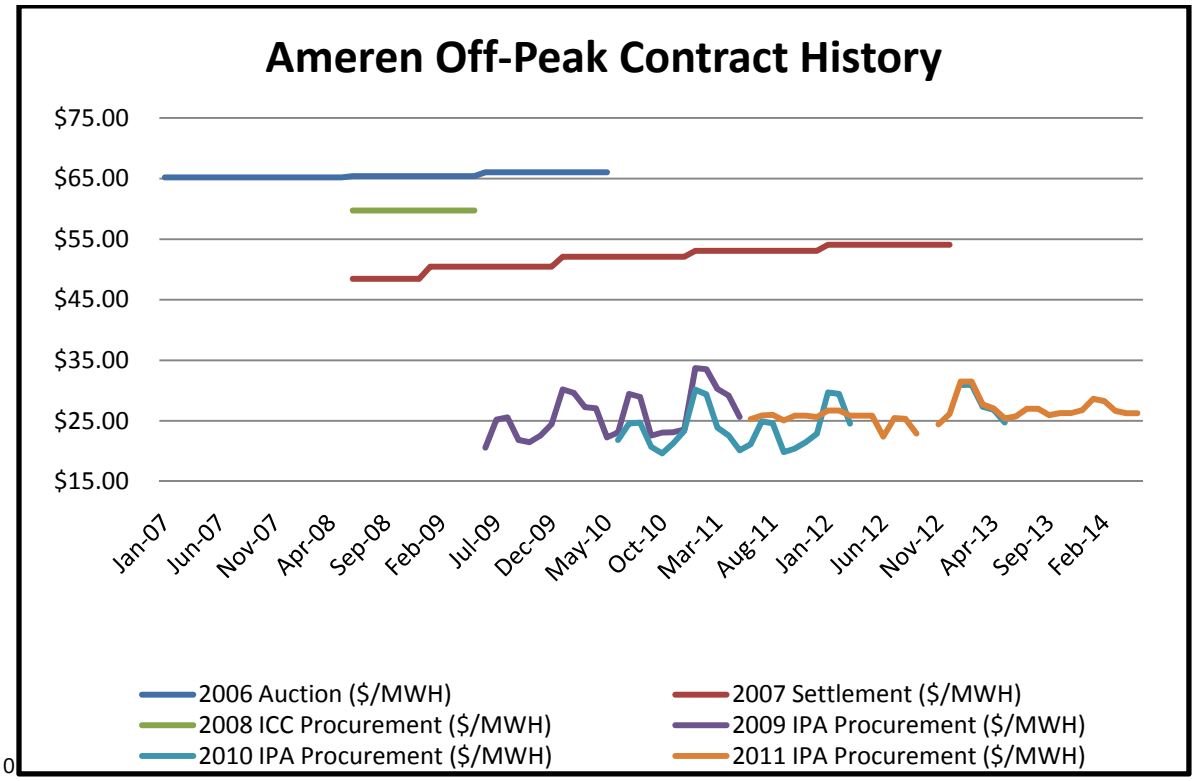
The graphs below present the contract costs realized through the various procurement events described above for ComEd. Procurement results are reported in dollars per Megawatt Hour ($/MWh), per monthly Peak and Off-Peak periods. Breaks in the lines represent contract periods where volumes were deliberately not secured in accordance with the hedging schedule developed by the IPA and approved by the Commission.





The graphs below present the costs realized through the various procurement methods and managers described above for Ameren. Procurement results are reported in dollars per Megawatt Hour ($/MWh), per monthly Peak and Off-Peak periods. Breaks in the lines represent contract periods where volumes were deliberately not secured in accordance with the hedging schedule developed by the IPA and approved by the Commission.





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As noted above, the supply contracts set by the Reverse Auction and the 2007 Settlements provided a levelized price per Megawatt Hour of supply regardless of Peak or Off-Peak period. The result of this approach is a reduction in Peak period and elevation of Off-Peak period pricing relative to prevailing market values for electricity supply. As evidenced in the

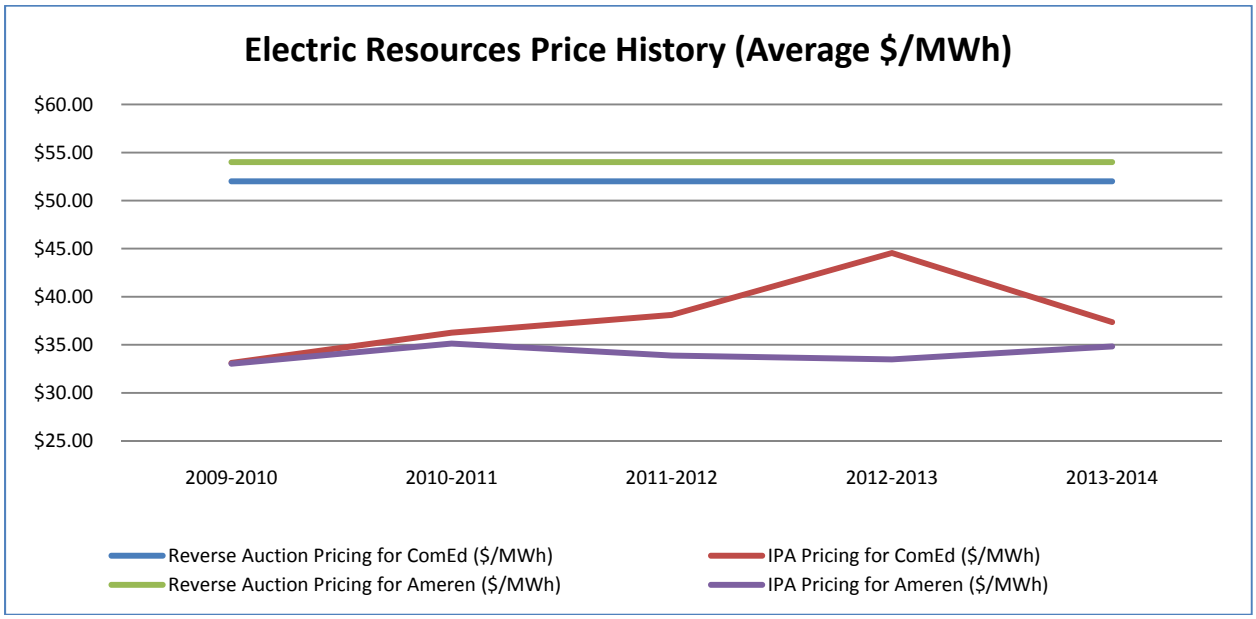
above graphs, the ICC managed procurements in 2008 yielded Peak period prices far above the Reverse Auction and 2007 swap contract price levels, and Off-Peak prices below the Reverse Auction and 2007 average prices. IPA managed procurement events in 2009, 2010, and 2011 have yielded Peak and Off-Peak period prices well below the Reverse Auction prices, the 2007 swap contracts, and the 2008 ICC/Utilities managed procurement events.

3.1 Consumer Savings. The tables below convey the value of the lower prices realized by the IPA-managed procurement processes when compared to the Reverse Auction price benchmark. The Consumer Cost Differential columns (E and I) note the value of the lower costs realized by Illinois consumers. The Total Consumer Cost Savings columns (J) provide a tally of the Cost Differential columns.

IPA Procurement Results: 2009 to present

Year	ComEd				Ameren				Total Consumer Cost Savings
(A)	MWh Procured by IPA (B)	Average Reverse Auction Price (C)	Average IPA Price (D)	Consumer Cost Differential (Savings) (E)=(B)*(C-D)	MWh Procured by IPA (F)	Average Reverse Auction Price (G)	Average IPA Price (H)	Consumer Cost Differential (Savings) (I)=(F)*(G-H)	(J)=(E)+(I)
2009-2010	13,347,200	$52.00	$33.12	$251,996,584	6,107,200	$54.00	$33.03	$128,055,684	$380,052,268
2010-2011	13,306,800	$52.00	$36.27	$209,365,720	9,015,200	$54.00	$35.13	$170,104,872	$379,470,592
2011-2012	11,651,200	$52.00	$38.12	$161,743,900	7,290,800	$54.00	$33.88	$146,695,884	$308,439,784
2012-2013	1,486,400	$52.00	$44.55	$11,076,720	5,740,800	$54.00	$33.48	$117,805,415	$128,882,135
2013-2014	10,214,000	$52.00	$37.37	$149,441,707	5,466,800	$54.00	$34.83	$104,781,272	$254,222,979
Total/ Average	**50,005,600**			**$783,624,631**	**33,620,800**			**$667,443,127**	**$1,451,067,758**

The graph below conveys the data in the above table:



The IPA projects that IPA managed procurements since 2009 will realize lower costs for electricity commodities in the amount of $1,451,067,548.

The IPA has also managed the procurement of Renewable Energy Resources to satisfy the Illinois RPS. The table below conveys the consumer cost savings delivered to Illinois consumers by the IPA. Consumer savings in this instance is represented by the differential between the annual budget cap ("Renewable Resources Budget" or "RRB") and the actual expenditures for renewable energy assets. Monies not committed to purchasing renewables are not collected and remain in consumer's household budgets.

IPA Procurement Results: Renewable Energy Resources (2009 to present)

Utility	Year	Allowable RRB	Funds Expended	Consumer Savings
ComEd	2009-2010	$ 39,700,000	$ 30,148,372	$ 9,551,628
	2010-2011	$ 57,688,135	$ 9,205,002	$ 48,483,133
	2011-2012	$ 77,176,270	$ 2,005,768	$ 75,170,502
	TOTAL	**$174,564,405**	**$ 41,359,142**	**$133,205,263**
Ameren	2009-2010	$ 16,601,474	$ 11,420,050	$ 5,181,424
	2010-2011	$ 24,394,776	$ 3,487,276	$ 20,907,500
	2011-2012	$ 30,180,309	$ 878,818	$ 29,301,491
	TOTAL	**$ 71,176,559**	**$ 15,786,144**	**$ 55,390,415**
Combined	2009-2010	$ 56,301,474	$ 41,568,422	$ 14,733,052
	2010-2011	$ 82,082,911	$ 12,692,278	$ 69,390,633
	2011-2012	$107,356,579	$ 2,884,586	$104,471,993
	TOTAL	**$245,740,964**	**$ 57,145,286**	**$188,595,678**

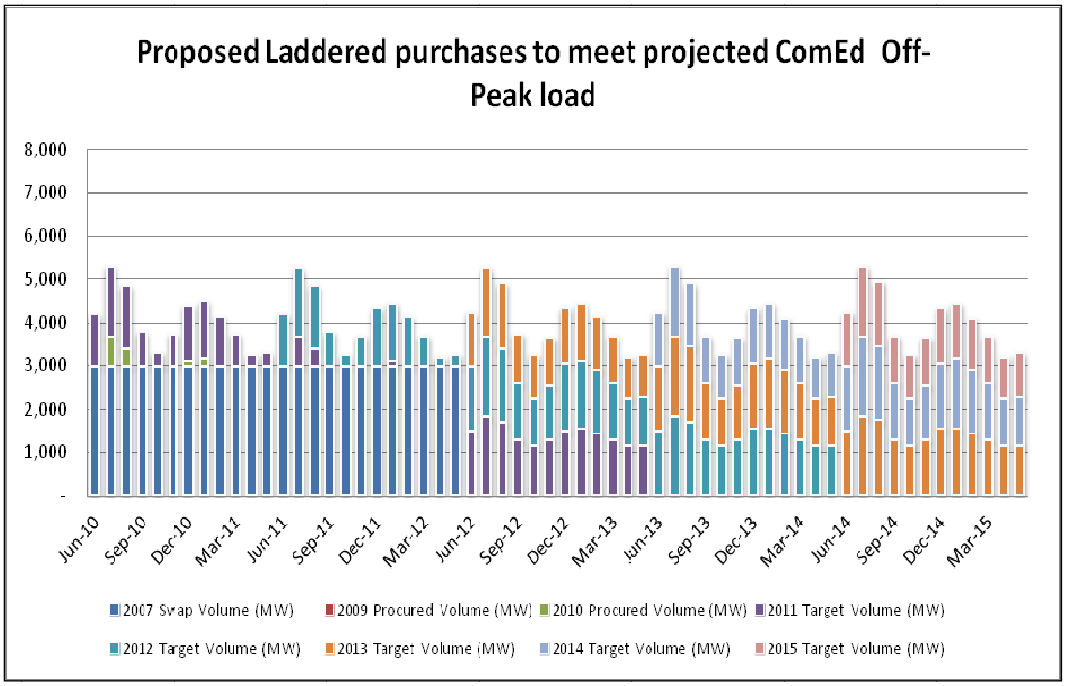
The IPA projects that consumers have realized lower costs for RPS compliance in the amount of $188,595,678 since 2009.

In the aggregate, since 2009 IPA managed procurements for standard and renewable energy have secured consumer savings of $ 1,639,663,226.

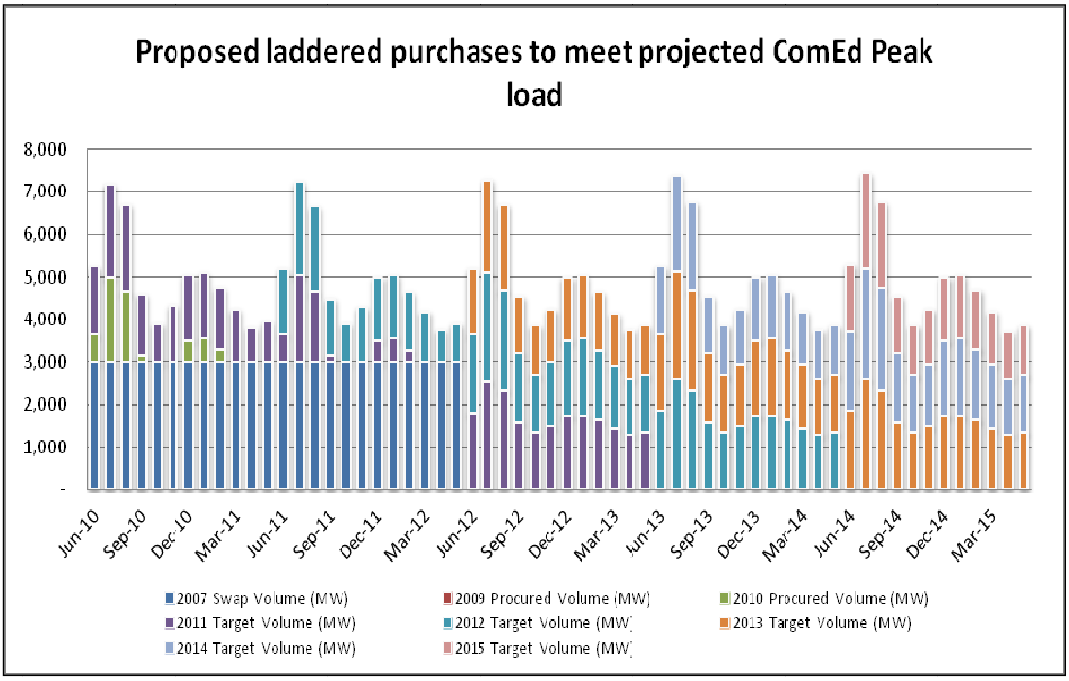
3.2 Electricity Resources. The volumes of electricity procured through the IPA in 2011 were the result of the 2010-2011 IPA Procurement Plan.

2011 Electricity Resources Procurement Overview	
Key Question	**Responses**
What was done?	▪ IPA solicited supply bids for the June 2011 through May 2014 period ▪ Sealed bids for fixed prices at volumes were solicited from a variety of bidders ▪ Bids below a benchmark target price were selected on the basis of price
Why was it done?	▪ Future volumes were secured to reduce risk of future price escalation ▪ Sealed bids were required to encourage vendors to bid at their best prices ▪ The benchmark ensured that no above –market bids were considered
What were the results?	▪ All contracts recommended by the IPA to the ICC were approved ▪ All proposed contract volumes were fulfilled (no deficiencies) ▪ 33,592,000 MWh of supply was secured at an average price of $$36.40/MWh
What else could be done to benefit consumers?	▪ IPA procurement of energy efficiency as an alternative to energy supply whenever the cost of efficiency is lower than the combined cost of electricity supply, capacity, and transmission. ▪ Utilities could dispatch Demand Response systems to reduce consumption

3.2.1 Commonwealth Edison. As with the Ameren portfolio, the IPA Procurement Plan for the 2010-2011 compliance period specified a laddered approach to securing electricity supplies for the ComEd portfolio. The laddered procurement approach allows for the layering in of purchases for any given compliance year through multiple contracts. The graph below conveys the planned sources of the Off-Peak electricity supplies for the aggregated loads of ComEd. The Off-Peak supply requirements for the June 2010 – May 2011 period were to be met through a combination of volumes sourced from the 2007 Swap Contracts, 2009 Off-Peak procurements, 2010 Off–Peak procurements, and 2011 Off-Peak procurements. The electricity purchases reported below apply to the aggregated loads of Commonwealth Edison ("ComEd").



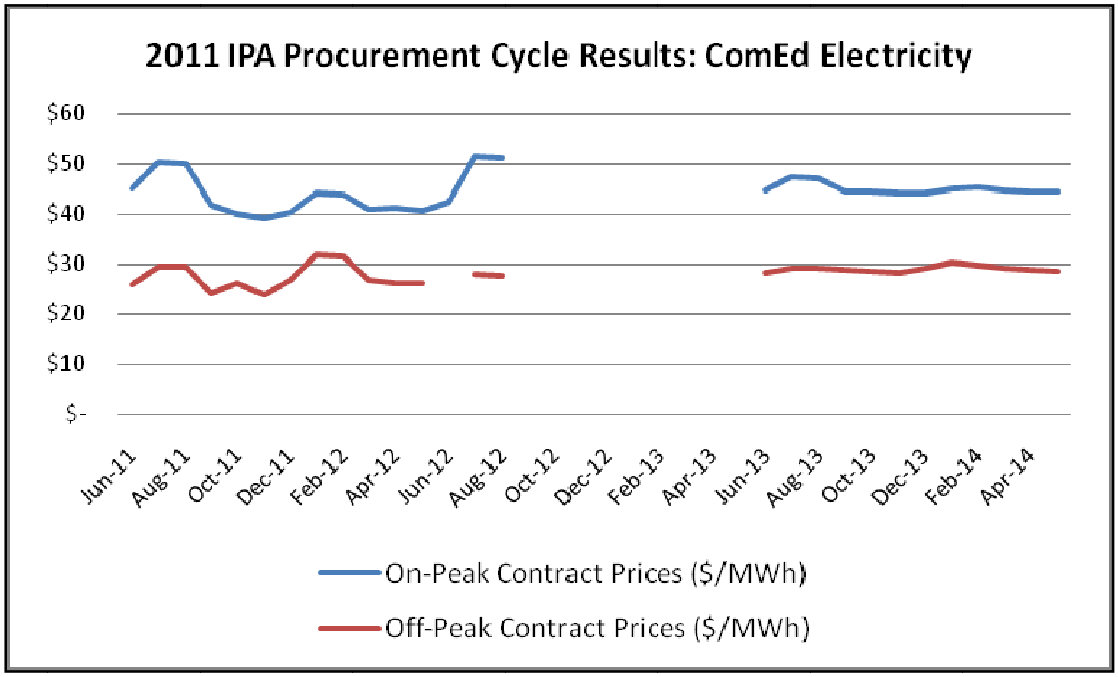
The graph below conveys the planned sources of the On-Peak electricity supplies for the aggregated loads of ComEd. The On-Peak supply requirements for the June 2010 – May 2011 period were to be met through a combination of volumes sourced from the 2007 Swap Contracts, 2009 On-Peak procurements, 2010 On–Peak procurements, and 2011 On-Peak procurements. The electricity purchases reported below apply to the aggregated loads of Commonwealth Edison ("ComEd").

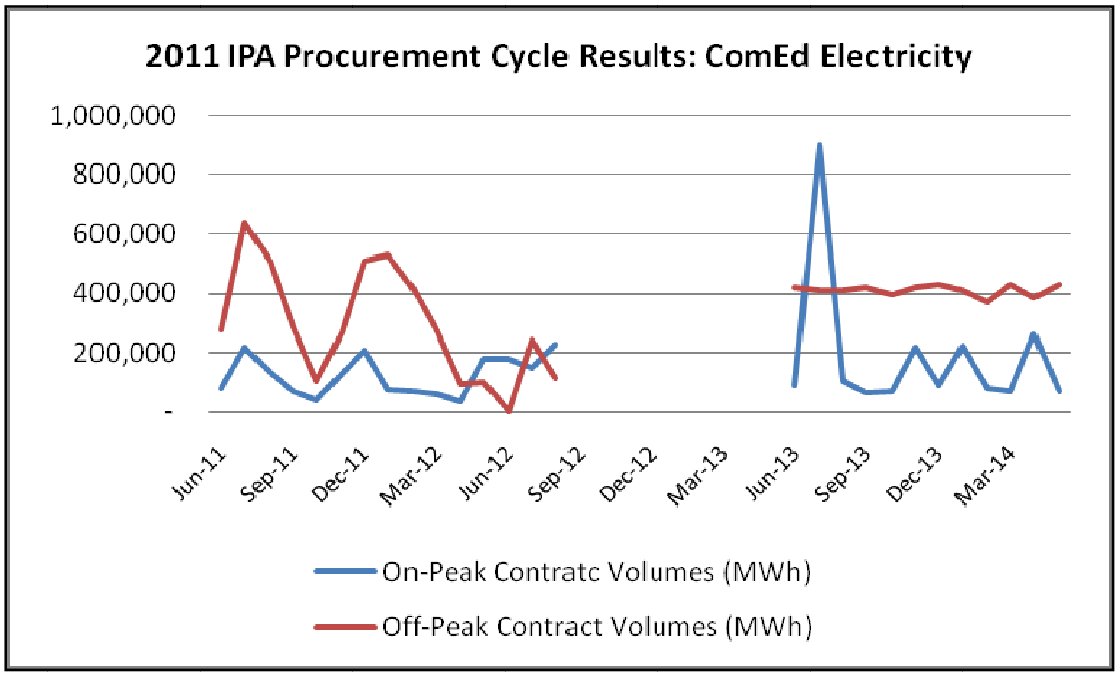


The table below conveys the volumes (in MW and MWh) of electricity secured and the unit cost ($/MWh) of those supplies. No electricity volumes were secured for the months between September 2012 and May 2013. This was due monthly volumes for those months having been secured prior to the Spring 2011 procurement cycle.

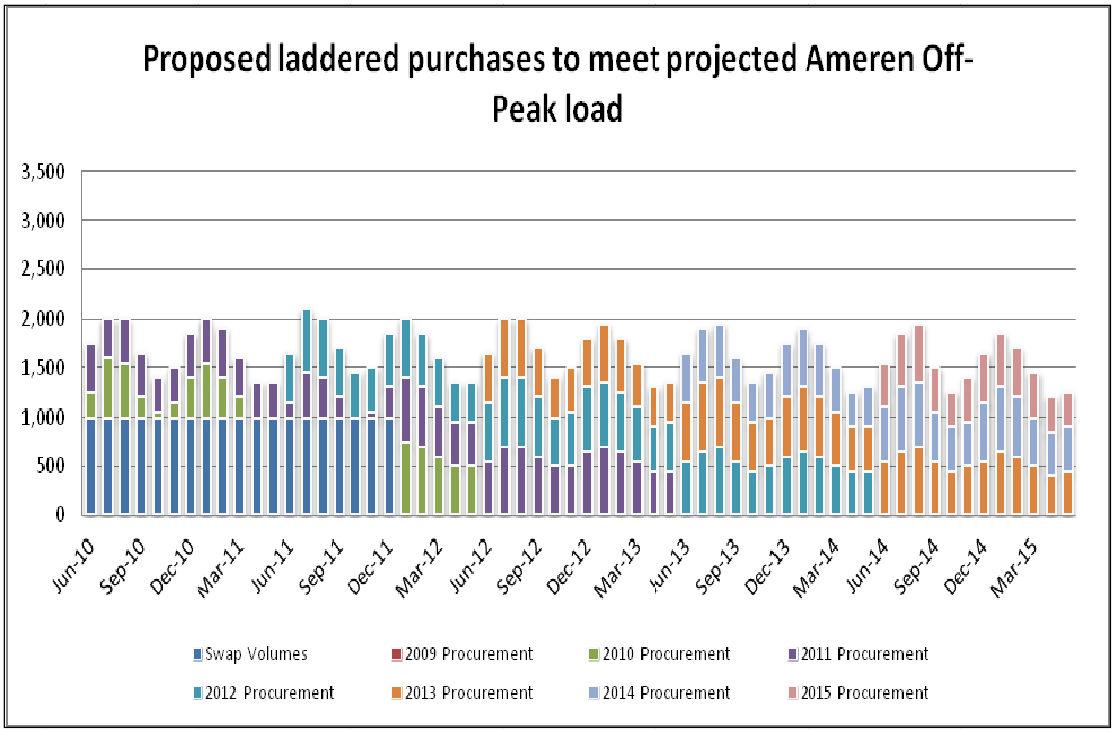
ComEd Energy Procurement Results (2011)								
Month	OnPeak Volumes				OffPeak Volumes			
	MW Secured	MWH Secured	Average Price ($/MWH)	Total Cost	MW Secured	MWH Secured	Average Price ($/MWH)	Total Cost
June-11	1550	77,500	$45.1245	$ 3,497,150	750	276,000	$ 26.1200	$ 7,209,120
July-11	1450	217,500	$50.2541	$ 10,930,275	1500	636,000	$ 29.5363	$ 18,785,108
August-11	1350	135,000	$49.9344	$ 6,741,150	1350	507,600	$ 29.4926	$ 14,970,440
September-11	1350	67,500	$41.9033	$ 2,828,475	750	288,000	$ 24.1600	$ 6,958,080
October-11	850	42,500	$39.9818	$ 1,699,225	250	102,000	$ 26.2200	$ 2,674,440
November-11	1300	130,000	$39.0673	$ 5,078,750	700	268,800	$ 24.0214	$ 6,456,960
December-11	1400	210,000	$40.4446	$ 8,493,375	1250	510,000	$ 26.7320	$ 13,633,320
January-12	1500	75,000	$44.1900	$ 3,314,250	1300	530,400	$ 31.8762	$ 16,907,112
February-12	1400	70,000	$43.7871	$ 3,065,100	1150	414,000	$ 31.6278	$ 13,093,920
March-12	1200	60,000	$41.0963	$ 2,465,775	700	274,400	$ 26.9979	$ 7,408,212
April-12	750	37,500	$41.3160	$ 1,549,350	250	96,000	$ 26.2200	$ 2,517,120
May-12	900	180,000	$40.6000	$ 7,308,000	250	98,000	$ 26.2200	$ 2,569,560
June-12	600	180,000	$42.5100	$ 7,651,800	0	-	$ -	$ -
July-12	1500	150,000	$51.6420	$ 7,746,300	600	244,800	$ 27.9150	$ 6,833,592
August-12	1150	230,000	$51.1770	$ 11,770,700	300	112,800	$ 27.7200	$ 3,126,816
September-12	0	-	$ -	$ -	0	-	$ -	$ -
October-12	0	-	$ -	$ -	0	-	$ -	$ -
November-12	0	-	$ -	$ -	0	-	$ -	$ -
December-12	0	-	$ -	$ -	0	-	$ -	$ -
January-13	0	-	$ -	$ -	0	-	$ -	$ -
February-13	0	-	$ -	$ -	0	-	$ -	$ -
March-13	0	-	$ -	$ -	0	-	$ -	$ -
April-13	0	-	$ -	$ -	0	-	$ -	$ -
May-13	0	-	$ -	$ -	0	-	$ -	$ -
June-13	1800	90,000	$44.7956	$ 4,031,600	1250	420,000	$ 28.4616	$ 11,953,872
July-13	2250	900,000	$47.4387	$ 42,694,800	1800	411,600	$ 29.3200	$ 12,068,112
August-13	2100	105,000	$47.1000	$ 4,945,500	1650	411,600	$ 29.1764	$ 12,008,991
September-13	1300	65,000	$44.5400	$ 2,895,100	1050	420,000	$ 28.8200	$ 12,104,400
October-13	1350	67,500	$44.3944	$ 2,996,625	1100	394,800	$ 28.7427	$ 11,347,629
November-13	1450	217,500	$44.0769	$ 9,586,725	1250	420,000	$ 28.4616	$ 11,953,872
December-13	1750	87,500	$44.2266	$ 3,869,825	1250	428,400	$ 29.2036	$ 12,510,822
January-14	1500	225,000	$45.1093	$ 10,149,600	1300	411,600	$ 30.3412	$ 12,488,419
February-14	1600	80,000	$45.4869	$ 3,638,950	1400	369,600	$ 29.7175	$ 10,983,588
March-14	1400	70,000	$44.6764	$ 3,127,350	1250	428,400	$ 29.2820	$ 12,544,409
April-14	1300	260,000	$44.5400	$ 11,580,400	1100	386,400	$ 28.8595	$ 11,151,328
May-14	1350	67,500	$44.5774	$ 3,008,975	1100	428,400	$ 28.7623	$ 12,321,758
TOTAL/Average	**37,400**	**4,097,500**	**$ 45.556**	**$ 186,665,125**	**26,600**	**9,289,600**	**$ 28.697**	**$ 266,581,000**

The data in the table above are conveyed in the graphs below:

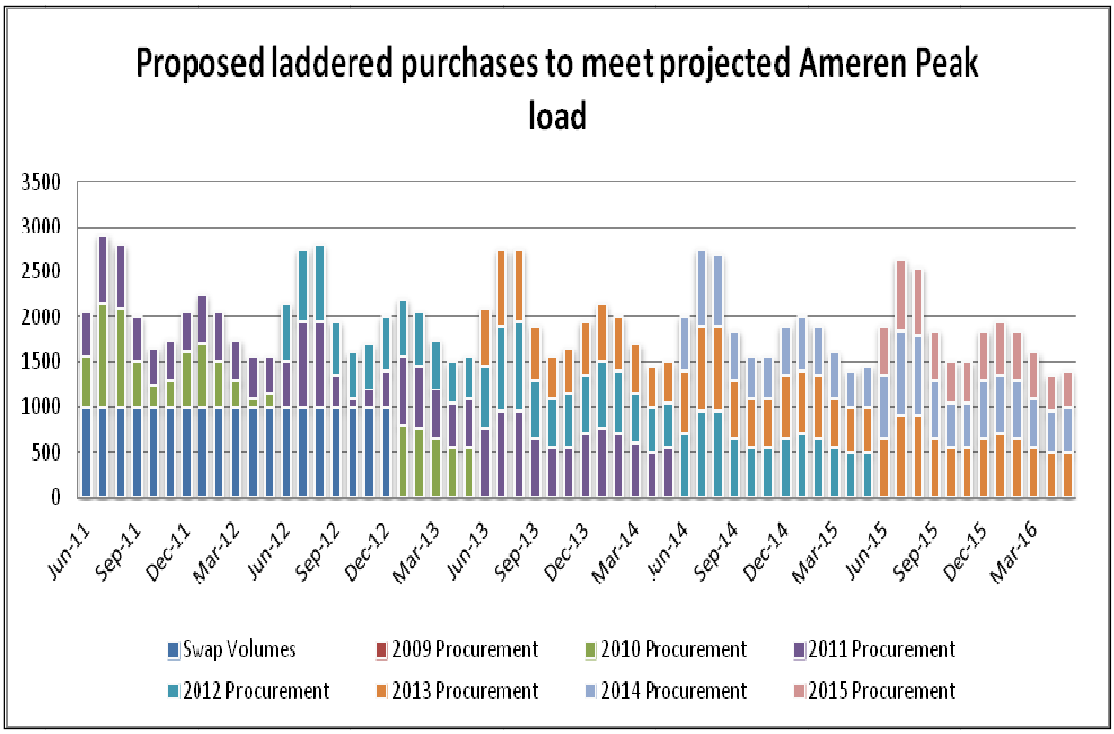




3.2.2 Ameren. The IPA Procurement Plan for the 2010-2011 compliance period specified a laddered approach to securing electricity supplies for the Ameren portfolio. The laddered procurement approach allows for the layering in of purchases for any given compliance year through multiple contracts. The graph below conveys the planned sources of the Off-Peak electricity supplies for the aggregated loads of AmerenCIPS, AmerenCILCO, and AmerenIP operations ("Ameren"). The Off-Peak supplies for the June 2010 – May 2011 period was to be met through a combination of volumes sourced from the 2007 Swap Contracts plus the 2009 Off-Peak procurements plus the 2010 Off –Peak procurements.



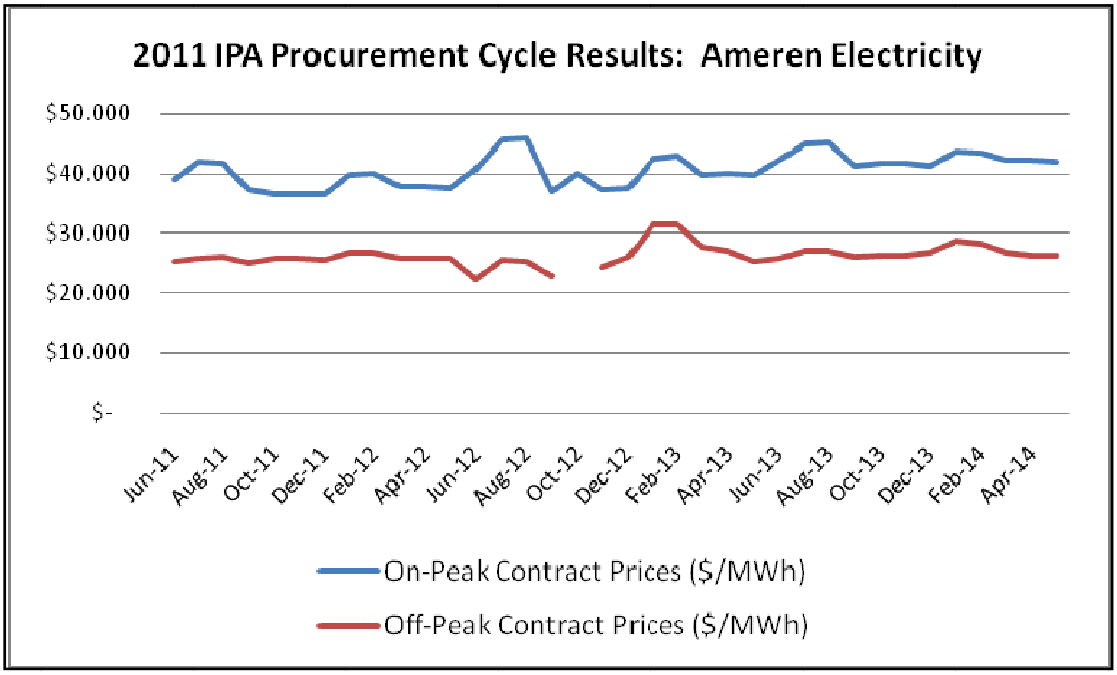
The On-Peak supplies for the June 2010 – May 2011 period was to be met through a combination of volumes sourced from the 2007 Swap Contracts plus the 2009 On-Peak procurements plus the 2010 On–Peak procurements.

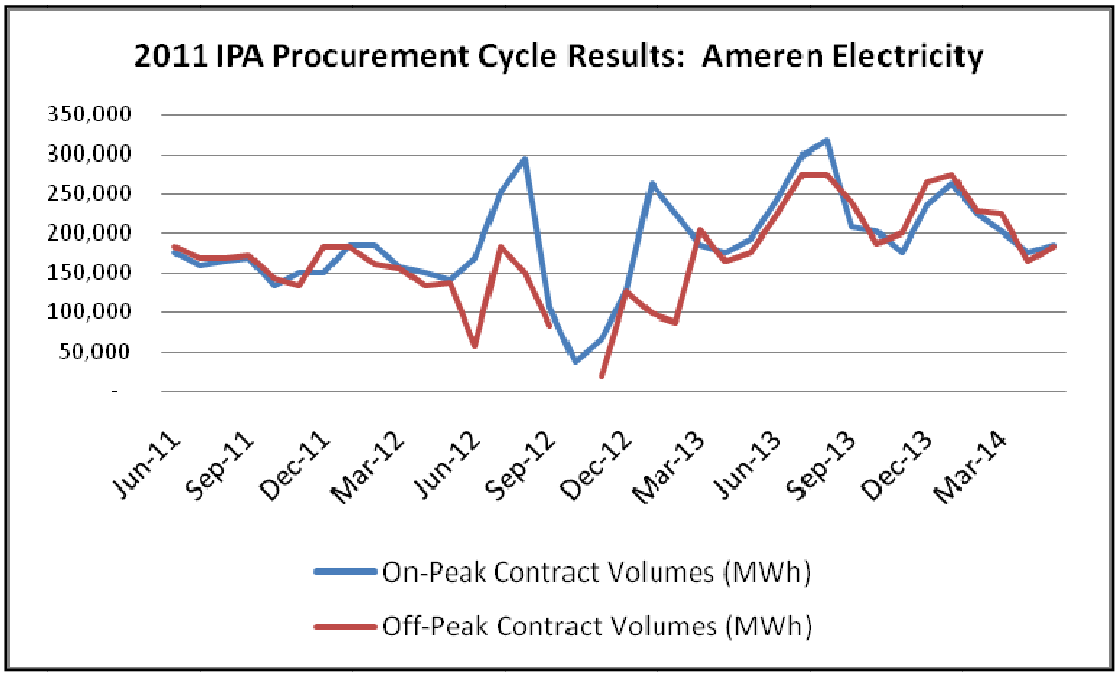


The table below conveys the volumes (in MW and MWh) of electricity secured and the unit cost ($/MWh) of those supplies. No electricity volumes were secured for the Off-Peak Period for October 2012. This was due monthly volumes for those months having been secured prior to the Spring 2011 procurement cycle.

Ameren Energy Procurement Results (2011)								
Month	OnPeak Volumes				OffPeak Volumes			
	MW Secured	MWH Secured	Average Price ($/MWH)	Total Cost	MW Secured	MWH Secured	Average Price ($/MWH)	Total Cost
June-11	500	176,000	$ 39.132	$ 6,887,232	500	184,000	$ 25.291	$ 4,653,544
July-11	500	160,000	$ 42.050	$ 6,728,000	400	169,600	$ 25.896	$ 4,392,004
August-11	450	165,600	$ 41.771	$ 6,917,296	450	169,200	$ 25.989	$ 4,397,320
September-11	500	168,000	$ 37.297	$ 6,265,896	450	172,800	$ 25.071	$ 4,332,288
October-11	400	134,400	$ 36.625	$ 4,922,400	350	142,800	$ 25.874	$ 3,694,848
November-11	450	151,200	$ 36.496	$ 5,518,128	350	134,400	$ 25.874	$ 3,477,504
December-11	450	151,200	$ 36.622	$ 5,537,280	450	183,600	$ 25.620	$ 4,703,832
January-12	550	184,800	$ 39.795	$ 7,354,200	450	183,600	$ 26.711	$ 4,904,160
February-12	550	184,800	$ 39.935	$ 7,379,904	450	162,000	$ 26.711	$ 4,327,200
March-12	450	158,400	$ 37.916	$ 6,005,824	400	156,800	$ 25.876	$ 4,057,396
April-12	450	151,200	$ 37.916	$ 5,732,832	350	134,400	$ 25.874	$ 3,477,504
May-12	400	140,800	$ 37.625	$ 5,297,600	350	137,200	$ 25.874	$ 3,549,952
June-12	500	168,000	$ 40.864	$ 6,865,152	150	57,600	$ 22.410	$ 1,290,816
July-12	750	252,000	$ 45.669	$ 11,508,504	450	183,600	$ 25.459	$ 4,674,252
August-12	800	294,400	$ 45.777	$ 13,476,712	400	150,400	$ 25.350	$ 3,812,640
September-12	350	106,400	$ 37.080	$ 3,945,312	200	83,200	$ 22.910	$ 1,906,112
October-12	100	36,800	$ 40.030	$ 1,473,104	-	-	$ -	$ -
November-12	200	67,200	$ 37.410	$ 2,513,952	50	19,200	$ 24.440	$ 469,248
December-12	400	128,000	$ 37.533	$ 4,804,160	300	127,200	$ 26.140	$ 3,325,008
January-13	750	264,000	$ 42.408	$ 11,195,712	250	98,000	$ 31.486	$ 3,085,628
February-13	700	224,000	$ 42.959	$ 9,622,720	250	88,000	$ 31.486	$ 2,770,768
March-13	550	184,800	$ 39.723	$ 7,340,760	500	204,000	$ 27.716	$ 5,654,064
April-13	500	176,000	$ 39.927	$ 7,027,152	450	165,600	$ 27.067	$ 4,482,240
May-13	550	193,600	$ 39.733	$ 7,692,256	450	176,400	$ 25.416	$ 4,483,304
June-13	750	240,000	$ 42.321	$ 10,157,120	550	220,000	$ 25.725	$ 5,659,400
July-13	850	299,200	$ 44.972	$ 13,455,728	700	274,400	$ 27.009	$ 7,411,348
August-13	900	316,800	$ 45.212	$ 14,323,056	700	274,400	$ 27.009	$ 7,411,348
September-13	650	208,000	$ 41.254	$ 8,580,800	600	240,000	$ 25.956	$ 6,229,400
October-13	550	202,400	$ 41.727	$ 8,445,600	500	188,000	$ 26.281	$ 4,940,828
November-13	550	176,000	$ 41.751	$ 7,348,160	500	200,000	$ 26.281	$ 5,256,200
December-13	700	235,200	$ 41.111	$ 9,669,408	650	265,200	$ 26.772	$ 7,099,812
January-14	750	264,000	$ 43.606	$ 11,511,984	700	274,400	$ 28.634	$ 7,857,248
February-14	700	224,000	$ 43.457	$ 9,734,400	650	228,800	$ 28.273	$ 6,468,880
March-14	600	201,600	$ 42.148	$ 8,497,104	550	224,400	$ 26.668	$ 5,984,340
April-14	500	176,000	$ 42.260	$ 7,437,760	450	165,600	$ 26.270	$ 4,350,312
May-14	550	184,800	$ 42.059	$ 7,772,520	450	183,600	$ 26.270	$ 4,823,172
TOTAL/Average	**9,850**	**6,749,600**	**$ 41.328**	**$ 278,945,728**	**5,400**	**6,022,400**	**$ 26.470**	**$ 159,413,920**

The data in the table above are conveyed in the graphs below:

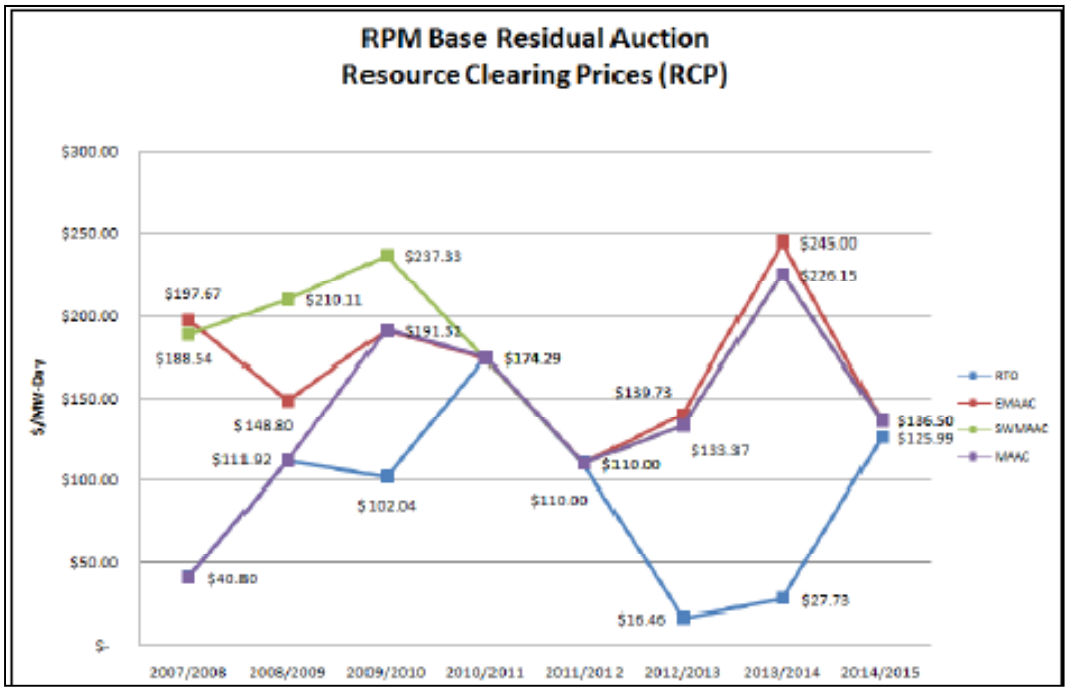




3.3 Capacity Resources. Ameren and ComEd are obligated by the MISO and PJM Tariffs to secure specific capacity resource volumes.

2011 Capacity Resources Procurement Overview	
Key Question	**Responses**
What was done?	▪ IPA solicited capacity bids for the June 2011 through May 2012 period for Ameren ▪ ComEd capacity needs were to be met through the Regional Transmission Organization (PJM) forward capacity market tariff.
Why was it done?	▪ The wholesale market for Ameren is structured around bilateral capacity contracts; the IPA secured capacity for the 2011-2012 period only ▪ The wholesale market for ComEd is structured around the Reliability Pricing Model (RPM) tariff which establishes pricing for all market participant for three-year forward period.
What were the results?	▪ All capacity contract volumes recommended by the IPA to the ICC were approved ▪ All proposed contract volumes were fulfilled (no deficiencies) ▪ Average price for capacity in the Ameren market was $18.40/MW-Month, a record low.
What else could be done to benefit consumers?	▪ IPA could purchase demand response as an alternative to capacity. ▪ Utilities could dispatch Demand Response systems to reduce demonstrated capacity needs of the IPA portfolio ▪ New generating or demand response assets brought into the marketplace would reduce capacity costs for all consumers in the PJM and MISO markets.

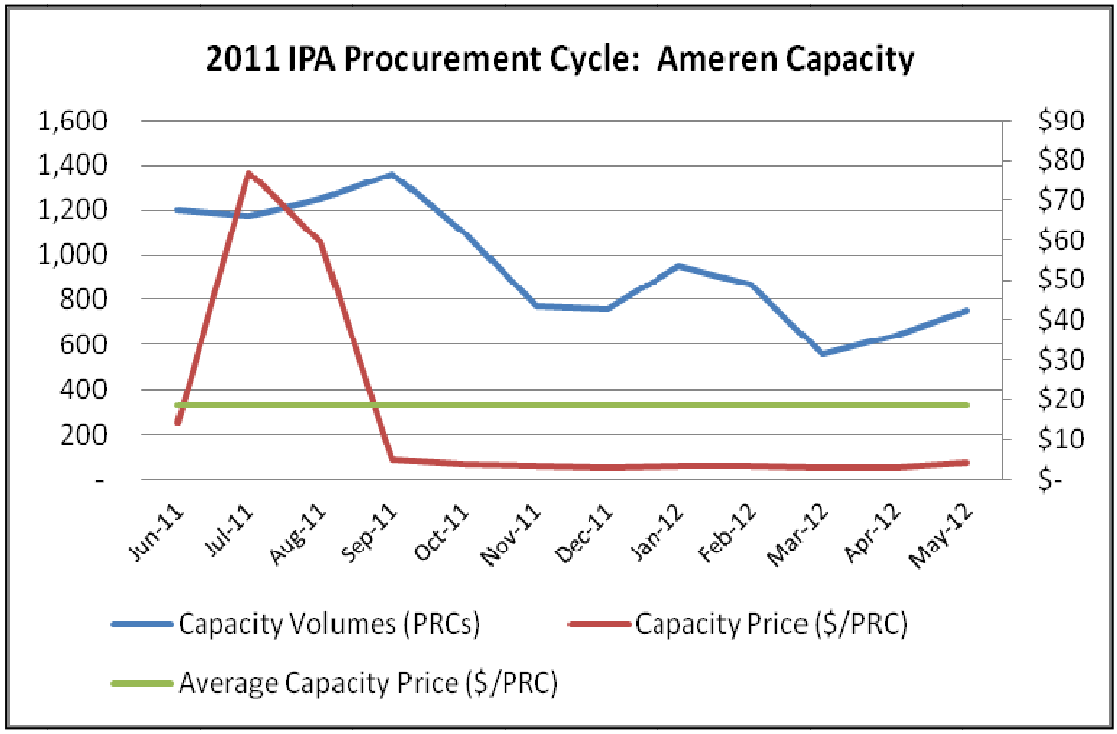
3.3.1 Commonwealth Edison. PJM has created and maintains a forward market to set prices for capacity; securing capacity resources for ComEd load via this market tool is a means by which the resources can be secured at a competitive rate with no need for a separate procurement event managed by the IPA. The chart below conveys the price history of the PJM Reliability Pricing Model (RPM) prices for capacity. The prices applicable to ComEd are labeled as "RTO".



3.3.2 Ameren. MISO operates on a bi-lateral contracting basis; the only option for Ameren was to conduct a procurement event under IPA oversight. For the 2011 cycle, the IPA secured capacity resources consistent with the MISO requirements. Planning Resource Credits (PRCs) represent Megawatts (MW) of generating capacity on a 1 PRC to 1 MW basis.

Ameren Capacity Procurement Results (2011)			
Month	Totals		
	PRCs Secured (MW-Month)	Average Price ($/MW-Month)	Total Cost
June-11	1,200	$ 14.33	$ 17,197.60
July-11	1,170	$ 77.01	$ 90,104.90
August-11	1,250	$ 59.31	$ 74,143.70
September-11	1,360	$ 5.00	$ 6,805.10
October-11	1,100	$ 3.61	$ 3,966.00
November-11	770	$ 3.08	$ 2,371.60
December-11	760	$ 3.07	$ 2,333.20
January-12	950	$ 3.40	$ 3,231.00
February-12	870	$ 3.26	$ 2,839.00
March-12	560	$ 2.77	$ 1,551.20
April-12	640	$ 2.89	$ 1,849.60
May-12	750	$ 4.01	$ 3,009.00
TOTAL/AVERAGE	**11,380**	**$ 18.40**	**$ 209,401.90**

The data in the table above are conveyed in the graphs below:



3.4 Renewable Energy Resources. Ameren and ComEd are obligated to meet the Renewable Portfolio Standard (RPS) requirements. The RPS is met by securing Renewable Energy resources. Section 1-10 of the IPA Act defines renewable energy resources as follows:

> *"Renewable energy resources" includes energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable*

energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource.[5]

2011 Renewable Energy Resources Procurement Overview	
Key Question	**Responses**
What was done?	▪ IPA solicited Renewable Energy Credits under single year contracts to meet the June 2011 through May 2014 RPS obligation ▪ IPA solicited Renewable Energy Credits plus associated Energy through 20-year Power Purchase Agreements for the June 2012-May 2032 period. ▪ Bids below a benchmark target prices were selected on the basis of price
Why was it done?	▪ Single year contracts for Renewable Energy Credits were sought to take advantage of the current market over-supply balance. ▪ Long term Power Purchase Agreements were sought as a hedge against future price escalation
What were the results?	▪ All contracts recommended by the IPA to the ICC were approved ▪ All short term contract volumes were fulfilled, 90% of long-term contract targets were fulfilled ▪ Short term contracts for RECs and Long term PPAs were fulfilled at historically low prices
What else could be done to benefit consumers?	▪ Combine the RPS obligations for the IPA as well as the Alternative Retail Electric Suppliers into a single procurement in order to reduce risk ▪ Funds swept from the IPA Renewable Energy Resources Fund should be replaced in order to allow the agency to procure additional resources

The IPA Act also establishes the following standards for Renewable Energy Resources:

Delivery period	Minimum Percentage (Annual volume goal)	Maximum Cost Standard
2008-2009	2% of June 1, 2010 through May 31, 2007 eligible retail customer load	No more than 0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007.
2009-2010	4% of June 1, 2010 through May 31, 2008 eligible retail customer load	0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2008 or 1% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007
2010-2011	5% of June 1, 2010 through May 31, 2009 eligible retail customer load	0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2010 or 1.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007
2011-2012	6% of June 1, 2010 through May 31, 2010 eligible retail customer load	0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2011 or 2% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007
2012-Future	7% of June 1, 2010 through May 31, 2011 eligible retail customer load	No more than the greater of 2.015% of the amount paid per kilowatt hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt hour paid for these resources in 2011

In prior years, the RPS obligation was met through the purchase of Renewable Energy Credits (RECs). This approach proved sufficient to meet RPS volume goals while observing the statutory budget constraints. In December 2010, a series of 20-year Long-Term Power Purchase Agreements (LTPPA) were entered. The LTPPAs specified a bundled purchase of energy plus associated RECs from renewable resources.

Under these contracts, a single price was set for the bundled product (energy plus REC) with a 2% per annum cost escalator over the term of the contracts. The cost of the energy included in the product was to be paid as a standard index energy contract, with the unit price set at variable market index. The cost of the REC was to be paid out of the Renewable Resources Budget (RRB), with the unit price set at the contract cost minus the variable market index energy cost. These contracts secure deliveries of energy plus associated RECs starting in June 2012. REC-only procurements were held in May 2011 to meet the 2011-2012 compliance year obligations.

[5] 20 ILCS 3855/1-10.

3.4.1 Commonwealth Edison. The results of the Long-Term Power Purchase Agreements (LTPPA) solicitations held on behalf of ComEd are presented in the following table [NOTE: IL/ADJ-W = Wind resources located in Illinois or an Adjacent State, O-W = Wind resources located in states other than Illinois or an Adjacent State, IL/ADJ-NW = Non-Wind resources located in Illinois or Adjacent State, O-NW = Non-Wind resources located in states other than Illinois or an Adjacent State]:

ComEd Aggregated Long-Term Renewable Energy Resources Purchases (Long Term PPAs)					
2010-LTPPA	**Total**	**IL-W**	**O-W**	**IL-NW**	**O-NW**
MWh + RECs Procured	1,261,725	1,233,838	-	27,887	-
		97.79%	0.00%	2.21%	0.00%
First Year Expenditure	$ 69,909,707	$ -	$ -	$ -	$ -
Unit Price/ MWH + REC	**$ 55.17**	**$ -**	**$ -**	**$ -**	**$ -**

The IPA Act prohibits the release of pricing information for specific participants in IPA procurement events. The LTPPA for ComEd also yielded a single winning bid for a solar generator. As such, the IPA does not provide a per resource cost and volume report on the LTPPA results so as to avoid releasing data that could be used to reveal bidder prices.

Per ICC order, the LTPPA contracts specified a 20 year contract period starting in 2012; prices that escalated by 2% per annum over the term of the contracts; and the Illinois preference did not apply.

The results of the single year purchase of Renewable Energy Credits (RECs) to meet the June 2011 through May 2012 compliance period are presented in the following table.

ComEd Aggregated Renewable Energy Resources Purchases (2011 RECs)					
	Total	**IL/ADJ-W**	**O-W**	**IL/ADJ-NW**	**O-NW**
RECs Procured	2,117,054	1,587,791	-	529,263	-
		75.00%	0.00%	25.00%	20.10%
Expenditure	$ 2,011,202	$ 7,535,700	$ -	$ 1,669,302	$ -
		82.89%	0.00%	0.00%	18.13%
Unit Price/REC	**$ 0.95**	**$ 1.05**	**$ -**	**$ 0.65**	**$ -**

3.4.2 Ameren. The results of the Long-Term Power Purchase Agreements (LTPPA) solicitations held on behalf of Ameren Illinois are presented in the following table [NOTE: IL/ADJ-W = Wind resources located in Illinois or an Adjacent State, O-W = Wind resources located in states other than Illinois or an Adjacent State, IL/ADJ-NW = Non-Wind resources located in Illinois or Adjacent State, O-NW = Non-Wind resources located in states other than Illinois or an Adjacent State]:

Ameren Aggregated Long-Term Renewable Energy Resources Purchases (Long Term PPAs)					
	Total	**IL/ADJ-W**	**O-W**	**IL/ADJ-NW**	**O-NW**
MWh + RECs Procured	600,000	596,571	-	3,429	-
		99.43%	0.00%	0.57%	0.00%
First Year Expenditure	$30,264,837	$ -	$ -	$ -	$ -
Unit Price/ MWH + REC	**$ 50.44**	**$ -**	**$ -**	**$ -**	**$ -**

The IPA Act prohibits the release of pricing information for specific participants in IPA procurement events. The LTPPA for Ameren yielded a single winning bid for a solar generator. As such, the IPA does not provide a per resource cost and volume report on the LTPPA results so as to avoid releasing data that could be used to reveal bidder prices.

Per ICC order, the LTPPA contracts specified a 20 year contract period starting in 2012; prices that escalated by 2% per annum over the term of the contracts; and the Illinois preference did not apply.

The results of the single year purchase of Renewable Energy Credits (RECs) to meet the June 2011 through May 2012 compliance period are presented in the following table.

Ameren Aggregated Renewable Energy Resources Purchases (2011 RECs)					
	Total	IL/ADJ-W	O-W	IL/ADJ-NW	O-NW
RECs Procured	952,145	714,109	-	238,036	-
		75.00%	0.00%	25.00%	0.00%
Expenditure	$ 879,440	$ 707,984	$ -	$ 171,456	$ -
		80.50%	0.00%	19.50%	0.00%
Unit Price/REC	$ 0.92	$ 0.99	$ -	$ 0.72	$ -

3.5 Energy Efficiency and Demand Response Resources. The Public Utility Act establishes the following standards for the Energy Efficiency and Demand Response programs operated by the Utilities under the authority of the Illinois Commerce Commission[6]. The IPA has proposed that additional Energy Efficiency and Demand Response products be procured through the IPA process. However, the Commission with the support of the Utilities has denied the IPA the authority to pursue such procurements. The IPA remains hopeful that the authority to secure Energy Efficiency and Demand Response resources will be granted, as these resources maintain a lower cost than traditional energy supply.

The table below conveys the performance requirements and cost limits placed upon the Energy Efficiency and Demand Response programs:

Delivery Period	Minimum Reduction Percentages	Maximum Cost Standard
2008-2009	0.2% of energy delivered, 0.1% peak demand; in year commencing June 1, 2008	No more than 0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007.
2009-2010	0.4% of energy delivered, 0.2% peak demand; in year commencing June 1, 2009	The greater of an additional 0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2008 or 1.0% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007.
2010-2011	0.6% of energy delivered, 0.3% peak demand; in year commencing June 1, 2010	The greater of an additional 0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2009 or 1.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007.
2011-2012	0.8% of energy delivered, 0.4% peak demand; in year commencing June 1, 2011	The greater of an additional 0.5% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2010 or 2.0% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007.
2012-2013	1.0% of energy delivered, 0.5% peak demand; in year commencing June 1, 2012	No more than the greater of 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt-hour paid for these measures in 2011.
2013-2014	1.4% of energy delivered, 0.6% peak demand; in year commencing June 1, 2013	No more than the greater of 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt-hour paid for these measures in 2011.
2014-2015	1.8% of energy delivered, 0.7% peak demand; in year commencing June 1, 2013	No more than the greater of 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt-hour paid for these measures in 2011.
2015-future	2.0% of energy delivered, 0.8% peak demand; in year commencing June 1, 2014	No more than the greater of 2.015% of the amount paid per kilowatt-hour by those customers during the year ending May 31, 2007 or the incremental amount per kilowatt-hour paid for these measures in 2011.

[6] 220 ILCS 5/8-103

3.5.2 Commonwealth Edison. The Utility's last reported results for the 2010-2011 program year in March 2010. The Agency has received no indication as to the timing of the release of the final program year results. The table below conveys the results for the June 2010 through March 2011 period. An update to this report will be issued when final program year data is made available.

Commonwealth Edison: Program Year 3 Partial Results (June 2010 - March 2011)						
Residential Sector Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
All-Electric Efficiency Upgrade	1,980	$ 528,863	$ 267.10	2,080	$ 410,526	$ 197.37
Appliance Recycling	31,370	$ 6,712,553	$ 213.98	31,666	$ 4,830,348	$ 152.54
ENERGY STAR® Lighting	166,407	$ 16,770,451	$ 100.78	190,819	$12,363,226	$ 64.79
Multi-Family Joint	4,536	$ 762,879	$ 168.18	4,965	$ 589,984	$ 118.83
Single-Family Joint	510	$ 838,208	$ 1,643.55	646	$ 218,284	$ 337.90
Single Family Home Performance	816	$ 255,386	$ 312.97	311	$ 200,175	$ 643.65
HVAC Diagnostics	5,104	$ 3,202,476	$ 627.44	1,499	$ 1,632,559	$ 1,089.10
Total Residential Portfolio	**210,723**	**$ 29,070,816**	**$ 137.96**	**231,986**	**$20,245,102**	**$ 87.27**
Commercial Sector Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
C&I Prescriptive and Custom	241,200	$ 32,005,284	$ 132.69	126,099	$19,275,663	$ 152.86
C&I Retro-Commissioning	10,955	$ 4,090,714	$ 373.41	584	$ 2,448,084	$ 4,191.92
Commercial New Construction	1,908	$ 1,573,057	$ 824.45	1,849	$ 437,920	$ 236.84
Pending	-	$ -	$ -	95,699	$ 9,947,134	$ 103.94
Total Residential Portfolio	**254,063**	**$ 37,669,055**	**$ 148.27**	**224,231**	**$32,108,801**	**$ 143.20**
Combined Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
Residential	210,723	$ 29,070,816	$ 137.96	231,986	$20,245,102	$ 87.27
Commercial	254,063	$ 37,669,055	$ 148.27	224,231	$32,108,801	$ 143.20
Total Commonwealth Edison Portfolio	**464,786**	**$ 66,739,871**	**$ 143.59**	**456,217**	**$52,353,903**	**$ 114.76**

The IPA notes the following:

- The ComEd Residential sector appears to have already met goal, the Commercial Sector appears to be on track to also meet goal.
- A large portion of projected savings appears to be sources from lighting programs in the Residential sector. Most 'savings' for these programs is deemed by the Utility and not actually measured in any meaningful manner.

For perspective, the IPA has prepared the following table to show the results of the Ameren programs for program years 1 through 3.

Historical Commonwealth Edison EE/DR Program Results				
Market/Variable		**2008-2009**	**2009-2010**	**2010-2011***
Energy Reductions				
Residential	**Units (MWh)**	28,276	56,111	231,986
	% YOY		98.4%	313.4%
Commercial	**Units ($)**	52,412	74,940	224,231
	% YOY		43.0%	199.2%
TOTAL	**Units ($/MWh)**	80,688	131,051	456,217
	% YOY		62.4%	248.1%
Program Costs				
Residential	**Units (MWh)**	$ 1,161,266	$ 5,821,298	$ 20,245,102
	% YOY		401.3%	247.8%
Commercial	**Units ($)**	$ 3,331,062	$ 5,785,834	$ 32,108,801
	% YOY		73.7%	455.0%
TOTAL	**Units ($/MWh)**	$ 4,492,328	$ 11,607,132	$ 52,353,903
	% YOY		158.4%	351.0%
Unit Cost/MWH Reduction				
Residential	**Units (MWh)**	$ 41.07	$ 103.75	$ 87.27
	% YOY		152.6%	-15.9%
Commercial	**Units ($)**	$ 63.56	$ 77.21	$ 143.20
	% YOY		21.5%	85.5%
TOTAL	**Units ($/MWh)**	$ 55.68	$ 88.57	$ 114.76
	% YOY		59.1%	29.6%

* Complete annual program results not yet available. Results reported cover the June 2010 through March 2011 period.

3.5.2 Ameren. The Utility last reported results for the 2010-2011 program year in March 2010. The Agency has received no indication as to the timing of the release of the final program year results. The table below conveys the results for the June 2010 through March 2011 period. An update to this report will be issued when final program year data is made available.

Ameren: Program Year 3 Partial Results (June 2010 - March 2011)						
Residential Sector Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
Lighting & Appliance Program	95,478	$ 3,925,750	$ 41.12	92,528	$ 3,678,965	$ 39.76
Appliance Recycling Program	13,868	$ 805,000	$ 58.05	8,279	$ 303,555	$ 36.67
Multifamily Program	3,196	$ 319,536	$ 99.98	2,364	$ 239,589	$ 101.35
Home Energy Performance	1,297	$ 194,601	$ 150.04	519	$ 65,965	$ 127.10
New HVAC	14,634	$ 1,352,500	$ 92.42	21,113	$ 5,249,650	$ 248.65
Demand Control	891	$ 535,210	$ 600.68	179	$ -	$ -
Energy Star New Homes	68	$ 28,800	$ 423.53	31	$ 12,150	$ 391.94
Total Residential Portfolio	**129,432**	**$ 7,161,397**	**$ 55.33**	**125,013**	**$ 9,549,874**	**$ 76.39**
Commercial Sector Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
C&I Prescriptive	60,181	$ 6,048,842	$ 100.51	27,262	$ 1,633,055	$ 59.90
C&I Custom	37,214	$ 4,045,000	$ 108.70	8,789	$ 562,679	$ 64.02
C&I Retro-Commissioning	18,000	$ 605,000	$ 33.61	389	$ 21,872	$ 56.23
Small Business On-Line Store	-	$ -	$ -	1,503	$ 37,784	$ 25.14
Demand Control	-	$ -	$ -	2	$ 4,077	$ 2,038.50
Total Residential Portfolio	**115,395**	**$ 10,698,842**	**$ 92.71**	**37,945**	**$ 2,259,467**	**$ 59.55**
Combined Results						
Program	**Planned Results**			**Reported Results**		
	MWH Reduction	**Costs**	**Cost/MWH Savings**	**MWH Reduction**	**Costs**	**Cost/MWH Savings**
Residential	129,432	$ 7,161,397	$ 55.33	125,013	$ 9,549,874	$ 76.39
Commercial	115,395	$ 10,698,842	$ 92.71	37,945	$ 2,259,467	$ 59.55
Total Ameren Portfolio	**244,827**	**$ 17,860,239**	**$ 72.95**	**162,958**	**$11,809,341**	**$ 72.47**

The IPA notes the following:

- The Ameren Residential sector appears on track to meet goals, the Commercial Sector appears to be falling short.
- The Ameren program names a Demand Response program (Demand Control) for both the Residential and Commercial Sectors; however, the results for the Residential program are incomplete while the Commercial program appears to not have been funded. Recent filings with the ICC indicate that Ameren does not have an operating Demand Response program. The IPA notes that the absence to a Demand Response program violates the statute, and prevents consumers from accessing the cost savings represented by Demand Response options.
- A large portion of projected savings appears to be sources from lighting programs in the Residential sector. Most 'savings' for these programs is deemed by the Utility and not actually measured in any meaningful manner.

For perspective, the IPA has prepared the following table to show the results of the Ameren programs for program years 1 through 3.

Historical Ameren EE/DR Program Results (Years 1 through 3)				
Market/Variable		**2008-2009**	**2009-2010**	**2010-2011***
Energy Reductions				
Residential	**Units (MWh)**	17,430	48,084	125,013
	% YOY		175.9%	160.0%
Commercial	**Units ($)**	45,912	83,868	37,945
	% YOY		82.7%	-54.8%
TOTAL	**Units ($/MWh)**	63,342	131,952	162,958
	% YOY		108.3%	23.5%
Program Costs				
Residential	**Units (MWh)**	$ 1,161,266	$ 5,821,298	$ 9,549,874
	% YOY		401.3%	64.1%
Commercial	**Units ($)**	$ 3,331,062	$ 5,785,834	$ 2,259,467
	% YOY		73.7%	-60.9%
TOTAL	**Units ($/MWh)**	$ 4,492,328	$ 11,607,132	$ 11,809,341
	% YOY		158.4%	1.7%
Unit Cost/MWH Reduction				
Residential	**Units (MWh)**	$ 66.62	$ 121.07	$ 76.39
	% YOY		81.7%	-36.9%
Commercial	**Units ($)**	$ 72.55	$ 68.99	$ 59.55
	% YOY		-4.9%	-13.7%
TOTAL	**Units ($/MWh)**	$ 70.92	$ 87.96	$ 72.47
	% YOY		24.0%	-17.6%

* Complete annual program results not yet available. Results reported cover the June 2010 through March 2011 period.

4.0 Generation Assets

The IPA Act allows the agency to develop and operate electric generating facilities with certain restrictions:[7]

1. The first facility must utilize Illinois coal;
2. Any coal facility developed by the IPA must be a clean coal facility located on a site suitable for sequestration of carbon dioxide;
3. The Utilities (Ameren and ComEd) shall not be required to purchase electricity directly or indirectly from the facility;
4. The Agency may not sell excess capacity through the procurement process;
5. The Agency may not sell to any retail end users

In the aggregate, these statutory restrictions prevent the development of an IPA power generating asset. Critically, the prohibition on selling into the procurement processes effectively removes all potential credit-worthy buyers to support the cost of developing any facility.

The IPA proposes that all or a portion of the $4 billion in bonding capacity assigned to this initiative be reassigned to support energy efficiency and demand response asset development by the Agency. Specifically, the IPA recommends directing those funds towards the commercial and industrial sectors in order to achieve critical efficiencies of scale.

5.0 Conclusions

The legislative intent of the IPA Act was to capture benefits for consumers who were not yet participating in the deregulated electricity market. Unlike the reverse auction process, the Illinois Power Agency was to be an active broker that sought the best value for consumers.

The agency has and continues to deliver value to consumers:

- **Reducing electricity costs.** IPA procurement activities have locked in an estimated $1.64 billion in total savings for consumers since 2009. These savings result from the agency's strategic planning and disciplined procurement methods in the areas of power supply and renewable energy resources procurement.
- **Ensuring stable prices.** The prices secured by the IPA in recent years have been consistently low and stable. Low stable prices allow consumers greater household security and stability.
- **Awarding power supply contracts on the basis of cost and value.** The contracts selected by the IPA have been made exclusively on the basis of price.

Enhancements to the IPA procurement processes would ensure continued value for consumers. Allowing the IPA to secure energy efficiency as well as demand response products on behalf of consumers would allow the Agency to protect consumers from potential future price increases.

[7] 20 ILCS 3855/1-80