



July 15, 2025
Illinois Power Agency (“IPA”)
Brian Granahan - Director
108 N Wabash Ave
Suite 500
Chicago, Illinois 60601
VIA EMAIL

Dear Mr. Granahan:

June 2026 through May 2031 Forecasts

Energy and Capacity

In the attached files and as described below, Ameren Illinois Company (“AIC”) provides forecast scenarios for customers who take supply from AIC fixed price tariffs:

Expected Forecast
High Forecast
Low Forecast

In each of the forecast scenario files, AIC has included the existing hedges for energy and capacity and a calculation of the hedging position based on the IPA strategy associated with the prior plan. AIC has provided this data and calculations solely to ensure the IPA has all of the pertinent information it needs in preparing its next procurement plan. These calculations do not imply any recommendation from AIC, and the IPA, or its consultant, should independently verify all calculations.

Prior to the submittal of the following forecasts listed below, AIC met with the IPA, Staff of the ICC, and Bates White to discuss assumptions made surrounding municipal aggregation and expected switching. This discussion was driven by AIC identifying a sizeable amount of expiring municipal aggregation agreements in June 2025 and December 2025. It should be noted that majority of the communities with expiring agreements in June 2025 have renewed with an ARES to expire in June 2026. Information was obtained through publicly available data on the Plugin Illinois website and discussions with the ORMD. AIC has observed that, with the increase in capacity market pricing and the price to compare continuing to stay competitive, municipal aggregation agreements have historically renewed with an ARES with a portion of the load in these communities individually opting out of the agreement and opting for AIC's fixed price supply. As there is no empirical evidence showing this will not occur with the

expiring agreements this current year, the forecasts listed below assume that these communities will renew their agreements with the ARES. As such, the forecasts listed below do not contain a switching scenario where load leaves or returns to AIC's fixed price supply due to the expiration of municipal aggregation agreements.

1) AIC Expected Energy 2026 through 2031 Final.xlsx

The before switching forecast (eligible retail load including distribution losses) is filtered by expected switching to create the after switching forecast. Approximately 48% of residential load has switched away from the AIC fixed price tariff per MISO S55 data as of April 30, 2025. The switching assumptions for June 2026 through May 2031 are kept flat because AIC has no compelling information at this time that can indicate one direction or another. AIC feels it would be more prudent to address those switching scenarios in the March 2026 forecast update when more up to date information is available.

The expected forecast suggests existing energy hedges account for the following:

<u>Plan Year</u>	<u>Hedge Percentage</u>
2026	42%
2027	14%
2028	10%

2) AIC High Energy 2026 through 2031 Final.xlsx

The before switching forecast (eligible retail load including distribution losses) is based on a high growth scenario which is then filtered by a low switching scenario to calculate an after switching forecast which is higher than the expected case. The low switching scenario assumes that the AIC fixed price tariff will become more attractive relative to ARES options and thus a more substantial number of customers that previously left the AIC fixed price tariff will return. The result of the low switching scenario is a forecast where fixed price load eventually returns to levels in proximity to those seen before municipal aggregation.

The high forecast suggests existing energy hedges account for the following:

<u>Plan Year</u>	<u>Hedge Percentage</u>
2026	30%
2027	9%
2028	5%

3) AIC Low Energy 2026 through 2031 Final.xlsx

The before switching forecast (eligible retail load including distribution losses) is based on a low growth scenario which is then filtered by a high switching scenario to calculate an after switching forecast which is lower than the expected case. The high switching scenario assumes that additional municipal aggregation will occur in the planning horizon and that switching outside of municipal aggregation will continue. The result of the high switching scenario is a forecast where little eligible retail load remains at the end of the planning horizon.

The low forecast suggests existing energy hedges account for the following (not including the impact of any partial curtailment of long-term renewable contracts that may occur under this scenario):

<u>Plan Year</u>	<u>Hedge Percentage</u>
2026	56%
2027	22%
2028	20%

4) AIC Capacity 2026 through 2031 Final.xlsx (includes the Expected Energy, High Energy, and Low Energy scenarios)

Ameren Illinois has existing bilateral and financial purchases for the 2026 and 2027 Planning years. Per the 2025 Procurement Plan, there will be a Fall 2025 Capacity procurement that should result in higher hedge ratios with the goal being up to 75% hedged for the 2026 Planning year and up to 25% hedged for 2027 Planning year.

Capacity hedge ratios for Planning Year 2026 and 2027 for the Expected, High and Low Energy forecasts are listed below.

<u>2026/27 PY</u>	<u>Summ Hedge %</u>	<u>Fall Hedge %</u>	<u>Win Hedge %</u>	<u>Spr Hedge %</u>
Expected Energy	32%	27%	22%	34%
High Energy	25%	21%	16%	25%
Low Energy	40%	34%	29%	46%
<u>2027/28 PY</u>	<u>Summ Hedge %</u>	<u>Fall Hedge %</u>	<u>Win Hedge %</u>	<u>Spr Hedge %</u>
Expected Energy	12%	3%	2%	4%
High Energy	8%	2%	1%	3%
Low Energy	17%	4%	2%	6%

Forecasting Methodology

5) AIC Forecasting Methodology July 2025.docx

This file provides a description of the methodology used by Ameren Illinois in preparing its forecasts for the IPA. The document was included as an Appendix in past procurement plans.

Updated Forecast for October 2025 through May 2026

The approved IPA plan has a requirement to provide an updated forecast for the period October 2025 through May 2026 for use in determining the balance of year energy procurement quantities during the September 2025 solicitation. The details of this forecast are provided below.

6) AIC Expected Energy October 2025 through May 2026 Final.xlsx

Following the same logic used in the forecast scenarios above, this forecast scenario does not include potential returning customers to the AIC fixed price supply for expiring ARES contracts occurring in June 2025 and December 2025. The resulting balance of year forecast shows an approximate 1% increase in load relative to our March 2025 forecast. Residual energy quantities are provided for the IPA's information; however, the IPA or its consultant should independently confirm these quantities.

Summary

The advent of municipal aggregation has created considerable uncertainty to the forecasting process, and this will continue through this planning horizon. AIC reviewed Plugin Illinois and noticed the majority of municipal aggregation contracts that are set to expire in this planning cycle occur in December 2025. AIC has no definitive information to suggest these municipalities will come back to Ameren Illinois, and in our conversations with the IPA, Staff, Bates White, and the ORMD, as well as AIC's analysis of switching in March 2025 and July 2025 and the monitoring of current power markets, suggest that these communities will likely return to the ARES. AIC believes the forecasts attached and described in this letter represent reasonable estimates. The advent of municipal aggregation, the addition of community solar and the ever-changing market dynamics has created considerable complexities to the forecasting process and AIC cautions that actual results could vary considerably.

Following the guidance from the meeting with the IPA, Staff and Bates White, AIC is submitting these five forecasts that represent the Expected Energy forecast, High Energy forecast, Low Energy forecast, the Bal Year forecast, and the Capacity forecast that the IPA, Staff, and Bates White can contemplate and then come to a consensus on which one they will use to set the Fall 2025 procurement amounts. Regarding the impact that these forecast changes have on the actual procurement quantities to be pursued, our understanding is that you or your consultant will confirm the revised procurement quantities. For your convenience, Ameren Illinois has provided indicative quantities in our revised forecasts.

We welcome the opportunity to discuss our updated forecast with you and the other parties copied in this correspondence and hope to come to mutual agreement regarding how to proceed. Please let us know if you have questions or wish to discuss any of the files. For matters pertaining to Power Supply, I can be reached at **447-287-8679** or rgordon@ameren.com and Justin Range can be reached at **618-623-3168** or jrange@ameren.com.

Sincerely,



Richard Gordon
Senior Power Supply Specialist, Power Supply Acquisition

cc: Brian Granahan, James Rouland, Anthony Star - IPA
Torsten Clausen, Jim Zolnierek - ICC Staff
Vincent Musco, Karen Morgan – Bates White
Fangxing Liu, Nathan Miller – E3
Justin Range, Greg Weiss, Nathan Williams, Brice Sheriff, Ray Saunders – AIC