

Illinois Auction: Confidential Information



**What is confidential information
and why is it confidential?**

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Thursday, June 14, 2007



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Why is information kept confidential?

Principally:

- 1) To promote the efficiency of the market;
- 2) To promote qualified participation in the market;
- 3) To protect the integrity of the market.

Competitive Position of Bidders



Information relating to the auction process is kept restricted if it could **harm the competitive position of bidders** and, as a result, the **ability of the auction to produce an efficient price**, if competitively sensitive information of bidders is released.

e.g. The number of tranches won by each bidder immediately after the auction ends.

§ Confidentiality of bidder information is something that is assured to all bidders and is essential to maintain economic efficiency and fairness.

If bidder-specific tranche and bid information is released too soon, it will compromise the ability of suppliers to hedge and provide the best possible prices and the ability to maintain competition in the Auction, particularly future auctions.

Maximize Bidder Participation



In order to **maximize the willingness of bidders** to participate in auctions, the following is kept in confidence:

- § Financial and business information;
- § The identity of bidders who bid and did not win;
- § The interest of a bidder in a particular product at a particular price.

If competitively sensitive information was released it could reduce the willingness of bidders to participate.



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**A multitude of information is available
to the public.**

Publicly Accessible Information on the Illinois Auction Website



- § Frequently Asked Questions (FAQs);
- § Announcements, press releases and advertisements;
- § Filings of each of the Utilities and all other documents related to the proceedings that the Utilities and ICC representatives deem public;
- § All documents prepared by the Auction Manager that summarize the Utilities' filings or the ICC Order;
- § Contents of the Illinois Data Room;
- § Switching data provided to the ICC;
- § Product tranche targets, minimum and maximum starting prices (Fixed Price and Hourly Price Section), load caps for each Group;
- § Electronic versions of presentations/materials distributed in bidder information sessions.

Information filed by the Auction Manager, the Utilities and the ICC Staff



Information filed in the proceeding, or as provided in draft form or final form by the Auction Manager, the Utilities and the ICC Staff:

- § Auction Calendar;
- § Auction Rules;
- § Supplier Forward Contracts (SFCs);
- § Sample credit documents;
- § Application Forms (blank);
- § Rate prism and rate prism tool for bidders;
- § Tariffs for each Utility;
- § Bidder information packets to potential suppliers (excluding software manuals).

Other Unrestricted Information



- § Information provided in response to:
 - Comments on SFCs;
 - Comments on the Alternate Guaranty Process;
 - Request for modifications to credit documents.

- § Press releases/Statements by ICC or by Auction Manager after the Part 1 Application Date and before when the Auction Results can be released, including:
 - Approximate number of participants;
 - Statement regarding interest in the Auction.

- § Press releases/Statements by one or more of the Utilities.

- § Press releases and advertisements to promote the Auction.

Auction Manager and Staff Public Reports



- § Preparation for the auction including promotion activities;
- § Summary of qualification procedure;
- § Going prices in each round in a Section;
- § Range of excess supply in each round in a Section;
- § Tranches of each product won by each bidder;
- § Extraordinary events during the auction;
- § Assessment of consistency of the auction results with underlying wholesale markets.

The Auction Manager Holds Information Session for the General Public



Topics covered include:

- § Regulatory background;
- § Products in the Auction;
- § How auction prices are translated into rates;
- § Bidding rules and mechanics;
- § Bidding procedures.



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A limited set of information is kept confidential to enhance competition.

Part 1 Application Information



- § Completed Part 1 Application Forms and supporting documents;
- § Preliminary list of Part 1 applicants;
- § List of qualified bidders;
- § Request for modifications to letters of credit.

This information is kept confidential permanently, except for responses to modification requests to letters of credit, which are posted as FAQs on the website.

Part 2 Application Information



- § Completed Part 2 Application Forms;
- § Credit instruments from the Part 2 Application (Pre-Auction Letter of Credit, Letter of Reference and/or Letter of intent to provide a Guaranty);
- § Indicative offers;
- § List of registered bidders.

This information is kept confidential permanently; however, aggregate indicative offers and initial aggregate eligibility may be included in the Public Report.

Auction Information



§ Whether full volume is procured;

§ Final auction prices and names of bidders holding final tranches;

This information is available upon Declaration of Successful Result for a Section.

§ Identity of Losing Bidders and their participation in the auction;

Upon Declaration of Success Result for a Section, a losing bidder may itself release information only regarding the fact that it participated in the Auction.

§ The round in progress at any point in time during the Auction.

This information is kept confidential during the Auction.

Auction Information (continued...)



- § Round 1 Prices;
- § Going prices in each round in a Section;
- § Range of excess supply in each round in a Section;
- § Extraordinary events during the auction;

This information is kept confidential until it is made available as part of public report filed by ICC Staff and Auction Manager.

- § Number of tranches of each product by winning bidder;

Upon Declaration of a Successful Result, a winning bidder may release this information about itself. It is available as part of public report filed by ICC Staff and Auction Manager.

§ Decrements methodology;

Confidential while being developed in consultation with Staff, but is part of auction rules and made public.

§ Volume guidelines;

§ Min and Max Starting Price methodology;

§ Methodology for Setting Round 1 Prices.

This information is kept confidential permanently; however, the minimum and maximum starting prices are available publicly.

The ICC Staff Has Access to All Information



- § All Auction information is fully available to the ICC Staff and its Advisor.
- § Safeguards are in place to ensure that all parties with access to confidential information through the Auction process understand the importance of protecting confidential information.



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Conclusion

Conclusion



The Illinois Auction is an extremely transparent process. As enumerated in the preceding sections, it is evident that there are several different kinds of information that must be kept confidential, either permanently or temporarily to protect the competitive process. However all information is available to the ICC Staff and a multitude of information is available to the public, as well.

Contact Us



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