



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

FOR IMMEDIATE RELEASE:
February 6, 2017

CONTACT: Jim Chilsen
(o) 312-263-4282, (c) 312-513-1784

**STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA:
FERC VICTORY GOOD NEWS FOR CENTRAL, SOUTHERN IL**

CHICAGO— CUB is pleased that the Federal Energy Regulatory Commission (FERC) has rejected a plan that potentially could have cost Central and Southern Illinois customers millions of dollars in higher power bills. We have a long way to go to improve Illinois' electric markets, but FERC's ruling is a step in the right direction. This is a big win for Illinois consumers and their power bills.

Background:

-The Midcontinent Independent System Operator (MISO) is the power grid operator in Central and Southern Illinois and 14 other states. In the spring, it holds a yearly auction to determine "capacity" costs for the next year (June 1 through May 31). Capacity costs are fees wrapped into electricity prices that ensure power plants produce enough energy when demand is high.

-On Thursday, Feb. 2, the Federal Energy Regulatory Commission (FERC) rejected a proposal by MISO. The plan, pushed by big power generators unhappy with Illinois' relatively low power prices, would have made key changes to the capacity auction.

-MISO proposed keeping the same auction for 13 states, but creating a special auction for Michigan and Illinois, two states with restructured power markets. Among other things, the special auction would have determined prices three years ahead of time.

-In its order, FERC wrote that MISO failed to show that the proposal was "just and reasonable." The plan would have created too much price volatility and uncertainty, according to FERC's order.

-Consumer advocates, including CUB and Illinois Attorney General Lisa Madigan, opposed the plan. In a protest it filed at FERC, CUB argued that "the increased costs of this proposal are not commensurate with the consumer benefits."

-This was the latest battle over MISO's capacity auction. Over the last two years, consumer advocates successfully pushed for improvements in the market after Ameren Illinois customers were hit with a 30 percent increase in power prices in June of 2015. CUB was concerned that MISO's latest capacity market plan could have led to even higher price spikes for Central and Southern Illinois electric customers.

CUB is Illinois' leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline, 1-800-669-5556, or visit its award-winning website, www.CitizensUtilityBoard.org.

###