

1 largest electric utilities of the State were required to enter
2 into the marketplace and procure power; and

3 WHEREAS, The electric utilities chose a method known as a
4 reverse auction, where bidders submit bids to supply
5 electricity to the utilities at a set price and each subsequent
6 round results in lower prices for the electricity until 100% of
7 the electric needs of the utilities are met; and

8 WHEREAS, The commodity price of electricity reached a peak
9 coincident with the time of the reverse auction; and

10 WHEREAS, Because of uncertainty in whether the electric
11 utilities would actually purchase the megawatt hours per day
12 that the bidder submitted in the auction process, the bidders
13 built in a risk premium that resulted in extra costs passed on
14 to the customer; and

15 WHEREAS, Customers of the 2 largest electric utilities in
16 Illinois are allowed to switch to alternate suppliers for
17 electricity if that option is available in their service
18 territory, thereby reducing the electricity load of a electric
19 utility; and

20 WHEREAS, The General Assembly, the electric utilities, the
21 Illinois Commerce Commission, and consumer groups all seek

1 alternate ways to procure power for the customers of Illinois
2 that will result in a reduced price; therefore, be it

3 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
4 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
5 encourage the 2 largest electric utilities in Illinois to
6 design a new procurement method that will result in the
7 electric utilities purchasing no more than 85% of the power
8 needs in an auction process; and be it further

9 RESOLVED, That it is recommended that the electric
10 utilities use the procurement method used by natural gas
11 companies to purchase natural gas as a model; and be it further

12 RESOLVED, That it is recommended that in such a plan the
13 electric utilities purchase the remaining 15% or more on the
14 open-spot market or short-term contracts; and be it further

15 RESOLVED, That the House of Representatives requests that
16 the electric utilities submit the new procurement design to the
17 Illinois Commerce Commission for approval; and be it further

18 RESOLVED, That the Illinois Commerce Commission is urged to
19 use the same hearing process and standards used for the rate
20 designs in the procurement of natural gas."