

HR0304HAM001

LRB095 11908 MJR 36905 a

AMENDMENT TO HOUSE RESOLUTION 304

AMENDMENT NO. ____. Amend House Resolution 304 by replacing everything after the heading with the following:

"WHEREAS, The 90th General Assembly passed the Electric

Service Customer Choice and Rate Relief Law of 1997, which deregulated the electric industry and reduced and froze rates for residential customers; and

WHEREAS, As a result of the Electric Service Customer Choice and Rate Relief Law of 1997, the electric utilities that were vertically integrated sold off their generating capacity to become solely electric transmission and distribution utilities; and

WHEREAS, Upon the conclusion of the freeze on electric rates that was initiated in the 90th General Assembly and extended in the 92nd General Assembly on January 1, 2007, the 2

- 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
- for 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
- built in a risk premium that resulted in extra costs passed on
- 14 to the customer; and
- 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

- alternate ways to procure power for the customers of Illinois 1
- 2 that will result in a reduced price; therefore, be it
- 3 RESOLVED, BY THEHOUSE OF REPRESENTATIVES ΟF THE
- 4 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
- 5 encourage the 2 largest electric utilities in Illinois to
- design a new procurement method that will result in the 6
- 7 electric utilities purchasing no more than 85% of the power
- 8 needs in an auction process; and be it further
- 9 That it is recommended that the electric RESOLVED,
- utilities use the procurement method used by natural gas 10
- 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.".