

September 9, 2022

Illinois Power Agency

Via Email: ipacontactus@illinois.gov

Ameren Illinois Company d/b/a Ameren Illinois' Comments
Draft 2023 Electricity Procurement Plan

Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois or the Company) respectfully submits these comments to the Draft 2023 Electricity Procurement Plan (the Plan), which the Illinois Power Agency (IPA) released for public review and comment on August 15, 2022. Once a docket proceeding has been initiated following the filing of the plan with the Illinois Commerce Commission, Ameren Illinois may provide additional comments and recommendations.

Ameren Illinois compliments the IPA regarding its past success and the thoughtful manner in which the Plan was developed.

Energy Procurements

As a result of the dramatic rise in power market prices last spring, Ameren Illinois believes an increase in hedging percentages for each procurement can help to mitigate price risk for the Company's eligible retail supply portfolio. In response to this volatility, Ameren Illinois supports the IPA's proposed hedging level recommendations and requests that the IPA also increase their non-summer (Sep-May) hedging levels to achieve 60% hedging after the final fall procurement.

The summary of IPA's proposed hedging levels combined with AIC's proposals are summarized below:

Prompt Year (2023-2024)

- Spring 2023 event will procure the summer (June-September) period at 100% hedge (except July/August peak at 106%) and the non-summer (October– May) at 75%.
- Fall 2023 event will procure the remaining non-summer to achieve 100% hedging

Prompt Year +1 (2024-2025)

- Spring 2023 event will procure the quantity necessary to reach 52.5% hedging for June, July and August. It will procure the amount necessary to achieve 45% hedging for September – May.
- Fall 2023 Event will procure the quantity necessary to reach 75% hedging for June, July and August. It will procure the amount necessary to achieve 60% hedging for September – May.

Prompt Year +2 (2025-2026)

- Spring 2023 event will procure the quantity necessary to reach 15% hedging for all months.
- Fall 2023 event will procure the quantity necessary to reach 30% hedging for all months.

Below is a table that summarizes the positions taken by AIC combined with the IPA's proposals.

Hedging Goals		Spring Procurement		Fall Procurement	
		Previous	New	Previous	New
Prompt	Jun-Sep	100.0%	100.0%	n/a	n/a
	Oct - May	75.0%	75.0%	100%	100%
Prompt +1	Jun-Aug	37.5%	52.5%	50%	75%
	Sep - May	37.5%	45.0%	50%	60%
Prompt +2	Jun-Aug	12.5%	15.0%	25%	30%
	Sep - May	12.5%	15.0%	25%	30%
Note: July/Aug on peak of prompt will be hedged at 106%					

If AIC's proposals are accepted, then the volumes for Table 1-5 would read as follows:

Delivery Year	Energy	Capacity ¹¹²	Transmission and Ancillary Services
2023-2024	Up to 825 MW forecasted requirement (Spring Procurement)	Up to 12.5% in Spring 2021 Up to 25% RFP in Fall 2021 Up to 37.5% in Spring 2022 Up to 50% RFP in Fall 2022	Will be purchased from MISO
	Up to 325 MW additional forecasted requirement (Fall Procurement)	Remaining balance from MISO PRA	
2024-2025	Up to 400 MW forecasted requirement (Spring Procurement)	Up to 12.5% RFP in Spring 2022 Up to 25% RFP in Fall 2022 Up to 50% in Spring 2023 Up to 75% RFP in Fall 2023	Will be purchased from MISO
	Up to 325 MW forecasted requirement (Fall Procurement)	Remaining balance from MISO PRA	
2025-2026	Up to 175 MW forecasted requirement (Spring Procurement)	Up to 12.5% RFP in Spring 2023 Up to 25% RFP in Fall 2023 ¹³	Will be purchased from MISO
	Up to 225 MW forecasted requirement (Fall Procurement)	Remaining balance to be determined in 2024 Plan	
2026-2027	No energy procurement required	No further action at this time	Will be purchased from MISO
2027-2028	No energy procurement required	No further action at this time.	Will be purchased from MISO

Capacity Procurements

The Company understands that on August 30, 2022, the Federal Energy Regulatory Commission approved the Midcontinent Independent System Operator's (MISO) proposed seasonal resource adequacy construct in Docket Nos. ER22-495-000 and ER22-495-001. In response to the shift to a seasonal capacity construct in the MISO market, the IPA, Staff of the Illinois Commerce Commission, the procurement monitor Bates White and the Company convened and all agreed that this would require a cancellation of the September 16, 2022

Capacity Procurement. The IPA communicated they will reschedule the capacity procurement for early 2023. Ameren Illinois agrees with this approach and looks forward to reviewing the IPA's proposals to be set forth in the upcoming filed Plan.

Ameren Illinois appreciates this opportunity to provide these comments and recommendations. The Company's 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, the Company does not waive its right to comment at a later date. The Company reserves its rights to object and comment as it deems necessary in the Plan's docketed proceeding.