

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Power Agency :  
 : 12-0544  
Petition for Approval of Procurement :  
Plan. :

AMENDATORY ORDER

By the Commission:

On December 19, 2012, the Illinois Commerce (“Commission”) entered an Order (“Procurement Order”) approving, with modifications, the “2013 Electricity Procurement Plan” (“Procurement Plan”) filed by the IPA. Among other things, the Commission granted approval of the inclusion of the FutureGen 2.0 clean coal project in the Procurement Plan. The Commission also found that a Phase 2 proceeding should be initiated to make determinations on the remaining contested issues regarding the proposed sourcing agreement.

On January 22, 2013, a Joint Motion for Clarification (“Motion”) was filed on behalf of Commonwealth Edison Company (“ComEd”), Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois” or “Ameren”) and FutureGen Industrial Alliance, Inc. (“FutureGen”) (collectively “Movants”). On January 25, 2013, the Staff of the Commission filed a response in which Staff states that it has no objections to the proposed clarifications.

Movants propose two modifications to the Procurement Order. The first would modify pages 236-237 as follows:

ComEd, on the other hand, argues that ComEd and Ameren ~~would~~ may not be able to recover the cost of ~~procuring or sourcing clean coal energy as a delivery service charge performing this task.~~ (ComEd Response at 10-12) ~~The Commission disagrees.~~ This concern may be valid if we were establishing a ~~delivery services charge, but we are not.~~ Under the alternative Staff approach that we adopt, the utilities will be able to fully recover their costs incurred under the ~~FutureGen sourcing agreement through a competitively neutral charge that is not a delivery services charge.~~ The fully recoverable costs may include, but are not ~~limited to,~~ the one-time cost of modifying the billing system to add the additional charge, plus the ongoing increase in bad debt expense associated with the increase in the ~~amount billed to ARES’ customers as a competitively neutral charge delivery service rate in the utility bills of ARES’ customers.~~ Consistent with ~~Section 1-75(d)(6) of the IPA Act and Section 16-111.5(l) [of] the PUA,~~ the ~~utilities shall be entitled to fully recover all costs incurred pursuant to the Commission approved sourcing agreement.~~

Movants argue in part that treating the cost of clean coal energy purchased for ARES customers as delivery service costs to be recovered through the utility's delivery services charge would run counter to the statutory definition of a delivery services charge, and that the Order should be modified to specify that such costs will be recoverable "through a competitively neutral charge that is not a delivery services charge." (Motion at 4)

In their second clarification, Movants propose that language on page 228 of the Procurement Order be revised as follows:

~~With the exception of the following sentence in Section 1-75(d)(1), it appears to the Commission that Sections 1-75(d)(1) through 1-75(d)(4) apply exclusively to the initial clean coal facility: "It~~ According to Section 1-75(d) of the IPA Act, "[i]t is the goal of the State that by January 1, 2025, 25% of the electricity used in the State shall be generated by cost-effective clean coal facilities."

Movants contend, in part, that this modification will make the Order more internally consistent.

Having reviewed the filings, the Commission finds that the proposed modifications to the Procurement Order should be approved.

The Commission, having considered the record herein, finds that:

- (1) the Commission has jurisdiction over the parties and subject matter in this proceeding;
- (2) the facts recited and conclusions reached in the prefatory portion of this Order hereinabove are hereby adopted as findings;
- (3) the modifications sought in the Motion should be approved as hereinafter set forth.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the two modifications to the Procurement Order as proposed in the Motion for Clarification and as set forth above are hereby approved, and the Procurement Order is amended accordingly.

IT IS FURTHER ORDERED that except as specifically modified herein, the Procurement Order shall remain in full force and effect as written.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 29th day of January, 2013.

(SIGNED) DOUGLAS P. SCOTT

Chairman