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As power generation markets shift, consumers likely to benefit

The electricity business in Illinois is in the grip of a major power fluctuation, but one consumer watchdog group said this could be a sign of a brighter future for consumers.

St. Louis-based Ameren Corp. recently announced it planned to bail out of the merchant generation power business in Illinois because it was being whip-sawed by low returns and rising costs.

Dwindling earnings in the now fiercely competitive state electricity market have hurt profits at Ameren Energy Resources, the Collinsville-based subsidiary that runs merchant generation. Ameren Energy Resources is also faced with massive costs to retrofit coal-fired power plants to meet rising air pollution standards.

Ameren Corp. hasn't set a timeline for getting out of merchant generation, but the Citizens Utility Board power system watchdog said consumers don't have to fret about dwindling electricity supplies. Ameren Corp. and its delivery utility Ameren Illinois are part of a regional structure called the Midwest Independent Transmission System Operator, which controls and ensures adequate power supplies throughout the region. "In fact, MISO actually has an excess of power, so we don't foresee any problems whatever Ameren does with its power plants," said Jim Chilsen, Citizens Utility Board spokesman.

He said the effects of a more competitive electricity market were shaking up old ways of doing business and opening up new avenues toward using cleaner sources of power. That could mean putting more emphasis on renewable, environmentally friendly energy sources such as wind and solar, while also investing more in technology that saves energy.

"I think business as usual for the power industry was a portfolio that largely relied on coal," Chilsen said. "Now the industry is being forced to look beyond business as usual."

Beth Bosch, a spokeswoman for the Illinois Commerce Commission, which oversees the states' power industry, said consumers were embracing the deregulated power market. "More than 1.5 million residential customers now have chosen to purchase their electricity supply from alternative suppliers ..." she said.

Chilsen said the challenge now is to ensure that, wherever and however the power is generated, the supply remains fairly priced and reliable.

Electricity Pricing – Feb 19, 2012

	On-Peak	Off-Peak
2013	\$.03761	\$.02511
2014	\$.04018	\$.02691
2015	\$.04256	\$.02875

LMP Electric Price

Time Period	Average per Kwh
Feb, 2012	\$.02963
Mar, 2012	\$.02894
April, 2012	\$.02659
May, 2012	\$.02816
June, 2012	\$.03089
July, 2012	\$.04303
Aug, 2012	\$.03112
Sep, 2012	\$.03034
Oct, 2012	\$.02829
Nov, 2012	\$.03327
Dec, 2012	\$.03081
Jan, 2013	\$.03111
Feb 1–Feb 18, 2013	\$.03238

Extended Temperature Forecast:

Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	19	23	29	34	33
Low	5	18	26	27	26

