

### Volume 273 February 14, 2012

An independent review team headed by a former official in the Bush 11 White House said that U.S. Department of Energy's loan guarantee program is effectively leveraging the loans to create jobs while much less money needs to be reserved to cover potential losses. Still, the analysis said that the loans must be closely watched after they are awarded. The president is expected to keep pushing for monies for clean energy deals while Republican lawmakers want to reduce such funding. It's an honest debate but one in which the president does not intend to back down, given the determination he displayed during his State of the Union annual address to the nation in January 24th.

"Some technologies don't pan out; some companies fail," President Obama said. "But I will not walk away from the promise of clean energy." He went on to take a shot at the oil industry, which is enjoying record revenues and which -- the president and his supporters claim -- are resting on the public dole.

The report, authored by Herb Allison who oversaw the program to bail out the nation's big banks, says that loan guarantees have successfully leveraged \$35 billion into the U.S. economy. It also says that the fund must keep \$3 billion in reserves to cover potential losses -- a third of what lawmakers had thought. At the same time, eligible businesses have only accessed a portion of their loans.

The review goes on to say the loans are generally secured. That's because the operations getting the money are doing business with utilities that have stable cash flows. And even those businesses that are posing risks still have value even if they belly up. Consider Beacon Power that makes energy storage products: The failed company snagged a \$43 million loan guarantee, although Rockland Capital bought the remains for \$30.5 million and thereby diminished the losses.

Energy Secretary Steven Chu responded, saying that other endeavors may fail but that the vast majority will succeed and repay their loans on time and with interest. "The reality is the Department of Energy's loan guarantee program will likely result in minimal costs and large gains for taxpayers—just like many other federal lending efforts," add Mark Muro and Jon Rothwell, both with the Brookings Institute, in the New Republic.

Altogether, the Energy Department is at some stage of awarding \$35 billion in loans to about 40 alternative energy projects, which according to the administration have saved or created 62,000 jobs. Some of those deals may get cut off in the new fiscal year.

### Electricity Pricing Areas – Feb 14, 2012

#### March

On-Peak	Per kWh
Cinergy	<b>\$.02853</b>
PJM West	<b>\$.03400</b>

### ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
<b>Feb 1–Feb 28, 2011</b>	<b>\$.03581</b>
<b>March 1- Mar 31</b>	<b>\$.03668</b>
<b>April 1 – April 30</b>	<b>\$.03448</b>
<b>May1- May 31</b>	<b>\$.03954</b>
<b>June 1 - June 30</b>	<b>\$.03851</b>
<b>July 1 thru July 31</b>	<b>\$.05170</b>
<b>Aug 1 – Aug 31</b>	<b>\$.04064</b>
<b>Sep 1 - Sep 30</b>	<b>\$.03058</b>
<b>Oct 1- Oct31</b>	<b>\$.02968</b>
<b>Nov 1- Nov 30</b>	<b>\$.02816</b>
<b>Dec 1 – Dec 31</b>	<b>\$.02971</b>
<b>Jan 1 –Jan 31</b>	<b>\$.03043</b>
<b>Feb 1–Feb 13, 2012</b>	<b>\$.02996</b>

**Weather Today:** Variably cloudy with light snow flurries possible. Temps nearly steady in the mid 30s. Winds SW at 10 to 15 mph. **Tonight:** Partly cloudy skies this evening will become overcast overnight. Low 32F. Winds SSW at 10 to 15 mph. **Wed:** Considerable cloudiness. Occasional rain showers in the afternoon. High 44F. Winds S at 10 to 20 mph. Chance of rain 50%. **Thu:** Morning clouds followed by afternoon sun. Highs in the low 40s and lows in the low 30s. **Fri:** Times of sun and clouds. Highs in the mid 40s and lows in the low 30s. **Sat:** Mainly sunny. Highs in the upper 30s and lows in the upper 20s.

