

Illinois Commerce Commission

Notice Concerning Alternative Compliance Payments associated with the Public Utilities Act's Renewable portfolio standard for alternative retail electric suppliers and electric utilities operating outside their service territories (220 ILCS 5/16-115D)

For Compliance Period: June 2012 through May 2013

Date of Notice: 5/16/2012

By its December 21, 2011 Order entered in ICC Docket No. 11-0660, the Commission established the following parameters relating to alternative compliance payments ("ACPs") for the June 2012 through May 2013 compliance period:

Definition	ComEd	Ameren	Units
Forecasted load of eligible retail customers at the customer meter, as established in IPA plan, ICC Docket 11-0660	24,037,807	13,897,609	MWH
Max ACP Rate = Max allowable increase in utility rates, as established in IPA plan, ICC Docket 11-0660.	\$1.8917	\$1.8054	\$/MWH
Staff note: Estimated ACP Rates are expected to be available late spring 2012, and Actual ACP Rates will be established by July 1, 2013. For each utility, the Actual ACP Rate will be equal to the total amount of dollars that the utility contracted to spend on renewable resources for the June 2012-May 2013 period, excepting the additional incremental cost attributable to solar resources, divided by the forecasted load of eligible retail customers, at the customers' meters, shown above.			

However, the Commission's December 21, 2011 Order also approved a procedure for Ameren and ComEd to submit, between March 1 and 10, 2012, updated forecasts of eligible retail customer load to the IPA, procurement administrator, procurement monitor, and ICC Staff. Based on the information provided by Ameren and ComEd, the IPA was authorized to work with the two utilities, the Commission staff and the procurement administrator and monitor to revise the volumes of products that would be sought through the spring procurement events. Through this authorized process, the following revised forecasts were used for purposes of establishing spending limits for the 2012 REC RFP:

Definition	ComEd	Ameren	Units
Forecasted load of eligible retail customers at the customer meter, as established in March 2012, revised pursuant to Commission's Order in ICC Docket 11-0660	19,695,906	11,125,884	MWH

Based on the above revised forecast, the results of a previous procurement of renewable energy resources for delivery beginning June 2012, and on the renewable resource procurement requirements pertaining to ComEd and Ameren, a second RFP

process was conducted during spring 2012. The Commission approved the results of this second RFP process on May 16, 2012.

Also relevant to the determination of ACP rates for the 2012-2013 compliance period is Section 16-115D(d)(1) of the PUA, which states, *inter alia*:

... For compliance years beginning prior to June 1, 2014, each alternative compliance payment rate shall be equal to the total amount of dollars that the utility contracted to spend on renewable resources, ***excepting the additional incremental cost attributable to solar resources***, for the compliance period divided by the forecasted load of eligible retail customers, at the customers' meters, as previously established in the Commission approved procurement plan for that compliance year. ...

Consistent with this requirement, on May 2, 2012 the Commission entered an order in Docket No. 12-0320, establishing the following procedure for excluding the cost of solar resources from the calculation of alternative compliance payment rates pursuant to Section 16-115D(d)(1):

Step 1: The total MWHs of renewable energy credits ("RECs") being purchased for a compliance period and the total dollars contracted to be spent on those RECs shall be summed separately for solar photovoltaic RECs and all other RECs ("non-solar RECs").

Step 2: The average price of the selected non-solar RECs shall be computed by dividing the dollars to be spent on the selected non-solar RECs by the total number of non-solar RECs under contract.

Step 3: The average price determined in Step 2 shall be multiplied by the total number of RECs purchased (both solar photovoltaic and non-solar).

Step 4: The product obtained in Step 3 shall be divided by the forecasted load of eligible retail customers, at the customers' meters.

Step 5: The following difference shall be calculated: (A) the total dollars contracted to be spent on RECs (both solar photovoltaic and non-solar RECs) less (B) any revenues received from hourly customers through previous application of alternative compliance payment ("ACP") rates and used for purposes of supplementing the funds available for the compliance period. This difference shall be divided by (A) the total dollars contracted to be spent on RECs (both solar photovoltaic and non-solar RECs). $[(A-B)/A]$

Step 6: To obtain the ACP rate for the compliance period, the quotient computed in Step 5 shall be multiplied by the quotient obtained in Step 4.

Based on all of the above, the following parameters have been established relating to alternative compliance payments for the June 2012 through May 2013 compliance period, including but not limited to estimated ACP rates, as of May 16, 2012:

Definition	ComEd	Ameren	Units
Max ACP Rate = Max allowable increase in utility rates, as established in IPA plan, ICC Docket 11-0660.	\$1.8917	\$1.8054	\$/MWH
Forecasted load of eligible retail customers at the customer meter, as established in March 2012, revised pursuant to Commission's Order in ICC Docket 11-0660	19,695,906	11,125,884	MWH
Dollars that the utility contracted to spend on renewable resources for the June 2012-May 2013 period, excluding added costs attributable to solar resources, and adjusted for ACP revenue from hourly customers*	\$17,893,492	\$7,051,385	\$
Estimated ACP Rate**	\$0.9085	\$0.6338	\$/MWH
<p>Staff notes:</p> <p>* The dollars contracted to spend on renewable resources for the June 2012-May 2013 period take into account (a) the implicit REC components of prices for bundled renewable resource products placed under 20-year contracts in December 2010, as well as (b) explicit REC prices for contracts awarded through the spring 2012 REC RFP.</p> <p>** Actual ACP Rates will be established by July 1, 2013. Actual ACP Rates will be equal to actual expenditures by the utilities on renewable energy certificates divided by the forecasted load of eligible retail customers at the customer meter.</p>			

Please direct questions or comments concerning this notice to:
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