

Electricity Volume 223 March 1, 2011

The White House is defending its proposal for a "clean energy" standard against naysayers who have argued such a plan would favor certain energy sources over others or that such mandates should be implemented at a state level. The defense come in a chapter of a new economic report delivered to Congress yesterday afternoon that details the Obama administration's clean energy goals. Other policies and proposals touted in the report include a focus on increasing residential, commercial and vehicle energy efficiency; accounting for the cost of greenhouse gas emissions; investing in transportation infrastructure; aiding adoption of electric vehicles; and boosting research and development in clean energy technologies.

In his State of the Union address last month, President Obama called for an 80 percent Clean Energy Standard (CES) by 2035. Under such a plan, utilities would be required to generate 80 percent of their electricity from low-carbon sources, like solar, wind, nuclear or coal with carbon capture and storage. The proposal has been greeted with mixed reviews. Some interest groups and lawmakers have backed the idea, while others have questioned how well such a proposal would work.

The report released yesterday by Obama's Council of Economic Advisers attempts to quash some of those concerns. "Importantly, a CES would not pick particular clean technologies, but instead let markets and businesses determine the most cost-effective technologies to achieve the target share of clean energy," the report says.

A CES would complement federal investments in renewable energy technology research and development, the report says, but it would not require that those technologies be included in the mandate. The report also addresses concerns about regional variations in electricity generation and in sharing credits. Electricity generators would receive credits for clean energy generation. The credits could be sold to other utilities or banked for future use, the report says.

"By ensuring flexibility through a broad definition of clean energy and by allowing trading among utilities, the program is designed to meet the overall target cost-effectively," the report says. "The administration's proposal emphasizes the importance of protecting consumers and accounting for regional differences."

Finally, the report addresses arguments that such mandates should be implemented at a state level, if at all. Thirty-one states and Washington, D.C., have enacted renewable energy standards, which require utilities to generate or purchase electricity from renewable sources, like wind, solar or geothermal.

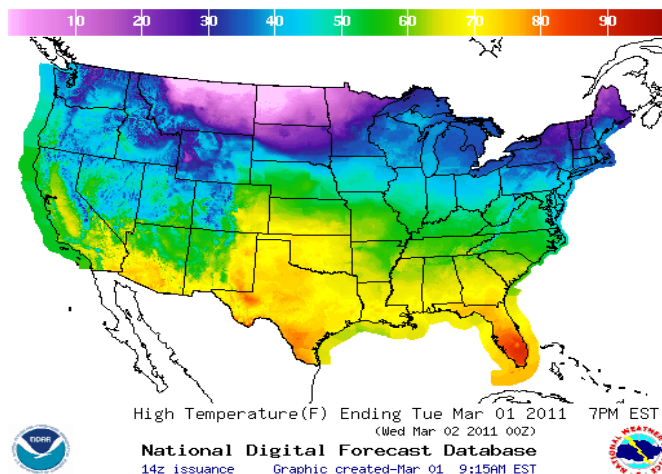
Electricity Pricing Areas – On Peak - Month – Apr 2011

| | Mar 1, 2011 | Per kWh |
|---------|-----------------------|----------|
| Cinergy | Hub Peak Swap Monthly | \$.03558 |
| PJM Hub | Electricity Monthly | \$.04519 |
| PJM | No. Illinois Peak LMP | \$.03490 |
| PJM | Western Peak LMP | \$.04529 |

ComEd Average Day Ahead LMP Electric Price

| Time Period | Average per Kwh |
|---------------------|-----------------|
| Mar 1 –Mar 31, 2010 | \$.03247 |
| Apr 1 – Apr 30 | \$.02911 |
| May 1- May 31 | \$.03389 |
| Jun 1- Jun 30 | \$.04184 |
| Jul 1 - Jul 31 | \$.04741 |
| Aug 1 –Aug 31 | \$.04628 |
| Sep 1 - Sep 30 | \$.02934 |
| Oct 1 - Oct 31 | \$.02702 |
| Nov 1 - Nov 30 | \$.02778 |
| Dec 1 – Dec 31 | \$.03545 |
| Jan 1 –Jan 31, 2011 | \$.03871 |
| Feb 1 – Feb 28 | \$.03581 |

Weather - Tue: A mix of clouds and sun with gusty winds. High 47F. Winds SSW at 20 to 30 mph. **Wed:** Intervals of clouds and sunshine. High 31F. Winds NNE at 10 to 20 mph. **Thu:** A few snow showers. Highs in the upper 30s and lows in the mid 30s. **Fri:** Showers. Highs in the upper 40s and lows in the mid 30s. **Sat:** Mix of rain and snow showers. Highs in the upper 30s and lows in the upper 20s.



Extended Temperature Forecast: Chicago Area

| Tue | Wed | Thu | Fri | Sat |
|---------|---------|--------|---------|---------|
| 27 - 47 | 26 - 31 | 36- 37 | 36 - 48 | 29 - 38 |