

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)
) ICC Docket No. 13-_____
Petition for Approval of the 2014 IPA)
Procurement Plan Pursuant to Section 16-)
111.5(d)(4) of the Public Utilities Act)

**THE ILLINOIS POWER AGENCY’S VERIFIED PETITION FOR APPROVAL OF
THE 2014 PROCUREMENT PLAN PURSUANT TO 220 ILCS 5/16-111.5(d)(4)**

Pursuant to the authority granted by the Illinois Power Agency Act, 20 ILCS 3855/1-5, *et seq.*, and the Illinois Public Utilities Act, 220 ILCS 5/1-101, *et seq.*, the Illinois Power Agency (“IPA”) hereby submits to the Illinois Commerce Commission (“Commission”) its proposed plan for the procurement of electricity for certain customers of Ameren Illinois Company (“Ameren”), and Commonwealth Edison (“ComEd”) (collectively referred to as the “Utilities”). The IPA hereby submits to the Commission for its consideration and approval, the IPA’s proposed Power Procurement Plan for the period June 2014 through May 2019 (“Procurement Plan” or “Plan”). The Procurement Plan sets forth recommendations related to procured electricity commodity and associated transmission services, and renewable energy assets, to meet the supply needs of eligible retail customers served by Ameren and Commonwealth Edison. The Procurement Plan is designed to meet the statutory mandate “to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time” (220 ILCS 5/16-111.5(d)(4).)

Pursuant to Section 16-111.5(d)(3) of the Illinois Public Utilities Act (“PUA”), 220 5/16-111.5(d)(4), the Illinois Commerce Commission shall enter its order confirming or modifying the Procurement Plan on or before December 30, 2013.¹ The Illinois Power Agency respectfully

¹ Section 16-111.5(d)(3) requires that the Commission act on the Procurement Plan within 90 days after the filing of the Procurement Plan. Because 90 days later is a Sunday, the Commission has until the following business day.

requests that the Commission confirm and adopt the Procurement Plan submitted contemporaneous with this Petition.

In accordance with Section 16-111.5(d)(2) of the PUA, the IPA posted its draft of the Procurement Plan to its website on August 15, 2013 (hereinafter the “Draft Plan.”) (*See* 220 ILCS 5/16-111.5(d)(2).) Section 16-111.5(d) sets forth the process for commenting on the Draft Plan. Affected utilities and other interested parties were given thirty days following the date of the posting to provide comment to the IPA on the Draft Plan. Comments were required to be “specific, supported by data or other detailed analyses, and if objecting to all or a portion of the procurement plan, accompanied by specific alternative wording or proposals.” (220 ILCS 5/16-111.5(d)(2).) The IPA had fourteen days following the end of the 30-day review period to revise the Draft Plan as necessary based on the comments and to file the final Plan with the Commission for posting on its website. (*See* 220 ILCS 5/16-111.5(d)(2).) The accompanying Procurement Plan represents that filing. Following the submission of this Plan, within five days, any person objecting to the Plan may file its objection with the Commission. (*See* 220 ILCS 5/16-111.5(d)(3).) Any objections to this Plan are due to be filed on October 7, 2013.²

The IPA also notes that as required by the Illinois Public Utilities Act, the IPA was required to hold at least one public hearing within each utility's service area for the purpose of receiving public comment on the procurement plan. 220 ILCS 5/16-111.5(d)(2). In accordance with that statutory provision, the IPA hosted two meetings for parties wishing to make public comments. The meetings were held on September 4, 2013 in Chicago and on September 10, 2013 in Springfield.

Comments to the August 15, 2013 Draft Plan were submitted by the Staff of the Illinois Commerce Commission (“Staff”), Ameren, ComEd, the Department of Commerce and

² Because five days later is a Saturday, parties wishing to file an objection are granted until Monday.

Economic Opportunity (“DCEO”), the Attorney General, the Citizens Utility Board (“CUB”), the City of Chicago, an affiliation of renewable generation developers (“Renewable Developers”), Iberdrola, the Natural Resources Defense Council (“NRDC”), Illinois Competitive Energy Association, Wind on the Wires, the Sierra Club, the Retail Energy Supply Association, and Exelon Generation Company.

The IPA appreciates the parties’ efforts in providing their respective comments. There are four primary areas where the IPA modified its Draft Plan in response to the comments: (1) corrections to numbers, charts and graphs; (2) the IPA’s plan to procure at 106% of the expected load case to serve as a hedge and to hold a second procurement in September; (3) the IPA’s analysis of the costs and benefits of procuring a full requirements product; (4) the IPA’s recommendations regarding Section 16-111.5B energy efficiency; and (5) the IPA’s plans regarding renewable resources.³ While all of the comments were carefully considered by the IPA in developing the 2013 Procurement Plan, not all proposals submitted for consideration were accepted by the IPA. The IPA welcomes further comment on proposals that were not included in the Plan through the Commission proceeding, accompanied by “specific alternative wording,” where appropriate. The inclusion or exclusion of a comment in the discussion below does not indicate IPA agreement or disagreement.

I. Corrections to Typographical Errors, Numbers, Charts, Tables, and Graphs

Several parties provided comments regarding the accuracy of the numbers and text throughout the Draft Plan. Many corrections were incorporated to those aspects of the Plan, including typographical errors, and corrections to certain charts and tables. These changes will be reflected in a document comparison which will be available from the IPA’s website.

³ This pleading does not attempt outline all changes to the Plan. The IPA will post a document compare of the Final and Draft Plans to its website.

II. Two Procurements and Procurement at 106%

The IPA proposed to procure for the 2014-15 delivery year at 106% of the expected load forecast, and hold a conditional procurement in September, 2014. In the Draft Plan, the IPA explained that procuring at 106% provides a hedge against shaping risk. The IPA further explained that the second procurement would balance the hedged load for customers who did not switch to an ARES, municipal aggregation customers whose local government terminates or does not renew opt-out aggregation, and any other customers who choose to return to utility service. Based on comments, the IPA will continue to propose a second procurement, although with a contingency in case there is insufficient load to procure to make the procurement cost-effective. Furthermore, the IPA will continue with its strategy of procurement of 106% of expected load, but only for certain months (June-October, 2014) covered by the proposed Spring, 2014 procurement.

III. Full Requirements

In the Draft Plan, the IPA evaluated the costs and benefits of procuring a full requirements product for a certain portion of eligible retail customer load, but ultimately recommended against use of full requirements at this time. Both Staff and ICEA provided comment on the IPA's model used to evaluate the costs and benefits and the IPA's ultimate conclusion. The IPA reviewed the questions and recommended changes to its model and incorporated some of the changes for this Procurement Plan, but those changes did not impact its ultimate conclusion recommending against procuring a full requirements product.

IV. Energy Efficiency

In response to the Commission's Final Order in ICC Docket No. 12-0544, the IPA was an active participant in workshops held by Staff regarding Section 16-111.5B energy efficiency

procurement. However, in drafting this Procurement Plan, the IPA realized that several key questions remained unanswered; as a result, the identified these questions and proposed solutions. Consistent with the IPA's request for comment on these solutions, several parties provided feedback on the IPA's proposals. The IPA has modified its proposals to reflect new information and feedback given during this process. The IPA also altered some of its analysis of the solutions and specific utility programs for inclusion in the Plan based on stakeholder comment.

In addition, the IPA also requested comment on the feasibility of procuring energy efficiency as a supply resource (outside of Section 16-111.5B) in its Draft Plan. The IPA greatly appreciates the comments provided by the parties. However, in accordance with the roadmap laid out by the IPA in the Draft Plan, the IPA will not include this proposal in this Procurement Plan and will instead work with stakeholders on coming up with a feasible plan for future procurement cycles.

Finally, although the IPA has not changed its conclusion that pursuant to Section 16-111.5B that the IPA cannot directly include the programs proposed by DCEO, the IPA is including DCEO's submittal offered in comments to better allow stakeholders to discuss the factual and legal issues with DCEO's submission.

V. Renewable Energy

Although both utilities' July 15, 2013 Load Forecasts indicate that renewable procurements are unlikely to take place for delivery year 2014-15, the Draft Plan discussed the possibility that the IPA would (through changed assumptions or changes in law) be in a position to procure renewable resources. Specifically, the IPA set out a prioritization of renewable resources should the IPA have the ability to run a procurement. In light of comments provided

by several parties, although the IPA's prioritization has not changed, the IPA will not include strategies for procuring renewable resources in this Procurement Plan.⁴

VI. Proposals Not Accepted for Inclusion in the 2014 Procurement Plan

The IPA considered, but did not include, all suggestions made in the 2014 Procurement Plan. While not all of the suggestions were included in its final Plan, the IPA does not want to foreclose development of some issues for consideration in this or future Procurement Plans. As such, the IPA welcomes additional discussion of issues that were not fully developed in the comments to date through the Commission proceeding.

VII. Procedural Steps

Within five days of the filing of this Procurement Plan, any person objecting to the Procurement Plan may file an objection with the Commission.⁵ (*See* 220 ILCS 5/16-111.5(d)(3).) The IPA reserves its right to file responsive comments to the Commission. In addition, the Commission has fourteen days from the filing of objections, on or before October 10, 2013, to decide if a hearing is necessary.⁶ (*See* 220 ILCS 5/16-111.5(d)(3).) At this time, the IPA does not believe a hearing is required or necessary to consider or approve the Procurement Plan. Parties may file objections based on alternative policy recommendations, or present legal arguments regarding the Plan, and the Commission may take those written objections into consideration in approving or modifying the Plan in accordance with its authority under Section 16-111.5. However, based on the comments that were submitted in response to the Draft Plan, the IPA anticipates that no hearing will be required.

⁴ To the extent that there are changes in law or changes in load forecasts, the IPA will present plans consistent with the framework allowed by the Commission or pursuant to any new statute.

⁵ Objections to the Plan are due by October 7, 2013.

⁶ It is possible to interpret Section 16-111.5(d)(3) as requiring a Commission determination 10 days after Objections are due; if the Commission decides that this is the appropriate deadline, it must rule on a hearing by October 17, 2013.

CONCLUSION

The Illinois Power Agency's Procurement Plan is consistent with the requirements of the Public Utilities Act and Power Agency Act, meets the needs of customers, and should be approved by the Commission. The IPA reserves the right to file responsive comments, and any corresponding edits, to its Procurement Plan during the ten-day period where the Commission is determining the need for a hearing.

Dated: September 30, 2013

Respectfully submitted,

Illinois Power Agency

By: Michael R. Strong

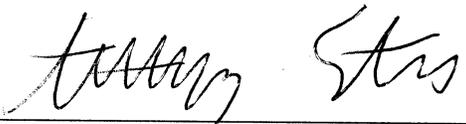
One of its Attorneys

Michael R. Strong
Chief Legal Counsel
Illinois Power Agency
160 N. LaSalle St., Suite C-504
Chicago, Illinois 60601
312-814-4635
Michael.Strong@Illinois.gov

STATE OF ILLINOIS)
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COUNTY OF COOK)

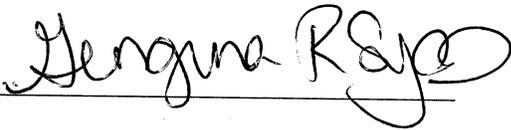
VERIFICATION

Anthony M. Star, being first duly sworn, on oath deposes and says that he is the Acting Director for the Illinois Power Agency, that the above Verified Petition has been prepared under his direction, he knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.



Anthony M. Star

Subscribed and sworn to me
This 30th day of September, 2013





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NOTICE OF FILING

Please take notice that on September 30, 2013, the undersigned, an attorney, caused the Illinois Power Agency's Petition for Approval of the 2014 Procurement Plan Pursuant to 220 ILCS 5/16-111.5(d)(4), the 2014 Procurement Plan, and the appendices thereto to be filed via e-docket with the Chief Clerk of the Illinois Commerce Commission in a new proceeding:

September 30, 2013

/s/ Michael R. Strong
Michael R. Strong

CERTIFICATE OF SERVICE

I, Michael R. Strong, an attorney, certify that copies of the foregoing document(s) were served upon the parties on the Illinois Commerce Commission's service list as reflected on eDocket via electronic delivery from 160 N. LaSalle Street, Suite C-504, Chicago, Illinois 60601 on September 30, 2013.

/s/ Michael R. Strong
Michael R. Strong