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Illinois Power Agency

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**Ameren Illinois Supply Comments**  
**Draft 2026 Long Term Renewable Resources Procurement Plan**

Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois) respectfully submits preliminary comments regarding the Draft 2026 Long Term Renewable Resources Procurement Plan (the Plan), which the Illinois Power Agency (IPA) released for public review and comment on August 15, 2025. Once a docketed proceeding has been initiated following the filing of the Plan with the Illinois Commerce Commission (Commission), Ameren Illinois may provide additional comments and recommendations.

**ACP Funds Held by the Utilities**

In Section 3.3.2 of the Plan, the IPA set forth a plan to require utilities to roll over ACPs to RPS collections, rather than keeping them set aside for emergency purposes as set forth in previous plans and final orders. For years, the IPA, ICC and utilities have been aligned in separating the ACP funds from the renewable budget and setting those funds aside once the budget has been fully utilized. Additionally, with the passage of P.A. 103-1066, Section 1-75(c)(1)(E-5) states that once a budget deficit has been reached, the IPA must suspend or reduce new REC procurements until it determines that additional procurements would not exceed the rate impact cap.

Ameren Illinois is concerned that by rolling the ACP funds over directly into the budget, rather than being a reserve fund to cover contracts once a deficit has been reached and contracts suspended or reduced, it may lead the IPA to delay such suspension of new REC procurements, which would then require utilities to front payment for these agreements which would negatively impact ratepayers because the utilities would be entitled to recover any capital spent to cover the procurements with interest. This is concerning, especially now, as all stakeholders are sensitive to ratepayer impact and any unnecessary increase in costs without any direct specific benefit to the ratepayer.

**General Comments Regarding the Forecasted RPS Budget in Chapter 3**

In Chapter 3, the IPA discusses in depth the extreme budget forecasting issues that could arise in the near future. Ameren Illinois is concerned that any potential budget deficit and actions to overcome that deficit will negatively impact Ameren Illinois ratepayers. As a result, Ameren Illinois believes the situation warrants additional analysis which considers other factors and inputs, such as utilizing multiple forward curves, increasing the weight of on peak power pricing for solar contracts, considering the ILHUB vs NIHUB contract split and including projected attrition rates to account for different potential outcomes depending on the scenario. For example, in Section 3.3.10, the forward energy price comparisons curve presented by the IPA in Table 3-15 appears to be much lower than what is currently being offered in real markets on ICE.

Ameren Illinois is concerned that this lower forward curve would inflate the future budget deficit, as discussed by the IPA.

In order to assist the IPA, Ameren Illinois has created a forward pricing curve for the MISO ILHUB. The forward curve is derived from the forward INDY HUB prices on ICE combined with a historical Ameren Illinois basis adjustment to get to a forward ILHUB price.

ILHUB Pricing						
Row Labels	Avg of DA ATC	Avg of RT ATC	Avg of DA PEAK	Avg of RT PEAK	Avg of DA OFFPEAK	Avg of RT OFFPEAK
2026	\$ 45.32	\$ 45.02	\$ 53.52	\$ 41.47	\$ 38.08	\$ 37.30
2027	\$ 45.48	\$ 45.52	\$ 54.54	\$ 53.73	\$ 37.57	\$ 37.52
2028	\$ 45.79	\$ 45.68	\$ 55.26	\$ 54.69	\$ 37.65	\$ 37.55
2029	\$ 47.46	\$ 47.26	\$ 57.21	\$ 55.16	\$ 38.99	\$ 38.79
2030	\$ 48.55	\$ 48.35	\$ 57.73	\$ 57.01	\$ 40.52	\$ 40.32
2031	\$ 49.65	\$ 49.45	\$ 59.84	\$ 57.53	\$ 40.76	\$ 40.56
2032	\$ 50.18	\$ 49.98	\$ 60.31	\$ 59.64	\$ 41.33	\$ 41.13
2033	\$ 49.00	\$ 48.80	\$ 61.47	\$ 60.11	\$ 38.19	\$ 37.99
2034	\$ 49.35	\$ 49.12	\$ 62.21	\$ 61.27	\$ 38.31	\$ 38.07
2035	\$ 50.74	\$ 50.50	\$ 63.57	\$ 61.98	\$ 39.62	\$ 39.38
2036	\$ 51.30	\$ 51.06	\$ 64.19	\$ 63.33	\$ 40.23	\$ 39.99
2037	\$ 51.83	\$ 51.60	\$ 64.64	\$ 63.96	\$ 40.70	\$ 40.47
2038	\$ 52.37	\$ 52.14	\$ 65.44	\$ 64.41	\$ 41.14	\$ 40.90
2039	\$ 52.89	\$ 52.66	\$ 66.27	\$ 65.21	\$ 41.30	\$ 41.07
2040	\$ 53.41	\$ 53.17	\$ 67.10	\$ 66.03	\$ 41.59	\$ 41.35
2041	\$ 54.21	\$ 53.97	\$ 67.49	\$ 66.86	\$ 42.23	\$ 41.99
2042	\$ 54.76	\$ 54.52	\$ 68.23	\$ 67.26	\$ 42.72	\$ 42.49
2043	\$ 55.96	\$ 55.73	\$ 70.54	\$ 68.00	\$ 42.89	\$ 42.66

As the table illustrates, the forward curve is significantly higher than the IPA's forward curve in Table 3-15. The difference of these curves could potentially result in a reduction of future budget deficits by hundreds of millions of dollars.

Ameren Illinois appreciates the IPA's efforts to model different forward prices per technology and increase the solar profile to 107% of their published forward ATC curve, however, Ameren Illinois believes it is not enough. The Company's forward curve above shows peak pricing around 20% higher than the ATC curve. It is Ameren Illinois' understanding that the peak traded on ICE does not include any weekend hours, but that missing piece should not account for a discrepancy of 13% in solar forward curve pricing. As such, Ameren Illinois requests the IPA provide more insight into their calculations of using 107% of ATC pricing to create a solar price.

Additionally, the IPA's future budgetary analysis not only omits any mention of a project attrition rate, but it also assumes that there is no project attrition. This is far removed from actual experience. For Ameren Illinois, project attrition has been an increasing concern with utility scale energization. The Company believes that due to this attrition an additional analysis should be done that takes into consideration the historical attrition and the effect it would have on future energizations and the budget. To highlight this point, from 2017 through Spring 2022, more than half of the 26 utility scale contracts (excluding brownfield and coal to solar) executed have been terminated. To be exact, 14 projects have been terminated, at a rate above 50%. This is concerning because currently the Company has 43 open Index REC contracts that are being

modeled in the IPA's future budgetary concerns. It would be naïve to assume that 100% of those projects would energize, especially considering the historical facts which show an energization rate of lower than 50%.

The Company understands that it is not easy undertaking to develop the Plan or attempt to predict future budgets on this scale. However, Ameren Illinois is concerned that the budget forecast is being viewed through a single lens, when in fact, it is a dynamic process worthy of multiple analyses. Ameren Illinois recommends that the IPA consider reviewing its analyses to take into consideration potential attrition. Additionally, the Company recommends that the IPA develop additional budget scenarios utilizing the forward curve provided above which utilizes the ICE forward pricing. Finally, Ameren Illinois would note that the majority of Index REC contracts have chosen ILHUB as their pricing point, more specifically, 36 of the 43 executed agreements. ILHUB pricing is typically higher than NIHUB pricing, so there should be additional weight given to the ILHUB curve in these analyses.

Ameren Illinois agrees that if there is to be a budget deficit we should address it appropriately in a way that will be least impactful on ratepayers. However, the Company also believes that the IPA should complete and provide additional analysis which could significantly lower the forecasted deficit. As it stands today, the current analysis is flawed and to ensure a more accurate projection, the IPA should conduct multiple analyses using multiple different inputs, such as the ones discussed above.

### **Regulatorily Continuing Provision in Indexed REC Contract**

Ameren Illinois is not supportive of making changes to the Regulatorily Continuing provisions of the Indexed REC Contract (Contract) as a part of this Long-Term Plan approval proceeding. The form Contract has been thoughtfully discussed and negotiated for years and, as the Agency notes, changes to the Contract are already considered in anticipation of each Indexed REC procurement event. AIC understands that existence of the Regulatorily Continuing provision may pose challenges with respect to Seller financing, but Company continues to prefer the current event-by-event examination as opposed to making wholesale changes to the baseline Contract or related processes in this proceeding.

AIC certainly appreciates the Agency's recognition that Contract terms must adequately manage Buyers' risks, in addition to those of Sellers. The Company suggests those risks may go beyond just the risks of stranded costs - the lone example cited by the Agency in their comments. For example, changes to a Contract resulting from Commission action (in a proceeding intended to address changes in law or regulation) very well affect payment obligations of a Buyer in a manner that affects the Buyer's credit metrics, thus creating negative consequences for the utility and, potentially, its customers. With this example in mind, the Company respectfully suggest that if changes to the Regulatorily Continuing provisions or any related process are adopted such that Seller has the ability to petition the Commission for subsequent changes to the Contract, that any standard adopted or employed by the Commission, including, but not limited to a general public interest standard, expressly consider a broad and full examination of the gambit of potential harms that may accrue to Buyer as a mandated counter-signatory.

Again, AIC appreciates the fact that the current approach may pose some challenges to Sellers. The Company prefers to examine those challenges on an event-by-event basis and suggests that any resulting changes need to adequately consider the full set of consequences on Buyers and Sellers alike.

### **Use of Surety Bonds to Meet Seller's Collateral Requirement**

In Section 5.7.6 of the Plan, the IPA sets for a plan to utilize surety bonds as a form of collateral associated with the Indexed REC agreements. Ameren Illinois is opposed to this proposal. Specifically, Ameren Illinois is concerned because in comparison to letters of credit (and cash), surety bonds offer less overall security and present unique obstacles and risks that could require more time and resources from AIC in the payment collection process. The primary reason for this is that surety bonds necessitate a claim investigation upon demand for payment. This claim investigation process can be time-consuming and increases the leverage of the issuer to delay or even fully dispute the claim altogether. In contrast, letters of credit offer a primary obligation for immediate payment upon presentation of correct documentation, greatly reducing the potential for delayed or non-payment by the issuer. Therefore, it is for these reasons that AIC strongly advocates against the use of surety bonds as a form of acceptable collateral in the Indexed REC agreements. Letters of credit and cash are industry standard and provide a much more efficient and secure form of security for AIC as the beneficiary.

### **Section 7.14 Bankruptcy Terms on the REC Contract**

In Section 7.14 of the Plan, the IPA proposes the addition of specific termination restrictions that may exceed or contradict the applicable bankruptcy laws or bankruptcy court procedural rules regarding termination of REC Contracts. Ameren Illinois is concerned with the IPA's proposal. Specifically, Ameren Illinois objects to any requirement to provide 60 days' advance notice prior to filing a motion in bankruptcy court or requiring the Buyer to obtain the bankruptcy court's permission. Ameren Illinois would accept a general requirement that, in the event that a Seller files for bankruptcy, the Buyer must comply with applicable bankruptcy laws and bankruptcy court procedures, and specifically, any such laws or procedures that impact termination of the REC Contract.

### **Co-Location of Systems**

In regard to Section 8.2.1 of the plan, the Company considers the application submission information when determining if DER sites are co-located. Specifically, pertaining to whether developers have obtained site control of a parcel or parcels and submit multiple applications of a single facility in 5 MW or less increments. Applications are processed and studied by the MW capacity of the application rather than the aggregate MW capacity of the facility. Following execution of an interconnection agreement, Developers will sell applications of a facility to third parties.

Therefore, in Section 7.9.4 of the Plan, Ameren Illinois proposes that documentation, at the time of application and study, be considered when determining co-location of community solar projects. Groups of applications that make up a facility submitted by a developer, or affiliated entities of a developer, and that are sold to third parties will be considered co-located

and capacity determined by the aggregate nameplate capacity of the applications that make up a facility.

Ameren Illinois appreciates this opportunity to provide these comments and recommendations. Ameren Illinois' comments represent its preliminary position and thoughts on certain issues, and these may be subject to change as more information becomes available through the development of the Plan. By not responding to or addressing an issue or topic at this time, Ameren Illinois does not waive its right to comment at a later date. Ameren Illinois reserves its rights to object and comment as it deems necessary in the Plan's docketed proceeding.